

**PERFORMANCE APPRAISAL SYSTEM OF PUBLIC AND PRIVATE SECTOR BANKS A
COMPARATIVE STUDY WITH SPECIAL REFERENCE TO STATE BANK OF INDIA AND
HDFC BANK**

**UNDER THE GUIDANCE OF
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CHAPTER 1: INTRODUCTION

The performance appraisal process assesses an individual's effectiveness by measuring their actual effectiveness within predetermined bounds. The employees have already been given an explanation, therefore giving them feedback on how well they are doing their work would help them become more efficient as needed by the business concern.

Performance reviews and raises serve a variety of functions, such as identifying the contributions of each employee at work and, subsequently, determining if a particular employee needs additional training or encouragement in the form of a raise. Put another way, it is also possible to argue that the performance review serves as a tool for evaluating an employee's effectiveness and determining whether to promote or demote them in the event of incredibly poor performance and little chance for improvement.

In present time, each corporate segment uses performance appraisal as an instrument used for identifying and evaluation of an employee and take decisions about him/her.

Each employee's performance is determined by their level of productivity at work. Effectiveness and efficiency are implied by productivity, where effectiveness is the achievement of a goal. It doesn't express the expenses incurred to reach the goal. Efficiency is defined as the ratio of achieved productivity to compulsive involvement. The level of skill increases with the productivity for a particular contribution. A goal-oriented measure of productivity, such as hard data on manufacturing output, the percentage of crimes solved, or the number of units produced, is undesirable.

Furthermore, efficacy and efficiency can be used to define productivity.

Personnel data such as progress, nonexistence, increments, and delays are also included in performance. When an employee not only performs well in terms of efficiency but also lessens problems for the company by showing up on time, not missing work, and having fewer work-related accidents, they are regarded as great.

1.1 About Appraisal

Generally, an appraisal is the judgment of the characteristics, traits and performance of others. In other words, an appraisal is a comparative study of the basis of other employees. On the basis of these judgments, the performance can be assess the worth or value of others and identify the favorable factors. In a business organization, performance appraisal is a methodical valuation of employees by their experts/seniors. They also desire to know their place in the business organization.

Appraisal play a crucial role in making various management decisions recruitment, training, advancement, relocation, and handling of wages and salaries, among other responsibilities. Besides, they assist in employee's growth.

It is, therefore, can be concluded that the performance appraisal is a organized and object oriented path of measuring the qualified appeal of capability of an employee in managing his allotted works at the workplace. It assists to recognize those employees who are managing their allotted jobs in good manner.

1.2 Introduction of Performance Appraisal

A performance appraisal is a systematic evaluation of an employee's work output so that they can understand all of their own talents for development and advancement. It also logically incorporates evaluating employee reimbursement. Examining the relevant elements entails completing the tasks that have been allocated to you and looking forward to better direction."

There are several other names for performance appraisal, including personnel appraisal, employee evaluation, merit rating, employee assessment, and employee assessment. A systematic, regular, and objective assessment of an employee's competency in relation to their current function and future growth potential is known as a performance appraisal.

Performance appraisal is a methodical way of considering and measuring the capacity of an employee for a specific time and forecasting for his future. It can also be defined as a planned prescribed communication between an employees and employer structure of a intervallic discussion.

The job routine of the junior is inspected considered with a outlook to recognizing the weaknesses, strengths, opportunities for enhancement, abilities. At this juncture it will not be out of context to define the Performance Appraisal System.

1.3 History of Performance Appraisal

The beginning of performance appraisal systems be traced back to third century when the rulers of the Wei dynasty (A. D. 221-265) appointed an Imperia later to assess the performance of family members of the kingdom's rulers. Historical accounts suggest that the concept of performance appraisal for workers was first introduced in the 1800s at Robert Owen's Cotton Mills in Scotland.

Initially, these systems aimed to make fair administrative decisions, such as promotions, based on the evaluation of individuals using consistent standards. The adoption of formal appraisal systems in the

Western world for hourly-rated workers emerged after World War I, inspired by Frederick Taylor's work measurement techniques. These methods involved analyzing job components, setting output standards, and measuring work performance.

The development of the performance appraisal system, commonly known as Merit Rating, under Taylor's influence, followed a similar approach. Job requirements were segmented into factors like diligence, loyalty, and honesty, each assigned point values, and supervisors were required to rate workers on a 4-to-6-point scale. This model, known as the trait-rating system, aimed to determine wages based on performance appraisal.

In the 1930s and 1940s, human-relations-oriented attributes such as interpersonal skills were integrated into the appraisal process. During this period, the practice of supervisors communicating evaluations to workers became more common. The formal implementation of performance appraisal systems managerial staff in industries and businesses began post-World War II and expanded from hourly-rated workers to managerial personnel by the 1960s.

1.4 Concept of Performance Appraisal

Almost all organizations employ methods for evaluating their employees, known by various names like employee evaluation, merit rating, or employee assessment. Performance appraisal involves totally assessing an hand's current and once performance against destined criteria. It ensures alignment with organizational prospects while pressing areas for enhancement. Feedback on performance motivates workers and helps them amend once crimes to enhance productivity.

The conception of performance appraisal isn't a recent one but dates back to early societies, signifying its part in enhancing performance. Regular evaluations can lead to bettered hand performance by setting clear prospects and relating areas for growth. Performance appraisal, whether conducted annually or monthly, serves as a means to foster development, maintain attestation, and achieve organizational pretensions effectively.

1.5 Objectives of Performance Appraisal

1. Primary goals of performance evaluation include:

- Keeping accurate records for determining compensation packages, wage structures, salaries, and increases.

- Identifying strengths and weaknesses of employees for improved development and growth.
- Providing constructive feedback on performance to employees.
- Influencing the work habits of other employees and supporting training programs.

2. Learning business objectives among employees is vital for trainers.

- Establishing performance-based metrics or revenue-increasing percentages is crucial.
- Timely performance evaluations by managers facilitate discussions on professional development and strategic goal setting.
- Collaboration between managers and employees is key to enhancing relationships and effectiveness.

1.6 Advantages of Performance Appraisal

Performance appraisal benefits include:

- it facilitates the communication among the executives and employees.
- Simplifying promotion planning and enabling effective removal or demotion of underperforming individuals.

1.7 Disadvantages of Performance Appraisal

Pitfalls of performance evaluation involve:

- The halo effect, leading to biased evaluations.
- Rater inconsistency and bias impacting assessments.
- Detrimental feedback due to specific grounds provided by authorities.

1.8 Process of Performance Appraisal

1. Performance appraisal is an ongoing process that begins with performance identification and ends with overall evaluation.

2. The next step involves evaluating the genuine performance of employees at work.

3. Following that, the employee's performance needs to be matched against established criteria.
4. Upon assessing personal performance, the evaluator should engage in personal discussions and review the profile for individual ratings.
5. The ultimate stage involves implementing corrective measures for performance appraisal.

CHAPTER 2: BANKING SECTOR

2.1 Introduction

Banks are the lifeline of each country. It gives power to rotate money from one person or company to another person or company for their routine expenses. It has helped in progress of a nation with the help of its economic, social and personal power of a human being. This sector has interpreted the demands and supplies of all expectations and desires of human beings as well as to a company. Today, Indian banks are performing a good and acknowledgeable tasks for social personal and economic development.

The banking sector in India has been classified into two categories: Public sector banks and Private sector banks. The private sector has steady deregulation that is being conducted in while stimulating the opposition would also make easy forging equally helpful relationships, which would eventually improve the excellence and content of banks.

Only with the combined efforts of development banking institutions, regional rural banks, and cooperative banks has the Indian banking sector provided a positive portrayal of itself. These institutions are expected to provide a sufficient number of effective retail outlets to

assemble the emerging socioeconomic issues that may arise in the future. The banking system has been impacted by the e-age, which has resulted in extremely quick electronic fund transfers.

But the expansion of online banking has also brought about new dangers.

2.2 Government Initiatives for Banking Industry in India

Followings are the main initiatives of the government for effective managing this sector:

- The government allocated Rs 22,915 crores as capital concoction in 13

public sector banks in July, 2016, which is predictable to progress their

liquidity and lending operations, and beach up monetary growth.

- The RBI has also launched the Vision 2018 document for larger use of epayments by all sections of society.

- The RBI and Government also focused e wallets and mobile banking for the customers.

- The RBI has also launched some instructions for priority sector for the development in agriculture lending.

- The RBI has permitted supplementary reserves to be part of tier-1 which is predictable to shore up the resources of state-run banks.

- The RBI has also permitted privately owned banks by up to Rs 35,000 crore

(US\$ 5.14 billion) and Rs 5,000 crore (US\$ 734 million) respectively. To reduce the burden of loan repayment on farmers, a special term of Rs

15,000 crore has been made in the Union Budget 2016-17 towards interest funding.

- The Government of India has also set up a special fund to deal with stressed assets of banks.

- The RBI also issued some guidelines for special fund has which is useful to take over assets which are realistic.

- Government of India aims to enlarge insurance, pension and credit facilities to those excluded from these benefits under the Pradhan Mantri Jan DhanYojana (PMJDY).

2.3 New Approaches in Indian Banking

The Indian banking sector has introduced several key initiatives:

1. Investment Capital

This innovative banking step involves venture capitalists taking on greater risks to fund the development of new products by individuals who may not have proven their business acumen yet. Venture capital essentially involves equity investment in young private companies. Venture capitalists can be financial institutions, banks, investment firms, or even affluent individuals. While there have been success stories in venture capital-assisted businesses, failures are more common. In India, SEBI has established rules and regulations for such ventures.

2. Factoring Services

Factoring services include financing up to 80% of the account value, managing sales ledgers, debt collection, and providing credit insurance.

3. Unified Banking Services

The idea of a universal teller agreement guarantees that clients don't have to visit many counters within a branch for different transactions; instead, they may take care of all of their banking needs at one window. One of the first nationalized banks to do so was Bank of Baroda, which also executed a similar deal with trade unions. Though it's unclear if any agreements have been reached with its unions, the State Bank of India has also implemented the single window concept in a few of its branches.

4. Banknet

For banks to expand, effective data delivery, processing, and gathering are essential.

Moving away from traditional methods like telephone, mail, telegraph, and telex, which are time-consuming and costly due to multiple handling stages, electronic processing has become essential.

5. Automated Teller Machines (ATMs)

The introduction of ATMs signifies a shift from a cash-based to a cashless economy, eventually transitioning to a plastic card economy. ATMs, resembling human weighing machines on the outside, have become a significant trend in the banking sector.

6. Banking over the phone

For clients, one of the most significant services is phone banking. With its assistance, users can benefit from their phone and address all the issues pertaining to banks. Units of Offshore Banking.

The banking sector in India is currently facing several apparent ramifications of globalization. Following significant domestic transformations brought about by foreign direct investment and increased competition, Indian banks are now heavily concentrating on their international activities. Indian banks are mostly represented abroad through subsidiaries, offices, and branches. Additionally, offshore banking units are the newest thing on the block (OBUs).

7. Offshore Banking Units

The banking sector in India is currently facing several apparent repercussions from globalization. Following significant developments that occurred domestically,

foreign direct investment and intensifying rivalry Indian banks are currently heavily concentrating on their international business. Indian banks are mostly represented abroad through subsidiaries, offices, and branches. Additionally, offshore banking units are the newest thing on the block (OBUs). The Reserve Bank of India introduced the idea of OBUs in November 2002. These would be Indian banks' on-shore operations dedicated exclusively to off-shore transactions. An export-oriented zone would be the required location for an OBU.

At the moment, SEEPZ in Mumbai is home to OBUs operated by four PSBs: State Bank of India, Union Bank of India, Punjab National Bank.

8. Core Banking

It's the hottest word right now. A bank may manage every aspect of its operations using this consolidated platform. The implementation of CBS will facilitate the launch of new goods and services

9. Universal Banking

Although the concept is widely used in industrialized nations like the US, France, and Germany, it is not as widespread in the UK. Officially speaking, it hasn't taken off in India yet

10. Net banking

In a way, banking is a service-oriented business. The growth of banking services via the Internet is associated with Internet banking. Utilizing the internet or net banking, clients may access a variety of banking services from anywhere in the world with just one click.

11. Deposit Insurance schemes

As a guarantee, this program offers insurance coverage on customers' savings stored with the bank. Deposit Insurance Scheme was replaced with "Deposit Insurance and Credit Guarantee Corporation" on July 15, 1978.

12. Scheme for Gold Deposits

The Indian government put out a new gold deposit scheme in its 1999–2000 budget. This scheme's primary goal was to gather inactive gold that was lying with individuals or organizations such as Indian temples and apply the same for productive goals via banks

2.4 The Evolution and Histories of the Chosen Banks Under Examination

The following describes the evolution and past of a few chosen banks:

2.4.1 The State Bank of India, or SBI

2.4.2 HDFC Bank

Below is a thorough analysis of the aforementioned banks:

2.4.1 The State Bank of India, or SBI

In Calcutta, the State Bank of India was founded in 1806. The State Bank of India nation's oldest bank. In terms of its size, number of branches, market value, and earnings, it is likewise at the top. Additionally, it highlights the ability of complete sale banks to provide India's expanding large corporations with a wide range of goods and services at the top of the market. It combines its global reserve management technique with internal planned items and derivative gadgets. Currently, the bank is the nation's main controller of external commercial borrowings and the nation's leading provider of funding for infrastructure loans.

The bank offers a wide range of services, including NRI services, personal, corporate, international, rural, and agricultural banking, SME banking, government business, and domestic treasury. This bank is among the top banks in the nation for both social and economic development.

2.4.2 HDFC BANK LIMITED

This bank was founded as "HDFC Bank Limited" in August of 1994.

This bank's registered head office is located in Mumbai, India. The bank began operating as a Scheduled Commercial Bank in 1995. This bank is the best in the private sector and has 1416 branches spread throughout more than 550 Indian cities.

This bank's branches are all connected via real-time web software.

Telephone Banking services are also provided to clients in more than 500 locations.

Additionally, the bank maintains a network of around 3382 networked ATMs in these cities. This bank provides its wholesale and retail clients with a wide range of transactional and commercial banking services as well as treasury solutions. The Remittances, investments, and insurance loan payment services are the three divisions of the bank. In addition to these services, the bank offers corporate banking services, services for small and medium-sized businesses, services for financial institutions and trusts, and services for the government. This bank was the first in India to introduce an international debit card in partnership with VISA (VISA Electron) and to provide its clients with Master and Maestro debit cards.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 Introduction

Research is associated with the pursuit of knowledge and expertise. It is a methodical procedure to find the innovations for data on a specific subject or problem. It is sometimes referred to as the methodical exploratory art. The primary goal of research is to use scientific methods to find solutions to the problems that have been outlined. Stated differently, "the primary goal of research is to uncover the truth that is concealed and has not yet been discovered."

Every research endeavor, however, has unique goals, objectives, and constraints. The primary goals and objectives of the study are listed below.

- to become familiar with something new that is about to happen;
- 2. To precisely characterize the attributes of a person, a group, or a circumstance;
- 3. To examine the event that gives rise to anything; additionally
- 4. To investigate the theory that two variables are causally related.

3.2 literature review

Prasad et al. (2016) carried out a research A multiple regression analysis was used to evaluate how employee core competencies affected the performance appraisal system with reference to Hyderabad's Agriculture Research Institutes.

Using multiple regression analysis, the study sought to assess employee key competences that impact the agriculture research institutes in Hyderabad, India's performance rating system.

Data on a variety of employee capabilities, including technical proficiency, interpersonal skills, problem-solving aptitude, and teamwork, were probably gathered by the researchers. After that, they employed multiple regression analysis to determine which of these competencies had the biggest influence on the system for performance reviews.

The study's findings would have shed light on the essential skills that Hyderabad's agriculture research institutes look for in staff members. This data can be utilized to identify areas where employees might benefit from additional training or development, as well as to enhance the performance appraisal process and make sure it is in line with company objectives.

Performance Appraisal in India - A Review was the title of a review done in 2016 by Singh and Vadivelu. The study's objective was to present a general overview of India's performance evaluation procedures in a number of industries.

To assess the current situation of performance appraisal in India, the researchers most likely looked through previously published papers, studies, and literature. They would have looked into things like performance appraisal procedures, frequency of appraisals, evaluation standards, and the efficiency of appraisal systems in various companies.

In 2016, Singh and Vadivelu published a review titled "Performance Appraisal in India – A Review." The study's objective was to present a general overview of India's performance evaluation procedures in a number of industries.

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The review would have shed light on the advantages and disadvantages of Indian performance evaluation procedures. It might have also brought to light issues, solutions, and best practices that businesses can use to enhance their performance review processes.

Policymakers, HR specialists, and researchers with an interest in comprehending and improving performance appraisal procedures in India will find the review's conclusions to be beneficial.

2016 saw the completion of a research by Singh, Pooja, and Priyanka titled "Training and Performance Appraisal Practices of State Bank of India with Special Reference to Varanasi." The study set out to look into the State Bank of India's (SBI) performance evaluation and training procedures in Varanasi, India.

The training courses that SBI provides to its Varanasi staff members and the techniques for assessing employee performance are probably the subjects of the data that the researchers gathered. It's possible that they looked at how well these procedures work to raise worker happiness and performance.

The study's conclusions would have shed light on SBI in Varanasi's training and performance evaluation procedures, highlighting areas of strength and areas in need of development. The study may be useful to SBI and other institutions.

2015 saw the completion of a study by Ajitha and Panchana Tham titled "Impact of Performance Appraisal on Attitude of Employees in New Private Sector Banks in Karur, Tamil Nadu." The study sought to examine the ways in which new private sector banks in Karur, Tamil Nadu, are influencing the attitudes of its staff members about performance reviews.

The researchers most likely gathered information on the performance review processes employed by these institutions and evaluated the sentiments of employees both prior to and following these reviews. It is possible that they have examined elements like motivation, work happiness, and organizational commitment in order to comprehend how performance reviews affect these perspectives.

The study's conclusions would have shed light on how well Karur's new private sector banks implement performance reviews. The study may help banks improve employee attitudes through performance reviews, which will raise job satisfaction and improve overall organizational performance.

Begum, Sameera, et al. (2015) carried out a study that contrasted the public and private sectors' performance rating methods. The purpose of the study was to examine and contrast the methods used in these two industries for conducting performance reviews, emphasizing the variations in procedures, difficulties encountered, and efficiency of these frameworks.

Most likely, the researchers gathered information on the procedures used by both public and private sector firms for performance reviews. They might have looked into things like how frequently appraisals are conducted, what criteria are applied, what feedback systems are in place, and how satisfied employees are with the process overall.

The study's conclusions would have shed light on the advantages and disadvantages of performance evaluation programs in the public and commercial sectors. Policymakers seeking to increase the efficacy of performance management in all sectors and firms seeking to improve their performance appraisal procedures may find this material to be beneficial.

In 2015, Chetana Pattnaik and Mohpatra carried out an empirical investigation into the factors that influence performance evaluation. The purpose of the study was to determine and examine the variables that affect how firms evaluate employees' performance.

The researchers most likely gathered information on a range of variables that may have an impact on performance reviews, including employee motivation, corporate culture, leadership style, and the precision of performance objectives. They might have gathered data from managers and staff in various companies using questionnaires, interviews, and other research techniques.

The study's conclusions would have shed light on the important factors that influence performance reviews and how they affect the process' overall efficacy. Organizations seeking to better employee performance and improve their performance appraisal procedures may find this material useful.

A study on the performance analysis of Indian banks in the public and private sectors was done in 2015 by Gurpreet Kaur. The purpose of the study was to evaluate and contrast the banks' financial results in these two industries.

Financial information such as profitability ratios, asset quality indicators, capital adequacy ratios, and operational efficiency measurements were probably gathered by the researcher from banks in the public and private sectors. To evaluate the overall financial health and performance of banks in both sectors, the data would have been reviewed.

The study's conclusions would have shed light on how Indian banks operate in the public and private sectors relative to one another. Policymakers, investors, and banking professionals who want to know what influences the financial performance may find this information useful.

A study on the performance rating method for employees was carried out by Murthy, Rama (2015) with reference to Andhra Pradesh Grameena Vikas Bank (APGVB). The purpose of the study was to assess the efficiency of APGVB's performance review system as well as its effects on worker productivity and organizational outcomes.

Data regarding the performance appraisal procedures utilized by APGVB, such as the evaluation standards, the frequency of appraisals, the feedback systems in place, and the general level of employee satisfaction with the system, were probably gathered by the researcher. Document analysis, interviews, and surveys may have been used to collect the data.

The study's conclusions would have shed light on the advantages and disadvantages of APGVB's performance evaluation method. The bank could find this information useful in enhancing its operations.

An empirical study on the 360-degree appraisal system's applicability for Indian private sector banks was carried out by Vivekanandan and Mohan (2015). The purpose of the study was to assess the 360-degree appraisal system's suitability and efficacy in relation to Indian private sector banks.

The researchers most likely gathered information on the use of the 360-degree assessment technique in Indian private sector banks. They might have researched things like the system's adoption rate, perceived advantages and difficulties, and the system's effects on worker productivity and organizational results.

The study's conclusions would have shed light on whether the 360-degree appraisal method is appropriate for Indian private sector banks. Researchers looking to study the efficacy of various performance appraisal techniques in the banking industry, as well as banks considering the adoption of this system, may find this information useful.

A study on the Shannon DEA technique to bank performance evaluation was carried out by Jayaraman and Srinivasan (2014) in India. The study used a data envelopment analysis (DEA) method based on Shannon entropy to evaluate the effectiveness and performance of Indian banks.

It is possible that the researchers obtained operational and financial data, including profitability, asset quality, liquidity, and efficiency ratios, from Indian banks. They would have analyzed this data and assessed the relative efficacy and efficiency of banks using the Shannon DEA technique.

The study's conclusions might have affected regulators, politicians, and banking experts in addition to offering insights on the performance of Indian banks. This information may be useful in raising the general stability and performance of the banking industry as well as the efficacy and efficiency of Indian banks.

A study on the effect of performance appraisal methods on employee motivation was carried out by Mehta, Arvind (2014). The study's goal was to examine how performance appraisal systems' layout and execution affect workers' levels of motivation within businesses.

Data on a variety of performance appraisal system elements, including evaluation criteria, appraisal frequency, feedback channels, and perceived fairness of the process, were probably gathered by the researcher. It's possible that they looked at staff motivation levels both before and after the appraisal system was put in place.

The study's conclusions would have shed light on how employee motivation and performance rating systems interact. Organizations trying to better employee performance through improved performance appraisal procedures may find this material useful.

It is probable that the investigator gathered information regarding the performance appraisal procedures of cooperative banks in the Pune area, including the evaluation standards employed, the frequency of appraisals, the feedback systems established, and the general contentment of staff members with the appraisal procedure. It's possible that they looked into how employee performance metrics like productivity, job happiness, and organizational commitment relate to the performance appraisal system.

In 2014, Purohit, Manisha carried out research on the Pune region's cooperative banks' performance appraisal system, concentrating on the system's effects on worker productivity. The purpose of the study was to assess how well cooperative banks' performance appraisal system works and how it affects worker performance.

It is probable that the investigator gathered information regarding the performance appraisal procedures of cooperative banks in the Pune area, including the evaluation standards employed, the frequency of appraisals, the feedback systems established, and the general contentment of staff members with the appraisal procedure. It's possible that they looked into how employee performance metrics like productivity, job happiness, and organizational commitment relate to the performance appraisal system.

In 2013, Singh and Shilpi did a study on the state of HR practices in Indian banks.

The goal of the study was to examine and comprehend the human resource (HR) methods that Indian banks are using in the current climate.

The researcher most likely gathered information on a range of HR procedures used by Indian banks, such as hiring and selection, development and training, performance reviews, pay and benefits, and employee relations. They might have researched how these procedures are altering to accommodate the shifting needs and difficulties Indian banks are facing.

The study's conclusions would have shed light on the techniques and trends in HR management that Indian banks are now using. Banks and HR specialists may find this information useful in comprehending industry best practices and putting plans into place to draw in, keep, and grow talent for the banking sector.

In 2011, Srivastava and Purnag carried out a comparative analysis of how Indian bank employees felt about their performance reviews. The purpose of the study was to find out how Indian bank workers felt about the performance review process and how it affected their performance and job satisfaction.

Employees of several Indian banks were probably surveyed or interviewed by the researchers to gather data. They might have questioned staff members about how much the performance appraisal process inspires them to work better as well as how fair, transparent, and effective they think it is.

The study's conclusions would have shed light on the variables influencing how Indian bank employees see their performance reviews. Banks may find this material useful in enhancing employee motivation, performance, and satisfaction through performance appraisal procedures.

3.4 Research Gap

One of the key instruments and methods for assessing an employee's performance at work is the performance appraisal system. Additionally, it works well.

A method for choosing the top worker from the group that is available at work. It is possible to quantify an employee's success at work based on human values, work culture, attitude, and capacity to accomplish duties.

Therefore, it is crucial that managers oversee staff members using appropriate performance review procedures and ensure that management is properly coordinating and controlling the process at work. Performance reviews are crucial for the banking industry's management of its workers' operational operations and business expansion.

The performance of an employee in India's banking sector is influenced by a number of aspects at work. Various literatures have been examined for this purpose in order to comprehend the

system in place at work for performance reviews. To determine the essential components of the Indian performance appraisal system, a thorough analysis of the literature has been conducted. Based on a review of the literature, it was determined that not much research had been done on the Performance Appraisal System in India's banking industry, despite the significant significance that performance appraisal plays in this industry. This sparked an interest in choosing this subject for a doctoral study project.

3.5 Objectives of The Study

The primary goals of the investigation are as follows:

1. To research the performance review process at a few chosen Rajasthani banks.
2. To assess the specifications of banks in the public and private sectors' performance evaluation programs.
3. To contrast the public and private sector banks' performance evaluation systems.

4. To research how secondary variables affect the system used for performance evaluation.

5. To examine how the system's component parts relate to one another.

3.6 Hypothesis of The Study

A hypothesis is a claim about the veracity of the remaining to be examined. It is a claim whose viability has to be investigated. Generally speaking, a hypothesis is an presumption to be validated or refuted. It is possible to formulate a hypothesis verbally or mathematically. However, that is an issue that a researcher plans to revisit. In this way, a hypothesis can be thought of as an examination of the purpose put forward to account for the events that have been seen. Additionally, it is a tentative declaration that is based on a rapid analysis of a sample or theory.

The research hypothesis is an ambiguous response to the query. For an objective inquiry, it is crucial that the hypothesis be developed before any data is acquired.

After evidence is gathered, more hypotheses can be developed, as long as they are examined in light of fresh information. The study's primary hypotheses are as follows:

H01: The performance evaluation methods used by banks in the public and private sectors are similar.

H02: The elements of performance appraisal in banks operating in the public and private sectors do not significantly correlate with one another.

Alternative Hypothesis (H1): There is a statistically significant difference in the performance appraisal systems between public sector banks (State Bank of India) and private sector banks (HDFC Bank).

Scope of The Study

This study's focus is divided into three categories: the banking industry, banking sector employees, and academicians, researchers, and pupils. The following is a thorough explanation of each component:

1. For Banking Sector

The report is unquestionably more helpful for the Indian banking industry because performance appraisal systems are in place at every bank. The present study presents the findings derived from the employee feedback of the designated banks regarding the suitability and execution of performance appraisal

procedures. This will explain how the banks can satisfy their staff and maintain a competitive advantage, as well as help them further improve their efficiency and performance for future growth.

2. For Employees

The study's findings include a thorough analysis of the benefits and drawbacks of workplace performance reviews. Additionally, it defines the primary metrics used to assess employee performance in diversified work environment. This report provides best practices for employee performance reviews in India's banking industry.

3. For Students, Researchers, and Academicians

Scholars, researchers, and students interested in performance appraisal procedures for improved bank employee performance are regularly provided with information about the study by the research.

3.8 Variables

The variable is an essential component of every study. It is a value that varies depending on the research's subject matter. It often carries two or more values that are employed to reveal the degree values. These have various numerical values in addition to being numerical in nature.

The two categories below can be used to classify effective research:

1. Dependent Variables

This is a research root variable. The findings of the research are overstated.

It has an effect on the research's independent variable. Since dependent variables provide the foundation of independent variables, the research cannot be finished without them. In the current study, the performance appraisal system is considered a dependent variable.

2. Independent Variable

The variables that differ based on the dependent variable are known as independent variables. As research advances, the independent variable establishes the most effective way to gauge the dependent variable's performance. It is a controllable variable that the researcher can use wisely based on his research needs.

The variables listed below are taken to be independent variables in the current study:

- Awareness
- Stress

- Job satisfaction
- Job Security
- Work life Balance
- Career Advancement0

Collection of Data

Data collection is a crucial component of any research projects. The research's findings are unlikely to be valid if the data are not acceptable and sufficient.

deceptive. The area for which the data is to be collected determines how it is to be collected. The researcher must choose which methods—a questionnaire, an interview schedule, a case study, an observation approach, or a mix of any of these—to employ and in what order to investigate the issue. The individual who is gathering the data is also crucial. To ensure that the responders are satisfied with the information, he must be just, wise, and kind to them.

Sources of Data

300 respondents from the chosen banks provided questionnaires to gather primary data for the purposes of data collection and analysis in particular Uttar Pradesh districts. The random sample technique was used to choose the respondents. The following criteria were used to divide up the data collection:

There were 150 respondents from SBI and 150 from HDFC Bank.

A questionnaire that was completed offline was used to gather primary data.

The published papers, manuals, journals, books, magazines, and websites of the chosen Banks have all provided secondary data.

3.7 Testing of Hypotheses

The process of verifying the assumptions is called hypothesis testing. Typically, a theory is accepted or rejected without ever needing to be proven. It is necessary to test the proposed theories in order to determine if they should be accepted or rejected. In actuality, the research will only include those ideas that have been adequately evaluated to determine their significance. Typically, a predetermined decision rule that is

practical for sample data is used to test the hypothesis. It instructs the researcher to decide whether to accept or reject the hypothesis based on the repercussions for the respondents.

The theory is generally divided into the following two groups:

1. The Null Hypothesis
2. Alternative Hypothesis.

CHAPTER 4: DATA ANALYSIS AND INTERPRETATION

The present study's approach was outlined in the preceding chapter. This chapter describes data analysis and interpretation based on questionnaires completed by chosen respondents. The information was gathered from 300 responders from various categories. Two categories comprise the data analysis and interpretation:

4.1 Examining and Explaining the Demographic Profile

4.2 Research Profile Analysis and Interpretation

Below is an explanation of the above categories' extensive study:

4.1 Examining and Explaining the Demographic Profile

The essential details of the chosen respondents for the survey are displayed in their demographic profile. Age, gender, title, education, experience, and income level are all taken into account in this study as research-related demographic factors. Interpreting the fundamental data from the chosen respondents is a crucial aspect of the research. The following tables provide an explanation of the demographic profile data analysis:

ANALYSIS OF GENDER

TABLE 4.1

Analysis of Gender

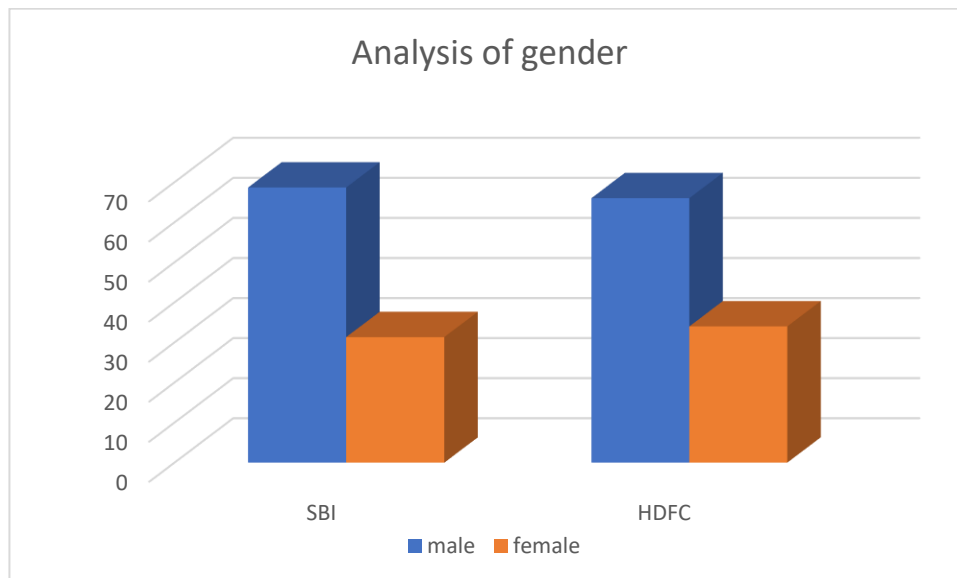
	SBI	% of Response	HDFC	% of Response	Total	% of Response
Male	103.00	68.67	95.00	63.33	198.00	66.00
Female	47.00	31.33	55.00	36.67	102.00	34.00
	150.00	100.00	150.00	100.00	300.00	100.00

SOURCE DATA

The preceding table makes it evident that 31.33% (47) of respondents at SBI Bank are women and 68.67%(103) of respondents are men. While 36.67% (55) of respondents at HDFC Bank are female, 63.33% (95) of respondents are male. In total, 198 (66%)

During the study period, there were 102 (34%) female respondents and 102 (64%) male respondents. The analysis of gender is also displayed in the following diagram:

DIAGRAM 4.1



ANALYSIS OF AGE GROUP

Table: 4.2

Analysis of Age Group

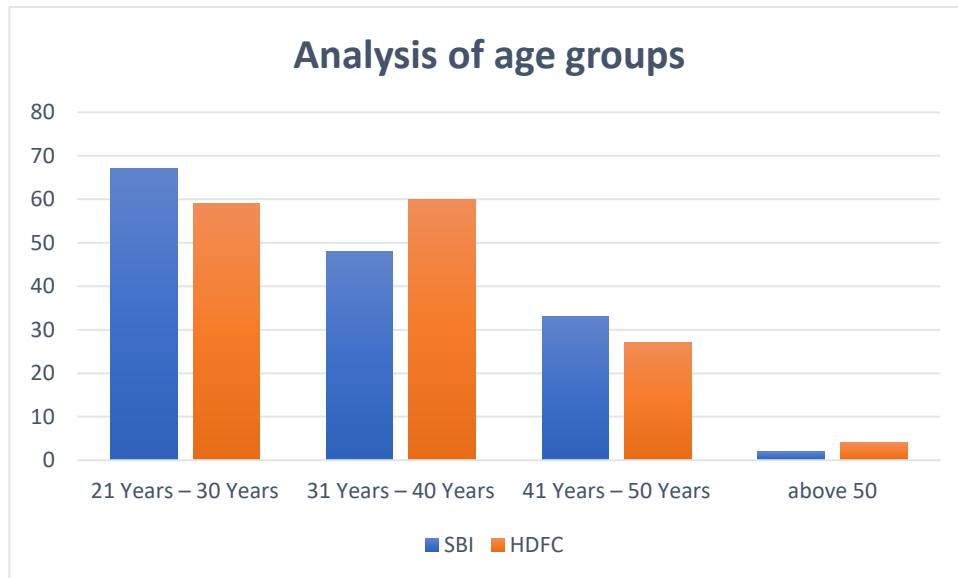
	SBI	% of Response	HDFC	% of Response	Total	% of Response
21 Years – 30 Years	67.00	44.67	59.00	39.33	126.00	42.00
31 Years – 40 Years	48.00	32.00	60.00	40.00	108.00	36.00
41 Years – 50 Years	33.00	22.00	27.00	18.00	60.00	20.00
51 Years – 60 Years	2.00	1.33	4.00	2.67	6.00	2.00
	150.00	100.00	150.00	100.00	300.00	100.00

SOURCE DATA

The following table makes it evident that 44.67% (67) of respondents at SBI Bank are between the ages of 21 and 30; 32% (48) are between the ages of 30 and 40; 22% (33), are between the ages of 40 and 50; and 1.33% (2) are between the ages of fifty to sixty years.

Similarly, at HDFC Bank, 39.33% (59) of respondents are between the ages of 21 and 30, 40% (60) are between the ages of 30 and 40, 18% (27) are between the ages of 40 and 50, and 2.67% (4) are between the ages of 50 and 60.

DIAGRAM 4.2



ANALYSIS OF QUALIFICATION

Table: 4.3

Analysis of Qualification

	SBI	% of Response	HDFC	% of Response	Total	% of Response
Graduate	61.00	40.67	28.00	18.67	89.00	29.67
Post Graduate	83.00	55.33	107.00	71.33	190.00	63.33
Others	6.00	4.00	15.00	10.00	21.00	7.00
	150.00	100.00	150.00	100.00	300.00	100.00

SOURCE DATA

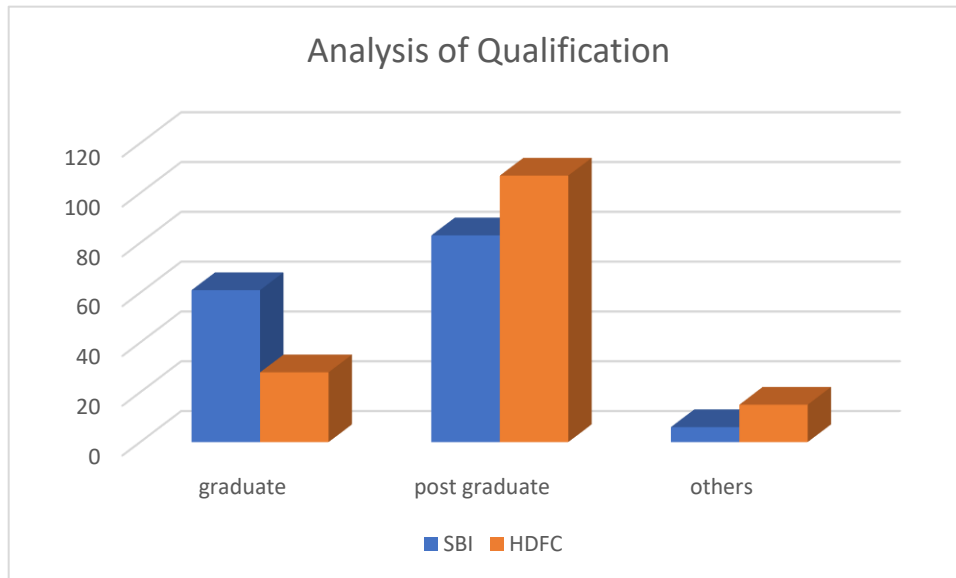
The following table makes it evident that 40.67% (61) of respondents at SBI Bank are graduates, 55.33% are postgraduates, and 4% (6) have additional qualifications.

Similarly, of the responses to HDFC Bank, 18.67% (28) are graduates, 71.33% (107) are postgraduates, and 10% (15) have other qualifications.

In general, it can be stated that 63.33% of the respondents are post-graduate students at the time of study.

Diagrams can also be used to describe it:

DIAGRAM 4.3



ANALYSIS OF DESIGNATION

TABLE 4.4

Designation of the Respondents						
	SBI	% of Response	HDFC	% of Response	Total	% of Response
Cashier	38.00	25.33	21.00	14.00	59.00	19.67
Clark	21.00	14.00	37.00	24.67	58.00	19.33
Assistant Manager	75.00	50.00	53.00	35.33	128.00	42.67
Manager	16.00	10.67	39.00	26.00	55.00	18.33
	150.00	100.00	150.00	100.00	300.00	100.00

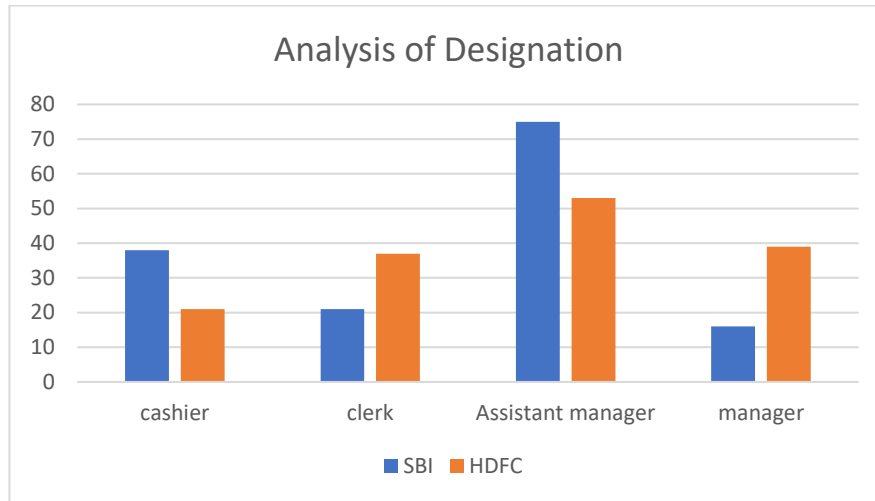
SOURCE DATA

The accompanying data makes it evident that 25.33% (38) of respondents at SBI Bank are 10% (16) of responders are managers, 14% (21) are clerks, 50% (75) are assistant managers, and 12.77% (16) are cashiers.

In a similar vein, HDFC Bank 14% (21) of the respondents work as cashiers, 24.67% (37) as clerks, 35.33% (53) as assistant managers, and 26% (39) as managers.

In the current study, the assistant manager is given more weight overall. The analysis of designation is also shown in the following diagram:

DIAGRAM 4.4



4.2 Research Profile Analysis and Interpretation

4.2.1 Analysis of Existence of Performance Appraisal System

Monitoring each employee's performance and development in relation to their role and potential for future growth is done through a continual process called performance appraisal.

TABLE 4.5

Existence of Performance Appraisal System						
	SBI	% of Response	HDFC	% of Response	Total	% of Response
Strongly Agree	95.00	63.33	78.00	52.00	173.00	57.67
Agree	48.00	32.00	61.00	40.67	109.00	36.33
Neutral	4.00	2.67	7.00	4.67	11.00	3.67
Disagree	1.00	0.67	3.00	2.00	4.00	1.33
Strongly Disagree	2.00	1.33	1.00	0.67	3.00	1.00
	150.00	100.00	150.00	100.00	300.00	100.00

SOURCE DATA

The preceding data makes it evident that 32% (48) of respondents strongly agree, 2.67% (4) are neutral, 0.67% (1) disagree, and 1.33% (2) severely disagree.

In the same way, HDFC Bank Five percent (78) of respondents agree, seven respondents are neutral, two respondents disagree, and one respondent strongly disagrees. In general, 93% of the participants concur that the workplace during the study period was the performance appraisal system.

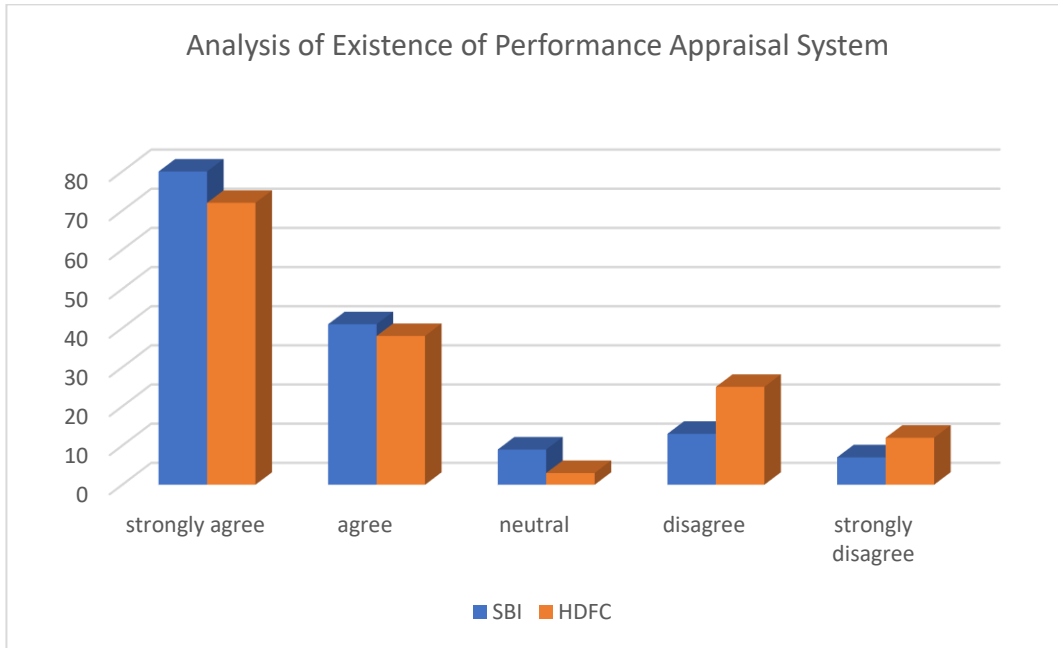
It was also discovered throughout the study that the majority of participants concur that performance reviews are crucial for any kind of firm.

The preceding table makes it evident that SBI Bank Sixty-seven percent of respondents (95) strongly agree, forty-eight percent agree, two-thirds agree (48), four respondents are neutral, six-seven percent of respondents (1) disagree, and two-thirds strongly disagree.

In the same way, HDFC Bank In terms of responses, 52% (78) are strongly in agreement, 40.67% (61) are in agreement, 4.67% (7) are in neutrality, 2% (3) are in disagreement, and 0.67% (1) are severely disagree. The performance appraisal system is available at work during the study period, according to 93% of respondents overall.

It was also discovered throughout the study that the majority of participants concur that performance reviews are crucial for any kind of firm.

DIAGRAM 4.5



4.2.2 Performance Appraisal System is Essential for Organizational Growth.

TABLE 4.6

Essential for Organizational Growth						
	SBI	% of Responses	HDFC	% of Responses	Total	% of Responses
Strongly Agree	83.00	55.33	65.00	43.33	148.00	49.33
Agree	57.00	38.00	75.00	50.00	132.00	44.00
Neutral	5.00	3.33	3.00	2.00	8.00	2.67
Disagree	3.00	2.00	2.00	1.33	5.00	1.67
Strongly Disagree	2.00	1.33	5.00	3.33	7.00	2.33
	150.00	100.00	150.00	100.00	300.00	100.00

SOURCE DATA

The preceding table makes it evident that, among respondents to SBI Bank, 55.33% (83) highly agree, 38% (57) agree, 3.3% (5) are neutral, 2% (3) disagree, and 1.33% (2) strongly disagree.

Similar results were seen at HDFC Bank, where 43.33% (65) of respondents strongly agree, 50% (75) agree, 2% (3) are neutral, 1.33% (2) disagree, and 3.33% (5) strongly disagree.

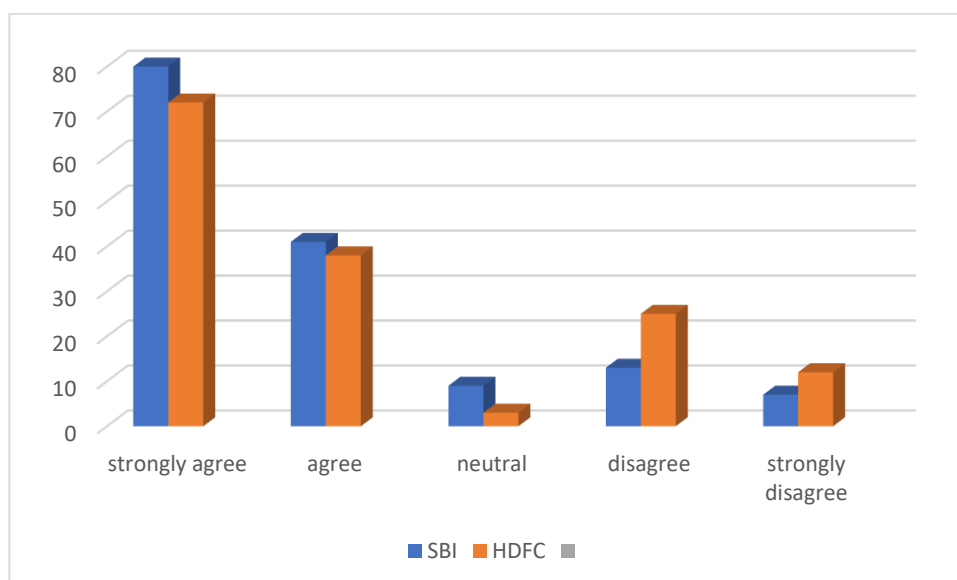
All things considered, 89.33 percent of respondents concur that having a performance appraisal system in place is crucial for organizational development.

It was discovered throughout the survey that the majority of respondents concurred that performance reviews are crucial or that an evaluation is a methodical analysis of an employee's strengths and weaknesses and builds a foundation for future growth, helps them overcome their weaknesses, and accelerates the development of both the organization and its personnel.

However, some respondents disagree that performance reviews are a necessary component. It could be because they don't know.

The examination of the necessity of a performance appraisal system for organizational growth is also depicted in the following figure.

DIAGRAM 4.6



4.2.3 The organization's techniques serve as the foundation for the performance appraisal system.

The methods used to analyze the performance appraisal system are as follows:

TABLE 4.7

Analysis of PAS Based on Techniques

	SBI	% of Response	HDFC	% of Response	Total	% of Response
Strongly Agree	97.00	64.67	71.00	47.33	168.00	56.00
Agree	24.00	16.00	35.00	23.33	59.00	19.67
Neutral	15.00	10.00	19.00	12.67	34.00	11.33
Disagree	3.00	2.00	13.00	8.67	16.00	5.33
Strongly Disagree	7.00	4.67	12.00	8.00	19.00	6.33
	146.00	97.33	150.00	100.00	296.00	98.67

SOURCE DATA

The aforementioned table makes it evident that, in SBI Bank, 64.67% (97) respondents strongly agree, 16% (24) agree, 10% (15) respondents are neutral, 2% (3) respondents are disagree, and 4.67% (7) respondents are strongly disagree.

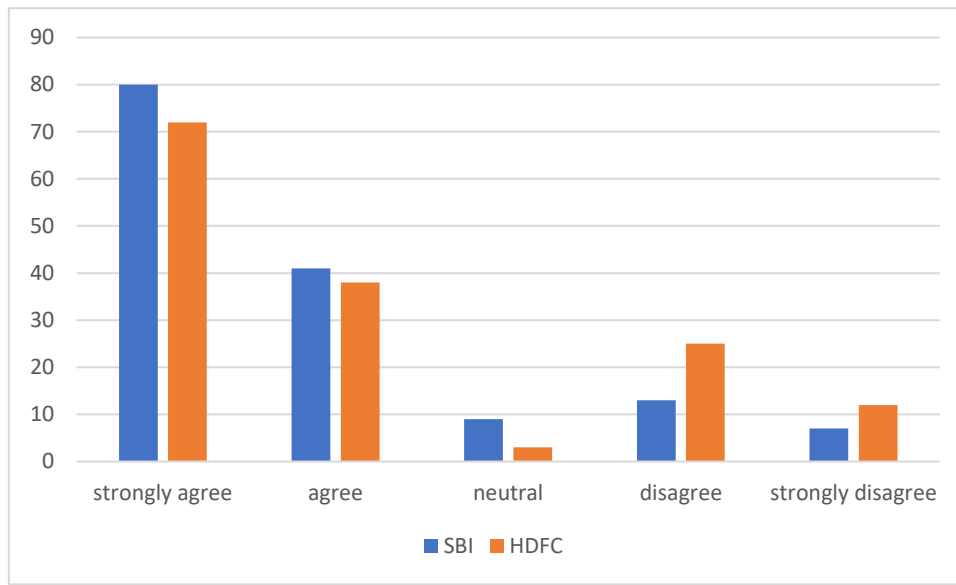
Similarly, in HDFC Bank, 47.33% (71) respondents strongly agree, 23.33% (35) agree, 12.67% (19) respondents are neutral, 8.67% (13) respondents are disagree, and 8% (12) respondents are strongly disagree.

During the survey, it was discovered that most respondents agreed that the performance appraisal system is based on organizational techniques.

Technique-based performance appraisal systems are more effective to test the efficacy of recruitment, selection, placement, and induction programs, among other things.

The analysis that the performance appraisal system is based on organizational strategies is also depicted in the following figure.

DIAGRAM 4.7



4.2.4 The Performance Appraisal System is Different for All Banks

The following table displays the analysis of the performance appraisal system, which varies for each bank:

TABLE 4.8

Variation of PAS System from Others

	SBI	% of Response	HDFC	% of Response	Total	% of Response
Strongly Agree	80.00	53.33	72.00	48.00	152.00	50.67
Agree	41.00	27.33	38.00	25.33	79.00	26.33
Neutral	9.00	6.00	3.00	2.00	12.00	4.00
Disagree	13.00	8.67	25.00	16.67	38.00	12.67
Strongly Disagree	7.00	4.67	12.00	8.00	19.00	6.33
	150.00	100.00	150.00	100.00	300.00	100.00

SOURCE DATA

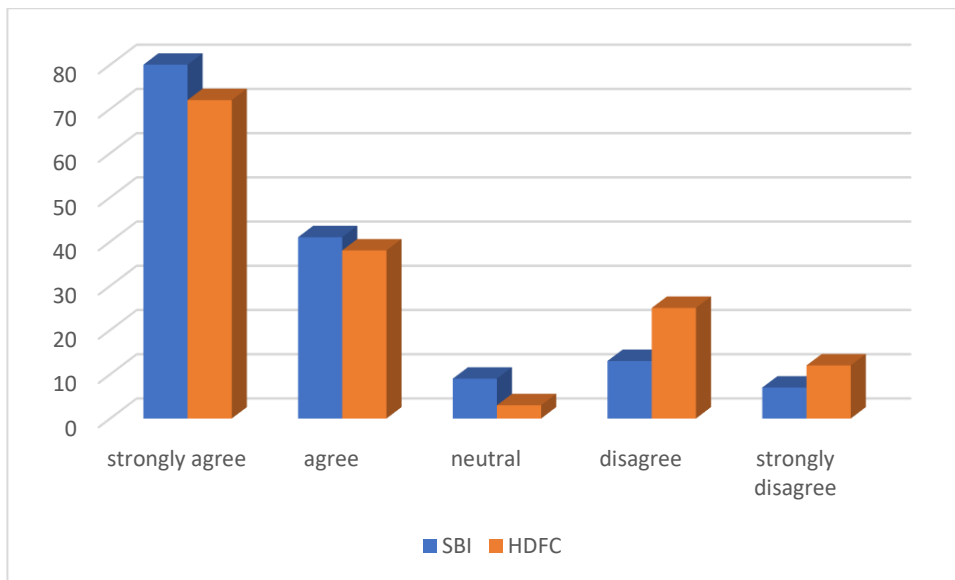
The preceding table makes it evident that SBI Bank 85.67% (13) of respondents disagree, 27.33% (41) of respondents agree, 6% (9) of respondents are indifferent, and 4.67% (7) of respondents strongly disagree. Of the responses, 55.33% (83) strongly agree.

In a similar vein, at HDFC Bank, 48% (72) of respondents highly agree, 25.33% (38) agree, 2% (3) are neutral, 16.67% (25) disagree, and 8% (12) strongly disagree.

According to a survey, most employees concur that each bank has a unique performance review system. Organizations employ a variety of methods, including behaviorally anchored rating systems, assessment centers, MBO appraisals, 360-degree appraisals, and more.

The analysis of the performance appraisal system is also displayed differently for each in the following diagram.

DIAGRAM 4.8



CHAPTER 5: FINDINGS AND SUGGESTIONS

5.1 Findings

Performance reviews are a crucial component of any business. It is a crucial instrument for gauging each worker's effectiveness and potency, for which management has created diverse strategies and regulations. Additionally, the banking industry is an significant resource for evaluating employee performance because human resources is responsible for managing the majority of work efficiency. The study's principal conclusions are as follows:

During the study period, 198 (66%) male respondents and 102 (34%) female respondents were found.

Of the respondents, 76% are under 40 years old, indicating that they are knowledgeable of the most recent performance appraisal trends and policies.

- During the study period, 63.33% of the respondents were postgraduate students.
- Of the respondents, 85% make a good living—that is, more than Rs. 30,000. each month. As a result, they are more knowledgeable about the performance appraisal method.
- It is discovered that 25.33% (38) of the respondents work as cashiers at SBI Bank, 14% (21) as clerks, 50% (75) as assistant managers, and 16 responses, or 10.67%, are managers.
- Comparably, at HDFC Bank, the occupations of 14% (21) respondents are cashiers, 24.67% (37) clerks, 35.33% (53) assistant managers, and 26% (39) managers.
- The current survey also reveals that employees with one to five years of experience weigh 36.67% more.
- Ninety-three percent of the respondents concur that the workplace had a performance appraisal system in place during the study period.
- It was also discovered during the study that the majority of participants concur that performance reviews are essential to every organization.
- Through performance reviews, staff members can learn where they stand and make necessary improvements to their work.
- According to 89.33 percent of respondents, an organization's ability to expand depends on having a performance appraisal system in place Of those surveyed, 95.67% support the idea that the performance evaluation system

- 88.33% of respondents believed that the performance appraisal system is crucial for employees' motivation at work, making it highly vital for their advancement.
- The majority of respondents to the study agreed, it was discovered, that the organization's practices form the basis of the performance rating system.
- A technique-based approach to performance appraisal is more useful for evaluating the success of hiring, placing, and inducting new employees, among other processes.
- The majority of employees who participated in the study agreed that every bank has a separate performance appraisal system.
- It was discovered during the poll that the majority of participants concur that Every bank's performance rating system differs based on financial rewards. Many companies base some or all of their bonus and pay increases on merits, which are mostly established through performance reviews.
- The majority of employees who participated in the poll agreed that each bank uses a separate set of parameters for its performance review system.
- At the SBI Bank The distribution of responses is as follows: 59.33% (89) highly agree, 30% (45) agree, 4.67% (7) are neutral, 3.3% (5) disagree, and 2.67% (4) severely disagree.
- In the same way, at HDFC Bank, 48% (72).The majority of respondents to the poll agreed that all banks have an effective performance appraisal system.
- It was discovered during the poll that the majority of participants concur that A performance appraisal system is required in banks in order to be promoted.
- According to the majority of respondents to the study, higher authority should be responsible for making a fair assessment of performance appraisals.
- Personal prejudice frequently develops between an employer and employee.
- Eighty-six percent (12) of respondents at SBI Bank strongly agree, twelve percent (12) agree, three-thirds (2) are neutral, five percent (3.3%) disagree, and two-thirds (2) severely disagree. In the same way, at HDFC bank.
- The results show that 74% (111) of respondents highly agree, 21.33% (32) agree, 2.67% (4) are neutral, 1.33% (2) disagree, and 0.67% (1) strongly disagree. The majority of respondents to the study agreed that advancement in a bank requires using the performance appraisal system.
- It was discovered throughout the survey that 81.33% of participants felt that higher authorities should be in charge of making a fair assessment of performance reviews. Personal prejudice frequently develops between an employer and employee.

- 94% of respondents to the poll expressed concern about performance reviews since they believe they can help determine an employee's possibilities for advancement.
- Of the responders, 91.66% concur that the employer designs the PAS in accordance with their policies.
- The majority of employees, according to the survey, concur that performance reviews could lead to stress among coworkers. When staff at PAS are informed that they will be questioned by upper management, they become anxious.
- In general, 70% of the respondents think that the various secondary variables also have an impact on the performance appraisal system.
- According to 60% of respondents, employees can receive constructive feedback from coworkers through the performance appraisal system.
- It was discovered during the survey that the majority of participants concur that Determining the obstacles to advancement is aided by performance evaluation.
- Employees might learn where they are making mistakes or why they aren't reaching their goals through performance reviews. It is a procedure for evaluating workers' performance and advancement.
- According to the majority of respondents to the poll, diversity is facilitated by performance rating systems. Some respondents disagree, which could be because they are lower class workers or because they lack information.
- The majority of employees, according to the survey, concur that performance reviews are helpful in recognizing the best workers. Performance appraisals are methodical analyses with the primary goal of testing the efficacy of hiring, placing, and selecting personnel as well as the induction program.
- According to a survey, most employees believe that performance reviews influence their behavior. Employees know they will be evaluated by their supervisor during this appraisal, so they act professionally and complete their work quickly and accurately in order to advance.
- During the survey, it was discovered that some respondents agreed that performance reviews lead to conflict among coworkers. It could be because their ignorance or their inability to obtain the right information from the evaluation system. Due to their prejudice, appraisals frequently lead to conflicts.
- The majority of respondents to the poll agreed that job satisfaction and staff motivation are two benefits of the performance appraisal system.
- The majority of respondents concur that there are financial advantages to performance reviews. Appropriate personnel policies are based on performance appraisal systems, which also offer useful data for personnel decisions about salary increases, promotions, demotions, transfers, and terminations.

- The majority of survey participants agreed, according to the results, that performance reviews foster constructive competition at work. Employees can learn about their strengths and weaknesses using PAS determined to have additional training needs, foster a positive relationship between superiors and subordinates, and so lower the number of grievances.
- A portion of the respondents concur that performance reviews ought to be conducted online, while others disagree. Their disagreement could be the result of ignorance.
- The majority of respondents concurred that training should begin following assessment. If subordinates receive coaching, counseling, career planning, and motivation, performance appraisals will be successful; otherwise, they will be useless.
- The majority of respondents concur that an outside reviewer ought to be involved in performance reviews. An external reviewer may lessen employee stress and reduce personal prejudice.
- The majority of employees who participated in the survey believed that the 360-degree appraisal technique should be applied. Under a 360-degree system, managers are evaluated by those who are above, beside, and below them.
- The preceding table makes it evident that performance reviews ought to occur once a month, and the majority of respondents concur. Employees are encouraged to perform better by receiving vital information for personal decision-making and incentive through monthly appraisals.
- Compared to those employed by the public sector, private sector workers are more aware of PAS and experience higher levels of stress at work.

5.2 Recommendations

The primary recommendations based on the study's findings are as follows:

- The public sector banks need to create an effective framework for staff performance reviews.
- To ensure that every employee in public and private sector banks understands the concept of the performance appraisal system, a performance appraisal cell must be formed at their place of employment.
- In order to educate staff members about the performance appraisal system, public sector banks should put in place an effective communication strategy.
- An equal opportunity cell ought to exist in order to safeguard employees' rights with regard to the performance appraisal system.

- Appropriate training sessions for comprehending the performance appraisal procedure ought to be offered at work.
- The businesses need to create a police department for performance reviews in order to Some staff welfare facilities should also be supplied at the workplace in order to promote employee performance.
- Employee disputes should be resolved after PAS among coworkers in order to improve performance.
- To raise awareness of PAS, weekly or monthly training sessions should be implemented during business hours.
- External experts should provide the management with advise on PAS in the organizations.
- To lessen stress at work, managers ought to introduce a standard PAS.
- Career growth should be a part of public sector management programs in operational procedures and should teach staff members about them throughout the onboarding process.
- In order to lessen staff stress, management of both public and private sector banks could provide some spiritual sessions.
- Employees in the public and commercial sectors are required to participate in external career progression programs for stress relief and personal growth.
- The management ought to encourage additional recreational activities like game rooms, play areas, mini theaters, and other stress-relieving activities at work.

• **5.3 The Range of Upcoming Research**

Research is an endless process that cannot be completed by a person or limited to a single subject. While there is room for improvement, the current research study has attempted to assess the function of performance appraisal systems in the workplace in a few public and private Indian banks.

The primary areas of interest for further research are as follows:

1. The current study solely examines the performance evaluation of SBI and HDFC banks, which are public and private sector banks. Future research may focus on other industries as well.
2. Organizations have serious concerns about their performance appraisal system, which might be thoroughly researched for upcoming research.
3. A thorough investigation of PAS channels in various atmospheres can be started.
4. One might research the several strategies for resolving stress brought on by PAS.
5. The management viewpoint on PAS is researchable.
6. It is possible to study certain job advancement strategies.

CONCLUSION

Both public and private sector banks' performance appraisal programs are essential for evaluating worker performance, coordinating personal aims with company goals, and enhancing overall organizational efficacy. In order to find parallels, variations, and best practices, this study compared the performance appraisal systems of State Bank of India (SBI) and HDFC Bank, two of the country's top banks.

The comparison analysis produced a number of important conclusions. First, as a core component of their HRM procedures, SBI and HDFC Bank both place a high priority on performance review. However, because of the differences in their organizational structures, cultures, and goals, their approaches to performance review are different.

Being a public sector bank, SBI uses an older, more formal approach for evaluating employee performance. The bank gives seniority, experience, and following policies and procedures a lot of weight. In SBI, performance reviews are frequently predicated on objective standards including punctuality, policy compliance, and regulatory compliance. Yet, this strategy may result in problems including bias, partiality, and a lack of transparency, all of which may have an impact on worker morale and output.

However, as a private sector bank, HDFC Bank approaches performance reviews in a more dynamic and goal-oriented manner. Meritocracy, innovation, and customer-centricity are prioritized by the bank. Key performance indicators (KPIs), client feedback, and peer reviews are among the objective and subjective standards that HDFC Bank uses to evaluate employee performance.

This methodology fosters a culture of excellence in performance and motivates staff members to consistently enhance their work output.

Notwithstanding these variations, SBI and HDFC Bank's performance appraisal systems confront comparable difficulties. Subjectivity, bias, and a lack of openness are some of the problems that might compromise the efficacy of performance review procedures in both banks. Therefore, in order to guarantee equity, openness, and efficacy, it is imperative that both banks regularly evaluate and enhance their performance appraisal procedures.

Several suggestions for enhancing SBI and HDFC Bank's performance appraisal procedures can be offered in light of the study's findings. First and foremost, both banks ought to work to improve the impartiality

and openness of their performance review procedures. This can be accomplished by outlining performance standards precisely and giving frequent feedback.

Second, both banks ought to think about include peer reviews and 360-degree feedback in their performance evaluation processes. This can promote a collaborative and team-oriented culture and aid in providing a more thorough and fair evaluation of employee performance.

Third, in order to improve the abilities and proficiencies of their staff, both banks ought to make investments in training and development initiatives. Employees may benefit from this by doing a better job in their positions and making greater contributions to the organization's performance as a whole.

In conclusion, SBI and HDFC Bank's performance evaluation processes are essential to their success and efficiency. Both banks may enhance their performance appraisal systems and keep their competitive edge in the banking sector by analyzing their strengths and weaknesses and putting the study's recommendations into practice.

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