



**ORIGINAL RESEARCH PAPER**

**Management**

**A STUDY ON IMPORTANCE OF EMPLOYEE ASSESSMENT IN INDIAN BANKING SECTOR**

**KEY WORDS:** Performance Appraisal, Employee Assessment, Feedback Methods, Grievance Handling, Organizational Abilities, Expected & Actual Performance and Banking Sector

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**ABSTRACT**

The banking business has forever been quite possibly of the most sought-after calling. Since the post-autonomy time frame, agreeable banks have inclined toward something very similar. Just a solid and effective Co-employable banking framework can develop and support in the opposition. Subsequently, the banking framework should not exclusively be not difficult to utilize, yet in addition equipped for meeting new difficulties raised by technology and other outside or inward factors. Human resources, whether private or public, are the main resource of any organization. They are blessed with such remarkable characteristics as creative mind, critical thinking skill, and the capacity to propel collectively. It's just a question of dealing with, assessing, and motivating them. This must be managed by consistently evaluating their outcomes. The deliberate, successive, and unprejudiced assessment of an employee's greatness in issues connecting with his current job and his possibilities for a superior job is known as performance appraisal. Toward the beginning of the performance appraisal process, the undertaking, needs, and expected performance principles for employees are laid out. These are then utilized as criticism and performance assessment strategies. Banking sector in India with its fast development in the quantity of branches and the new capabilities allocated to them have begun feeling tension on their organizational capacities. The different important factors contributing towards the adequacy of an organization and featuring the organizations capacity are the cycles of recruitment, placement, preparing, advancement and appraisal. Appraisal is one of the significant factors of organizational capacity, hence author has chosen this particular topic to reveal an outline on the importance of Employee Assessment in the Banking Sectors of India. It is based on both theoretical and analytical based study.

**INTRODUCTION**

Performance appraisal is the most common way of assessing the performance and progress of an employee or of a gathering of employees on a given job and his/her true capacity for future development. It is a goal study. Its primary intention is to get important data for pursuing goal and right choices on employees. Being the most common way of deciding the performance of the employees on the job it helps in imparting to them the extension for improvement in the event that any with a legitimate game plan which prompts enhancement of performance alongside building great relations among predominant and subordinates. It likewise plays a significant role in the managers to take the managerial choices successfully connecting with advancements, edges, settlements and legitimacy pay. In this way, performance appraisal is an unquestionable requirement for all organizations. Various worries like preparation and development departments create employee information and capacities that will further develop them in order to complete undertakings to accomplish their individual and organizational goals. Yet, for the organizational goals to be accomplished, employee's requirements ought to be fulfilled so that it makes great working environment so they can be completely dedicated to their jobs. While making such program managers expected to design in such an approach that they stay away from deficiencies. However, organizational targets can be achieved in the event that employees are completely dedicated to their jobs. Organizations need to guarantee that its employees are fulfilled to hold them. Many organizations lose their staff individuals and experts due to employee dissatisfaction and changes that happen in the organization due to absence of skill, capacities and motivation.

**OBJECTIVES OF THE STUDY**

- The present study associated with following objectives:
1. To study the performance appraisal in banking sector.
  2. To concise the importance of employee assessment in banking sector.
  3. To analyze various factors of the study and draw proper suggestions based on the findings.

**PERFORMANCE APPRAISAL IN BANKING SECTOR**

Performance Appraisal is an instrument that permits

organizations to decide what individuals' performance levels are, yet additionally where certain levels should be upgraded if human resources are to be utilized to their maximum capacity. Having the information which need to make precise and objective judgments about workers is a ceaseless mission. Tying down the necessary information to come to fair and objective conclusions about workers is a ceaseless test. Mentalities and qualities, objectives and results, ways of behaving might be utilized to depict effectiveness. Employees and the organization both advantage from effective performance appraisals. It advances a common perspective of individual requirements, work goals, and OK performance norms. Appraisals are broadly utilized for two main roles: development and assessment. Distinguishing proof of needs, input, assignment and progress assurance, and featuring employee qualities and weaknesses are all essential for the developmental cycle. While ID of results, advancement/downgrade choices, recognizing each worker's performance, compensation control, and maintenance/end choices are instances of evaluative purposes. In spite of the fact that assessments are valuable and helpful as a management strategy in the workplace, there are issues that distort their utility. It is critical that managers are aware of their employees' feelings, since this influences their reactions to audits, which can be good or pessimistic. Employees' perspectives, responses, conduct, and performance may be in every way adversely impacted by appraisal issues. Employees require an exact and solid assessment framework that gives input on their outcomes. The framework must find success in the event that it is viewed as sensible and delegate of the person's real performance.

The management of the bank needs to assess the wellbeing and actual limit of an employee to do the appointed assignment without stressing. A verifiable record of the wellbeing of the employee might be appropriate in deciding the two his mental and actual capacity to work. Moreover, the management ought to assess the expert capacity of the employee. This implies that the employee should have applicable conventional schooling to the right abilities, information, and experience for the ideal job where applicable. The employees should likewise comprehend their obligations and undertakings as well as displaying teamwork and camaraderie at the work place. Assessment of

the frameworks of adjusting employee objectives to the general organization goals ought to be finished, an obligation that bosses should perform. The management should assess the employee's information and abilities to distinguish the pertinence and assess if the human resources department completes any preparation that empowers employees to be explicit and exhaustive on their work. Jordan Lodging Bank for Exchange and Back should create performance and appraisal instruments for its employees. The organization likewise needs to fabricate criticism channels for employees. Frameworks should be legitimate and exemplary so that employees can get standard criticisms on their performance. The working environment plays a significant role in the performance of employees. It is in this way vital for the bank management to do a reasonable assessment of the working environment that their staffs are presented to during the typical everyday tasks.

**IMPORTANCE OF EMPLOYEE ASSESSMENT IN BANKING SECTOR**

Performance appraisal plays vital role for the development and development of organisation as well with regards to the employees. There are many devices by which appraisal of employee are completed. Performance appraisal is a critical element of the data and control arrangement of the organisation. It very well may be put to a few purposes concerning the whole range of "shrewd resource management capabilities. Some normal applications of performance appraisal are given underneath:

1. Performance appraisal gives significant data to faculty choices, for example, pay Increments, advancements, downgrades, moves and terminations. Accordingly, performance appraisal fills in as the premise of reasonable staff strategies.
2. It assists with making a decision about the viability of recruitment, determination, placement and direction frameworks of the organisation.
3. It is helpful in breaking down preparing and development needs. These necessities can be assessed on the grounds that performance appraisal uncovers individuals who require further preparation to eliminate their shortcomings. It additionally distinguishes people with high potential who can be prepared up for higher positions.
4. Performance appraisal can be utilized to improve performance through appropriate input to employees. It fills in as a pathway for the predominant for conveying a subordinate about how the person is performing on the work doled out and proposing essential changes if any concerning creating field information, working on conduct viewpoints and attitudinal levels.
5. Performance appraisal works with human resource arranging, profession arranging and progression arranging as it helps in documenting and assessing an employee's performance on job and this course of efficient assessment of the performance of employees prompts the legitimate comprehension of the capacities of an individual for additional development and development. It advances a positive work environment which adds to efficiency. When achievements are perceived and compensated based on objective performance measures, there is improvement in work environment.
6. A cutthroat soul is made and employees are spurred to work on their performance which assists with creating certainty among them. Employee complaints can be decreased.

Performance appraisal is a significant apparatus for successful management and rousing employees in the banking sector. The performance of an organization is subject

to the performance of its employees. The progress of an organization will consequently rely upon its capacity to quantify precisely the performance of its capacity to gauge precisely the performance of its employees and utilize its objectivity to streamline them as a fundamental resource. In the globalized economy and serious environment, guaranteeing the pinnacle performance of the employees is vital to contend and make due at the commercial center successfully.

**ANALYSIS PART OF THE STUDY**

Bank employees are the respondents for the current study. 200 randomly selected respondents were distributed with necessary questions. The major findings of the study given below with its inferences:

**Table 1: Respondents' Opinion on Different Dimensions of Employee Assessments by their Banks**

Dimensions	SA	A	N	DA	SDA	Mean	S.D
All participants in the process of establishing the Performance Measurement Standards	45	32	6	12	5	2.00	1.206
Employees benefit from the appraisal process, which also boosts employee motivation	37	35	8	16	4	2.16	1.195
Evaluating the workers in all ways	39	33	6	16	6	2.17	1.272
Following feedback, management offers assistance and support for improvement	46	30	6	14	4	2.06	1.179
Individual employees are more accountable for their own performance, which negatively affects teamwork and the corporation	40	32	7	15	6	2.16	1.261
The bank uses the same evaluation process for all employees and bases performance-based promotions and raises exclusively	46	30	6	14	4	2.03	1.193
The HR department conducts performance evaluations on a regular basis and according to schedule	39	33	6	15	7	2.18	1.290
The manager's or immediate supervisor's personal bias may affect the evaluation	44	33	6	13	4	2.00	1.181
The performance evaluation process's evaluation criteria are adequate	46	31	6	13	4	1.98	1.189
Your bank's performance review process is impartial and open	49	33	6	4	8	2.19	1.308

Source: Primary Data (SA-Strongly Agree; A-Agree; N-Neutral; DA-Disagree & SDA-Strongly Disagree)

It is clear from the table 1, maximum of the respondents opined 'strongly agree' for the questions asked related to different dimensions of employee assessments by their banks.

**Table 2: Weighted Average Analysis on the Respondents' Opinion towards Importance of Bank Employee Assessment System**

Importance of EAS	Weight Score	Rank
Makes the workers feel like a valuable team member	786	VI

Alters the way that employees behave	902	III
Performance appraisal system provides constructive criticism	893	IV
The company uses employee feedback to improve itself	915	II
Recognize employees' contributions in a suitable manner	934	I
Encourages collaboration and communication	798	V
Aids in addressing employees' concerns about the company's goals	658	X
Aids in the involvement of the managers with the workers	690	IX
Increases the effectiveness of the workforce	763	VII
Creates a supportive and competitive environment	699	VIII

Source: Primary Data

It is clear from the table 2, out of ten importance highlighted for banking employee appraisal, the factor 'Recognize employees' contributions in a suitable manner' secured first rank and 'Aids in addressing employees' concerns about the company's goals' secured last rank.

**Table 3: Significance Analysis on Overall Strategies for Employee Assessment with Different Effects of Banking Employee Appraisal System**

Basis for Analysis	Significance	Significance Status
Overall Strategies → Constructive criticism is given by Performance Appraisal System	0.000	Significant
Overall Strategies → Helps in cooperation and communication	0.000	Significant
Overall Strategies → Helps in employees concerns for goals of the company	0.000	Significant
Overall Strategies Helps the supervisors to get involved with the employees	0.010	Significant
Overall Strategies Allows the employees to feel as a valued team member	0.000	Significant
Overall Strategies → Changes the behaviour of the employees	0.042	Significant
Overall Strategies → Employee's feedbacks are used for the company's improvement by the Performance Appraisal System	0.060	Not Significant
Overall Strategies → Give appropriate recognition for employees contribution	0.000	Significant
Overall Strategies → Provides a healthy and competitive atmosphere	0.220	Not Significant
Overall Strategies → Improves the performance of the employees	0.120	Not Significant

Source: Primary Data

It is clear from the above table 3, the independent variable 'overall strategies' with different dependent variables. It highlights the association between both the variables.

**Table 4: Respondents' Opinion on Level of Satisfaction because of Banks Employee Appraisal System**

Statements	HS	S	N	DS	HDS	Mean	S.D.
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Acceptance of work by superiors	47	28	6	13	6	2.03	1.267
Adapting to an emergency	47	27	4	14	8	2.09	1.342
Aptitude for planning jobs	46	30	4	14	6	2.04	1.271
Arranging the workload	48	30	4	12	6	1.98	1.247
Attitude at work	42	29	7	14	8	2.17	1.326
Daily output at work	42	29	5	16	8	2.19	1.346
Dependability of the senior leadership	43	30	5	15	7	2.13	1.308
Finishing the work schedule	40	32	7	13	8	2.17	1.303
Gaining clientele	46	26	6	14	8	2.12	1.343
Greater desire for a job	45	29	6	12	8	2.09	1.311
Overall effectiveness of work	50	28	4	12	6	1.96	1.255
Providing a positive customer experience	47	28	4	13	8	2.07	1.328
Punctuality in work	44	29	5	15	7	2.12	1.313
Skills in communication	46	31	5	13	5	2.00	1.223
The standard of the work produced	43	30	5	14	8	2.14	1.326

Source: Primary Data

It is explored from the above table 4, out of 100 respondents maximum of the respondents opined 'highly satisfied' with all the statements asked about the level of satisfaction on Bank Employee Appraisal System.

**DISCUSSION AND RECOMMENDATIONS**

The successful performance appraisal at spot of work conveys improvement in the employee's performance. Achievement and disappointment of the assignment attempted hand-off on the performance of employees. Preparing and development programs help eliminate performance deficiencies in employees as there is a massive impact of preparing on performance. The preparation framework in banking sector has been changed to construct a more brilliant workforce and produce the best outcomes. Following are the recommendations proposed for the banking sector for the superior aftereffect of employee performance:

- A fair input increment inspiration and devotion of the employee towards the bank. Staffs are consistently thankful when the boss does the fair path and unjustifiable criticism which drives the employees for additional improvements.
- Both money related and nonmonetary prizes ought to be associated with results.
- Employee Assessment (EA) responses ought to be assessed as far as performance enhancement and employee development. So there ought to be straightforwardness in reasonableness of EA rating, consistency of EA rating, criticism, explanation of rating choices, and generally satisfaction with the assessment framework.
- More significant position's approval or dismissal meaningfully affects an official conclusion.
- In practically all banks, unrivaled assessment is the essential apparatus of performance assessment. Self-assessment ought to be made necessary. Please, 360-degree criticism ought to be utilized.

- It is critical that the management comprehends the quick changes in technology. They ought to likewise assess the essential abilities, information, and capacities that employees need to need to do their obligations.
- Probationer productivity has been followed and assessed casually in banking sector. Probationers are assessed utilizing the journals of administrative staff, sections in the help log, and a quarterly assessment of work performed. For permanent staff, in any case, assessment isn't treated in a serious way.
- The appraisee's result is frequently autonomously assessed by banks, and a definitive judgement is made by more significant position, with the appraiser's or prompt manager's recommendation being disregarded once in a while.
- The bank needs to add other preparation strategies to the ongoing In-house strategy by distinguishing the necessities to improve performance. The bank management necessities to recognize the specific reasons for poor, eased back, or hindered performance by employees inside the bank. The Jordan Lodging Bank for Exchange and Back ought to foster an expansive.
- The human resources should extend the program to further develop abilities, capabilities, certainty, and information. This will further develop the by and large performance of the bank and employees.
- The preparation department requirements to foster a determination framework basing on the necessities of each employee. The employees should know the targets of the preparation. This will assist them with staying centered and increment their fixation levels.
- To stay serious on the lookout, the bank utilizes its workforce that makes up its scholarly resource. The bank should subsequently, guarantee that it has preparing and development program that forms employee capacities and skills. Considering this, methodical preparation builds the performance of both the organization and employee goals to achieve or stay upper hand in the business.
- Shifting employee program gives a wide decision for employees to pick the regions they like. The management ought to treat employee preparing and development as a factor of employee inspiration as well as expanding efficiency of the bank.
- The assessment of preparing ought to be completed consistently by the HR department of banks to assess the progress of instructional classes being passed on to staff and to make fundamental redesigning, if necessary.
- The employee developmental program did for managerial level staff must lay more significance on manufacturing and creating authority abilities, capacities and characteristics in them.
- Management and authority ability should likewise be consolidated in banks development courses, and all the more first-line employees should approach it. These individuals would become proficient manager later on, and giving appropriate preparing and development programs on administration attributes would support their commitment level and make their job more able.

## CONCLUSION

The progress of the organization relies upon the performance of the employees. An appropriately created and implemented performance appraisal can work with an organization in

accomplishing its objectives by raising useful employees. Performance appraisal has crucial significance in pretty much every organization and it is advantageous to attempt different performance measurement frameworks in an appropriate method for obtain genuine results in the organization. Banking sector is developing with the progression of time, by utilizing various apparatuses to make its activity more modern the banks are come by improved results. Performance appraisal is the extraordinary apparatuses of estimating the degree of performance of employees and is a significant framework which assists in furnishing with bettering extension for employees' appearance on their development needs. Commitment requirements to come from both the bank and from the employee. A cooperative relationship further develops principles and forestalls bad behavior inside the framework. Commitment can be estimated through ability to foster abilities and to go through preparing. Banks ought to ensure that the motivation behind assessing preparing need is to further develop information and abilities, to connect up the performance hole and to change mentalities towards the work. It is perhaps of the main likely inspiration: This can prompt many potential advantages for the two people and organization through by expanding certainty, inspiration and commitment of staff; give acknowledgment, upgraded liability and the chance of expanded pay and advancement; to give a sensation of individual satisfaction and achievement and widen open doors for profession movement and furthermore help to work on the accessibility, quality and abilities of staff.

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