



A Comparative Study on Employee Performance Appraisal System of a Government Commercial Bank with That of a Private Commercial Bank in Bangladesh

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ABSTRACT

The appraisal process provides the platform for development and motivation of the employees, so organizations should foster a feeling that performance appraisals are positive opportunities, in order to get the best out of the people and the process. Organizations require consistent levels of high performance from their employees in order to survive in a highly competitive environment. They need to evaluate their employees in a right time and right manner. Organizations should provide reward to their employees by giving promotion as well as other monetary and non-monetary benefits. Organizations can, otherwise, punish their employees if they do not perform their duties and responsibilities in accordance with the performance standard set by the organizations. The aim of the study is to compare the employee performance appraisal system of a government commercial bank with that of a private commercial bank in Bangladesh. Both qualitative and quantitative performance appraisal criteria are used by both the banks in measuring the performance of their employees. Training and education as well as counseling are essential for both appraiser and appraisee.

Keywords: Performance appraisal systems, BARS, MBO, 360° appraisals

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1. Introduction

Performance appraisals are essential for the effective management and evaluation of the staffs. Appraisals help develop individuals, improve organizational performance, and fit into business planning. Formal performance appraisals are generally conducted annually for all staffs in the organization. Each staff member is appraised by their line manager. Directors are appraised by the CEO, who is appraised by the chairman or company owners, depending on the size and structure of the organization. Annual performance appraisals enable management and monitoring of standards, agreeing expectations and objectives, and delegation of responsibilities and tasks. Staff performance appraisals also establish individual training needs and enable organizational training needs analysis and planning. Performance appraisals also typically feed into organizational annual pay and grading reviews, which commonly also coincide with the business planning for the next trading year. Performance appraisals generally review each individual's performance against objectives and standards for the trading year, agreed at the previous appraisal meeting. Performance appraisals are also essential for career and succession planning - for individuals, crucial jobs, and for the organization as a whole. Performance appraisals are important for staff motivation, attitude and behaviors development, communicating and aligning individual and organizational aims, and fostering positive relationships between management and staff. Performance appraisals provide a formal, recorded, regular review of an individual's performance, and a plan for future development. Job performance appraisals - in whatever form they take - are therefore vital for managing the performance of people and organizations. Appraisals must not discriminate against anyone on the grounds of age, gender, sexual orientation, race, religion, disability, etc. Performance appraisal is a process of assessing, summarizing and developing the work performance of staffs in an organization. Good performance appraisals benefit both employees and the organization. They promote common understanding of individual needs, work objectives and standards of acceptable performance. They also give employees and managers a useful tool to aid in employee development. One human resource objective for using performance appraisal systems is to determine who should be promoted, demoted, transferred, or terminated. However, these are not only human resource functions that are related to performance appraisals. For example, an organization may use the results from a performance appraisal system to determine who needs formal training and development opportunities. Further, such opportunities may have no use as reward for individuals whose appraisals were positive. Performance appraisal also can be used to motivate and improve performance. By showing an individual strength lie and pirating out areas that still need improvement, an evaluator can help focus an employee's attention on a course that will produce the most positive benefits additionally reinforcing behaviors that have produced strong positive results should motivate the individual to continue to performing this manner. A well-designed performance appraisal system also can encourage individuals to work together as a team. If this is an organization's goal, it must face several challenges in designing and implementing such a system. In some cases, there are similarities in the performance evaluation

systems of both public and private banks. In some other cases, there are dissimilarities between them. For example, the point rating system is used in both public and private banks. At the same time, public bank evaluates the performance of employee yearly by the head office, but private bank evaluates the divisional performance of employee quarterly and head office evaluate the performance of all employees yearly. Obviously, using the supervisor in the evaluation process, self-managed group members can evaluate each other. Because self managed teams require a unique approach to performance appraisal, the process may need to be redesigned. The main objective of the study is to analyze the performance appraisal system of a government commercial bank with that of a private commercial bank in Bangladesh. It attempts to unveil the problems of performance appraisal system of commercial banks in Bangladesh and to recommend the possible lines of actions to overcome the problems with a view to coping with the globalization.

2. Literature Review

A co-ordinated effort of HRD and the manager responsible for conducting performance appraisal is a must for the smooth appraisal of performances in any organization. All the activities, like managers are trained, formal performance appraisal system is designed, methods are selected and timely reporting system is maintained, are done by the HRD. Performance appraisal has always been regarded as a painful and skillful annual event. It creates a link between organizational and personal goals. It changes organizational culture into result-driven climate. Nowadays, it is an important part of organizational life. In fact, it helps to justify the compensation differentiation, promotions, demotions, selection validation and terminations etc. (Longenecker 1999: pp18-19).

Modern organizations that are based mainly on mental work require universal employees whose goals should be skillfully made in accord with the goals of the organization and its subdivisions. Performance appraisal enables to determine whether the employees' performance is in correspondence with established objectives and it is primarily based on the appraisal of employees work results and activity (behavior), also potential (skills, abilities and characteristics). One survey delineated twenty purposes, divided into four major categories, for which formal performance appraisal can be used, according to Cleveland, Murphy, and Williams (1989) performance appraisal system can be used for the following objectives.

Figure 1: Objectives of Performance Appraisal System

General Application	Specific Uses
Development Uses	Identification of individual training needs Performance feedback Determining transfer and job assignments Identification of individual strengths and development needs
Organizational Maintenance/Objectives	Human resource planning, Determining organizational training needs, Evaluation of organizational goal achievement, Information for goal identification, Evaluation of human resource system and Reinforcement of organizational development needs.
Documentation	Criteria for validation research, Documentation of human resource decisions and Helping to meet legal requirements.

With the determination of work results, several problems take place owing to the change towards more dynamic and universal tasks. As a result, it is not always possible to determine the work results and compare with each other. The sense of teamwork and the interests of a group are undermined due to the emphasis on individual work results. (Coughlan, 1999, pp. 355-357; Yager, 2000)

The merits and demerits of different appraisal criteria cause their balanced usage. The appraisal systems of several British companies are based on skills and competence, behavioral traits and outputs from the job. Because of work diversity and lacking in objective measures, it is difficult to establish concrete objects for work and make them congruent with individual interests. That is why, British companies exploit distinct appraisal criteria simultaneously (Sisson, 1994).

A performance assessment criterion has to be on one hand relevant, reliable and justly measurable, and on the other hand tightly linked to the objects of the organization and its subdivisions. Such criteria are relatively difficult to find and in consequence the best result is achieved through balanced combination of distinct criteria. Personnel appraisal presupposes the appraisal system, including the development of appraisal criteria and methods that depending on the appraised object might be very distinct. This in turn presupposes discussions between the leaders and employees of the organization and reaching in common agreement about the basis of appraisal. A performance appraisal system assumes its acceptance by the employees and the fine tuning of employees' objectives with those of the organization. Performance appraisal enables better motivation, development and compensation of personnel. Leaders and executors need such information. They all require feedback about their performance. Feedback should be extensive ,i.e., 360°. (Maurer, Tarulli, 1996).

Compensation by results is an effective form of labor payment by which they are paid in accordance with the performance. Objective performance assessment should not concentrate on evaluating employee personal traits, but their job performance towards goals should be the basis for the determination of compensation (Nelson, 2000).

In case of payment by results, concrete work criteria are established requires precise measuring and evaluation of accomplishment. Payment by results presumes objective appraisal of work performance (Cole, 1997). Fair and measurable criteria enables to determine fair compensation, strengthen the connection between the results and payment and thus increase the motivation of the employees (Baron, 1999,). The method's efficiency of application depends on the choice of criteria for performance appraisal and their connection with work, which is usually first of all the amount and quality of the concrete work in different segments of activities and various financially measurable indicators.

Process of Performance Appraisal

The Performance Management Process provides an opportunity for the employee and performance manager to discuss development goals and jointly create a plan for achieving those goals. The process is outlined below:

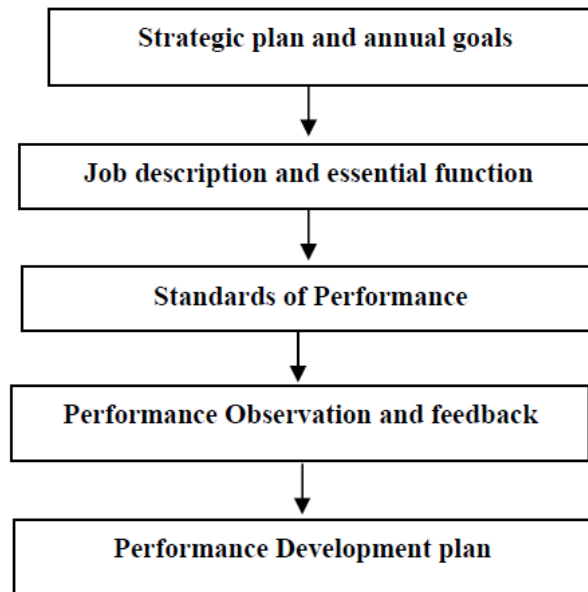


Figure 2: Process of Performance Appraisal

The Planning Process must also consider the emerging environment. Opportunities and/or threats could arise in any of the five main areas:

Economic: e.g. Changes expected in tax, inflation rates, growth rates, currency rates, trade control.

Government: e.g. Election prospects and manifesto EU legislation, environmental legislation, development grants, level of government spending.

Social: e.g. Demographic changes, education levels, leisure pursuits, willingness to incur debt, social norms, behavior, trends, attitudes towards such aspects as marriage , working mothers, youth unemployment, early retirement.

Technology: e.g. new materials, products and production techniques, improved communications, transport.

Competitors: cheap imports, potential entrants, sources of raw material.

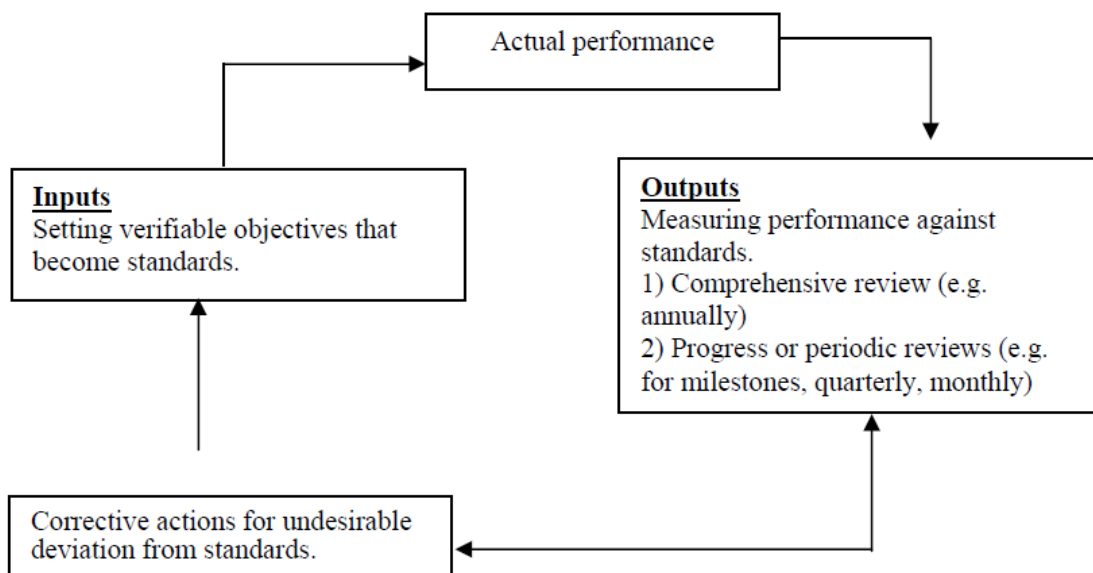
A Model of Performance Appraisal

The simplified model of performance appraisal shown in Figure 1 indicates three kinds of appraisal:

- (I) A comprehensive review
- (II) Progress or periodic reviews, and
- (III) Continuous monitoring.

There is a general agreement that a formal comprehensive appraisal should be conducted at least once a year, but some people suggest that such discussions should take place more frequently. Some enterprises have done all the reviews within short periods of time each year while other reviews are carried out throughout the year, often at the employment anniversary (Koontz H. (1994). Obviously, no universally applicable suggestion can be made about the frame for the formal comprehensive review. It depends on the nature of the task, past company practices, and other situation factors, once, twice or even three times may be appropriate for a particular organization or a person who is new in a job.

Figure4: Performance Appraisal Model



3. Methodology

This paper has been prepared relying on primary and secondary information. Primary information has been obtained through a sample survey conducted on a number of banks. Interview was conducted with the concerned personnel of the respective banks with the help of a semi structured interview schedule. Case study method is also used in the study. Sources of pertinent secondary information included the annual reports of respective banks, various publications of Bangladesh Bank, journals, newspapers and websites

Performance Appraisal Methods

Several appraisal methods are available for judging the performance of the employees. However, the HR manager has to make the choice of a method best suited to the work culture of the organization and fulfill its needs. The widely used methods may broadly be categorized under three types-

- a) those using absolute standards and
- b) those using relative standards.
- c) future- oriented appraisals

a) Methods of Performance Appraisal using Absolute Standards

Absolute standards are used to measure performance of an employee as an individual, not as the member of a group. His/ her performance is not compared to that of others. The methods under this category are:

- i. Confidential Report: It is mostly used in government organizations. It is a descriptive report prepared, generally at the end of every year, by the employee's immediate superior. The high lights the strengths and weaknesses of the subordinate. The impressions of the superior about the subordinate are merely recorded there. It does not offer any feedback to the appraisee. (Dr. Abdul Awal Khan, Human Resource Management, Page-136)
- ii. Essay Evaluation: The rater writes a narrative describing an employee's strengths, weaknesses, past performance, potential and suggestions for improvement. It is simple and requires no complex forms or extensive training to complete. It can provide a good deal of information about employee. Because essays are unstructured, they are likely to vary widely in terms of length and content. Some raters are better writers than others are. It contains a subjective evaluation of the reported behavior of an individual and may affect such important decisions as promotion and lay-off.
- iii. Critical Incident Technique: This method requires the rater to record the statements that describe extremely good or bad employee behavior related to performance. The statements are called critical incidents. The supervisor records these incidents during the evaluation period for each employee. Both positive and negative incidents are recorded. This method is extremely useful for giving employees job-related feedback.
- iv. Checklist and Weighted Checklist: This method requires the rater to select statements or words that describe the employee's performance and characteristics. He does not evaluate employee

performance. The rater is usually the immediate supervisor. He just supplies report about performance appraisal and the final rating is done by the personnel department. But without rater's knowledge, the personnel department may assign weights to different items on the checklists according to each item's importance. The result is called a weighted checklist. The weight is the average score of the raters prior to use the checklist. The weights allow the rating to be quantified so those total scores can be determined. The limitations of this method include use of personality criteria instead of performance criteria, misinterpretation of checklist items and the use of improper weights by the personnel department.

- v. **Graphic Rating Scale:** It requires the rater to provide a subjective evaluation of an employee's performance along a scale from low to high (from poor to excellent). The evaluation is solely based on the opinion of the rater. In most cases, the criteria are not directly related to job performance. Rather evaluation is based on traits- qualities that employee shows in his work. He is judged on such things as knowledge of the job, reliability, initiative and sense of responsibility. The rater rates the subordinates by marking a letter or figure on a scale. Immediate supervisor usually completes this form. Rating is given numerically to enable an average score to be computed and compared for each employee.
- vi. **Behaviorally Anchored Rating Scales (BARS):** Smith and Kendall developed BARS. Behaviorally BARS relies on the use of critical incidents to serve as anchor statements on a scale. Anchored Rating Scales (BARS) combine major elements from the critical incident and graphic rating scale approaches. Here supervisors construct rating scale with associated behavioral anchors. They identify relevant performance dimensions and then generate anchors- specific, observable behaviors typical of each performance level. BARS identify and evaluate relevant job-related behaviors.
- vii. **Forced Choice Method:** This method requires the rater to choose the most descriptive statement in each pair of statements about the employee being rated. Often both statements in the pair are positive or negative.

Sometimes the rater must select the best statement from four choices. The supervisor usually the rater, although peers or subordinates may make the evaluation. In order to reduce bias and distortion, the right answers are not known to the rater. Someone in the personnel department scores the answers based on the key.

b) Methods of Performance Appraisal using Relative Standards

- i. **Group Order Ranking:** It requires the evaluator to place employees into a particular classification, such as "top 10 percent".
- ii. **Individual Ranking:** It requires the evaluator merely to list the employees into in order from the highest to lowest. In this process, only one employee can be rated "best".

- iii. **Paired Comparison:** A score is calculated for each employee by simply counting the number of pairs in which the individual is the preferred member. It ranks each individual in relation to all others on a one-to-one basis.

c) Future- Oriented Appraisals

Future –oriented appraisals focus on future performance by evaluating employee potential or setting future performance goals. Included here are four techniques used:

- i. **Self-appraisal.** This method is used to further self-development. When employees evaluate themselves, defensive behavior is less likely to occur. Employee is getting involved in identifying his development needs.
- ii. **Assessment centers.** Assessment centers are a standardized employee appraisal that relies on multiple types of evaluation and multiple raters. The assessment center is usually applied to managers who appear to have potential to perform more reasonable jobs. Employees are evaluated at a separate place usually at a hotel, which is away from the jobsite. During this time, the psychologists and managers who do the rating attempt to estimate the strengths, weaknesses and potential of each attendee at the center. They then pool their estimates to come to a conclusion about each member of the group. A report is prepared on each attendee. Assessment centers are time consuming and costly. Its main merit is that multiple raters reduce bias.
- iii. **MBO:** Peter Drucker advocated and popularized the idea behind MBO. He stresses that business performance requires that each job be directed towards the objective of the whole business. MBO is a process by which managers and subordinates work together in identifying goals and setting up objectives and making plan together in order to achieve these objectives. MBO is a process of collaborative goal setting by a manager and subordinate; the extent to which goals are accomplished is a major factor in evaluating and rewarding the subordinate's performance. It emphasizes participative set goals that are tangible, verifiable and measurable. It is based on a person's performance and how well he or she is achieving in a given period of time. The focus is on results, not personality traits. The purpose of MBO is to give subordinate a voice in the goal setting process and to clarify for them what they are expected to do in a given time span. Thus MBO is concerned with goal setting for individual managers and their work groups.
- iv. **360 Degree Appraisal System:** 360-degree appraisals involve the appraisee receiving feedback from people (named or anonymous) whose views are considered helpful and relevant. Here respondents can be the appraisee's peers, up-line manager's subordinate staff, team members, other staff, customers, and suppliers - anyone who comes into contact with the appraisee and has opinions/views/reactions of and to the appraisee.

To use the feedback process for its fullest benefit, it should involve customers (in the broadest sense - could be patients, students, users, depending on the organization), staff, suppliers, inspectors, contractors, and others for whom good working relationships and understanding with the appraisee affect overall job performance, quality, service, etc

4. Errors of Performance Appraisal System

There are many possible sources of errors in the performance appraisal process. Various types of rater errors are:

- i. **Recency error:** The recency effect occurs when a rater gives greater weight to recent events when appraising an individual's performance. A recent action- either good or bad- is more likely to be remembered by the rater. Using some method of documenting both positive and negative performance can minimize this problem.
- ii. **Central tendency error:** Appraisers, who rate all employees within a narrow range, usually the middle or average, commit a central tendency error. It is the reluctance to make extreme ratings in either direction, the inability to distinguish between and among ratees; a form of range restriction.
- iii. **Leniency error:** Every evaluator has his own value system, which acts as standard against which appraisals are made. Some evaluators mark high and others low. The former is referred to as positive leniency error and the latter as negative leniency error or strictness.
- iv. **Halo effect:** The halo effect occurs when a manager rates an employee high or low on all items because of one characteristic.
- v. **Contrast error:** This error is the tendency to rate people relative to other people rather than to performance standards.
- vi. **Similarity error:** When evaluators rate other people in the same way that the evaluators perceive themselves, they are making a similarity error. Based on the perception that evaluators have themselves, they project those perceptions onto others.
- vii. **Personal prejudice:** A rater's dislike for a group or class of people may distort the ratings those people receives. Discrimination may occur in terms of age, gender, religion, and country of origin, etc. For example, some HR departments have noticed that male supervisors give undeserved low ratings to women who hold traditionally male jobs. Sometimes, raters are unaware of their prejudice, and this makes such biases more difficult to overcome.

5. Analysis and Interpretation of Performances

5.1 Performance Appraisal Systems of Janata Bank Limited

Employee performance appraisal system as adopted in Janata Bank with effect from August, 1995, is a part of the whole system to Human Resource Management. There are two components of the Janata Bank Appraisal System. These are:

- Periodic Performance Review (PPR)
- Annual Performance Appraisal (APA)

Periodic Performance Review (PPR): Periodic Performance Review (PPR) is used for assessment of skill and to identify the development needs of the employees. This is intended to develop a number of things, such as mutuality, openness, trust, respect etc. This system is applied to Officer Grade-I and up

to Senior Assistant Vice President. The review falls due after the completion of six months of service from the date of joining or promotion. This assessment is done once a year

Annual Performance Appraisal (APA): The Annual Performance Appraisal (APA) forms at the Janata Bank are designed by following a simple management model. It is stressed that lower level employees require more technical skill whereas employees moving upwards gradually require more of conceptual and human skill.

Figure 4: The Management Model

Group A	Executive Vice President / Senior Vice President / First Vice President / Vice President
Group B	Senior Assistant Vice President / First Assistant Vice President / Assistant Vice President
Group C	Senior Staff Officer/ Staff Officer/ Officer Grade-1
Group D	Officer Grade-2/ Assistant Officer
Group E	Office Assistant
Group F	Driver/ Security Staff/ Office Attendant

Mark and Basis of Rating: All employees are rated on 100 marks. That is allocated to different factors. Different categories of factors are given different weightage depending on the categories of the employees. They are as under:

Excellent (over 60%): Employees achieving exceptional results consistently under adverse conditions are rated as excellent. An excellent employee is one who demonstrates complete mastery of the job and is recognized as a rare professional in the field.

Good (Over 45% and up to 60%): Employees showing acceptable performance which meets normal expectations where targets have always been met and occasionally exceeded under normal conditions are rated as good.

Average (Over 30% up to 45%): Employees showing marginal performance with occasional failure to achieve expected results are rated as average. An average performer who has reached his or her peak requires corrective action.

Unsatisfactory (30% and Below): Employees showing unacceptable performance with frequent failures to meet expected result are rated as unsatisfactory. He/she lacks adequate knowledge of the job and exerts little to overcome his or her shortcomings. He is totally misfit for the organization.

Appraisal Process for the APA:

- Filling up the Forms
- Ratings & Comments (Specific):

- Remarks by the Supervising Officer
- Recommendations for Increments
- Assessment of Potential
- Recommendation for Promotion
- Remarks by the Countersigning Officer
- Comments by Reviewing Officer
- Review and Head Office Action
- Evaluation

5.2 Performance Appraisal Systems of IFIC Bank Limited

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Good (over 45% and up to 60%): Employees showing acceptable performance which meets normal expectation where targets have always been met and occasionally exceeded under normal conditions are rated as good.

Average (over 30% and up to 45%): Employees showing marginal performance with occasional failure to achieve expected results are rated as Average. An average performer who has reached his/her peak requires corrective action.

Unsatisfactory (30% and below): Employees showing unacceptable performance with frequent failures to meet expected result are rated as unsatisfactory. He/she lacks adequate knowledge of the job and exerts little to overcome his/her shortcomings and finds excesses around. He is totally misfit future jobs for the organization.

Appraisal Process for the APA: There has certain form or structure that IFIC Bank follows to gain the advantage from the term performance appraisal. This process includes-

Fill-up the forms: Immediate supervising officer fills up the forms on the employee supervised and Branch- in-charge and/or development chief countersigns. The forms of the Branch-in-charge are filled up by three Group Executives of Head Office jointly and countersigned by the Deputy Managing Director.

Each kind of form contains several performance areas. The main performance areas are-Business performance, relation performance, personal characteristics, planning and innovation. Each performance area has some factors. Each of these factors is considered while allocating marks.

Rating and Comments (Specific): Rating column has a corresponding column for-"Comments". This column is filled up with specific comments and not with general comments.

Remarks by the Supervising officer: In the space provided for REMARKS BY THE SUPERVISIGN OFFICER the strength and weakness of employees are mentioned specifically.

Recommendation for increments: If recommended for additional increments, specific reasons are stated. Excellent performer calls for consideration of additional increments.

Assessment of potential: In reporting potentiality the reporting officer mentions suitable positing of the officers only. This is relevant when reporting officer feels that a particular employee should not be promoted now, but is worthy for higher for independent assignment.

Recommendation for promotion: Recommendation for promotion accompanies specific reasons. Employees showing excellent performance for more than one/two years are considered for promotion. Id recommended for promotion, he/she is not recommended for additional increments.

Remarks by the Countersigning officer: If the countersigning officer disagrees with the assessments on the employee by the supervising officer, he/she has to provide specific reasons. Simple disagreement will not merit any consideration by the Head office.

Comments by reviewing officer: In case of disagreement between supervising officer and the countersigning officer, the Head Office does reviews.

Review and Head Office Action: Columns for comments by the reviewing officer and for a Head Office use are not used by the reporting officers. These columns are lest for the Head Office use only. Head office reviews the marks and ratings.

Evaluation: Informal interviews were conducted and questionnaire was distributed among both the appraiser and appraise.

5.3 Performance Appraisal Systems of Different Private Banks

Banks evaluates employees' performance at three different levels:

- a) Performance appraisal for junior level management (From junior officer to Executive officer)
- b) Performance appraisal for mid level management (From Executive officer to Senior Assistant Vice –President)
- c) Performance appraisal for Senior- level management (From Vice President to Executive Vice President)

6. Findings of the Study

6.1 Positive Findings

- i. Executives reported that the performance appraisal system in IFIC Bank serves as a control device, it is a good mechanism to control employee. They opined that it should continue. In Janata Bank, it is not serve as a control device.
- ii. The system review of IFIC Bank helps the supervising officer to have better idea about strengths and weaknesses in his/her department and enables him/her to make more

effective work assignments and improved communication between reporting officer and his/her subordinates. In Janata Bank, system review is not up to the mark.

- iii. In IFIC bank, the appraisal review guides the decision regarding salary increment to a great extent. This encourages employees to show better performance. Same thing occur in Janata bank.
- iv. Both IFIC and Janata bank, the supervising officer in-charge of appraising his/her subordinates has enough knowledge about his/her subordinate.
- v. The present ARP system of IFIC bank has improved the performance of the Bank since it was introduced in 1987. some of the improvements are as follows:
 - Steady growth of business.
 - Manpower is more efficiently utilized.
 - Officers are getting more serious about their assigned jobs. They are also serious regarding procurement of business for he Bank. This particular system helps the employees for getting additional increment or promotion.
 - Control device in the form of performance appraisal has helped the bank in accomplishing its objectives of providing better banking service to the people.

6.2 Other Findings

- i. The performance appraisal system of both bank now followed is trait-based system and thus neglects the reviews on direct job related dimensions.
- ii. IFIC Bank service rules provide for periodical appraisal of employees and as such periodical performance review was introduced. This was an open system where employees were able to know their strengths and weaknesses. However, for circumstances beyond control, it is unofficially discontinued in most of the departments. In Janata bank service rules provide for periodical appraisal of employees and as such periodical performance review was not introduced. This was not open system as like as IFIC Bank.

6.3 Comparative Performance Appraisal System Analysis between Banks

- Rating appraisal system: From various kinds of performance appraisal system, private bank as well as government bank use the point rating system. This system gives more emphasis on quality of work, Dependability, Job knowledge, attendance, accuracy, etc.
- Time: Public bank evaluate the performance of employee yearly by the head office. But private bank evaluate the divisional performance of employee quarterly and head office evaluate the performance of all employees yearly.
- Level: Public bank measure the performance at three levels.
 - a. Junior level
 - b. Mid-level

c. High level

Private bank measure the performance at three levels.

a. Non-executive level

b. Executive level (Mid-level)

c. Top Management.

- Rating scale: Public bank rating the employee by the following way.

Outstanding (80 and above): Superior actions and results that consistently deliver very high quality performance far exceeding expectation.

Very good (70 and 79): High quality performance where actions and result frequently exceed expectation.

Good (60-69): satisfactory performance that effectively meets expectation.

Average (50-59): Actions and results that sometimes fall short of expectation and do not always meet requirements of the job.

On the contrary the private bank rates the employees by the following ways: Significantly above the performance level required by the business. Consistently better than the performance level required by the business.

Consistently achieved the performance level required by the business.

Not consistently achieving the performance level by the business.

Significantly below the performance level required by the business.

7. Conclusion

It has been found that the concerned private bank sets its human resource strategies that emphasize efficiency, control and firm-specific knowledge. Such strategies include internal recruitment, on-the-job training and high dependence of supervisors. It is evaluating the employees' performance mostly objectively and the final decision regarding the appraisee has been taken by the higher authority, where sometimes the appraiser's or immediate supervisor's recommendation is neglected. In public bank, employee performance appraisal is always done objectively and the final decision regarding the appraisee has been taken by the higher authority, where sometimes the appraiser's or immediate supervisor's recommendation is neglected and the liking and disliking of higher authority do matter and the personal influence from the appraisee distorts the true judgment by the evaluation board. But in order to achieve high growth in sales and engages in product innovation for a wide market segment, it benefits from those human resource strategies that include external recruitment, decentralized pay decisions and customized appraisals. The evaluation process is hindered by lack of positive communication, negative attitudes, inflexibility, defensiveness, and a non- developmental approach both in case of private and public banks. Management should provide guideline to the appraiser that they should follow the subjective judgment, prudence and acquire personal knowledge about the appraisee

in case measuring the performance of the appraisee. This subjective judgment play significant role in deciding the reward or punishment for the concerned employee. It has been also observed that Most of the employees do not have proper knowledge regarding the existing performance appraisal system and the factors or areas of the work they need to give emphasis. Failure to use evaluations in human resource decision-making and human resource development negates the primary purpose of performance evaluations. This study provided the idea to develop the proper employee evaluation technique for the development of the organization and future researcher can do research on the basis of the research.

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Appendix

Questionnaire on Performance Appraisal System of Banks

Reporting period: From ----- To-----

Name of Branch/ Division:-----

Part-A To be filled in by Human Resource Division

- b) Name of Appraisee:
- c) Designation:
- d) Division/ branch:
- e) Date of birth :
- f) Date of joining:
- g) Date of confirmation:
- h) Previous experience if any:
- i) Period of service in the bank:
- j) Date of last promotion:

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- 1. Name of Appraiser:
 - 2. Designation:
 - 3. Division/ Branch:
 - 4. Period of appraisal:
 - 5.

Part-B To be filled in by the appraisee: (Measurable fields)

SN	Items rated	Outstanding	Very good	Good	Average	Below average
1.	Knowledge of the organization, products, services					
2.	Awareness of the policies/manuals					
3.	Knowledge of banking rules and regulations					
4.	Readiness to work under pressure					

5.	Punctuality and time consciousness					
6.	Sense of responsibility and belongingness					
7.	Communicating skill					
8.	Commitment to the organization and its advancement					
9.	Marketing and selling ability					
10.	Initiative and drive					
11.	Preparedness to learn and implement					
12.	Response to customer reaction					

Part-C To be filled in by the appraiser: (Measurable fields)

SN	Items rated	Outstanding	Very Good	Good	Average	Below average
1.	Initiative, drive, enthusiasm					
2.	Acceptability to the colleague and seniors					
3.	Acceptability to the customers					
4.	Time consciousness, attendance, punctuality					
5.	Sense of commitment and belongingness to the bank					
6.	Knowledge in banking, accounting, finance, laws practices					
7.	Knowledge about the bank's products, services and policies					
8.	Skill in presentation in English and Bengali					
9.	Physical and mental health condition					
10.	Outer presentation and adherence to discipline					

11.	Preparedness to work under pressure					
12.	Desk related job accomplishments					
13.	Compliance with instruction in accomplishment of job assigned					
14.	Accuracy in accomplishment					
15.	Response to customer reactions/ response to supervisor's instructions					
16.	Speed in accomplishing jobs assigned					