Performance Appraisal of Select Public and Private Sector Banks in India

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ABSTRACT

A performance appraisal (PA) or performance evaluation is a systematic and periodic process that assesses an individual employee's job performance and productivity in relation to certain pre-established criteria and organizational objectives. One of the underlying purposes of performance appraisal schemes is to elicit corporate compliance. To find which strategic factors influence on appraisal system in banking industry, data has been collected with help of structured questionnaire from 200 samples each from the public sector banks of Andhra Bank(AB), Canara Bank(CB) and private sector banks of City Union Bank(CUB) and Karnataka Bank(KB). More than 86 per cent of the respondents opined that the performance appraisal policy of the banks is good and majority of the respondents (63 %) opined that circular is the main mode of sharing of performance appraisal in both public and private sector banks and 72 per cent of the respondents of both public and private banks opined that the performance appraisal formats are reviewed every year. The performance of appraisal of select public sector and private sector banks is good

KEYWORDS

INTRODUCTION

A performance appraisal (PA) or performance evaluation (Muchinsky, 2012) is a systematic and periodic process that assesses an individual employee's job performance and productivity in relation to certain pre-established criteria and organizational objectives (Manasa and Reddy, 2009). Other aspects of individual employees are considered as well, such as organizational citizenship behaviour, accomplishments, potential for future improvement, strengths and weaknesses etc (Broady-Preston and Steel, 2002). Generally three main methods, viz. objective production, personnel, and judgmental evaluation are used to collect performance appraisal data. Judgmental evaluations are used with a large variety of evaluation methods. A performance appraisal is typically conducted annually. The interview could function as providing feedback to employees, counseling and developing employees, and conveying and discussing compensation, job status, or disciplinary decisions(Cederblom, 1982). Performance appraisal is often included in performance management systems. Performance management systems are employed to manage and align all of an organization's resources in order to achieve highest possible performance. "How performance is managed in an organization determines to a large extent the success or failure of the organization. Therefore, improving PA for everyone should be among the highest priorities of contemporary" organizations (Muczyk and Gable, 1987).

Some applications of PA are performance improvement, promotions, termination, test validation and more (De Nisi and Pritchard, 2006). While there are many potential benefits of PA, there are also some potential drawbacks. PA can help facilitate management-employee communication; however, PA may result in legal issues if not executed appropriately (Schraeder and Portis, 2007) as many employees tend to be unsatisfied with the PA process (Sudarsan, 2009). The PAs created in and determined as useful in the United States are not necessarily able to be transferable cross-culturally. The performance appraisal interview is typically the final step of the appraisal process. The interview is held between the subordinate and supervisor. The PA interview can be considered of great significance to an organization's PA system. It is most advantageous when both the superior and subordinate participate in the interview discussion and establish goals together. Three factors consistently contribute to effective PA interviews: the supervisor's knowledge of the subordinate's job and performance in it, the supervisor's support of the subordinate, and a welcoming of the subordinate's participation.

Employee Reactions to Performance Appraisal

Numerous researchers reported that many employees are not satisfied with their performance appraisal systems. Studies have shown that subjectivity as well as appraiser bias is often a problem perceived by as many as half of employees. Appraiser bias, however, appears to be perceived as more of a problem in government and public sector organizations. Also, according to some studies, employees wished to see changes in the PA system by making the system more objective, improving the feedback process, and increasing the frequency of review. In light of traditional PA operation defects, organizations are now increasingly incorporating practices that may improve the system. These changes are particularly concerned with areas such as elimination of subjectivity and bias, training of appraisers, improvement of the feedback process and the performance review discussion. According to a meta-analysis of 27 field studies, general employee participation in his/her own appraisal process was positively correlated with employee reactions to the PA system (Caruth and Humphreys, 2008). Moreover, employee participation in the appraisal process was most strongly related to employee satisfaction with the PA system. Concerning the reliability of employee reaction measures, researchers have found employee reaction scales to be sound with few concerns through using a confirmatory factor analysis that is representative of employee reaction scales (Cawley et al., 1998).

Research suggests that the study of employees' reactions to PA is important because of two main reasons: employee reactions symbolize a criterion of interest to practitioners of PAs and employee reactions have been associated through theory to determinants of appraisal acceptance and success. Researchers translate these reasons into the context of the scientist-practitioner gap or the "lack of alignment between research and practice.

Fig. 1 Performance Appraisal Process

REVIEW OF LITERATURE

Bach (2000) suggests that one of the underlying purposes of performance appraisal schemes is to elicit corporate compliance. Role ambiguity is addressed that performance appraisal can reduce role ambiguity.

Simmons (2002) draws together a range of sources, arguing that a robust, performance enhancing and equitable performance appraisal system, which gains the commitment of professionals, is a key factor in achieving a good return on an organisations "intellectual capital".

Rees and Porter (2003) cite that a common problem is that schemes have too many objectives. The most obvious reason for appraising an individual is to secure its improvement and it follows that securing performance improvement for all individuals will enhance wider organization performance.

Fletcher (2006) takes a more balanced view, suggesting that for performance appraisal to be constructive and useful there needs to be some benefit in it for appraiser and appraisee.

Youngcourt, Leiva and Jones (2007) suggest that the common purpose of performance appraisal tends to be aimed at the measurement of individuals, again this focus is insufficient. From the organization perspective, successful performance management is the key to achievement of corporate goals. It is argued above that performance appraisal is the central component of performance management, and so it must be that for an organization.

Caruth and Humphreys (2008) add to this viewpoint by suggesting it is a business imperative that the performance appraisal system includes characteristics to meet the organizational needs and all of its stakeholders (including management and staff). The most common to almost all purposes of performance appraisal is the concept of improving performance and developing people.

Watson Wyatt (2009) survey of 113 Canadian organizations and 3,000 employees revealed that only 29% feel their companies do a good job of identifying and rewarding top performers, only 27% feel there is a clear link between performance and pay and only 24% feel their companies manage poor performers so their work improves

Institute for Corporate Productivity (2011) in its research on *Tying Pay to Performance Report*, shows that a total of 299 senior HR professionals participated in the survey, responding to questions about the practices used in their organizations to tie pay to performance and the types of rewards used. Nearly half of high-performing organizations indicate that recognizing and rewarding high-performers is the main driver of their pay for performance strategy, making it number one on the list of primary drivers. Low-performing organizations are not as confident in the effectiveness of their pay for

performance strategies as high-performers. These high-performing organizations chose recognizing and rewarding high-performers as their number-one reason for implementing a pay for performance strategy and 37 per cent said the strategy is highly or very highly effective in achieving this. At the same time, they indicated that their pay for performance strategies is also effective at improving individual performance and achieving corporate goals.

Need of the Study

Overall, some researchers focus on organizational goals as the key purpose, much focus on individual performance improvement. In the Banking industry appraisal system that meets individual as well as organizational goals is important. Hence the present study focuses on the performance appraisal of both public and private sector banks and their comparison.

METHODOLOGY
Objectives
The present research paper has set the following objectives:

1. To find which strategic factors influence on appraisal system in banking industry.

2. To know the current appraisal practices followed in private and public sector banks.

3. To find what HR interventions seen to make performance appraisal systems more effective in general of the public and private sector banks

Sample design
Sample design

Sl. No.	Type of Banks			
	Public Sector	Sample Size	Private Sector	Sample size
1	Andhra Bank(AB)	200		
2	Canara Bank(CB)	200		
3			City Union Bank(CUB)	200
4			Karnataka Bank(KB)	200
Total		400		400
Grand Total				800

Sampling Method
Stratified Random Sampling Method has been adopted for collecting the data from both Public and Private Sector banks covering 4 banks, viz. Andhra Bank and Canara Bank from Public Sector and City Union Bank and Karnataka Bank from Private Sector. Since each bank has homogeneous performance appraisal methods throughout all its branches, 200 officers from each bank randomly selected irrespective of the size of the officers. Hence the size of the sample is 800 representing 200 officers from each bank. The sample collected from all categories of the bank branches of Rural, Semi Urban, Urban and RO/CO/Metros by taking 25 per cent of the sample from the total officers.

Data Collection
Data has been collected with help of structured questionnaire from 200 sample each from the public sector banks of Andhra Bank, City Bank and private sector banks of CUB and KB totaling to the sample size of 800.

Tools Used
The primary data has been tabulated and computed with statistical tool Chi-square analysis.

RESULTS AND DISCUSSION
Demographic Profile
Demographic characteristics are essential for an analysis of socio-economic conditions. The objective is to assess the so-

cio-economic vulnerability of people in the priority system. The number of people living in the priority system is a starting point, but the population's well-being also depends on how they are distributed in the area (in terms of urbanisation, for instance, or the number of hectares per farm household), the land tenure regime, the rate of population growth (e.g., fertility trends and death rates), the age distribution (e.g. How many working-aged people?), the workforce versus unemployment levels, health characteristics, and male/female education levels.

Age
Age is very important factor besides the active participation in innovative activities and risk taking ability. The age-wise classification of sample respondents has been made and presented in the Table 1.

Table 1
Age of the Respondents

Sl. No.	Age of the respond-ent	Type of the bank					
		Public Sector Bank			Private Sector Bank		
		AB	CB	Total	CUB	KB	Total
1	Up to 30 years	34	17	51	59	47	106
		17.0%	8.5%	12.8%	29.5%	23.5%	26.5%
2	31 - 45 years	44	62	106	84	84	168
		22.0%	31.0%	26.5%	42.0%	42.0%	42.0%
3	46 - 60 years	122	121	243	57	69	126
		61.0%	60.5%	60.8%	28.5%	34.5%	31.5%
Total		200	200	400	200	200	400
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The table portrays that in public sector banks 243 respondent(60.8 %) are in the age group of 40 – 60 years including 122 in AB(61%) and 121 in CB(60.5 %), 106 respondent(26.5 %) are in the age group of 31 – 45 years including 44 in AB(22 %) and 62 in CB(31 %) and 51 respondents (12.8 %) are in the age group of up to 30 years including 34 in AB(17%) and 17 in CB(8.5 %). Likewise, in private sector banks, 168 respondents(42 %) are in the age group of 31 – 45 years including 44 each in CUB and KB(42 %), 126 respondents(31.5 %) are in the age group of 40 – 60 years including 57 in CUB(61%) and 69 in CB(34.5 %) and 106 respondents(26.5 %) are in the age group of up to 30 years including 59 in CUB(29.5 %) and 47 in CB(23.5 %). Above all it is perorated that majority of the respondents (60.8 %) in the public sector banks are in the age group of 40 – 60 years and majority of the respondents in the private sector are in the age group of 31 – 45 years

Gender
The gender composition is very important factor in the demographic profile of the respondents. It is also important to implement reservations and promotions. The gender composition of the respondents is presented in the Table 2.

Table 2 Gender of the Respondents

Gen-der	Type of the bank					
	Public Sector Bank			Private Sector Bank		
	AB	CB	Total	CUB	KB	Total
Male	138	139	277	136	141	277
	69.0%	69.5%	69.3%	68.0%	70.5%	69.3%
Fe-male	62	61	123	64	59	123
	31.0%	30.5%	30.8%	32.0%	29.5%	30.8%
Total	200	200	400	200	200	400
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The table shows that 277 respondents(69.3 %) in Public sector banks are males including 138 in Andhra Bank(69 %) and 139 in CB(69.5 %) and 277 respondents in private sec-

tor banks (69.3 %) are males including 141 in KB(70.5%) and 136 in CUB (68 %). But females are rather low and less than 50 per cent in both public and private banks. There are 123 females (30.8 %) in public sector banks including 62 in AB(31 %) and 61 in CB and 123 females (30.8 %) in private sector banks including 64 in CUB(32 %) and 59 in KB(29.5 %). It is concluded that 69.3 per cent of males and 30.8 per cent of females each are in both public and private banks and female ratio is less than 50 per cent of the males.

Education
Education plays a very important role in the development of society. It gives analyzing capacity and wisdom to thinking and decision making capacity. Education improves awareness for better life and generates positive impulses for socio-economic advancement. It controls the attitudes, opinions and behaviour of the people and influences the economic destiny of the family. The educational status of the respondents is presented in the Table 3.

Table 3
Educational Status of the Respondents

Sl. No.	Educa-tional qualifica-tions	Type of the bank					
		Public Sector Bank			Private Sector Bank		
		AB	CB	Total	CUB	KB	Total
1	Graduate	74	102	176	87	103	190
		37.0%	51.0%	44.0%	43.5%	51.5%	47.5%
2	Post Graduate	85	57	142	77	64	141
		42.5%	28.5%	35.5%	38.5%	32.0%	35.3%
3	CAIIB and others	41	41	82	36	33	69
		20.5%	20.5%	20.5%	18.0%	16.5%	17.3%
Total		200	200	400	200	200	400
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The table presents that in Public Sector Banks 176 respondents are graduates including 102 in CB (51 %) and 74 in AB(37 %), 142 are post-graduates including 57 in CB (28.5 %) and 85 in AB(42.5 %) and 82 respondents have CAIIB and others including 41 respondents each (20.4 %) in both AB and CB. Similarly, on private second banks, Banks 190 respondents are graduates including 103 in KB (51.5 %) and 87 in KB (37 %), 141 are post-graduates including 77 in CUB (38.5 %) and 64 in KB(42.5 %) and 69 respondents have CAIIB and others including 36 in CUB (18 %) and 33 in KB(16.5 %). It is concluded that Graduates are higher in CB of Public Sector Bank and KB of Private sector bank, Pos graduates are higher in AB of Public sector bank and CUB of private sector bank and majority of the respondents in Public sector bank have CAIIB and others than Private sector banks.

Branch category
The information on branch category wise classification of respondents has been made and the details are presented in the Table 4.

Table 4
Branch-wise Category of Respondents

Sl. No.	Branch cate-gory	Type of the bank					
		Public Sector Bank			Private Sector Bank		
		AB	CB	Total	CUB	KB	Total
1	Rural	18	8	26	9	4	13
		9.0%	4.0%	6.5%	4.5%	2.0%	3.3%
2	Semi-Urban	19	12	31	54	28	82
		9.5%	6.0%	7.8%	27.0%	14.0%	20.5%
3	Urban	33	15	48	79	138	217
		16.5%	7.5%	12.0%	39.5%	69.0%	54.3%
4	RO/CO	130	165	295	58	30	88
		65.0%	82.5%	73.8%	29.0%	15.0%	22.0%
Total		200	200	400	200	200	400
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The table expounds that in public sector banks 295 respondents(73.8 %) are working in RO/CO branches including 130 in Andhra Bank(65 %) and 165 in CB(825 %), 48 respondents(12 %) are working in urban branches including 33 in Andhra Bank(16.5 %) and 15 in CB(7.5 %), 31 respondents(7.8 %) are working in semi-urban branches including 19 in Andhra Bank(9.5 %) and 12 in CB(6 %) and 26 respondents(6.5 %) are working in rural branches including 18 in Andhra Bank(9 %) and 8 in CB(4 %). Similarly, that in private sector banks 217 respondents(73.8 %) are working in urban branches including 138 in KB(69 %) and 79 in CUB(39.5 %), 88 respondents(22 %) are working in RO/CO branches including 58 in CUB (29 %) and 30 in KB(7.5 %), 82 respondents(20.5 %) are working in semi-urban branches including 54 in CUB(29 %) and 28 in K(14 %) and mere 13 respondents(3.3 %) are working in rural areas , 9 in CUB (4.5 %) and 4 in KB(2 %). It is concluded that majority of the respondents in public sector banks(65 %) are working in RO/CO branch while majority of the respondents(54.3 %) in private banks are working in urban branches.

Total service of the employee

The service of the employee shows his maturity, work functioning and perfectness and very essential to any bank either private or public. The total service of the respondents has been elicited and the results are presented in the Table 5.

Table 5
Total service of the employees

Sl. No.	Total service of the employee	Type of the bank					
		Public Sector Bank			Private Sector Bank		
		AB	CB	Total	CUB	KB	Total
1	Up to 10 years	46	25	71	68	73	141
		23.0%	12.5%	17.8%	34.0%	36.5%	35.3%
2	10 - 20 years	35	60	95	71	60	131
		17.5%	30.0%	23.8%	35.5%	30.0%	32.8%
3	More than 20 years	119	115	234	61	67	128
		59.5%	57.5%	58.5%	30.5%	33.5%	32.0%
Total		200	200	400	200	200	400
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The table quite obviously shows that in public sector banks, 234 respondents(58.5 %) have more than 20 years of experience including 119 in AB(59.5%) and 115(57.5 %) in CB, 95 respondents (23.8 %) have 10 - 20 years of experience including 35 in AB(17.5%) and 60(30 %) in CB and 71 respondents(17.8 %) have up to 10 years of experience including 46 in AB(23%) and 25(12.5 %) in CB, 95 respondents (23.8 %) have 10 - 20 years of experience including 35 in AB(17.5%) and 60(30 %) in CB. Regarding private banks, 141 respondents (35.3 %) have up to 10 years of experience including 68 in CUB(34%) and 73 in KB(36.5 %), 131 respondents (32.83 %) have 10 - 20 years of experience including 71 in CUB(30.5%) and 60 in KB(30 %) and 128 respondents (35.3 %) have more than 20 years of experience including 61 in CUB(30.5%) and 67 in KB(33.5 %). Above all, majority of the respondents(58.5 %) have more than 20 years of experience in public sector banks and majority of the respondents (35.3 %) have up to 10 years of experience. Moreover, the number of respondents increased with increasing experience in public sector banks whereas the number of respondents decreased with increasing experience in private sector banks.

Service as an Officer

The information on the service as an officer has been elicited from the respondents and dovetailed in the Table 6.

Table 6
Service as an Officer

Sl. No.	Service as an Officer	Type of the bank					
		Public Sector Bank			Private Sector Bank		
		AB	CB	Total	CUB	KB	Total
1	Up to 10 years	83	98	181	120	115	235
		41.5%	49.0%	45.3%	60.0%	57.5%	58.8%
2	10 - 20 years	63	67	130	51	57	108
		31.5%	33.5%	32.5%	25.5%	28.5%	27.0%
3	More than 20 years	54	35	89	29	28	57
		27.0%	17.5%	22.3%	14.5%	14.0%	14.3%
Total		200	200	400	200	200	400
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The table denotes that in public sector banks, 181 respondents(45.3 %) put up up to 10 years of service as an officer including 83 in AB (41.5 %) and 98 in CB (49 %), 130 respondents (32.5 %) put up 10 to 20 years of service as an officer including 63 in AB(31.5 %) and 67 in CB(33.5 %) and 89 respondents(22.3 %) put up more than 20 years of service as an officer including 54 in AB(27.5 %) and 35 in CB(17.5 %). In case of private banks, 235 respondents(58.8 %) put up up to 10 years of service as an officer including 120 in KUB (60 %) and 115 in KB (49 %), 108 respondents(27 %) put up 10 to 20 years of service as an officer including 51 in KUB (25.5 %) and 57 in KB (28.8%), 57 respondents(14.3 %) put up more than 20 years of service as an officer including 29 in KUB (14.5 %) and 28 in KB (14 %). By and large, it is concluded that majority of the respondents in both public (45.3 %) as well as private(58.8 %) have up to 10 years of experience. Moreover, the number of respondents decreased with increasing experience in both public and private sector banks.

Administration process of PA

The Administration process of PA both public sector and private sector banks whether average, good or excellent has been elicited and presented in the Table 7

Table 7
Administration process of PA

Chi Square value	p-value	Type of the bank					
		Public Sector Bank			Private Sector Bank		
0.515	0.773	AB	CB	Total	CUB	KB	Total
Administration process of PA	Average	67	49	116	57	53	110
		33.5%	24.5%	29.0%	28.5%	26.5%	27.5%
	Good	80	85	165	81	81	162
		40.0%	42.5%	41.3%	40.5%	40.5%	40.5%
	Excellent	53	66	119	62	66	128
		26.5%	33.0%	29.8%	31.0%	33.0%	32.0%
Total		200	200	400	200	200	400
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The table shows that the administration process of PA of 116 public sector banks(29 %) including 67 Andhra Banks(33.5 %) and 49 City Banks(24.5 %) and 110 private sector banks(27.5 %) including 57 CU Banks(28.5 %) and 53 K Banks(26.5 %) is average; 165 public sector banks(41.3 %) including 80 Andhra Banks(40 %) and 85 City Banks(42.5 %) and 162 private sector banks(40.5 %) including 81 CU Banks and K Banks(40.5 %) is good and 119 public sector banks(29.8 %) including 53 Andhra Banks(26.5 %) and 66 City Banks(33 %) and 128 private sector banks(32 %) including 62 CU Banks(31 %) and 66 K Banks(33 %) is excellent. It is concluded that the Administration process of PA of CB in public sector and KB in private sector is good. The Chi Square value is insignificant and hence it can be inferred that Administration process of PA is not significant.

Review process of PA

The review process of PA both public sector and private sector banks whether average, good or excellent has been elicited and presented in the Table 8

Table 8
Review process of PA

Chi Square value	p-value	Type of the bank					
		Public Sector Bank			Private Sector Bank		
0.637	0.727	AB	CB	Total	CUB	KB	Total
Review process of PA	Average	67	48	115	47	64	111
		33.5%	24.0%	28.8%	23.5%	32.0%	27.8%
	Good	94	83	177	97	91	188
		47.0%	41.5%	44.3%	48.5%	45.5%	47.0%
	Excellent	39	69	108	56	45	101
		19.5%	34.5%	27.0%	28.0%	22.5%	25.3%
Total		200	200	400	200	200	400
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The table shows that the review process of PA of 115 public sector banks(28.8%) including 67 Andhra Banks(33.5 %) and 48 City Banks(24 %) and 111 private sector banks(27.8 %) including 47 CU Banks(23.5 %) and 64 K Banks(32 %) is average; 177 public sector banks(44.3 %) including 94 Andhra Banks(47 %) and 83 City Banks(41.5 %) and 188 private sector banks(47 %) including 97 CU Banks (48.5 %) and 91 K Banks(45.5 %) is good and 108 public sector banks(27 %) including 39 Andhra Banks(19.5 %) and 69 City Banks(34.5 %) and 101 private sector banks(25.3 %) including 56 CU Banks(28 %) and 45 K Banks(22.5 %) is excellent. It is concluded that the review process of PA of CB in public sector and KB in private sector is good. The Chi Square value is insignificant and hence it can be inferred that review process of PA is not significant.

Linkage of PA to Rewards/career

The Linkage of PA to Rewards/career of both public sector and private sector banks whether average, good or excellent has been elicited and presented in the Table 9

Table 9
Linkage of PA to Rewards/career

Chi Square value	p-value	Type of the bank					
		Public Sector Bank			Private Sector Bank		
3.863	0.145	AB	CB	Total	CUB	KB	Total
Linkage of PA to Rewards/ career	Average	61	40	101	41	37	78
		30.5%	20.0%	25.3%	20.5%	18.5%	19.5%
	Good	105	89	194	89	117	206
		52.5%	44.5%	48.5%	44.5%	58.5%	51.5%
	Excellent	34	71	105	70	46	116
		17.0%	35.5%	26.3%	35.0%	23.0%	29.0%
Total		200	200	400	200	200	400
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The table shows that the Linkage of PA to Rewards/career of 101 public sector banks (25.3%) including 61 Andhra Banks(30.5 %) and 40 City Banks(20 %) and 78 private sector banks(19.5 %) including 41 CU Banks(20.5 %) and 37 K Banks(18.5 %) is average; 194 public sector banks(48.5 %) including 105 Andhra Banks(52.5 %) and 89 City Banks(44.5 %) and 206 private sector banks(51.5 %) including 89 CU Banks (44.5 %) and 117 K Banks(58.5 %) is good and 105 public sector banks(26.3 %) including 34 Andhra Banks(17 %) and 71 City Banks(35.5 %) and 116 private sector banks(29 %) including 70 CU Banks(35 %) and 46 K Banks(23 %) is excellent. It is concluded that the Linkage of PA to Rewards/

career of CB in public sector and CUB in private sector is good. The Chi Square value is insignificant and hence it can be inferred that Linkage of PA to Rewards/career is not significant.

Organisation growth by PA

The Organisation growth by PA both public sector and private sector banks whether average, good or excellent has been elicited and presented in the Table 10.

Table 10
Organisation growth by PA

Chi Square value	p-value	Type of the bank					
		Public Sector Bank			Private Sector Bank		
7.360 *	0.025	AB	CB	Total	CUB	KB	Total
Organisation growth by PA	Average	67	60	127	54	45	99
		33.5%	30.0%	31.8%	27.0%	22.5%	24.8%
	Good	88	84	172	82	88	170
		44.0%	42.0%	43.0%	41.0%	44.0%	42.5%
	Excellent	45	56	101	64	67	131
		22.5%	28.0%	25.3%	32.0%	33.5%	32.8%
Total		200	200	400	200	200	400
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The table shows that the Organisation growth by PA of 127 public sector banks(31.8 %) including 67 Andhra Banks(33.5 %) and 60 City Banks(30 %) and 99 private sector banks(24.8 %) including 54 CU Banks(27 %) and 45 K Banks(22.5 %) is average; 172 public sector banks(43 %) including 88 Andhra Banks(44 %) and 84 City Banks(42 %) and 170 private sector banks(42.5 %) including 82 CU Banks (41 %) and 88 K Banks(44 %) is good and 101 public sector banks(25.3 %) including 45 Andhra Banks(22.5%) and 56 City Banks(28 %) and 131 private sector banks(32.8 %) including 64 CU Banks(32 %) and 67 K Banks(33.5 %) is excellent. It is concluded that the Organisation growth by PA of CB in public sector and KB in private sector is good. The Chi Square value is significant at 6 per cent level and hence it can be inferred that Organisation growth by PA is substantially significant.

CONCLUSION

One of the underlying purposes of performance appraisal schemes is to elicit corporate compliance. More than 86 per cent of the respondents opined that the performance appraisal policy of the banks is good and majority of the respondents (63 %) opined that circular is the main mode of sharing of performance appraisal in both public and private sector banks and 72 per cent of the respondents of both public and private banks opined that the performance appraisal formats are reviewed every year. But around 14 per cent of the respondents opined that the performance appraisal policy of the banks is not good. Above all, the performance of appraisal of select public sector and private sector banks is good.

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