

A Study of Performance Appraisal and Dimensions of Organizational climate in ICICI Bank and Punjab National Bank

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Abstract: The business organizations are attaching great importance to human resource because human resources are the biggest source of competitive advantage and have the capability of converting all the other resources in to product / service. The effective performance of this human resource depends on the type of HRD climate that prevails in the organization, if it is good the employee's performance will be high but if it is average or poor than the performance will be low. The study of performance appraisal and HRD climate is very important for all the organization and the banking sector is not an exception, especially in the present situation of financial recession. The present study is an attempt to find out the importance of performance appraisal and the types of HRD climate that is prevailing in ICICI Bank and Punjab National Bank. The Researcher has also tried to find out the difference in the perception of the employees regarding performance appraisal and HRD climate on the basis of age, qualification and work experience. The researcher collected the data from the employees of the officer cadre of ICICI Bank and Punjab National Bank through a structured questionnaire. The data were analyzed using several statistical tools such as Chi-square test, Z test, Percentage, T test. The result shown that the HRD climate in ICICI Bank is better than the Punjab National Bank. The perception of the employees regarding appraisal system helps in identifying training needs do not differs significantly on the basis of work experience but it differs significantly on the basis of age and qualifications. The perception of the employees regarding kinds of appraisal preferred do not differs significantly on the basis of age and work experience but it differs significantly on the basis of qualifications.

Keywords: Appraisal system and HRD climate in ICICI Bank and PNB and employee's satisfaction.

I. INTRODUCTION

Human Resource development is concerned with the provision of learning and development opportunities that support the achievement of business strategies and improvement of organizational, team and individual performance (Armstrong and Baron, 2002). The performance appraisal is an important part of Human resource development. It may be evaluated on the basis of his traits and attributes as well as on the basis of his work or result and objectives achieved by him. Thus his performance may be measured in terms of standards of his traits and general behavior on the job or in terms of results and goals. The Performance appraisal is mainly used for three purposes: 1. In performance appraisal systems slow and fast working employees are identified. Under compensation, rewards and recognition plans the employees are given higher pay scales, promotion and higher incentives for better performance and appreciation for the work. 2. The performance appraisal will point out the weakness of employees and will spot the areas where development efforts are needed. 3. The performance appraisal will help the management to perform functions relating to selections, development, salary, promotion, penalties, layoff and retrenchment.

Climate, this is an overall feeling that is conveyed by the physical layout, the way employees interact and the way members of the organization conduct themselves with outsiders.

II. REVIEW OF LITERATURE

A. Shrivastava and P. Purang (2011) studied the differences between public and private sector banks with respect to perception of fairness of the performance appraisal system and performance appraisal satisfaction. Perception of fairness of the performance appraisal system has been studied through nine factors. The study used independent samples t-test and qualitative analysis to study the mean differences between the two banks. Results indicated that private sector bank employees perceive greater fairness and satisfaction with their performance appraisal system as compared to public sector bank employees.

Ekta Bhatia (2010) The performance appraisal or review is essentially an opportunity for the individual and those concerned with their performance in the bank, most usually their line manager-to get together to engage in a dialogue about the individual's performance, development and the support required from the manager. It should be a top down process or an opportunity for one person to ask questions and the other to reply. It should be a free flowing conversation in which a range of reviews are exchanged.

Saraswathi (2010) assessed the extent of developmental climate prevailing in manufacturing and software organizations in India. He found that the three variables: General Climate, HRD Mechanisms and OCTAPAC culture are better in software organizations compared to manufacturing. The findings also indicate significant difference in the developmental climate prevailing in software and manufacturing organizations.

Saxena and Tiwari (2009) did an empirical study of HRDC in selected public sector banks. Their study showed that the HRDC in the public sector bank is average. They also found no difference in the perception of the employees on the basis of gender, qualification, designation but the perception of the employees differs on the basis of change. A survey of HRDC in Nigerian commercial banks (Akinyemi and Iornem, 2009) revealed a congenial HRDC. In another study of HRDC with a focus on commercial banks (Rinayee, 2002) found that the overall level of OCTAPAC values in the banks was perceived to be moderate.

Banu (2007) conducted study in public sector Cement Corporation in Tamil Nadu and found that sound HRD Climate is necessary for the success of the public sector undertakings.

Mufeed SA, (2006) examined the HRD climate in major hospitals. The result indicated the existence of poor HRD climate in the hospitals.

T.V. Rao in a study entitled "Integrated HRD system" pleads for performance appraisal which is based on interview between the manager and the subordinates during which the subordinates strengths and weaknesses are discussed, concerns are shared and the subordinates get the opportunity to defend or improve deficits, in the performance.

III. RESEARCH OBJECTIVE

*To study the performance appraisal in both the banks.

*To know the perception of the officers of both the banks about appraisal system helps in Identifying training needs.

*To know the perception of the officers of both the banks about kinds of appraisal Preferred.

*To know the dimensions of organizational climate in both the banks.

IV. RESEARCH METHODOLOGY

The present study is focusing on performance appraisal and dimensions of organizational climate in ICICI Bank and Punjab National Bank. The present study is based on primary data collected from the 200 officer's cadre employees respondent of ICICI Bank and Punjab National Bank.

The Questionnaire was administered to 200 respondents of each bank taking in to consideration and their interest to give responses to the questionnaires. The collected data is duly edited, classified and analyzed by using Hypothesis Technique.

V. ANALYSIS OF DATA

The analysis is done on the responses of the sampled employees working in ICICI Bank and PNB. The data was analyzed on the basis of age, qualification and work experience of the respondents.

Table No. 1 Appraisal system and training needs classified on the basis of age in ICICI Bank and Punjab National Bank.

Age	Extent			Total
	Large	Some	Little	
Below45 ICICI Bank	42 (22.8%)	136 (73.9%)	6 (3.3%)	184 (100%)
PNB	19 (42.2%)	26 (57.8%)	0 (.0%)	45 (100%)
Total	61 (26.6%)	162 (70.7%)	6 (2.6%)	229 (100%)
Above 45 ICICI Bank	5 (31.3%)	11 (68.8%)	0 (.0%)	16 (100%)
PNB	40 (25.8%)	100 (64.5%)	15 (9.7%)	155 (100%)
Total	45 (26.3%)	111 (64.9%)	15 (8.8%)	171 (100%)

Source: Questionnaire

The above table shows that 22.8% respondents of ICICI Bank and 42.2% respondents of PNB of the age of below 45 years are of the views that appraisal system helps in identifying training needs at large extent and 73.9% in ICICI Bank and 57.8% in PNB are of the views that it helps at some extent. The table shows that there is significant difference in the opinion of the respondents of ICICI Bank and PNB. The Fisher test is applied in this table. The fisher's exact test value in the below 45 years age group is .027. The significant value is <0.05 so there is significant difference in the opinion of the respondents of ICICI Bank and PNB. The fisher's exact test value in above 45 years age group is .499. The significant value is >0.05 so there is no significant difference in the opinion of the respondents of ICICI Bank and PNB about appraisal system helps in identifying training needs.

Table No. 2 Appraisal system and training needs classified on the basis of qualification in ICICI Bank and Punjab National Bank.

Qualification	Extent			Total
	Large	Some	Little	
Graduate ICICI Bank	22 (39.3%)	32 (57.1%)	2 (3.6%)	56 (100%)
PNB	14 (15.4%)	72 (79.1%)	5 (5.5%)	91 (100%)
Total	36 (24.5%)	104 (70.7%)	7 (4.8%)	147 (100%)
Postgraduate ICICI Bank	25 (17.4%)	115 (79.9%)	4 (2.8%)	144 (100%)
PNB	45 (41.3%)	54 (49.5%)	10 (9.2%)	109 (100%)
Total	70 (27.7%)	169 (66.8%)	14 (5.5%)	253 (100%)

Source: Questionnaire

The table shows that there is significant difference in the opinion of the respondents of ICICI Bank and PNB. The fisher's exact test is applied in this table. The fisher's exact test value is .004 who have graduate qualification and .000 who have postgraduate qualification. The significant value is <0.05 so there is significant difference in the opinion of the respondents of ICICI Bank and PNB about appraisal system helps in identifying training needs.

Table No.3 Appraisal system and training needs classified on the basis of work experience in ICICI Bank and Punjab National Bank.

Work experience	Extent			Total
	Large	Some	Little	
Less than 10 years ICICI Bank	39 (24.4%)	119 (74.4%)	2 (1.3%)	160 (100%)
PNB	17 (42.5%)	23 (57.5%)	0 (.0%)	40 (100%)
Total	56 (28%)	142 (71%)	2 (1%)	200 (100%)
More than 10 years ICICI Bank	8 (20%)	28 (70%)	4 (10%)	40 (100%)
PNB	42 (26.3%)	103 (64.4%)	15 (9.4%)	160 (100%)
Total	50 (25%)	131 (65.5%)	19 (9.5%)	200 (100%)

Source: Questionnaire

The table shows that there is no significant difference in the opinion of the respondents of ICICI Bank and PNB. The fisher's exact test is applied in this table. The fisher's exact test value is .083 who have work experience less than 10 years and .789 who have work experience more than 10 years. The significant value is >0.05 so there is no significant difference in the opinion of the respondents of ICICI Bank and PNB about appraisal system helps in identifying training needs.

Table No. 4 Preference of appraisal classified on the basis of age in ICICI Bank and PNB

Age	Response		Total
	Trait Base	Performance Base	
Below 45 ICICI Bank	25(13.6%)	159(86.4%)	184(100%)
PNB	3(6.7%)	42(93.3%)	45(100%)
Total	28(12.2%)	201(87.8%)	229(100%)
Above 45 ICICI Bank	1(6.3%)	15(93.8%)	16(100%)
PNB	20(12.9%)	135(87.1%)	155(100%)
Total	21(12.3%)	150(87.7%)	171(100%)

Source: Questionnaire

The table shows that there is no significant difference in the opinion of the respondents of ICICI Bank and PNB of the age below 45 years and above 45 years about preference of appraisal. The Pearson chi-square test is applied in this table. The chi-square value of the respondents of the age of below 45 years is .223 and of the age of above 45 years is .696. The significant value is >0.05 so there is no significant difference in the opinion of the respondents of ICICI Bank and PNB about preference of appraisal.

Table No. 5 Preference of appraisal classified on the basis of qualification in ICICI Bank and PNB

Qualification	Response		Total
	Trait Base	Performance Base	
Graduate ICICI Bank	3(5.4%)	53(94.6%)	56(100%)
PNB	22(24.2%)	69(75.8%)	91(100%)
Total	25(17%)	122(83%)	147(100%)

Postgraduate ICICI Bank	23(16%)	121(84%)	144(100%)
PNB	1(.9%)	108(99.1%)	109(100%)
Total	24(9.5%)	229(90.5%)	253(100%)

Source: *Questionnaire*

The table shows that there is significant difference in the opinion of the respondents of ICICI Bank and PNB who have graduate and postgraduate qualification about preference of appraisal. The Pearson chi-square test is applied in this table. The chi-square value of the respondents of the graduate qualification is .003 and of the postgraduate qualification is .000. The significant value is <0.05 so there is significant difference in the opinion of the respondents of ICICI Bank and PNB about preference of appraisal.

Table No. 6 Preference of appraisal classified on the basis of work experience in ICICI Bank and PNB

Work experience	Response		Total
	Trait Base	Performance Base	
Less than 10 years ICICI Bank	21(13.1%)	139(86.9%)	160(100%)
PNB	4(10%)	36(90%)	40(100%)
Total	25(12.5%)	175(87.5%)	200(100%)
More than 10 years ICICI Bank	5(12.5%)	35(87.5%)	40(100%)
PNB	19(11.9%)	141(88.1%)	160(100%)
Total	24(12%)	176(88%)	200(100%)

Source: *Questionnaire*

The table shows that there is no significant difference in the opinion of the respondents of ICICI Bank and PNB who have work experience less than 10 years and more than 10 years about preference of appraisal. The Pearson chi-square test is applied in this table. The chi-square value of the respondents having work experience less than 10 years is .791 and more than 10 years is 1.000. The significant value is >0.05 so there is no significant difference in the opinion of the respondents of ICICI Bank and PNB about preference of appraisal.

Basis of appraisal

Basis of evaluation of performance is very interesting question and respondents were asked to rank in term of their preference out of some. Parameters given in question as job knowledge, customer service, imitative, general intelligence, housekeeping, good relation with boss and contribution to business development performance. The data was analyzed to compare the perception of respondents of ICICI Bank and PNB.

Table No.7 Basis of evaluation of performance in ICICI Bank and PNB

Code	Criterion for evaluation	Weighted Rank ICICI Bank	Weighted Rank PNB
1.	Job Knowledge	372	431
2.	Customer Service	276	383
3.	Initiative	84	78
4.	General Intelligence	88	65
5.	House Keeping	24	52
6.	Good Relation With Boss	12	17
7.	Contribution to business development	344	174

Source: *Questionnaire*

The table shows that most of the respondents in ICICI Bank and PNB stated that job knowledge is basis criterion used for appraisal. On second place in ICICI Bank is contribution to business development performance and in PNB customer service. So there is difference of opinion at the second place. On the third place there is difference of opinion in ICICI Bank and PNB respondents .On the third place in ICICI Bank is customer service and in PNB is contribution to business development performance. Good relationship with Boss has been ranked last in both the banks.

Dimensions of organizational climate

The researcher made an attempt to study organizational climate with the help of five statements in respect of various dimension of organizational climate. The respondents worked to rate them as good, average and poor.

Table No. 8 Basis of evaluation of organizational climate in ICICI Bank and PNB

Sr.No.	Statements	Good		Average		Poor		Total	
		ICICI Bank	PNB	ICICI Bank	PNB	ICICI Bank	PNB	ICICI Bank	PNB
1	Work condition and facility	196(98%)	112(56%)	4(2%)	83(41.5%)	-	5(2.5%)	200	200
2	Reward and Recognition	100(50%)	48(24%)	100(50%)	144(72%)	-	8(4%)	200	200
3	Participation in Management	44(22%)	64(32%)	132(66%)	112(56%)	24(12%)	24(12%)	200	200
4	Discipline	182(91%)	131(65.5%)	16(8%)	67(33.5%)	2(1%)	2(1%)	200	200
5	Communication	176(88%)	109(54.5%)	20(10%)	85(42.5%)	4(2%)	6(3%)	200	200

Source: Questionnaire

The above table shows that 98% respondents of ICICI Bank and 56% respondents of PNB are satisfied with the work conditions and facilities in the bank. While comparing the work condition and facility in both the banks position of ICICI Bank looks better in comparison to PNB. 50% Respondents of ICICI Bank and 24% of PNB are of the view about reward and recognition is good. It shows that the position of reward and recognition is highly rated in the ICICI Bank. The table shows that 22% respondents of ICICI Bank and 32% of PNB are of the view that scheme of workers participation in management is applicable in the bank is good. It shows that participation in management is better in PNB than ICICI Bank. The table shows that 91% respondents of ICICI Bank and 65.5% of PNB are of the view that there is good discipline in the banks. So it can be concluded that in ICICI Bank there is more discipline in comparison to PNB. The table shows that 88% respondents of ICICI Bank and 54.5% of PNB are of the view that the position of communication is good. On comparison with percentage the position of ICICI Bank is better than PNB.

VI. LIMITATION OF THE STUDY

Any research have some limitations by which certain unavoidable circumstances for example time factor, respondent's attitude, their interest, cost give the data confidently etc. These all factors affect the research study. Different research has their own limitations in my research the limitations are as follows:

- *The time I taken for the research is not adequate. So the depths analysis is not done.
- *Some respondents not provide some information due to what's over reason.
- *The study was conducted in Haryana state ICICI and PNB Branches, which may not give exact Picture of the situation.
- *The sample size was very small.

VII. SUGGESTIONS

To improve the HRD climate in the ICICI Bank and PNB the following steps should be taken immediately.

- *Necessary change should be introduced in HR policies.
- *Performance appraisal held more than two times at least and constant giving feedback process,
So the employee will try to improve their performance.
- *There should be providing more motivation through various ways.
- *Promotions should be handled fairly rather than biasness or favoritism.
- *The employees should be encouraged to express their feelings without any fear.
- *Work conditions, reward and recognition, participation in management, discipline, Communication and all other facilities should be improved.
- *Management should encourage more for their entire career plan.

VIII. CONCLUSION

The performance appraisal system and HRD climate plays a very important role in the success of any organization because directly or indirectly it affects the performance of the employees. If the performance appraisal system and HRD climate is good then the employees will contribute their maximum for the achievement of the organizational objectives. The result of the present study shown that the HRD climate in the ICICI Bank is better than PNB. The management can improve the HRD climate by introducing the change HR policies.

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