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Comparative study of performance appraisal practice in public sector and private sector banks in Haryana state

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Abstract---Performance assessment or evaluation measure is probably the most ideal approaches to further develop competence or expertise inside the business. A reasonable procedure performed at normal spans aids job satisfaction and upgrades corporate efficiency. Performance evaluation gives noteworthy as well as valuable framework for determining the competencies, awareness, confidence and entire work effectiveness of personnel. Evaluation system enables a supervisor to discover whether his existing work output requires extra workshop or not to boost the efficiency of individual. The effectiveness of talent acquisition strategies deployed at workplace is evaluated through assessment system. The program allows supervisors and staff to detect problem areas quickly by outlining precise objectives for individuals and formulating guidelines for superior work quality. Assessment System offer the individual and the administrator with a turning point in spotting and analysing issues for improving the efficiency. It may serve as a significant possibility to boost & clarify personnel & supervisor aspirations.

Keywords---performance evaluation, banks, personnel.

Introduction

Performance assessment or appraisal is a standardized procedure wherein a superior evaluates an individual member's temperament & effectiveness toward established criteria like professional skills, consistency, productivity, competence, perception, participation, teamwork, adjustability, fitness, sense of responsibility,

decision making etc. (Yadav, P. K. (2014). It is designed to determine individual's talent and expertise in order to plan for subsequent improvement and advancement. Its purpose simply to determine the individual staff member value to the employer or enterprise (Rani, L. (2014) Appraisals or assessments system are composed of pre-determined parameters that typically deployed to ascertain workers' task performance with the findings being given to the staff member as positive response or criticism (Dave, S. R. (2012). Managers can use an evaluation tool to aid in the decision-making phase for employee pay, development and dismissal. It must be centred on reciprocal confidence and integrity. An assessment system performs effectively whenever the supervisor and personnel are mutually aware, recognize and appreciate one another. Suitable environment should be developed gradually, with the supervisor leading the charge (Purang, P. (2014). With a decent comprehension of how someone is performing towards output benchmarks, it ought to be not difficult to recognize and focus on instructions or development initiatives that will assist them in accomplishing the corporate objectives.

For organizations with output award approach, a structured evaluation procedure is extremely significant. Compensation may be used as income raises, extra pay-outs or perhaps various perks, but non-monetary benefits could be gifts, better positioning, better exciting and creative chances. Assessment strategies should be established so as to take optimum utilization of personnel capabilities & initiatives. Low productivity assessments tend to deception for everyone, although it is reasonable to suppose that assessments might end toward a terrible attitude or ruin the connection if not properly handled. Supervisors must show confidence & transparency while assessing the employees' competence. Constructive strengthening of intended attitudes helps to personal and corporate growth. The aim of the review is to promote continuous improvement while also addressing negative results. The constructive intention of assessment will help to discover aspects where the individual would like to progress.

Impact of Performance Appraisal Practice on Employees

Performance assessment is really an appealing instrument for workforce since it may increase accuracy and output levels by analysing the quality performance and compensation scheme once the target is achieved (Chaudhary, T. S., & Krishna, K. (2013). If the mechanism of measuring efficiency is implemented successfully, it could provide a significant platform to strengthen a corporate environment in which every worker operates in accordance with the general strategy of the company (Sharma, A. (2018). Evaluation stimulates recognition of the contributions & accomplishments of personnel. It drives people to gain unique capabilities which help individuals to master themselves as well as their careers (Mahalawat, V (2012). Individuals oppose the evaluate on system when individuals believe that the entire evaluation procedure is intended just to demonstrate their failures and condemning their presentation. Accordingly, the workforce denied to take part in assessment system (Neely, A. (2015). Personnel find formative assessment to be motivating since the procedure of evaluating progress and the reward structure upon accomplishing goals will enhance individual's quality and competitiveness (Murthy, R. (2015).

Virtues and drawbacks of Performance Appraisal

It outlines the position as well as standing of individual in the enterprise. Many employees desire to hear exactly how they're doing at the workplace and how additionally they contribute in the organisation. Workforce inadequacy is detected by appraisal, which then recommends or propose remedial action. The assessment is also significant in terms of detecting individuals who aren't even up to mark with the corporation expectations. On the off chance, an individual performs poorly, the evaluation is the appropriate moment for discussing the existing knowledge deficits and learning requirements will boost productivity. Top achievers receive good rewards and incentives. Furthermore, the staff trailing short are being reprimanded. Oftentimes, professional or experienced supervisors cannot administer an evaluation process Ahmad, I (2018).

Due to an absence of assessor expertise and competence the assessment procedure would n't seem be conducted appropriately. The close bond between the appraiser and the individual significantly influences the assessment Supervisors will occasionally provide better grades to their favourite staff member or will likewise provide negative assessments to good performers out of rivalry or a threat of being replaced (Rao, T. V. (2014). The appraisal procedure is likewise influenced by the bosses' viewpoint. Supervisors that are tough but have great aspirations of their staff members might provide negative scores to all personnel, even though they are performing well. Merciful supervisors that are tolerant provide excellent grades to everyone, regardless of their presentation/productivity. These ratings are neither beneficial to the institution nor to the personnel.

Review of Literature

Elif Ozturk & Ali Coskun (2014) fair scorecard or evaluation matrix is quite effective in the banking industry for efficiency evaluation. Results revealed that constructing a scorecard for financial institutions is much more advantageous than simply reporting monetary outcome when it comes to analysing efficiency holistically. Chowdhury (2018) One of the most significant aspects of Performance management system is the efficiency evaluation framework. The financial industry is such area where evaluation techniques are given a lot of consideration. Few financial institutions had modified or currently transforming their performance assessment structures. T. V. Rao (2014) Financial institutions who had recently altered its evaluation processes typically use both efficiency and attribute based assessments. Some banks use self-examination as basis for employee efficiency evaluation and generally such examinations are the correspondence of accomplishment. Huselid, M. A. (2017) in his research focused on the value of high-performance working practices and stresses that high-performance working practices structures and corporate performance are related. Proper investment in these activities has resulted in decreased turnover of staff, greater profitability and financial success of companies. The effect of high-performance practices on corporate budgetary performance is to some extent because of their impact on employee's turnover and profitability. It is inferred that the simple appropriation of such practices is a higher priority than some other initiative. Thakur, Y. S. (2016) performance assessment as a cycle to further develop worker's job efficiency by aiding them understand and involve their maximum capacity in

doing the association's targets and to give data to representatives and administrators for use in settling on business related choices and proceeds to characterize viable evaluation framework as an activity in perception, internal interaction and an authoritative intercession. Richard, O. C., Johnson, N. B. (2019) in his observational investigation looked at performance evaluation practices and the organization value in India among international and national firms in India. Human resource management, as a long-term methodology, assumes a significant job in making and building up an association's upper hand in the corporate world. Adding value is another enthusiasm for human resource management, as employees increase the value of their associations with high-efficiency development. Ahmad, I., Danish, R. Q., Ali, S. A., Ali, H. F., & Humayun, A. A. (2018) demonstrates that banking institution assessment technique for evaluating employees is still not convincing, and the banking policies are not being implemented precisely. Notwithstanding the reality that the compensation package has a positive effect on personnel, it is still inadequate to achieve the desired results. Incentives must be awarded based on personnel engagement and distributed evenly across members, without any prejudice or partiality, in order to stimulate personnel to execute effectively. Aside from incentives, assessment protocols, and supervisor satisfaction levels, upper management should evaluate various critical aspects like supervisor attitude, workplace conditions, and associated behaviour that can help boost staff efficiency and increase personnel job pleasure. Abdalkrim, G. M. (2012) This research was aimed at researching the effect on the organization's success in the Saudi banking sector of human resource management practices. The research focused on seven HRM variables: preparation and growth, performance evaluation, productivity, compensation, work rotation, decision taking engagement and program selection. In order to evaluate all seven variables, the data collection instrument was a questionnaire focused on inferential statistics and correlation. The surveys included 125 participants, using survey random method from all banks functioning in Saudi Arabia. The outcomes showed that the 07 factors of HRM strategies emphatically correspond to organisation efficiency. Rani, L., Kumar, N., & Kumar, S. (2014)., characterizes appraisal as a method of evaluating a worker's recent or earlier output in reference to an individual's statistical parameters. Assessments comprise analysing the individual's true results in relation to the criteria in question, fostering workplace principles and delivering recommendations to the individual in order to inspire him or her to improve. Shrivastava, P., & Kiran, U. (2012) evaluation mechanisms routinely analyse prior conduct and appropriately gives a chance to refocus on previous results of the bank representatives. To be fruitful they ought to likewise be utilized as a stage for making advancement and reform designs and should agree about what ought to be performed in coming decades to upgrade the bank's adequacy. Vikram Jeet, & Sayeeduzzafar. (2019) The study showed that human resource management activities such as recruitment, performance evaluation, teamwork and compensation have a large effect on employee performance with the calculated regression model. On the other hand, the involvement of workers has no major effect on HDFC bank staff performance.

Purpose of Research

- i) To examine the prevailing performance assessment system dominant in the publicly owned and privately owned sector banks.
- ii) To contrast the performance assessment system of publicly owned and privately owned sector banks.

Hypothesis

The underlying null hypotheses were constructed to be investigated in study, bearing in mind the research's aims:

Ho (1): In perspective of performance appraisal on different criteria, there is no critical difference among publicly-owned and privately-owned segment banks.

Research Methodology

Non- Probability Convenience sampling is applied to collect the data from the respondents. Quantitative and qualitative statistics have been considered in analysis. The original or fundamental data was obtained by self-designed questionnaire on 300 bank employees (150 each) from the government owned (State bank of India, Punjab national bank and Bank of Baroda bank) and privately owned (Axis, Icici and Hdfc Bank) commercial banks in Kurukshetra, Karnal, Kaithal, Ambala and Yamunanagar cities of Haryana. Auxiliary information was accumulated straightly from assorted optional outlets like quarterly statements of Commercial institutions, correlated literature, papers, documents, scholarly articles, official records, websites, blogs, statistical records and academic research etc.

Analysis of Data

Table 8.1 Bank have satisfactory performance evaluation framework.

Banks	N	\bar{x}	Σ	$\sigma_{\bar{x}}$	t	p value
Public Sector Banks	150	3.8733	1.14866	.09379	1.639	.102
Private Sector Banks	150	3.6533	1.17574	.09600		

Table 8.1 which has portrayed the employee's perception toward the performance assessment framework. The mean value of publicly-owned banks is 3.8 and 3.6 of privately-owned segment banks and noteworthy value of t is .102 which is higher than .050 (5% significance level) which means that there is no substantial disparity on this criterion and banks employees of both segments 'banks perceived that their institutions have satisfactory performance assessment framework. Performance assessment system of both banks build up a distinctive

linkage across productivity and assessment, dispersing perks on a reasonable and impartial manner and creates prospects for professional advancement.

Table 8.2 Nepotism/discrimination in banks affect performance evaluation.

Banks	N	\bar{x}	Σ	$\sigma_{\bar{x}}$	t	p value
Public Sector Banks	150	2.2600	1.52311	.12436	1.184	.237
Private Sector Banks	150	2.4533	1.4983	.2246		

Table 8.2 which has portrayed low rating being given by the bank employees to their banking institution regarding discrimination in performance review. The mean value of public sector banks is 2.2 and 2.4 of private sector banks and significant value of t is .237 which is more than .050 (5% significance level) which implies that there is no critical contrast on this criterion of performance appraisal. It signifies that both area banks have made a reasonable assessment structure for all supervisors to comply and educate them on the most proficient method to apply it, instead of passing on the assessment to their own tact or judgement. This design contributes to the authenticity of assessments.

Table 8.3 Performance appraisal report/result help in enhancing performance at work.

Banks	N	\bar{x}	Σ	$\sigma_{\bar{x}}$	T	p value
Public Sector Banks	150	4.2533	.63655	.05197	1.635	.103
Private Sector Banks	150	4.1467	.48309	.03944		

Table 8.3 which has portrayed high ratings being given by the bank employees to their association vis-à-vis performance appraisal aids in enhancing work performance. The mean value of publicly-owned banks is 4.2 and 4.1 of privately-owned banks and noteworthy value of t is .103 which is more than .050 (5% significance level) which means that there is no substantial variance on this criterion of performance appraisal and employees of both segment banks are acknowledge that assessment report results in enhancing the performance. It illustrates that both segment banks will value their personnel efforts, and encourage them to strive towards institutional objectives.

Table 8.4 The performance evaluation method offers a chance for self-examination.

Banks	N	\bar{x}	Σ	$\sigma_{\bar{x}}$	t	p value
Public Sector Banks	150	4.4400	.58482	.04775	.563	.574
Private Sector Banks	150	4.4000	.64506	.05267		

Table 8.4 demonstrated the perception of banking personnel that performance assessment offers a chance for self-examination. The mean value of publicly-owned banks is 4.4 and 4.4 of privately-owned banks and noteworthy value of t is .574 which is greater than .050 (5% significance level) which means that there is no remarkable variation on this criterion of performance review. This signifies performance evaluation allows personnel to recognize their qualities and shortcomings and gives realistic perspective of their productivity.

Table 8.5 Satisfaction with the current method performance appraisal.

Banks	N	\bar{x}	Σ	$\sigma_{\bar{x}}$	T	p value
Public Sector Banks	150	3.8800	.91900	.07504	1.396	.164
Private Sector Banks	150	3.7267	.98237	.08021		

Table 8.5 demonstrates, the mean value of publicly-owned banks is 3.8 and 3.7 of privately-owned banks and substantial value of t is .092 which is more than .050 (5% significance level) which signifies that there is no weighty difference on this criterion of performance assessment and personnel of both banking sectors are gratified with the contemporary system of performance evaluation. The impression of reasonableness towards the performance evaluation is weighty for accomplishing representative's gratification.

Hypothesis Testing

Sr. No.	Statement	p value (5% Significance level)	Hypothetically Accepted/Rejected
1.	Bank have satisfactory performance evaluation framework	1.639	Accepted
2.	Nepotism/discrimination in banks	.237	Accepted

	affect performance evaluation.		
3.	Performance appraisal report/result help in enhancing performance at work	.103	Accepted
4.	The performance evaluation method offers a chance for self-examination	.574	Accepted
5.	Satisfaction with the current method performance appraisal	.164	Accepted

Findings

- ❖ The outcomes demonstrates that 127 (84.67%) participants from publicly owned bank and 119 (79.33%) participants from privately owned banks are agreed with the statement and perceived that both banks have satisfactory performance evaluation framework and there is no substantial disparity between these two banks on this criterion and null hypothesis is accepted.
- ❖ The outcomes demonstrates that 129 (86%) participants from publicly owned bank and 121 (80.67%) participants from privately owned bank are not agreed with the statement and perceived that discrimination in banks does not affect performance evaluation and there is no substantial disparity between these two banks on this criterion and null hypothesis is accepted.
- ❖ The outcomes demonstrates that 141 (94%) participants from publicly owned bank and 133 (88.67%) participants from privately owned are agreed with the statement and perceived that performance appraisal report or outcomes help in enhancing performance at work and there is no substantial disparity between these two banks on this criterion and null hypothesis is accepted.
- ❖ The outcomes demonstrates that 128 (85.33%) participants from publicly owned bank and 119 (79.33%) participants from privately owned bank are agreed with the statement and perceived that they are satisfied with the current method performance appraisal and there is no substantial disparity between these two banks on this criterion and null hypothesis is accepted.
- ❖ The outcomes demonstrates that 125 (83.33%) participants from publicly owned bank and 117 (78%) participants from privately owned bank are agreed with the statement and perceived that performance evaluation method offers a chance for self-examination and there is no substantial disparity between these two banks on this criterion and null hypothesis is accepted.

Conclusion

Performance assessment is a valuable instrument for assessing a staff's degree of consistency and an integral mechanism that allows personnel to convey the growth requirements more freely. Towards a broader knowledge of forthcoming demands of personnel and actions for their attainment, the results of the evaluation conversation must be conveyed. The outcome of the examination gives thorough comprehension about the individuals that they have reasonable insight or rational perspective about performance ratings. This likewise uncovers that respondent recognized that performance rating reports are reliable and crucial towards individual productivity and there is no noteworthy disparity in performance appraisal practice when contrasted between privately owned and publicly owned banks.

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