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“IMPACT OF GLOBALIZATION ON PERFORMANCE APPRAISAL OF EMPLOYEES IN BANKING SECTOR”

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ABSTRACT

After globalization a proper and systematic appraisal or evaluation of human resources in banks is not only necessary at the time of his recruitment, selection and placement but it is useful, and also desirable, to make an appraisal of the performance of such human resources on-a continuing basis during his working life. Performance appraisal is the process of evaluating the human resources performance on the job in terms of the requirements of the job. Performance appraisal is also called as 'merit rating' or 'employee evaluation' or 'employee appraisal'. Performance appraisal is a systematic periodic and so far as humanly possible, an impartial rating of human resources excellence in matters pertaining to his present job and to his potentialities for a better job. The present paper indicates some suggestions to cope-up with the rapidly changing global socio-economic conditions. The findings of the study suggest that Human resource management in changing global scenario is an inevitable and unavoidable in any sector for its survival.

KEYWORDS: banking sector reforms. globalization, liberalization, privatization.

INTRODUCTION

The basic purpose of performance appraisal is to ascertain whether the behaviour of human resources in banks is so integrated with established role requirements that he may be considered a success or is at so much variance with them that he may be considered a failure. Further, the employee performance appraisal may also be used as a basis for a placement decision involving promotion, demotion, transfer, retention in the job. Besides, appraisal data may also be used in decisions regarding training and development policy and programmes both directly as well as indirectly. In

addition, performance appraisals may also be used to provide criterion for developing selection procedures since banks would ordinarily like to select such employees from among the job applicants who exhibit characteristics similar to those of its more successful employees and screen out those who appear to possess characteristics similar to those of the unsuccessful workers in the past. Again, appraisals may also be used for correcting those employees whose performance is found lacking in some respects.

SCHEME OF PAPER:-

The present paper has been divided into six sections. After the brief introduction, section II reviews some related studies. Section III



fixes some research objectives, highlights the research methodology and the database. Section IV is devoted to the results and discussions. Section V deals with emerging challenges and their possible solutions. Last section concludes the paper.

REVIEW OF RELATED STUDY:-

- 1) Dr. Goldy Garf, Dr. Ranjeet Kaur (2015), in his article, " Job Satisfaction level of Employees : A Study of Central Co- operative Banks in Punjab", have focused on job satisfaction level of the employees working in Co- operative banks in Punjab. According to authors – when a person says that he has high job satisfaction, it means that he really likes his job, feels good about it and values his job dignity. Job satisfaction is important technique used to motivate employees. The present study aimed at studying the perception of employees about their job with co- operative banks in Punjab. The findings reveal that employees considered their job stimulating and challenging the designation and experience of employees does not significantly influence their opinion about their job.Dr. Goldy Garf, Dr. Ranjeet Kaur (2015), Job Satisfaction Level of Employees : A study of Central Co-operative Banks in Punjab, Journal of Commerce & Management Thought, Vol. XI, No. 3.
- 2) Brijesh K Sahoo & Anonddeep Mandal (2011), in their article entitled, " Examining the performance of Banks in India : Past- Traditional Period", evaluates the performance of Indian Banking sector during the post transition period (1997- 2005). The productive performance scale elasticity, efficiency and capacity utilization parameters are calculated using Data Envelopment Analysis. The positive trend of the reform process is visible through the increase in technical efficiency. Dr. Goldy Garf, Dr. Ranjeet Kaur (2015), Examining the performance of Banks in India : Past Traditional Period, The IVP Journal of Bank Management Vol. X, No. 2
- 3) Mihir Dash & Annyesha Das (2013), in their article entitled, "Performance Appraisal of Indian banks using CAMELS Ratings" have compared the performance of public sector banks with private sector banks. The data used for the study were audited financial statements of sample 58 Indian books for 2003-2008. The result show that private / foreign banks fared better than public sector banks. The two contributing factor for better performance were Management soundness and Earnings and profitability. According to the authors, there has been some improvements in the Indian banking sector after reforms and CAMELS framework is natural framework to analyse this improvement. ---- Mihir Dash & Annyesha Das (2013), Performance Appraisal of Indian Banks Using CAMELS Ratings, The IVP Journal of Bank Management, Vol. XII, No. 2.
- 4) Tondon Chand & Noman Sonqri (2015), in his article entitled, " Critical Success Factors of Banking Industry in India" has made comments on success factors of banking industry. He says- In an industry as multifaceted as that of financial intermediation , no simple formula can predict accomplishment and failure from the contiguous environment. Instead of guessing winners and losers. We strive to spot the major factors that decide a bankers success. Todays banking industry is characterized by escalating universal competition and quick advancement in the liberalization of the banking market. Management should stress the strength that will give the bank a competitive advantage.....Tondon Chand & Noman Sonqri (2015),Critical Success Factors of Banking Industry in India, International Journal of Business Management, Economics & Information Technology, Vol. VII, No. 1

OBJECTIVES OF THE STUDY.

- 1)To analyse the Impact of Globalization on Performance appraisal in Banking sector in Nanded Dist.
- 2)To give possible suggestions wherever necessary.

RESEARCH METHODOLOGY.

This is a descriptive study. It is an empirical survey. It is a field study concerned with the various aspects of Human Resource in Banks.

STATISTICAL METHOD:-

Statistical method is one of the significant tool of analysis of primary and secondary data. The researcher has used the method of percentage analysis, average etc. for interpretation. Graphical representation has also been used. Testing hypothesis is done with the help of Chi-square test of goodness of fit.

SAMPLE SELECTION:-

The researcher has selected a sample of 7 banks each from public sector category(21), private sector(07) and co-operative sector(20) from Nanded dist.

Similarly the researcher has selected 10% sample of human resources of all three categories(officers, clerks, sub-staff)

PARAMETERS OF THE STUDY:-

- 1) Self-Performance Appraisal.
- 2) Confidential Performance Appraisal.
- 3) Performance Rating.

SCOPE AND LIMITATIONS:-

The present study is limited up to Nanded district only.

STATEMENT OF THE PROBLEM UNDER STUDY:-

A number of problems can threaten the value of performance appraisal methods. Some of the most common problems include central tendency, leniency or strictness errors, halo effect, recency error and personal biases.

Self Performance Appraisal

After globalization most of the banks have introduced self appraisal system. In this method, usually the individual subordinate in managerial hierarchy sits down with his immediate superior and sets a series of targets or objectives for some appropriate period of time. At the end of this period, the two have a second discussion during which the individual evaluates his performance relative to his targets tries to solve any problems that he now recognizes and establishes new targets for the next period. Throughout this process, the superior assumes the role of a listener and occasionally a guide but never that of a critic. The researcher has studied the opinions of the sample employees of banks in Nanded district in this regard. The results are shown in the following table.

Table No. 3.22
Table Showing Opinions About Self Performance Appraisal

Sr. No.	Responses	Officer	%	Clerk	%	Sub-Staff	%	Total	%
1	Highly Satisfactory	16	18.18	26	13.68	9	14.52	51	15.00
2	Satisfactory	28	31.82	41	21.58	13	20.97	82	24.12
3	Moderate	34	38.64	86	45.26	29	46.77	149	43.82
4	Average	6	6.82	27	14.21	6	9.68	39	11.47
5	Indifferent	4	4.55	10	5.26	5	8.06	19	5.59
	Total	88	100.00	190	100.00	62	100.00	340	100.00

Source: Primary Data.

Thus, it can be noted that, out of the total 340 sample employee respondents including bank officer, clerk & sub-staff, majority i.e. 43.82% have reported that the Self Performance Appraisal of the bank is Moderate in the era of globalization.

CONFIDENTIAL PERFORMANCE APPRAISAL

Since the forces working against objectivity in appraisals giving rise to many errors are difficult to overcome, there exist various problems in making a fair and purposeful appraisal. The Bank Managers appraising their employees are human beings and, therefore, have strong likes and dislikes of individuals, especially those

who are close associates. Thus ratings may be influenced by personal, emotional and other factors. Quit a often appraiser has practical needs or goals he hopes to achieve with the rating results, for example, he may desire to advance an individual whom he is coaching or sponsoring or he may desire to prevent an individual from advancing. The researcher has studied the opinions of the sample employees of banks in Nanded district in this regard. The results are shown in the following table.

Table No. 3.23
Table Showing Opinions About Confidential Performance Appraisal

Sr. No.	Responses	Officer	%	Clerk	%	Sub-Staff	%	Total	%
1	Highly Satisfactory	11	12.50	24	12.63	7	11.29	42	12.35
2	Satisfactory	31	35.23	38	20.00	12	19.35	81	23.82
3	Moderate	41	46.59	91	47.89	34	54.84	166	48.82
4	Average	3	3.41	31	16.32	7	11.29	41	12.06
5	Indifferent	2	2.27	6	3.16	2	3.23	10	2.94
	Total	88	100.00	190	100.00	62	100.00	340	100.00

Source: Primary Data.

Thus, it can be noted that, out of the total 340 sample employee respondents including bank officer, clerk & sub-staff, majority i.e. 48.82% have reported that the Confidential Performance Appraisal of the bank is Moderate in the era of globalization.

PERFORMANCE RATING

After globalization banking industry has adopted the performance rating practices. The basic idea of ranking method is to distribute the individual being rate along an order of merit from best to the poorest or from most to least, on one or more characteristics. Ranking is a simple method and it loosely corresponds to everyday general appraisals or evaluations. It is important to remember that performance rating are mere significant tools of effective personnel management and the accomplishment of the desired ends depends undoubtedly on the proper and skilful use of such appraisals. Hence, it may be appropriate to suggest certain guiding principles which, if followed continuously, will enhance the utility of such rating. The researcher has studied the opinions of the sample employees of banks in Nanded district in this regard. The results are shown in the following table.

Table No. 3.24
Table Showing Opinions About Performance Rating

Sr. No.	Responses	Officer	%	Clerk	%	Sub-Staff	%	Total	%
1	Highly Satisfactory	7	7.95	17	8.95	3	4.84	27	7.94
2	Satisfactory	18	20.45	34	17.89	7	11.29	59	17.35
3	Moderate	52	59.09	92	48.42	33	53.23	177	52.06
4	Average	8	9.09	43	22.63	6	9.68	57	16.76
5	Indifferent	3	3.41	4	2.11	13	20.97	20	5.88
	Total	88	100.00	190	100.00	62	100.00	340	100.00

Source: Primary Data.

Thus, it can be noted that, out of the total 340 sample employee respondents including bank officer, clerk & sub-staff, majority i.e. 52.06% have reported that the Performance Rating of the bank is Moderate in the

era of globalization.

SUMMARY

The researcher has taken a summary of responses satisfaction level of the bank employees including officers, clerks and sub-staff regarding performance appraisal analyzed in table No. 3.22 to 3.24 with a view to apply Chi-Square Test to the same. The summary is given in the following table.

**Table No. 4.25
Summary Table**

Sr. No.	Responses	Officer	%	Clerk	%	Sub-Staff	%	Total	%
1	Highly Satisfactory	11.33	12.88	22.33	11.75	6.33	10.22	40	11.76
2	Satisfactory	25.67	29.17	37.67	19.82	10.7	17.20	74	21.76
3	Moderate	42.33	48.11	89.67	47.19	32	51.61	164	48.24
4	Average	5.667	6.44	33.67	17.72	6.33	10.22	45.667	13.43
5	Indifferent	3	3.41	6.667	3.51	6.67	10.75	16.333	4.80
	Total	88	100.00	190	100.00	62	100.00	340	100.00

Source: Summary of Table No. 3.22 to 3.24

Application of Chi-Square Test

The researcher has applied the chi-square test on the basis of summary opinions of the sample bank employees including officers, clerks and sub-staff as shown in the above table. The calculation of the Ch-Square value is given in following table.

**Table No. 4.26
Calculation of Chi-Square**

Sr.No.	O	E	O - E	(O - E) ²	X ² Value
1	11	10.35	0.65	0.42	0.04
2	26	19.15	6.85	46.88	2.45
3	42	42.45	-0.45	0.20	0.00
4	6	11.82	-5.82	33.87	2.87
5	3	4.23	-1.23	1.51	0.36
6	22	22.35	-0.35	0.12	0.01
7	38	41.35	-3.35	11.24	0.27
8	90	91.65	-1.65	2.71	0.03
9	34	25.52	8.48	71.92	2.82
10	7	9.13	-2.13	4.53	0.50
11	6	7.29	-1.29	1.67	0.23
12	11	13.49	-2.49	6.22	0.46
13	32	29.91	2.09	4.39	0.15
14	6	8.33	-2.33	5.42	0.65
15	7	2.98	4.02	16.17	5.43
					5.72

Chi-Square Value – 5.72
Critical Value – 15.507

Level of Significance 0.05%
Degree of Freedom – 8,

On the basis of above calculation of Chi-Square value the hypothesis are stated as follows –

Null Hypothesis (H₀) : There is no significant difference between the opinions of sample bank officers, clerks and the sub-staff regarding satisfaction level of performance appraisal.

Alternative Hypothesis (H₁) : There is significant difference between the opinions of sample bank officers, clerks and the sub-staff regarding satisfaction level of performance appraisal.

As it is observed from the Chi-Square calculation that the calculated value of Chi-square at 0.05% level of significance and 8 degree of freedom is 5.72 and the Table Value is 15.507.

As the calculated value of Chi-square is greater than the table value ($5.72 < 15.507$). Therefore the Null hypothesis is accepted and alternative hypothesis is rejected.

It is concluded that, there is significant no difference between the opinions of sample bank officers, clerks and the sub-staff regarding satisfaction level of performance appraisal.

POSSIBLE SOLUTION:-

In today's scenario banking firms should focus on attracting human capital instead of financial capital. Global staffing and management of a workforce diverse in culture and language skills and dispersed in various countries are important aspects of global human resource. Only those banking firms willing to modify their human resource practices to the changing global market conditions will be able to attract and retain high performing employees. At the same time MNCs with the capability to anticipate their goals and their employee's needs will gain the massive competitive advantage.

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