

# Study on Performance Appraisal & Job Satisfaction of Public and Private Sector Bank Employees of Himachal Pradesh

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**Abstract**—Performance appraisal is generally assessing the performance of an employee or group of employees in their present job and their potential for future development. It is the systematic examination of an employee's strengths and weaknesses in term of job. It provides feedback to employees so that they come to know where they stand and can improve their performance. Hence it is helpful in their personal and professional growth also. Here we study response/ views of employees on performance appraisal. On the other hand there is a positive correlation between job satisfaction and productivity. Actually job satisfaction is the positive feeling of employees towards their workplace and towards the work they are performing. Job satisfaction is directly related to employee turnover. To find attitude of bank employees towards performance appraisal and their level of satisfaction with their job there were so many factors that has been considered on the basis of age, experience and gender.

**Keywords**— Public sector banks; Private sector banks; Performance appraisal; Job Satisfaction and Employees Performance; employee turnover.

## I. INTRODUCTION

**J**ob satisfaction is the degree to which individuals feel positively or negatively about their jobs. It is an attitude or emotional response to work task as well as to the physical and social conditions of the work place. Job satisfaction is the end feeling of a person after performing a task. It implies a positive emotional state.

According to Jit S Chandan; job satisfaction can be defined as the extent of positive feelings or attitudes that individuals have towards their jobs. When a person says that he has a high job satisfaction; it means that he really likes his job, feels good about it and values his job highly.

Job-satisfaction and attitudes are used interchangeably; there are differences between the two. Attitude refers to predisposition to respond. Job-satisfaction, on the other hand, relates to performance factors. Attitudes reflect one's feelings towards individuals, organizations, and objects. But satisfaction refers to one's attitude to a job. Job satisfaction is, therefore, a specific subset of attitudes. Attitudes endure generally. But job satisfaction is dynamic; it can decline even more quickly than it developed. Managers, therefore, cannot establish the conditions leading to high satisfaction now and then neglect it, for employee needs may change suddenly. Managers need to pay attention to job satisfaction constantly.

*Performance appraisal* is the process of assessing the performance and progress of an employee or a group of employees on a given job and his potential for future development.

“Performance appraisal is the systematic, periodic and an impartial rating of employee's excellence in matters pertaining to his present job and his potential for a better job.”-Flippo

The main purposes of performance appraisal are as follows:

- i. To provide feedback to employees so that they come to know where they stand and can improve their job performance.
- ii. To provide a valid database for personnel decisions concerning placement, pay, promotion, transfer, punishment etc.
- iii. To diagnose the strengths and weaknesses of individuals so as to identify further training needs.
- iv. To provide coaching, counseling, career planning and motivation to subordinates.
- v. To develop positive superior-subordinate relations and thereby reduce grievances.
- vi. To facilitate research in human resource management.
- vii. To test the effectiveness of recruitment, selection, placement and induction programmes.

Thus, performance appraisal aims at both judgmental and developmental efforts. By focusing attention on performance, performance appraisal reflects management's interest in the progress of employees.

Hence Job satisfaction and performance appraisal are essential for professional growth of employees and to increase the productivity of an organization. Moreover, job satisfaction has its impact on the general life of the employees also, because a satisfied employee is a contented and happy human being. This proposed research work intends to analyze employee's job satisfaction and attitude of employees towards performance appraisal through selected parameters of public sector banks and private sector banks.

## II. LITERATURE REVIEW

According to Katzell, Thompson and Guzzo (1992), employees tend to prefer jobs that give them opportunities to use their skills and abilities and offer a variety of tasks, freedom, and feedback on how well they are doing. Jobs that

have too little challenge create boredom, but too much challenge creates frustration and feeling of failure. Under conditions of moderate challenge, most employees will experience pleasure and satisfaction. According to Weiss and Cropanzano (1996) Job satisfaction represents a person's evaluation of one's job and work context. It captures the most popular view that job satisfaction is an evaluation and represents both belief and feelings. Warn (2003) focuses on work place dimensions leading to stress and eventually reducing job satisfaction. Stress is generally experienced due to loss of control of the desired outcomes of the job. Stress is felt at the workplace due to lack of power, role conflict and role ambiguity leading to job dissatisfaction. The concept of controllability brings in a solution in decreasing the stress and leading to job satisfaction. Wherein an individual brings in a mindset of expectations and needs which is dependent on individual's aspirations and control over various aspects of work situations. Dev Pinak, Pandiya Dinesh kumar & Adhikari Kingshuk (2016) find that the employees still attach more importance to hygiene factors as compare to motivational factors. As pay and allowance still remains the most dominating factor influencing job satisfaction of bank employees. In fine it may be concluded that job satisfaction is dependent on a host of inter-related factors and it is not always guided by the rationality, employees who are satisfied today may not be satisfied tomorrow; as such the management should not sit complacent and should constantly put efforts to the enhancement degree of satisfaction of its employees. (Mathis and Jackson, (2006) a supervisor can choose a labeled category to rate a subordinate's performance on an evaluation form. This categorical appraisal method has its own limitations. In line with the ideas of Mathis and Jackson (2006), the performance labels, for instance, "less than acceptable" or "fully acceptable," "partially achieving expectations" or "meets expectations" are liable to be interpreted differently by different raters. The categories may also inhibit a supervisor from using his/her best judgment, to rate his/her subordinate's performance differently from what is available to be checked on the form. The subjectivity of this evaluation technique may also induce a supervisor to make a mistake by consciously or unconsciously overstating or understating the rating score based on his/her personal judgment. In fact, according to the information obtained, supervisors of the cities are given training and orientation to use the evaluation guidelines carefully in order to evaluate employees objectively. This can help mitigate possible rating error. According to Opoku Collins Antwi & Margeret Boateng Osei(2016), It is noteworthy from the findings of this research that, in today's volatile and increasingly innovative business atmosphere, the study's outcome more or less support the conventional wisdom that employees are the most valuable asset of a business organization and that an effective practice of Human Resource Management Practices to develop and tap this invaluable potential of employees will save the future of businesses. The significant relationship that the research elicits between the selected HRM practices and employees performance is in support of the various similar studies. In view of the forgoing work in the areas of job satisfaction and

performance appraisal, there is a scope to conduct a study by applying both these tools simultaneously to an organization like banks.

III. METHODOLOGY, SCOPE AND LIMITATIONS

Two public sector banks and two private sector banks have been taken for study. In public sector banks it includes Punjab national bank (PNB) and State bank of India (SBI). In private sector banks it includes Housing Development Finance Corporation (HDFC) and Industrial Credit and Investment Corporation of India (ICICI). The area of study is Himachal Pradesh. Himachal Pradesh is actually divided into three divisions which are Kangra division, Mandi Division and Shimla Division. Out of these three divisions one district from each have been taken as representative of whole universe as per convenience sampling. Hence district Hamirpur has been taken from Kangra division, district Mandi has been taken from Mandi division, district Shimla has been taken from Shimla Division. In district Hamirpur there are 39 branches of PNB bank, 14 branches of SBI bank, 4 branches of HDFC bank, 1 branch of ICICI bank. In district Mandi there are 42 branches of PNB bank, 19 branches of SBI bank, 3 branches of HDFC bank, 2 branches of ICICI bank. In district Shimla there are 36 branches of PNB bank, 40 branches of SBI bank, 3 branches of HDFC bank and 3 branches of ICICI bank. 100 employees from each district have been selected. Hence 300 employees for performance appraisal have been taken as a sample and 300 employees for job satisfaction have been taken. Hence total 600 questionnaires for performance appraisal and job satisfaction have been filled. Data is collected by using primary data means first- hand information through questionnaire. Secondary data has been collected by using books, journals, magazines and internet. Tools for measuring data mean, percentage and Chi-square has been used.

Study on Job Satisfaction of employees

TABLE 1. Profile of the respondents.

Classification	Factors	No. of respondents (%)	Total
Gender	Male	278 (92.7%)	300
	Female	22 (7.3%)	
Age	Less than 25	47(15.7%)	300
	25-35	118(39.3%)	
	35-45	111(37.0%)	
	Above 45	24(8%)	
Experience	Less than one year	43(14.3%)	300
	1-5 years	123(41%)	
	5-10 years	87(29%)	
	Above 10 years	47(15.7%)	

Source: Data collected through Questionnaire.

Table 2 shows that more than 54 percent males & more than 54 percent of females are satisfied with the decision making power and to act on these decisions. Here value of Chi-square is 6.360 which is acceptable because the degree of freedom is three and less than table value means this value is less than 7.815 hence we can say less than 0.05. Hence hypothesis is acceptable. These findings do not provide

evidence that gender matters in satisfaction with their decision making power and act on these decisions.

Table 3 shows that more than 60 percent (less than 25 yrs), 54 percent (25-35), 55 percent (35-45) & 45 percent above 45 yrs respondents are somewhat free with the degree of freedom in decision making and act on these decisions. Here chi-square value is 6.406 which is acceptable because degree of freedom is nine and lies in 0.75 to 0.50 means value is less than 0.05. These findings do not provide evidence that age matters in satisfaction with the freedom in decision making process.

Table 4 shows that more than 60 percent less than 1 year, 56 percent (1-5 yrs), 50 percent (5-10 yrs) & 48 percent above 10 years of experience respondents feel free with ability to make decisions and act on them in their daily work. Here people with more than 10 years of experience feel less free as compared to young people in freedom to act. Here value of chi-square is 6.528 which is acceptable because degree of freedom is nine and less than table value means this value is less than 0.05. These findings do not provide evidence that experience matters in satisfaction with ability to make decisions and act on them.

TABLE 2. Classification on the basis of gender and satisfaction of employees with the freedom they are getting for decision making.

Gender	Highly Dissatisfied	Dissatisfied	Indifferent	Satisfied	Highly Satisfied	Total
Male	23	39	64	152	0	278
	(8.3%)	(21.6%)	(11.5%)	(9.4%)	(0%)	(92.7%)
Female	1	7	2	12	0	22
	(4.5%)	(31.8%)	(4.5%)	(4.5%)	(0%)	(7.3%)
Total	24	46	66	164	0	300
	(8.0%)	(15.3%)	(22.0%)	(54.7%)	(0%)	(100%)

Source: Data collected through Questionnaire; Calculated value of Chi-square = 6.360; Degree of freedom = 3; Table value @5% = 7.815

TABLE 3. Classification on the basis of age and satisfaction of employees with the freedom they are getting for decision making.

Age (years)	Highly Dissatisfied	Dissatisfied	Indifferent	Satisfied	Highly Satisfied	Total
Less than 25	2	10	7	28	0	47
	(4.3%)	(21.3%)	(14.9%)	(59.6%)	(0.0%)	(100.0%)
25-35	12	17	24	65	0	118
	(10.2%)	(14.4%)	(20.3%)	(55.1%)	(0.0%)	(100.0%)
35-45	8	16	27	60	0	111
	(7.2%)	(14.4%)	(24.3%)	(54.1%)	(0.0%)	(100.0%)
Above 45	2	3	8	11	0	24
	(8.3%)	(12.5%)	(33.3%)	(45.8%)	(0.0%)	(100.0%)
Total	24	46	66	164	0	300
	(8.0%)	(15.3%)	(22.0%)	(54.7%)	(0.0%)	(100.0%)

Source: Data collected through Questionnaire; Calculated value of Chi-square = 6.40; Degree of freedom = 9; Table value @5% = 16.91

TABLE 4. Classification on the basis of experience and satisfaction of employees with the freedom they are getting for decision making.

Experience(years)	Highly Dissatisfied	Dissatisfied	Indifferent	Satisfied	Highly Satisfied	Total
Less than 1	1	9	7	26	0	43
	(2.3%)	(20.9%)	(16.3%)	(60.5%)	(0.0%)	(100.0%)
1-5	12	16	25	70	0	123
	(9.8%)	(13.0%)	(20.3%)	(56.9%)	(0.0%)	(100.0%)
5-10	7	12	23	45	0	87
	(8.0%)	(13.8%)	(26.4%)	(51.7%)	(0.0%)	(100.0%)
Above 10	4	9	11	23	0	47
	(8.5%)	(19.1%)	(23.4%)	(48.9%)	(0.0%)	(100.0%)
Total	24	46	66	164	0	300
	(8.0%)	(15.3%)	(22.0%)	(54.7%)	(0.0%)	(100.0%)

Source: Data collected through Questionnaire; Calculated value of Chi-square = 6.52; Degree of freedom = 9; Table value @5% = 16.91

TABLE 5. Classification on the basis of gender and satisfaction of employees with the process used to determine promotion.

Gender	Highly Dissatisfied	Dissatisfied	Indifferent	Satisfied	Highly Satisfied	Total
Male	6	15	35	201	21	278
	(2.2%)	(5.4%)	(12.6%)	(72.3%)	(7.6%)	(100%)
Female	0	3	3	14	2	22
	(0%)	(13.6%)	(13.6%)	(63.6%)	(0.0%)	(100%)
Total	6	18	38	215	23	300
	(2%)	(6%)	(12%)	(71%)	(7.7%)	(100%)

Source: Data collected through Questionnaire; Calculated value of Chi-square = 3.076; Degree of freedom = 4; Table value @5% = 9.448

Table 5 shows that more than 72% male employees & more than 63% of female employees are satisfied with the process used to determine promotion. Here value of Pearson

chi-square is 3.076 which is acceptable because the degree of freedom is four and less than table value means this value is less than 0.05. Hence hypothesis is acceptable. These findings

provide evidence that gender matters in satisfaction of employees with the process used to determine promotion.

Table 6 shows that more than 69% less than 25 yrs, 65% (25-35), 70% (35-45) & 71% above 45 yrs respondents are satisfied with the process used to determine promotion. Here value of Pearson chi-square is 13.315 which is acceptable because the degree of freedom is twelve and less than table value means this value is less than 0.05. Hence hypothesis is acceptable. These findings do not provide evidence that age matters in satisfaction of employees with process used to determine promotion.

Table 7 shows that 80 percent (less than 1 year), 82 percent (1-5), 75 percent (5-10) & 79 percent above 10 years respondents are satisfied with the process used to determine promotion. Here value of Pearson chi-square is 22.683 which

is acceptable because the degree of freedom is nine and less than table value means this value is less than 0.05. Hence hypothesis is acceptable. These findings do not provide evidence that experience matters in satisfaction with the process used to determine promotion.

Table 8 shows that 50 percent male respondents and more than 50 percent female respondents are saying that professional development is the goal of performance appraisal. Also from the correlation and chi square analysis we conclude that value of Pearson chi-square is 0.293 which is acceptable because the degree of freedom is three and less than table value means this value is less than 0.05. These findings do not provide evidence that gender matters in opinion about the performance appraisal goals.

TABLE 6. Classification on the basis of age and satisfaction of employees with the process used to determine promotion.

Age (years)	Highly Dissatisfied	Dissatisfied	Indifferent	Satisfied	Highly Satisfied	Total
Less than 25	0	2	8	32	5	47
	(0.0%)	(4.3%)	(17.0%)	(68.1%)	(10.6%)	(100.0%)
25-35	2	11	9	85	11	118
	(1.7%)	(9.3%)	(7.6%)	(72.0%)	(9.3%)	(100.0%)
35-45	3	3	18	82	5	111
	(2.7%)	(2.7%)	(16.2%)	(73.9%)	(4.5%)	(100.0%)
Above 45	1	2	3	16	2	24
	(4.2%)	(8.3%)	(12.5%)	(66.7%)	(8.3%)	(100.0%)
Total	6	18	38	215	23	300
	(2.0%)	(6.0%)	(12.7%)	(71.7%)	(7.7%)	(100.0%)

Source: Data collected through Questionnaire; Calculated value of Chi-square = 13.31; Degree of freedom = 12; Table value @5% = 21.02

TABLE 7. Classification on the basis of experience satisfaction of employees with the process used to determine promotion.

Experience(years)	Highly Dissatisfied	Dissatisfied	Indifferent	Satisfied	Highly Satisfied	Total
Less than 1	0	1	8	28	6	43
	(0.0%)	(2.3%)	(18.6%)	(65.1%)	(14.0%)	(100.0%)
1-5	2	12	8	92	9	123
	(1.6%)	(9.8%)	(6.5%)	(74.8%)	(7.3%)	(100.0%)
5-10	1	3	17	60	6	87
	(1.1%)	(3.4%)	(19.5%)	(69.0%)	(6.9%)	(100.0%)
Above 10	3	2	5	35	2	47
	(6.4%)	(4.3%)	(10.6%)	(74.5%)	(4.3%)	(100.0%)
Total	6	18	38	215	23	300
	(2%)	(6%)	(12.5%)	(72%)	(7.5%)	(100.0%)

Source: Data collected through Questionnaire; Calculated value of Chi-square = 22.68; Degree of freedom = 9; Table value @5% = 16.91

TABLE 8. Classification on the basis of gender and views regarding goals of evaluation.

Gender	Professional Development	Punishment	Others	Departmental Relocation	Promotion	Total
Male	153	19	0	1	105	278
	(55.0%)	(6.8%)	(0.0%)	(0.4%)	(37.8%)	(92.7%)
Female	12	1	0	0	9	22
	(54.5%)	(4.5%)	(0.0%)	(0.0%)	(40.9%)	(7.3%)
Total	165	20	0	1	114	300
	(55.0%)	(6.7%)	(0.0%)	(0.3%)	(38.0%)	(100%)

Source: Data collected through Questionnaire; Calculated value of Chi-square = 0.293; Degree of freedom = 3; Table value @5% = 7.81

Table 9 shows that 48.9 percent (less than 25 years) are saying that promotion is the goal of performance appraisal whereas 60.2 percent (25-35), 52.3 percent (35-45) & 62.5% above 45 years respondents are going with option professional development is the goal of evaluation process.. Also from the correlation and chi square analysis we conclude that value of Pearson chi-square is 6.321 which is acceptable because the degree of freedom is nine and less than table value means this value is less than 0.05. Hence hypothesis is acceptable. These

findings provide evidence that age matters in opinion about the performance appraisal goals.

Table 10 shows that 89 percent (less than 1 year), 94 percent (1-5), 88 percent (5-10) & 93% above 10 years experience respondents believe professional development and promotion are the goals of performance appraisal. Also from the correlation and chi square analysis we conclude that value of Pearson chi-square is 10.836 which is acceptable because the degree of freedom is nine and less than table value means

this value is less than 0.05. Hence hypothesis is acceptable. These findings provide evidence that experience matters in

opinion about the performance appraisal goals.

TABLE 9. Classification on the basis of age and views regarding goals of evaluation.

Age(years)	Professional Development	Punishment	Departmental Relocation	Promotion	Others	Total
Less than 25	21	3	0	23	0	47
	(44.7%)	(6.4%)	(0.0%)	(48.9%)	(0%)	(100.0%)
25-35	71	8	0	39	0	118
	(60.2%)	(6.8%)	(0.0%)	(33.1%)	(0%)	(100.0%)
35-45	58	8	1	44	0	111
	(52.3%)	(7.2%)	(0.9%)	(39.6%)	(0.0%)	(100.0%)
Above 45	15	1	0	8	0	24
	(62.5%)	(4.2%)	(0.0%)	(33.3%)	(0%)	(100.0%)
Total	165	20	1	114	0	300
	(55.0%)	(6.7%)	(0.3%)	(38.0%)	(0.0%)	(100.0%)

Source: Data collected through Questionnaire; Calculated value of Chi-square = 6.32; Degree of freedom = 9; Table value @5%=16.91

TABLE 10. Classification on the basis of experience and views regarding goals of evaluation.

Experience (years)	Professional Development	Punishment	Departmental Relocation	Promotion	Others	Total
Less than 1	17	2	0	24	0	43
	(39.5%)	(4.7%)	(0.0%)	(55.8%)	(0%)	(100.0%)
1-5	75	7	0	41	0	123
	(61.0%)	(5.7%)	(0.0%)	(33.3%)	(0%)	(100.0%)
5-10	47	8	1	31	0	87
	(54.0%)	(9.2%)	(1.1%)	(35.6%)	(0.0%)	(100.0%)
Above 10	26	3	0	18	0	47
	(55.3%)	(6.4%)	(0.0%)	(38.3%)	(0%)	(100.0%)
Total	165	20	1	114	0	300
	(55.0%)	(6.7%)	(0.3%)	(38.0%)	(0.0%)	(100.0%)

Source: Data collected through Questionnaire; Calculated value of Chi-square = 10.83; Degree of freedom = 9; Table value @5% = 16.91

#### IV. CONCLUSION

- Views regarding satisfaction of employees with the freedom they are getting for decision making.

On the basis of Gender - These findings do not provide evidence that gender matters in satisfaction with their decision making power and act on these decisions. Hence male and female employees are having same views on satisfaction with decision making power and act on these decisions.

On the basis of Age - These findings do not provide evidence that age matters in satisfaction with the freedom in decision making process.

On the basis of Experience - These findings do not provide evidence that experience matters in Satisfaction with ability to make decisions and act on them.

- Views regarding satisfaction of employees with the process used to determine promotion:

On the basis of Gender – These findings provide evidence that gender matters in satisfaction of employees with the process used to determine promotion.

On the basis of Age - These findings do not provide evidence that age matters in satisfaction of employees with process used to determine promotion.

On the basis of Experience: These findings do not provide evidence that experience matters in satisfaction with the process used to determine promotion.

- Views regarding goals of evaluation:

On the basis of Gender - These findings do not provide evidence that gender matters in opinion about the performance appraisal goals.

On the basis of Age: These findings provide evidence that age matters in opinion about the performance appraisal goals.

On the basis of Experience: These findings provide evidence that experience matters in opinion about the performance appraisal goals.

Hence in conclusion we can say that views of male employees and female employees are almost equal in maximum factors of performance appraisal. But different age group employees are having different views on almost all factors of performance appraisal.

#### Suggestions:

- There are modern methods that are helpful in assessing employee’s performance through fair and transparent procedure. Hence human resource department should be aware of these methods.
- Job satisfaction level of bank employees should be evaluated periodically for making policies for organization’s growth and development. There should be employee’s participation in policy making so that they feel satisfaction with these policies.
- Training provided to employees should be according to their needs and should help them for improving their skills and add something valuable in their day to day work.
- Ancillary activities such as Insurance etc. should not be encouraged in banks.
- Daily hours for employees should be restricted to 6 hours in order to maintain a balance between family and job.
- The main implication of this research is that the management should involve manager appraises &



appraisers and non-managerial staff in overall performance planning and review processes.

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