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**"CO-OPERATIVE BANK EMPLOYEES PERFORMANCE
APPRAISAL OF SOLAPUR DISTRICT"**

Ms. Archana V. Gaur¹, Dr. Shendge Rajendra N.²

¹Ph.D Student, Punyashlok Ahilyadevi Holkar Solapur University, Solapur

²Punyashlok Ahilyadevi Holkar Solapur University, Solapur

Email: archaviraj@gmail.com

**Ms. Archana V. Gaur, Dr. Shendge Rajendra N., CO-OPERATIVE BANK
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Abstract

Performance appraisal plays very important role for the growth and development of organisation as well as to the employees. There are many tools by which appraisal of employee are carried out. The purpose of this study is to understand the approach adopted for employee performance appraisal by the co-operative bank and its effectiveness. A questionnaire is prepared and survey is conducted of co-operative bank employees in Solapur district, Maharashtra. One of the most commonly used tools for assessing the importance of employee success is performance evaluation. The theoretical framework and model will help in making development and improvement plans and reaching agreement about what should be done in the future to enhance the banks effect and effectiveness.

1.Introduction:

Performance Appraisal is a mechanism that allows companies to determine not just what people's performance levels are, but also where certain levels need to be enhanced if human resources are to be used to their full potential. Having the data you need to make accurate and objective judgments about workers is a never-ending mission. Securing the required data to make fair and objective decisions about workers is a never-ending challenge. Attitudes and characteristics, goals and outcomes, behaviours may be used to describe efficiency.

Employees and the company both benefit from successful performance appraisals. It promotes a shared understanding of individual needs, work objectives, and acceptable performance standards. Appraisals are widely used for two primary purposes: development and evaluation (Maund, 2004). Identification of needs, input, assignment and transition determination, and highlighting employee

strengths and shortcomings are all part of the developmental process. Whereas identification of results, promotion/demotion decisions, acknowledging each worker's performance, salary control, and retention/termination decisions are all examples of evaluative uses. Despite the fact that assessments are beneficial and useful as a management method in the workplace (Walsh, 2003), there are issues that misrepresent their utility. It is important that managers are mindful of their employees' emotions, since this affects their responses to reviews, which can be positive or negative.

Employees' attitudes, reactions, behaviour, and performance may all be negatively affected by appraisal issues. Employees require a precise and reliable assessment system that provides input on their results. The system can only be successful if it is seen as reasonable and representative of the individual's actual performance.

2.Co-operative Banking Sector:

The banking industry has always been one of the most sought-after professions. Since the post-independence period, cooperative banks have favoured the same. The importance of cooperatives in the implementation of development plans, particularly for farmers and the weaker segments of society, were recognized in the First Five Year Plan. The Second Five-Year Plan suggested broadening the reach of cooperative activities to include other sectors, with a focus on the warehousing industry. The cooperative movement's scope was emphasised in the Third Five Year Plan, which emphasised preparing workers for the cooperative sector. For successful functioning, the Fourth Five Year Plan proposed consolidating a cooperative structure. Farmers Service Societies were recommended in the Fifth Five-Year Plan. The Sixth Five-Year Plan established a point programme for a cooperative society to promote economic growth and extend cooperative society's reach. The Seventh Five-Year Plan also emphasised the expansion and growth of cooperative societies' scope in order to increase employment and reduce poverty. In India, cooperative banks are the backbone of rural credit supply. In urban areas, co-operative banks mostly fund different forms of citizens for self-employment, industries, small-scale enterprises, and home loans. Currently, several cooperative banks perform a variety of financial, administrative, supervisory, and development functions in support of the cooperative credit system's expansion and development. Besides that, co-operative banks are adopting the most up-to-date banking technologies, such as ATMs, internet / online banking, credit cards, and so on, in order to compete with public and private sector banks.

Only a strong and efficient Co-operative banking system can grow and sustain in the competition. As a result, the banking system must not only be easy to use, but also capable of meeting new challenges raised by technology and other external or internal factors.

Human resources, whether private or public, are the most important asset of any company. They are endowed with such unique attributes as imagination, problem-solving ability, and the ability to motivate as a team. It's only a matter of handling, evaluating, and inspiring them. This can only be managed by regularly reviewing their results.

Significance of the study

The systematic, frequent, and unbiased evaluation of an employee's excellence in matters relating to his current job and his prospects for a better job is known as performance appraisal. At the start of the performance appraisal process, the task, priorities, and expected performance standards for employees are established. These are then used as feedback and performance evaluation methods. The aim of this paper is to examine the existing performance evaluation method in the Co-operative banks of Solapur district. The data was collected from employees of Co-operative banks of Solapur district.

3.Objectives of the Study:

1. To know the methods of performance appraisal adopted by co-operative banks.
2. To suggest suitable measures for improving Performance appraisal process in cooperative banks in Solapur district.

4.Methodological Approach:

4.1Method

The study examined to identify the performance appraisal process in Co-operative banks of Solapur district. The first step was to identify the banks for research and data collection. A survey for performance appraisal was conducted on different Co-operative banks. For the survey five banks 10 employees each were identified. The secondary data related to these banks was collected using internet, books, journals, reports of banks etc. Besides a questionnaire was prepared to collect the primary data related to various aspects of performance appraisal and its evaluation.

4.2Data Collection

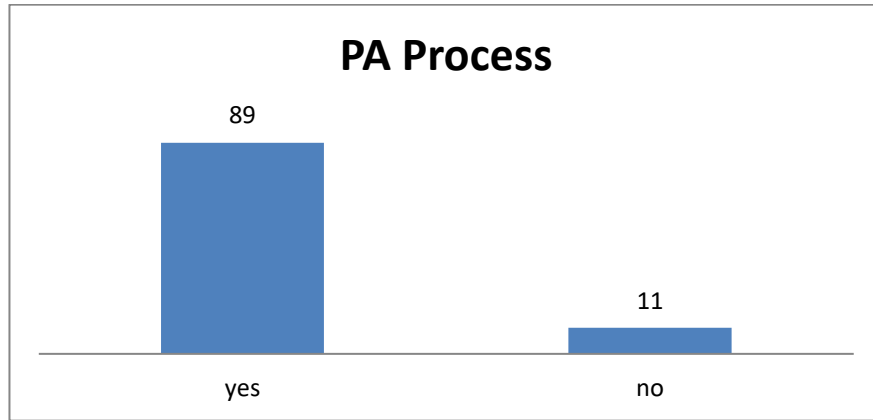
Data was gathered from Solapur district co-operative banks. (Sample- Janata Sahakari Bank, Samarth Sahkari Bank, Siddheshwar Sahkari Bank, Laxmi Co-operative Bank, Pandharpur Urban Co-operative Bank) Employees of the above-mentioned banks were given the questionnaire. Employees were chosen through random sampling (sample size -100employees) .Employees at all levels of the organisation were contacted for information on various aspects of performance appraisal. The questionnaire looked into the various aspects of performance evaluation. The questionnaire was simple in form with both open ended and close-ended questions.

4.3Data Analysis The bank employees' responses to the questionnaire were organised and compiled. The data was gathered and presented.

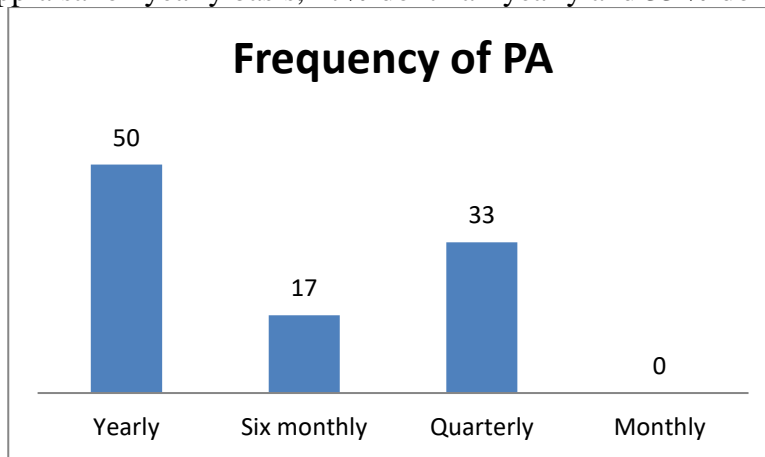
5.Graphical representation of the Primary data analysis

The central focus of the study was the performance appraisal process in cooperative banks

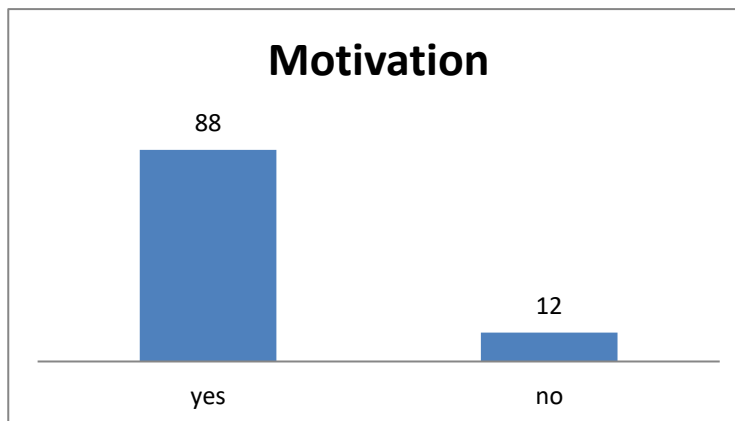
- (a) From the figure it can be interpreted that 89% of the banks employees know about the performance appraisal process and 11% do not know.



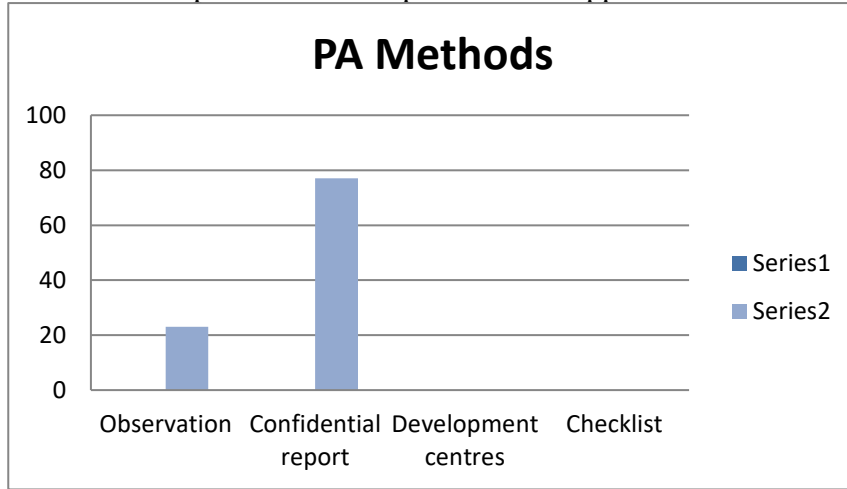
(b) From the figure it can be interpreted that 50 % of the banks do performance appraisal on yearly basis, 17% do it half yearly and 33 % do it quarterly.



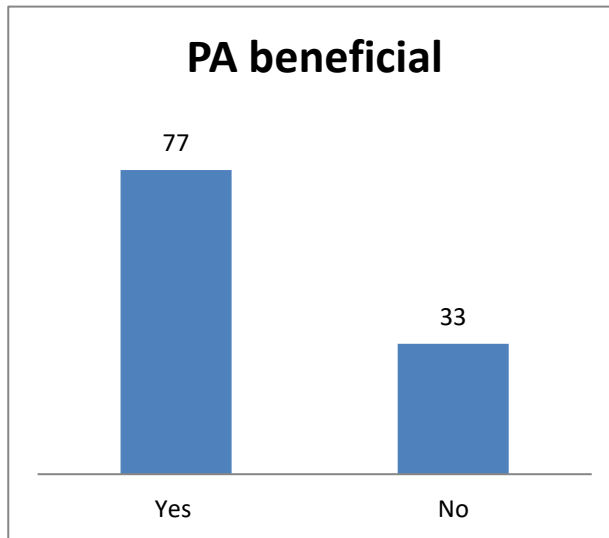
(c) It is necessary to motivate employee's .For this performance should be linked with rewards. It has been found that approx. 88% of the sampled banks link their performance to rewards and the rest 12% do not have their performance linked with rewards.



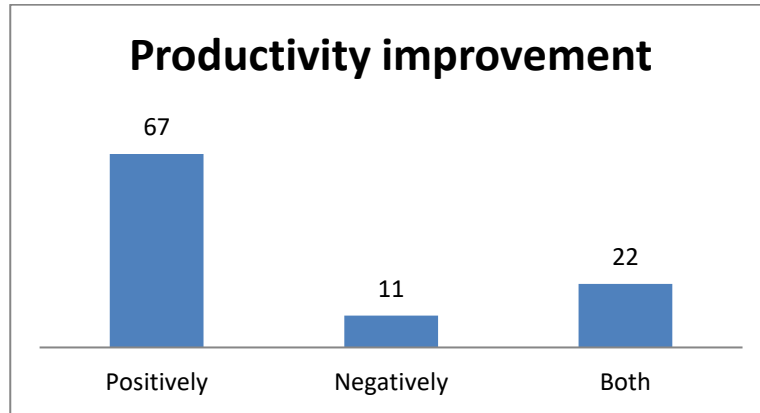
(d) From the study it can be analyzed that nearly 23% of the banks use observation method of performance appraisal and the rest 77% use confidential report method for performance appraisal.



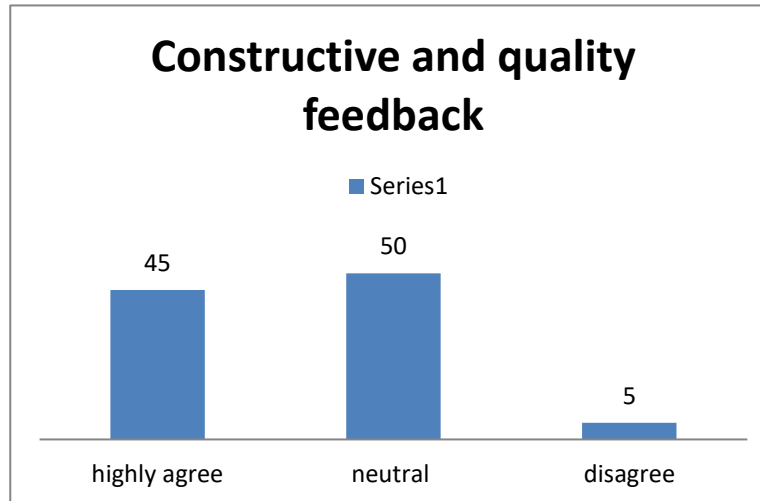
(e) 77% of employees believe that performance appraisal is beneficial in all aspects for them as well as organisation, while 33% believe it is not beneficial.



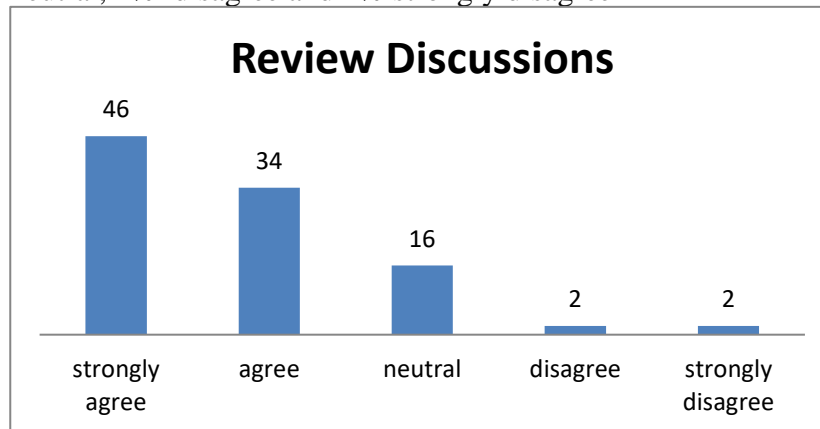
(f) Employees should be productive for the growth of the organisation. 67% believe that there is positive affect of performance appraisal, 11% believe it negatively and 22% believe it affects in both terms.



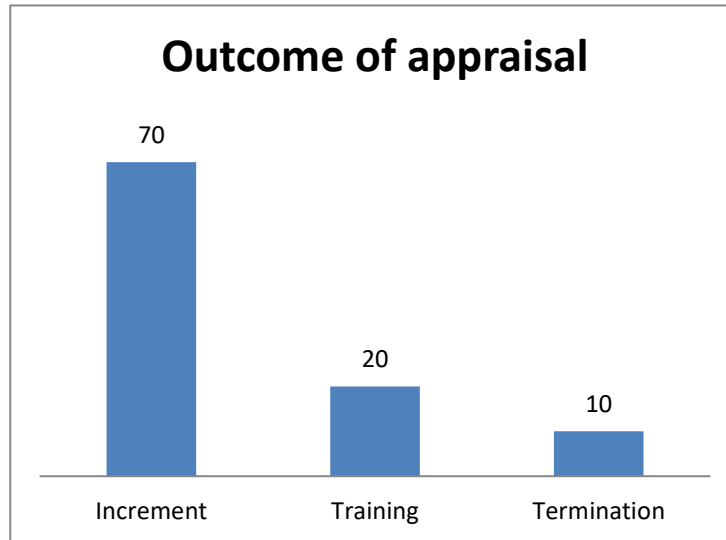
(g) Appraiser gives constructive and quality feedback. It is observed that 45% highly agree with the constructive and quality feedback. 50% are neutral and only 5% disagree with the constructive and quality feedback.



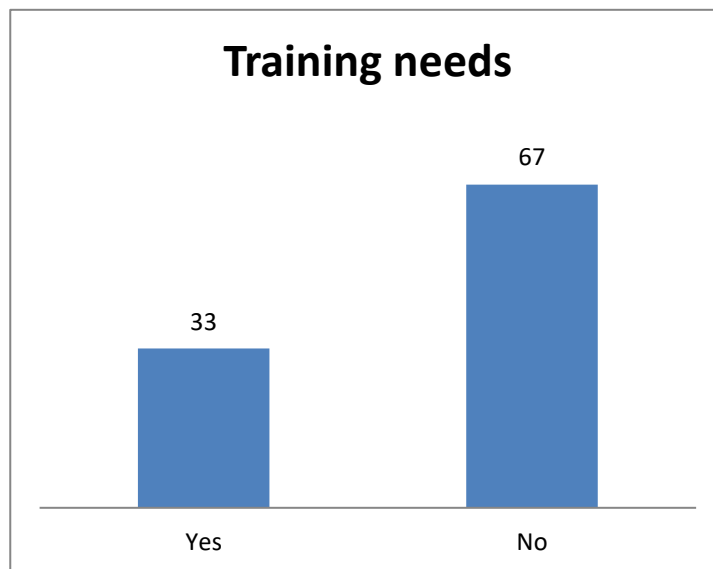
h) Performance review discussions are conducted with high care. It is analysed that 46% strongly agree with it. 34% just agree, 16% are neutral, 2% disagree and 2% strongly disagree



i) The outcome of performance appraisal is assessment of the employee. It has been observed that nearly 60% banks give increment to the employees. 20% give training to the probationary staff and 10% are terminated.



j) Need for training can be easily identified through performance evaluation. Performance evaluation can also help in identifying the area where training is needed. It has been observed that nearly 33% of the banks use performance evaluation as a technique for identifying training needs and rest 67% do not link performance to training needs.



6.Findings:

- The respondents moderately agree that the appraisal process is known to them. The frequency of appraisal in the banks is quarterly, half yearly and yearly not monthly.
- Most of the co-operative banks are still adopting the traditional method of appraisals- observation and confidential reports.
- Rewards are associated with the performance therefore individuals try to achieve their goals and targets both at individual level and group level. Rewards act as a motivating tool for the employees.
- Performance assessment will rapidly show the need for improvement. Performance assessment may also aid in determining which areas require further training.

7.Conclusion of the study:

- In almost all co-operative banks, superior assessment is the primary tool of performance evaluation. Self-evaluation should be made compulsory. If at all possible, 360-degree feedback should be used.
- A fair feedback increase motivation and loyalty of the employee towards the bank. Staffs are always grateful when the supervisor does the fair trail and unfair feedback which leads the employees for further improvements.
- The appraisee's output is often independently evaluated by banks, and the ultimate judgement is made by higher authority, with the appraiser's or immediate supervisor's advice being ignored on occasion. Higher authority's approval or rejection has an effect on the final decision.
- Probationer efficiency has been tracked and assessed informally in cooperative banks. Probationers are assessed using the diaries of clerical staff, entries in the service log, and a quarterly examination of work performed. For permanent staff, however, assessment is not taken seriously.
- PA reactions should be evaluated in terms of performance enhancement and employee growth. So there should be transparency in fairness of PA rating, consistency of PA rating, feedback, clarification of rating decisions, and overall satisfaction with the assessment system.
- Both monetary and nonmonetary rewards should be connected to results.

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