

“A STUDY ON PERFORMANCE APPRAISAL IN KOTAK

MAHINDRA BANK ” HYDERABAD

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ABSTRACT

Human resources are among the fundamental resources available to any organization. Performance appraisal is part of human resource management which a formal system of periodic review and evaluation of an individual's (employees) job Performance. Performance Appraisal (PA) helps in measuring and evaluating Performance of the employees in an organization. PA serves a two-fold objective. On one hand, it helps in identifying skill gaps present in the employees. On the other hand, it recognizes meritorious employees on the basis of their work and helps to design an effective reward system for organizations. The paper examines methods, process and the responsibilities of PA and explores the relationship between PA and its purpose in the organization. The writer uses questionnaire and interview to collect the necessary data. The data gathered has been analyzed using the various statistical methods like tables, graphs, percentages. Employees are evaluated by themselves, their immediate supervisor, next in-line supervisor, review committee and finally it is approved by senior managers. The company's major problems identified from the data collected are on frequency and timing of evaluation, lack of knowledge about the purpose and objective of evaluation and absence of training and discussion about the evaluation method are the major problems identified. Based on the problems recommendations are suggested

I. INTRODUCTION

The study, ““Performance Appraisal” in Banking Sector”, highlights the importance of “Performance Appraisal” in special reference of banking industry. As we know the banking sector is one of the fastest growing sectors of our country, the study highlights the perspective of HR in banking sector. In this study we strive to find out the need of “Performance Appraisal” for banks, and try to understand how the “Performance Appraisal” is done in banking sector. In this study we take the case of one of the leading bank, Kotak Mahindra Bank bank, as our sample and try to find out their techniques used for “Performance Appraisal”. This study refers to the need of “Performance Appraisal” for banking industry, importance and emerging trends in the field of “Performance Appraisal”. For easy understanding of the study we have divided the entire study in to several chapters that gives the specific nature of the subject in question. We have highlighted several trends of banking industry, growth and prospect of banking in India, history of Indian banking, Role of RBI as regulatory bank and the industrial importance bank as an institute to march the nation in economic growth. Further we highlighted the role of HR, its need and importance and “Performance Appraisal” as its one of the major tools. It

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signifies the role of HR in organizational perspective and highlight the rationale of active HR polices in an organization , this reports takes the HR as 9 managerial function rather than the staff activities . In this report we try to make the role and concept of HRM understood for our readers. The study is mainly conducted on the basis of secondary data rather than the primary data. We managed to collect the secondary data from Kotak Mahindra Bank bank and got the information about the HR policy and process of the bank. In our study we highlighted the process of Kotak Mahindra Bank bank “Performance Appraisal” mechanism and the manner in which “Performance Appraisal” takes place in Kotak Mahindra Bank bank In special cases like the practical example of Kotak Mahindra Bank bank ,the study highlights: a) techniques , b) approach, c) forms, d) managerial approach, e) employees feedback, f) process and other real aspect of the “Performance Appraisal” that provides the realistic view of the “Performance Appraisal” process that is carried out by the bank in actual work environment . The study is conducted is a simple manner and most of the data is collected through various sources. This study refers the “Performance Appraisal” technique as an effective managerial tool to enhance the efficiency and effectiveness to achieve the organizational and individual goals. This study provides the theoretical knowledge about the “Performance Appraisal”’s on the issue like a)need , b)importance , c)features , d)techniques , e)approaches , f)model , g)trends and 10 other issues related to the banking industry . This study refers to the role of “Performance Appraisal” in a wide and in a systematic manner that takes place in a sequential way and covers almost all the aspect of the appraisal from employees to organization under the universal approach called “Performance Management

II. OBJECTIVES OF THE STUDY

- To find out recruitment trends of small and medium IT companies in South India, based on www.naukri.com.
- I am only focussing on online recruitment and other sources have not been considered and have not focussed on consultancies.
- This would help make a study about the IT sector and it’s requirements, hence helping the company, the logic being that if they are hiring, they would require secure, high speed connectivity solutions, which is where kotak Mahindra bank Business Solutions can pitch in it’s offering.

III. RESEARCH METHODOLOGY

RESEARCH

The research design of this project is exploratory. Though each research study has its own specific purpose but the research design of this project on **KOTAK MAHINDRA BANK** is exploratory in nature as the objective is the development of the hypothesis rather than their testing. The research designs methods of financial analysis. Through of comparative balance sheet in comparative statement, I am studying on balance sheet of **KOTAK MAHINDRA BANK** of five year. So taking comparative statement, I am going to analyzed of five years balance sheet of **KOTAK MAHINDRA BANK**

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IV. METHODOLOGY

Every project work is based on certain methodology, which is a way to systematically solve the problem or attain its objectives. It is a very important guideline and lead to completion of any project work through observation, data collection and data analysis.

“Research Methodology comprises of defining & redefining problems, collecting, organizing & evaluating data, making deductions & researching to conclusions.”

V. RESEARCH DESIGN

Research Design refers to "framework or plan for a study that guides the collection and analysis of data". A typical research design of a company basically tries to resolve the following issues:

- a) Determining Data Collection Design
- b) Determining Data Methods
- c) Determining Data Sources
- d) Determining Primary Data Collection Methods
- e) Developing Questionnaires
- f) Determining Sampling Plan

(1) EXPLORATIVE RESEARCH DESIGN

Explorative studies are undertaken with a view to know more about the problem. These studies help in a proper definition of the problem, and development of specific hypothesis is to be tested later by more conclusive research designs. Its basic purpose is to identify factors underlying a problem and to determine which one of them need to be further researched by using rigorous conclusive research designs.

(2) CONCLUSIVE RESEARCH DESIGN

Conclusive Research Studies are more formal in nature and are conducted with a view to eliciting more precise information for purpose of making marketing decisions.

These studies can be either:

- a) Descriptive or
- b) Experimental

Thus, it was mix of both the tools of Research Design that is, Explorative as well as Conclusive.

VI. SAMPLING PLAN

Sample Size = 50 Employees

Sample Area = KOTAK MAHINDRA BANKHYDERABAD

Duration = 6 weeks

VII. RESEARCH PROBLEM

I have selected that Performance APPRAISER as research problem for my summer training project.

As a research problem is the situation that causes the researcher to feel apprehensive, confused and ill at ease. It is the demarcation of a problem area within a certain involving the WHO or WHAT the WHERE the WHEN and the WHY of the problem situation.

VIII. RESEARCH OBJECTIVE

How productivity relates with Performance appraisal. In addition, the major factors of Performance appraisal, which have taken a part in increasing productivity of the organization.

IX. RESEARCH INSTRUMENT USED

❖ Questionnaire:

The term questionnaire usually refers to a self administered processes whereby he respondent himself read the question and records without the assistance of an interviewer.

❖ Interview:

The interview method of collection data involves presentation of oral- verbal stimuli and reply in terms of oral-verbal response.

X. EXPLORATORY RESEARCH

Exploratory research studies are also termed as formulating studies. The main purpose of such studies that of formulating of the problem for more precise investigation or of developing the working hypotheses from an operational point of view. An exploratory research focuses on the discovery of ideas and is generally based on secondary data. It consists:

- ❖ Search of secondary data and literature**
- ❖ Survey**

XI. SEARCH OF SECONDARY DATA AND LITERATURE :

The quickest and most economical way is to find possible hypotheses from the available literature. The past research may be suitable may suitable sources of information to develop new hypotheses. The researcher can search them for his research purpose.

Survey Report

Survey means the survey of people who have had practical experience with the problem to be study. These individual can be top executives, sales manager, wholesaler and retailer processing valuable knowledge and information about the problem environment.

XII. RESEARCH INSTRUMENTS USED:

I have used the following research instrument in my project :-

❖ Questionnaire

The term questionnaire usually refers to a self – administered process whereby the respondent himself read the question and records without the assistance of an interviewer.

❖ Interview

The interview method of collection data involves presentation of oral-verbal stimuli and reply in terms of oral-verbal response.

XIII. SAMPLING TECHNIQUE USED

When field studies are undertaken in practical life, consideration of time cost and some other factors almost invariably lead to selection of respondents. The selected respondents constitutes a sample and the selection process is called sampling technique.

A sample design is defined plan determined before any data are actually collected for obtaining a sample from a given population. Sample can be either probability sample or non probability sample.

I have selected simple random sampling in my project.

XIV. SIMPLE RANDOM SAMPLING

This type of sampling is also known as chance sampling or probability sampling where each item in the population has an equal chance of being selected in the sample.

SAMPLE SIZE:

When a survey is undertaken and when it is not possible to cover the entire population the researcher has to answer the basic question – how large should be sample be ? the sample size decision is related directly to research cost.

The intended sample size is the number of participants planned to be included in the trial, usually determined by using a statistical power calculation. The achieved sample size is the number of participants enrolled, treated or analyzed in the study.

I have taken 50 people in my sample size as the sample size should be neither so small nor so large.

XV. METHOD USED FOR DATA COLLECTION

The task of data collection begins after a research after a research problem has been defined and research design chalked out. While deciding about the method of data collection to be used for the study the researcher should keep in mind two types of data:-

1) Primary Data

2) Secondary Data

1. Primary Data

Those data that have been observed and recorded by the researcher for the first time in their knowledge.

Sources:

- ❖ Questionnaire
- ❖ Interview method

2. Secondary Data

Those data that have been compiled by some agency other than user.

Sources:

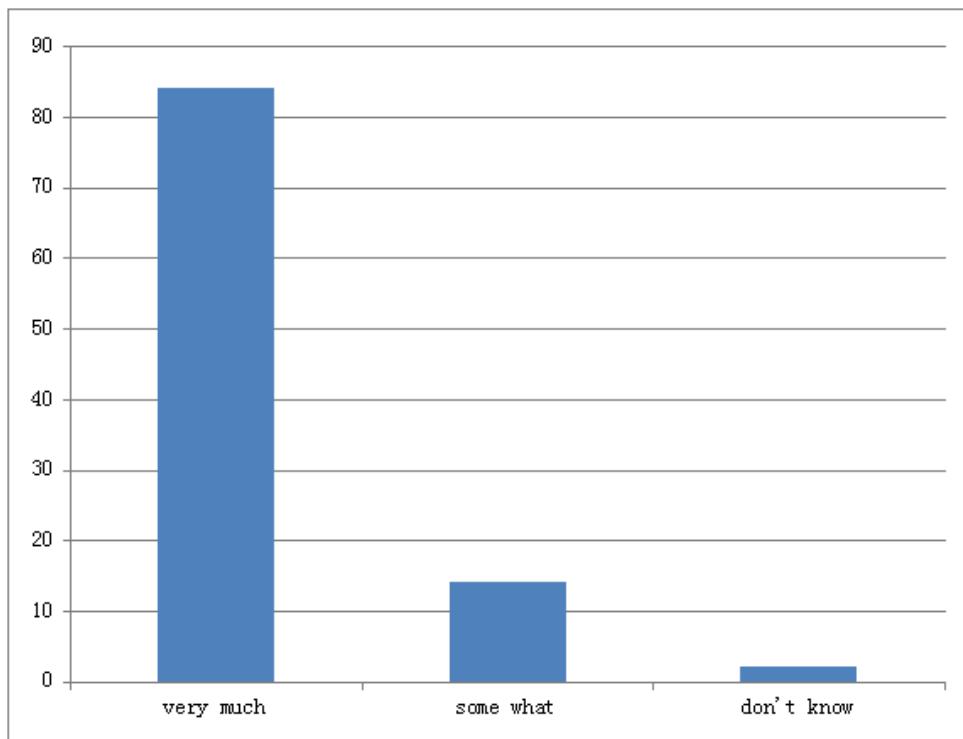
- ❖ Company profile
- ❖ Magazine
- ❖ Internet
- ❖ Books
- ❖ Previous report

XVI. ANALYTICAL TOOLS USED

The term analysis refers to the computation of certain measures along with searching for pattern of relationship that exists among data group. Analysis is essential for a scientific study and for ensuring that we have all relevant data for making contemplated comparison. Therefore , I have used **Tabulation, Graphs &charts**in my project.

1.Are you aware of the objective of the Performance appraisal system?

OPTIONS	NO OF RESPONDENT(SAMPLE SIZE 50)	PERCENTAGE
VERY MUCH	42	84%
SOME WHAT	7	14%
DON'T KNOW	1	2%



INTERPRITATION- 84% Employees are aware of the object of the Performance appraisal system.

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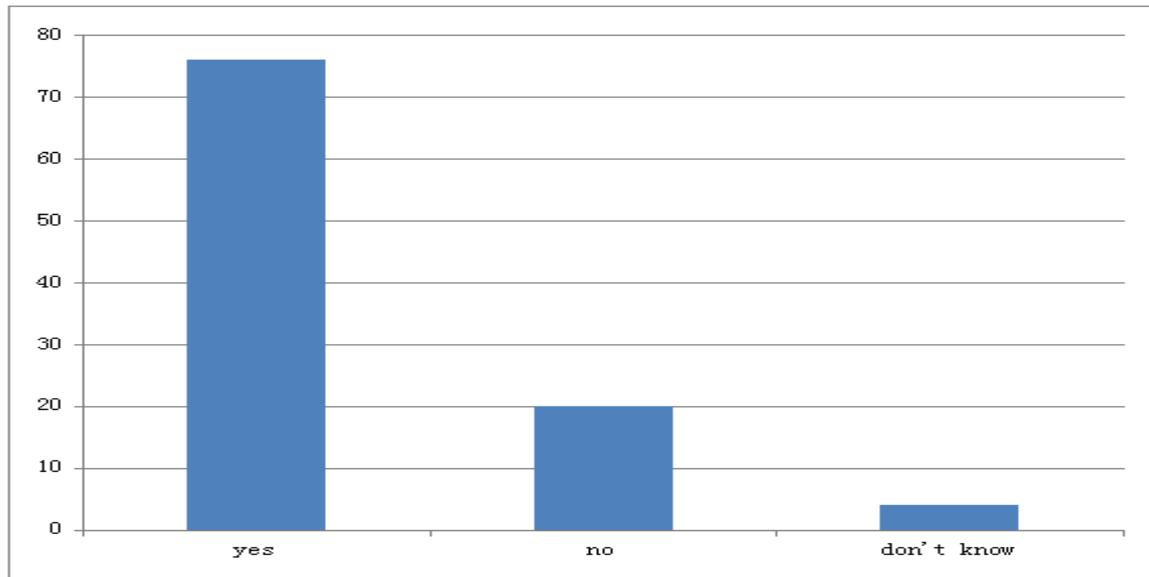
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1. Performance appraisal helps the organization in achieving goal.

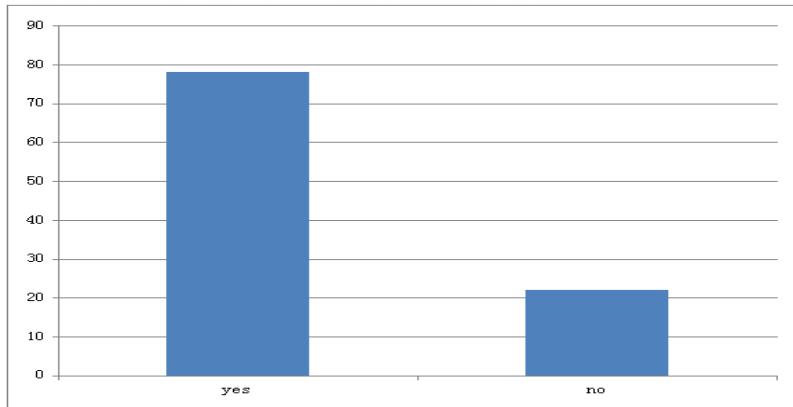
OPTIONS	NOS OF RESPONDENT(Sample size 50)	PERCENTAGE
YES	38	76%
NO	10	20%
DON'T KNOW	2	4%



INTERPRITATION - 76% Employees say yes that Performance appraisal helps the organization in achieving goal.

1. Hold meeting in the beginning of the year to explain & clarify activity task & goals to be achieved.

OPTIONS	NOS OF RESPONDENT(Sample size 50)	PERCENTAGE
YES	39	78%
NO	11	22%

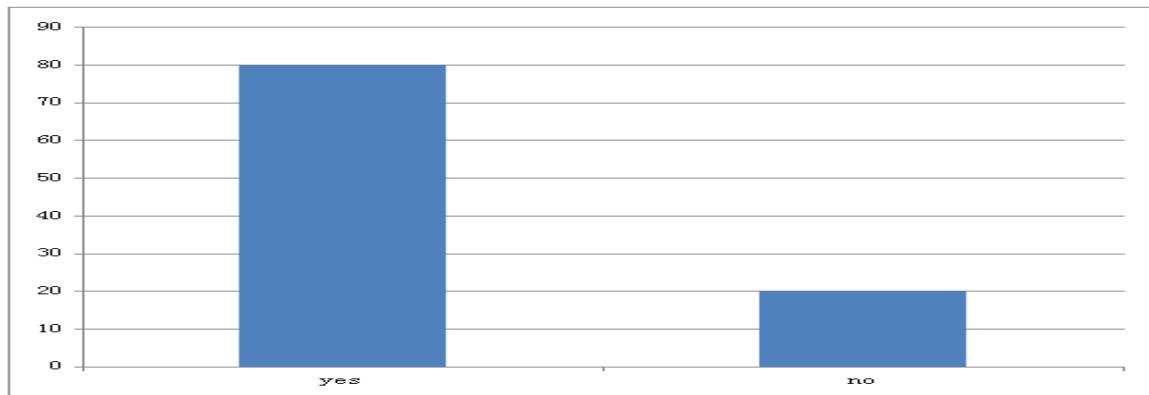


INTERPRITATION:- 78% Employees say that yes organized meetings helps goal and task. While the other 22% employees that is not very much helpful.

2. Organization has to make a fixed duration for Performance appraisal.

3.

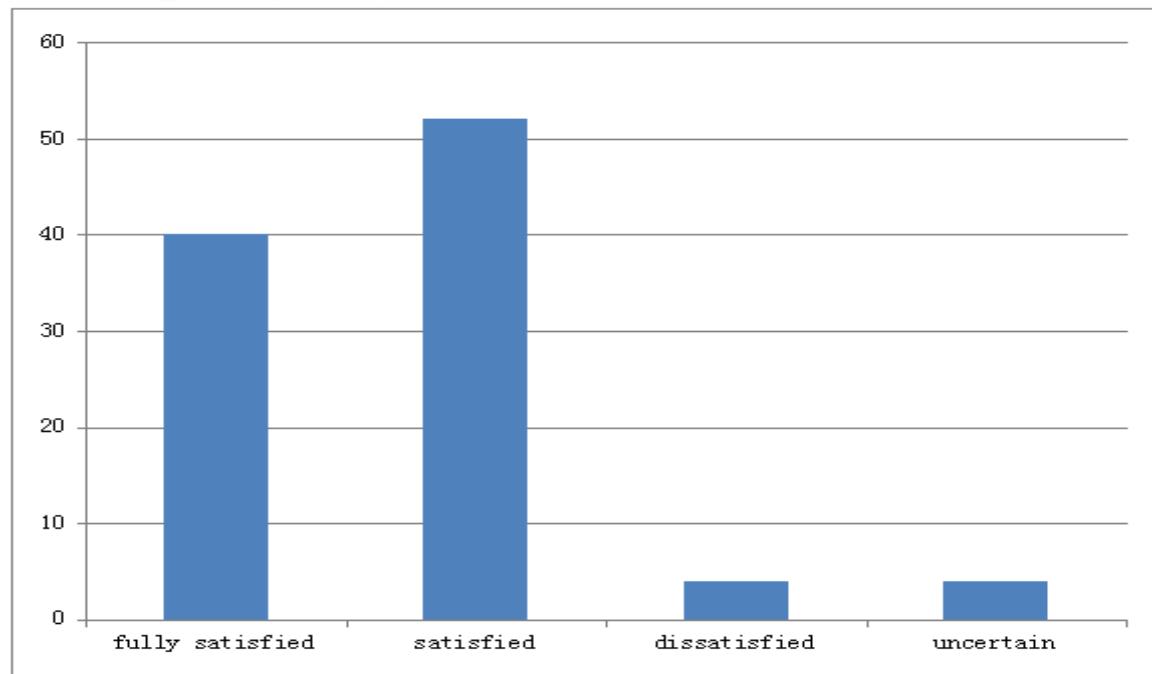
OPTIONS	NOS OF RESPONDENT (Sample size 50)	PERCENTAGE
YES	40	80%
NO	10	20%



INTERPRITATION :- 80% Employees agree with that is organization should have to make a fixed duration for Performance appraisal. While the other 20% employees do not agree with this statement.

4. Satisfied for point allocation on the basis of KRA's & managerial dimension.

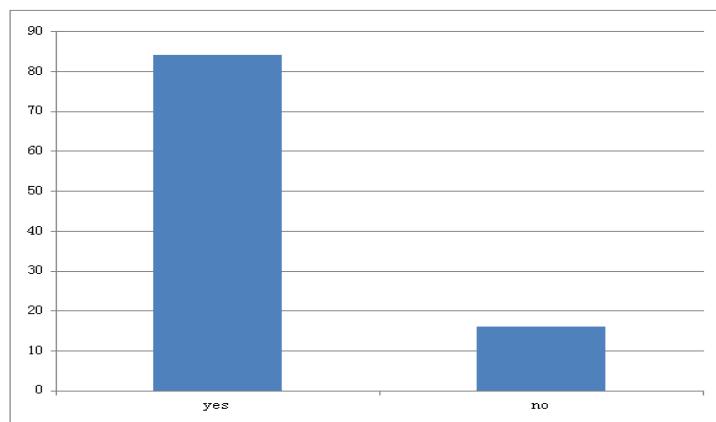
OPTIONS	NOS OF RESPONDENT(Sample size 50)	PERCENTAGE
FULLY SATISFIED	20	40%
SATISFIED	26	52%
DISSATISFIED	2	4%
UNCERTAIN	2	4%



INTERPRITATION-: 40% Employees are fully satisfied for point allocation on the basis of KRA's and managerial dimension.

4. Performance appraisal affects the working efficiency of employees.

OPTIONS	NOS OF RESPONDENT(Sample size 50)	PERCENTAGE
YES	42	84%
NO	8	16%



INTERPRITATION-: 84% Employees say that yes Performance appraisal system affect the working ficiency of employee. While the other 16% employees do not agree with this statement.

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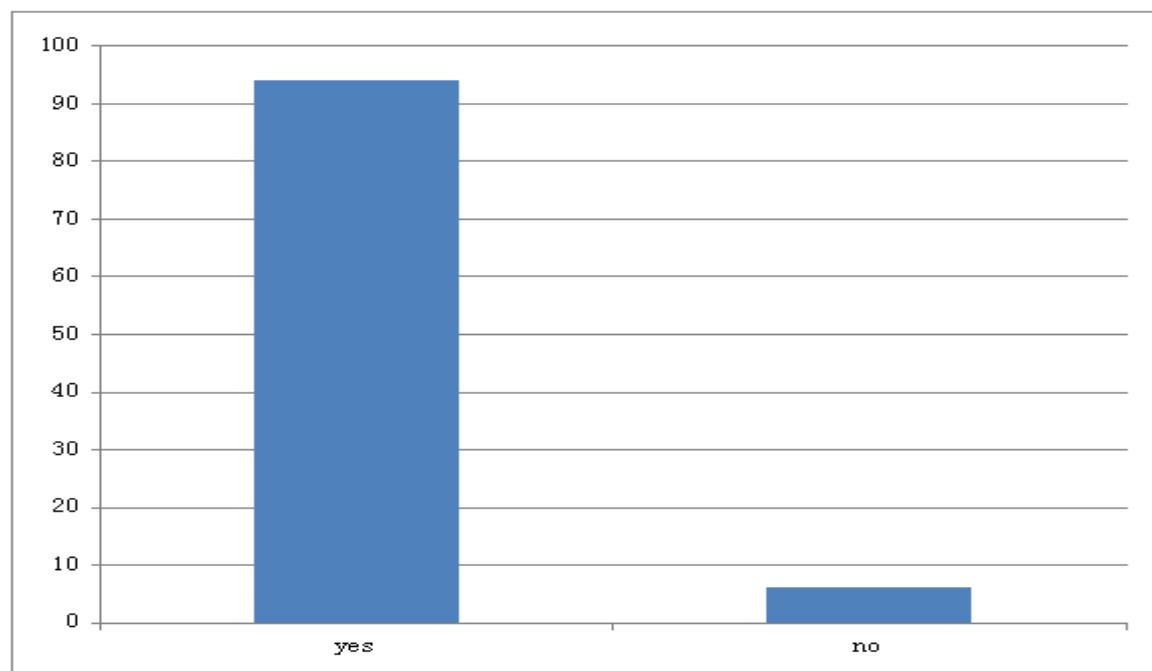
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5. Appraisal system is able to develop high result orientation approach.

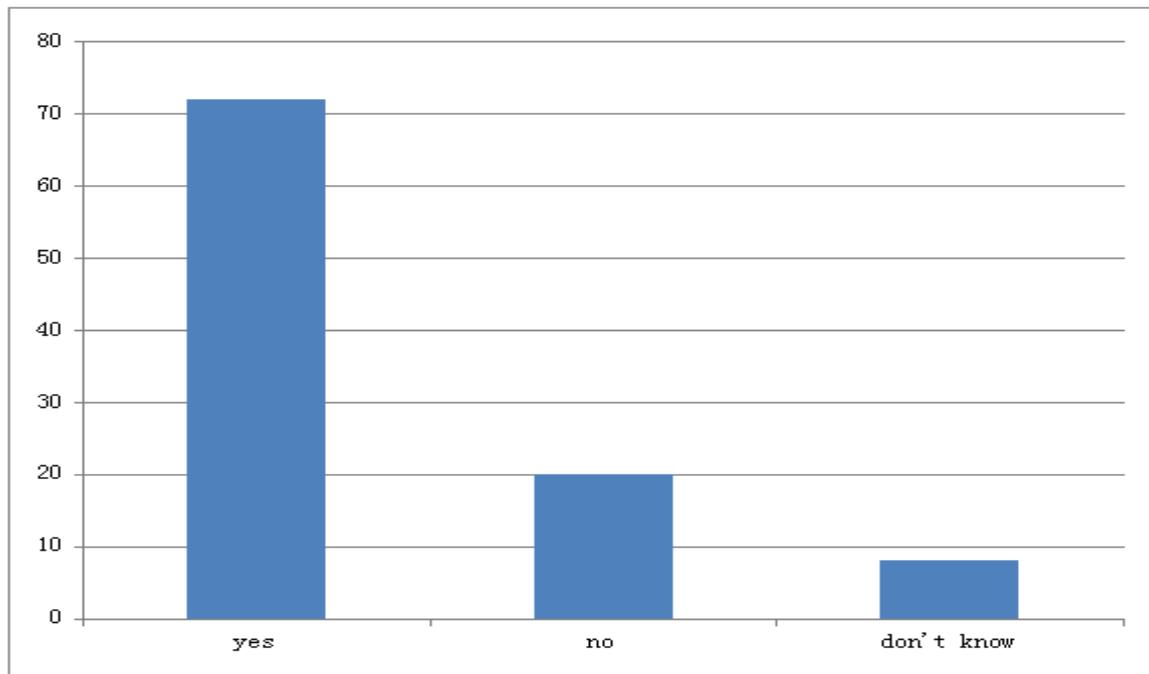
OPTIONS	NOS OF RESPONDENT(Sample size 50)	PERCENTAGE
YES	47	94%
NO	3	6%



INTERPRITATION-: 94% Employees say that yes the appraisal system is able to develop high result orientation approach. While the other 6% employees do not agree with us.

6. The systems will also contribution in potential appraisal.

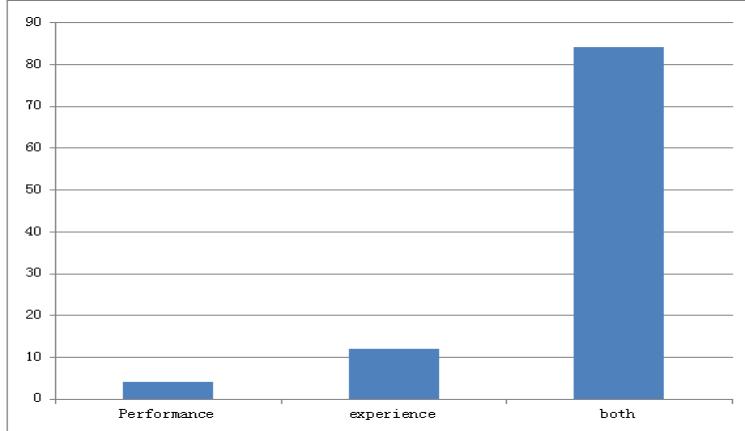
OPTIONS	NOS OF RESPONDENT(Sample size 50)	PERCENTAGE
YES	36	72%
NO	10	20%
DON'T KNOW	4	8%



INTERPRITATION:- 72% employees think that the systems will also Contribution in potential appraisal.

7. Promotion process in the organization is based on –

OPTIONS	NOS OF RESPONDENT(Sample size 50)	PERCENTAGE
Performance	2	4%
EXPERIENCE	6	12%
BOTH	42	84%



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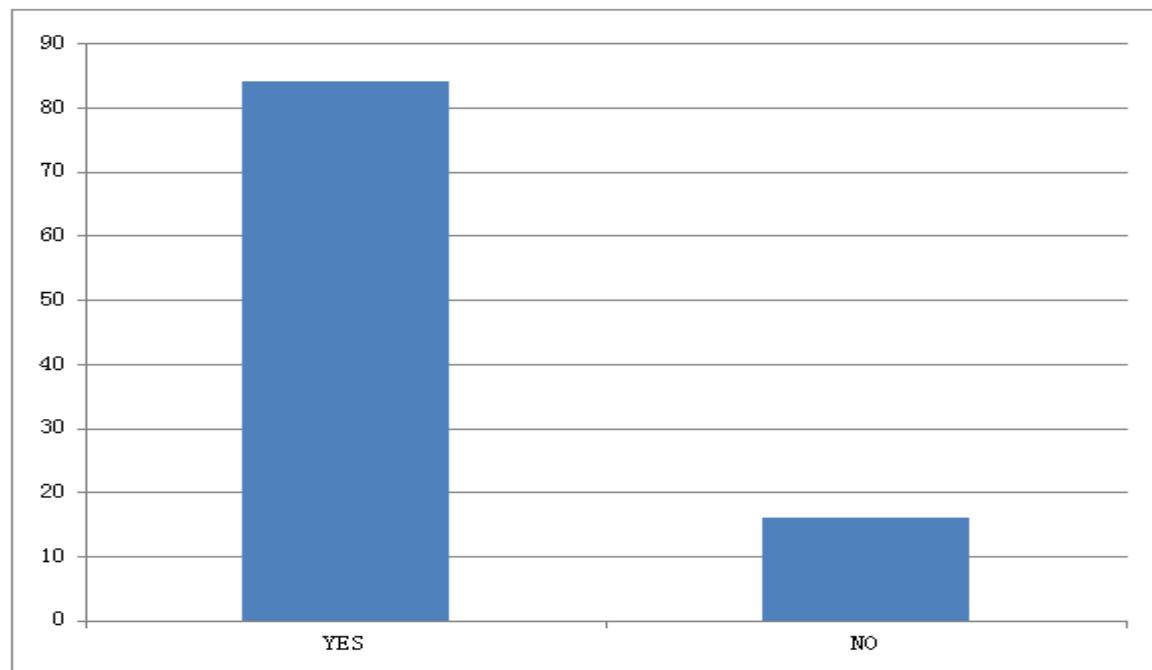
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INTERPRITATION-: 4% employees say that promotion says that process in the organization is based on Performance, 12% employees say that based on experience and 84% say both.

10 .The present Performance appraisal system is transparent & Free from bias.

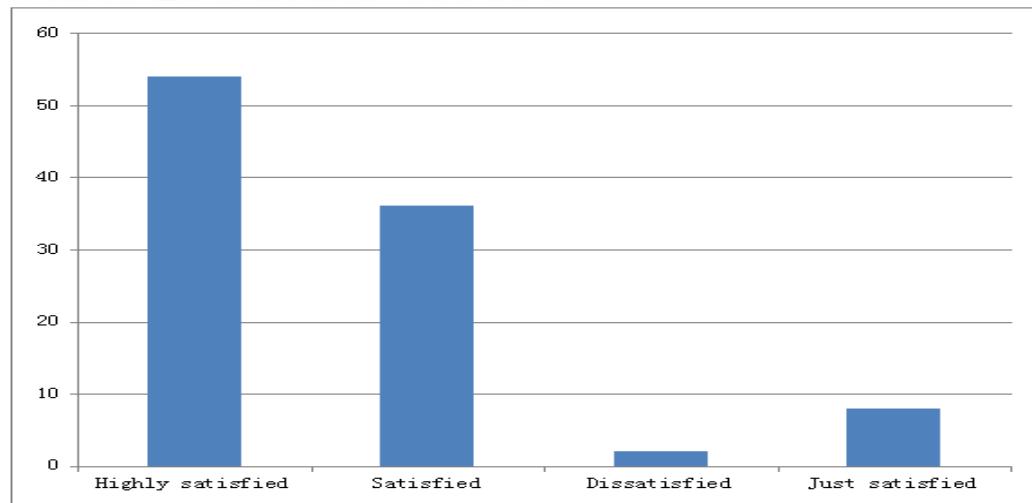
OPTIONS	NOS OF RESPONDENT(Sample size 50)	PERCENTAGE
YES	42	84%
NO	8	16%



INTERPRITATION-: 84% Employees agree with this statement that the present Performance appraisal system is transparent and free from bias.

11 .Satisfied with the current Performance appraisal system.

OPTIONS	NOS OF RESPONDENT(Sample size 50)	PERCENTAGE
HIGHLY SATISFIED	27	54%
SATISFIED	18	36%
DISSATISFIED	1	2%
JUST SATISFIED	4	8%



INTERPRITATION-: 54% Employees are highly satisfied with the current Performance appraisal system.

While 36% employees are satisfied with the current Performance appraisal system.

Chi-square test:

Options	observed	expected
highly satisfied	27	12.5
Satisfied	18	12.5
Dissatisfied	1	12.5
just satisfied	4	12.5

9.098E-08

INTERPRETATION: from the above table we see that the hypothesis does not satisfy.

FINDINGS:

1. Performance appraisal does not lend itself to the full complement of validation strategies that have been found useful for standardized tests.
2. Supervisor ratings have been used in thousands of studies designed to examine the power of cognitive and other ability tests to predict job performance—in other words, they have been used to validate employment tests.
3. Also a majority of employees were satisfied with the current appraisal system although they requested for some changes.

Most of the employees were also not clear about the criteria on which ratings were given to each employee while conducting the performance appraisal. Instead of secrecy there should be openness.

XVII. SUGGESTIONS

After having analyzed the data, it was observed that practically there was no appraisal in the organization. To be an effective tool, it has to be on the continuous basis. This is the thing that has been mentioned time and again in

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the report, as, in the absence of continuity, it becomes a redundant exercise. Before actually deciding drafting what should be the kind of appraisal the following things should be taken care of:

1. The very concept of Performance appraisal should be marketed throughout the organization. Unless this is done, people would not accept it, be it how important to the organization.
2. To market such a concept, it should not start at bottom, instead it should be started by the initiative of the top management. This would help in percolating down the concept to the advantage of all, which includes the top management as well as those below them. This means that the top management has to take a welcoming and positive approach towards the change that is intended to be brought.
3. Further, at the time of confirmation also, the appraisal form should not lead to duplication of any information. Instead, detailed appraisal of the employee's work must be done – which must incorporates both the work related as well as the other personal attributes that are important for work Performance.
4. It should be noted that the appraisal form for each job position should be different as each job has different knowledge and skill requirements. There should not be a common appraisal form for every job position in the organization.
5. The job and role expected from the employees should be decided well in advance and that too with the consensus with them.
6. A neutral panel of people should do the appraisal and to avoid subjectivity to a marked extent, objective methods should be employed having quantifiable data.
7. The time period for conducting the appraisal should be revised, so that the exercise becomes a continuous phenomenon.

XVIII. CONCLUSION:

The combination of research on job analysis, research on the reliability of appraisal results, and the direct and indirect evidence of a modest relationship between performance ratings and other sorts of measures (employment tests, other measures of job performance) leads us to conclude that the performance appraisal process, while by no means high-precision measurement, can achieve moderate levels of accuracy within the assumptions of the measurement tradition

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