IMPACT OF CURRENT APPRAISAL SYSTEM AND TOOLS ON EMPLOYEES' JOB PERFORMANCE: A CASE OF BANK ALFALAH KP

Tafakhar Hasnain & Zahid Awan

Department of Business Administration, Gomal University, D. I. Khan

ABSTRACT

Performance appraisal systems and tools are engaged in order to supervise and struck up regarding as a whole asset of an organization in order to accomplish the peak probable presentation of the human resources. The aim of this study is to identify the factors which play key role in performance appraisal and employee performance. Because employees are the assets of the organizations so they play a key role in the survival of the organization. The survey approach was used to collect the data from the Alfalah bank. And correlation and multiple regression tests were used in order to see the relationship between the variables and also how much variance shown by appraisal system and appraisal tools upon employee performance. The present study urbanized an imaginary structure from the accessible study, which was used as a Model to gather and examine the field information to investigate the suggestion. During this investigation, study, two analysts (appraisal system and appraisal tools) for influential the modification (37%) in employees' job performance.

Keywords: *Current Appraisal System, Appraisal Tools & Job performance*

INTRODUCTION

The award presentation is used to assign performances that actually supply to the "bottom line". Employee's performance, as a result of the development and the growth is critical for any organization. The literature revealed that presentation administration is the main resource of receiving improved consequences by accepting and supervision of presentation surrounded by an approved structure of intended objective, principles and proficiency necessities (Daniel, et al, 1997). However, a preferred objective and aim might merely be attained efficiently if the labor strength gets an intellect of shared increase of the association with the accomplishment of a distinct presentation objective. It's against this background that an association has to be deliberately placed the remunerations chemein order to assess worker's output at all stages and remunerating them efficiently (Crane, et al, 2003). In order to exploit the presentation of the workers an institute must invent and execute strategies and events for a proper routine assessment and

evaluation of the scheme in order to frequently and methodically estimate worker's presentation (Karimi & Saeed, 2007).

The majority of the institutions feels that work access is the necessary obsession for the institutions accomplishment. Boss ought to be maintaining the visibility in the work assessment agenda since it speeds up the genuineness of the plan. Worker's of an Organization effort in an enhanced manner when they obtain the good reward of their work done (Armstrong & Unger, Ruth & Godder, 2009). They obtain aggravated and while their work is evaluated and remunerated properly by any institute. Work praise is unswervingly linked to the weak performance of the workers. In an organization if there is a lack of appraising system, then the workers showing good work will not perform good work in the future (Shrivastava & Purang, 2011).

Statement of the Problem
For the survival of the organizations it is very important that its employees play a key role. And these employees are the assets of the organizations. Employees are the heart and the pulse of the organization. Presentation appraises is actually a procedure of an institution by mean of which they can evaluate workers work presentation. The organization tries to gratify and inspire workers to do their most excellent work through a variety of methods of work appraise and that may vary from organization to organization. Performance Appraisal in the banking sector for employees depends on many factors like the current system of appraisal, tools for the appraisal and benefits of the current system.

Theoretical Gap
As mentioned above in this paper that most of the studies found the performance appraisal and performance of employees by using single parameter, as well as it is also mentioned in the section of the problem statement that this study has used the current appraisal system, tools of appraisal, and benefits of current appraisal to increase the innovativeness, responsiveness, efficiency and effectiveness of the employees. So this gap was lacking in the theory, this study has filled this gap and added the knowledge in the theory.

Methodological Gap
Most of the past studies done on performance appraisal system and employee's performance; these studies were using traditional methods of the data analysis and identifying the factors. This study will use the correlation analysis and regression

analysis, big sample size used in this study, measured in order to support the findings taken from different tests. This study will also fill the methodological gap lacking in the previous studies.

Objectives of the Study

1. To identify the relationship between appraisal system and employee performance.
2. To investigate the relationship between appraisal tools and employee performance.

Hypotheses of the Study

1. There is a significant relationship between the appraisal system and employee performance.
2. There is a significant relationship between appraisal tools and employee performance.

LITERATURE REVIEW

Existing Research

The review of numerous studies in the apprehension region point towards that work assessment, value ranking and work evaluation is frequently used in determining the work done by a worker or worker's (Eker, Melek & Anbar, 2007). Numerous researchers defined the work appraise as "the systematic assessment of a person with esteem to his/ her work presentation on the profession and his/her prospective for progress". Additionally, complete explanation of work appraise was specified by (Amir, Muneerali & Jamali, 2010). They stated that, "work is appraised is an organized evaluation of worker's significant work performance to compliment their efficiency in convention their job necessities and farm duties (Patnaik & Pattanaik, 2012)".

Common uses of Employee Performance Appraisal

➢ The mainly frequent exercise of work appraise is for assembling the organizing resolution describing to encouragements outer edge, layoffs and value pay enhancement.
➢ Work appraises data be capable of also providing essential contribution for influential both human being and institutional guidance & growth requirements.

> ➢ One more significant utilization of work appraise is to give confidence work perfection. In this consideration, work appraises are used as a resource of commune for workers that how they are accomplishing and signifying necessary alteration in the performance, approach, abilities, or awareness.
> ➢ At last, there are two last significant exercise of data made throughout work appraise are a contribution to the legalization of assortment events, and contribution to the human being source development.

Performance Appraisal

Now-a-days the Boss is the person that takes the main responsibilities is captivating human source resolutions. Certainly, the accomplishment and disappointment of a human sources boss are dependent on how proficiently & competent, he/she executes the human resource administration purpose. In the conventional move toward, the person reserve section is accountable for the situation and administration at work appraise scheme (Crane, et al, 2003). Boss demeanor work appraises as one of the organizational responsibility. It is debatable that work appraises is the majority debatable and smallest amount well-liked behavior execute by HRM (Karimi & Saeed, 2007).

Meaning and Process

Kothari and Ten (1999) argued that the main purpose of the performance appraisal in an organization is the improvement in the communication which takes place between the supervisor and the subordinates with the help of feedback between, performance improvement and the way to achieve their goals, the kind of individual training and development needs, classification of the potential of individuals for promotion. Mark and Kay (2001) argued that a purpose of conducting a performance appraisal modifies the work of the employees had also stated that even though some of the theorists thought that an individual behavior should be highly monotonous and inflexible from the outside pressure (Eker, et al, 2007).

Employees' Perceptions/Feedback on Current Practices

Even though workers differ in their aspiration for development, usually employees desire to be familiar with how glowing they are working. Populace required to encourage comment and justification on a habitual base. On one occasion a worker has been chosen, a small number of administrative proceedings can have as optimistic consequence of employee presentation as hopeful

confirmation (Sokoya & Sesan, 2000). These are, in result, kindness deposit, devoid of which extraction cannot be finished. This doesn't mean you should be supposed to the commentary over area necessitate development. When obtained in a productive manner, personnel will frequently be thankful for data on how to get better deficiency. Such productive comment, nevertheless, can take place only surrounded by the situation of take note to and thought about the human being (Naval & Deepak, 2008).

Current System
Usually bank accomplished a work appraise curriculum in order to assess the work of managerial, administrative, and workers. The regular workers' performances are estimated yearly. The recently conscript tribal officials have gone through a teaching on basic teaching guidelines practically as well as theoretically for at least two months from their date of joining (Karimi & Saeed, 2007). Assessment of guidance for experimental official enclosed assessment measures like undeviating occupation and not direct purpose. Direct occupation include broad banking, recognition administration and savings, coffers administration, and foreign exchange (Amir, et al., 2010) and indirect occupation comprises clothing up/ with identification card, reliability/ presence, approach/manners, acquaintance with pecking order, scheme & surroundings, subdivision, performance with elder age group, statement method/ ability, peace, satisfying practice/ evidence maintenance, hygiene etc. The assessment is done on the basis of 'below Average' Good, Excellent and exceptional where 'Below Average' = 50%, Good=60%, Excellent=80% and exceptional=100% on criteria-wise presentation of every learner.

Tools for Appraisal
Presentation assessment typically acquires position on an annual or semi-yearly meeting. An effectual presentation assessment is supposed to precisely delineate workers' jobs and assistance to the association (Khan & Ayaz, 2005) and be gratis from mistakes such as lenience, nimbus effect, and variety of limitations. Not unexpectedly, investigation on the subject of rater accurateness and amount are in the conventional of an instructional psychology. Although, they supposed that presentation assessment, investigation were too involved in quantity matter and not paying attention sufficient in ways to get a better presentation (Farheen & Akram, 2014). To so do, investigation of worker response has been very significant since what workers recognize can have an effect on their performance and presentation (Tsigilis, Nikolaos & Grammati, 2006).

Figure 1.1 Theoretical Frameworks

Integration of information collected informally and formally, enables the researcher to formulate a conceptual model or theoretical framework of all the factors contributing to the problem (Kothari & Ten, 1999).
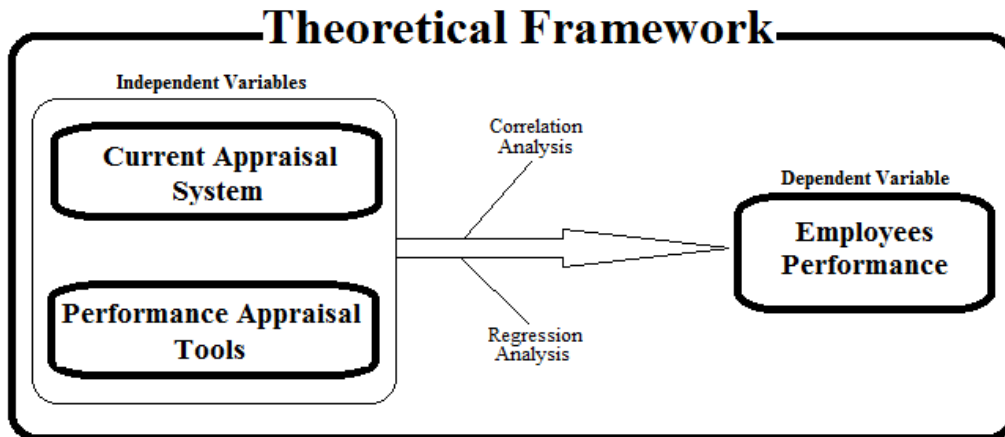
METHODOLOGY

Survey Approach

Various studies on methodologies support the survey approach as the majority usually used move toward to collect information on the approach and the views of the people. The review is the most excellent gear for the copying approach in great populations. Together literature and field study had used to gather information for this study document. The current methods for social research speaks of the survey as the best tool for managers to collect data (through interviews and questionnaire) for learning about the employees' behavior. It is noted somewhere that the questionnaire is the commonly used method in social sciences (Kothari & Ten, 1999).

Population and Sample

A populace is simply a compilation of all the fundamentals we are revising and demanding to sketch conclusion. Population is a group of elements in which research is interested and plans to generalize results from a sample study onto the whole population. The populace of this assignment comprises all the participants flanked by administration and employee groups in the branches of the Bank-Alfalah from D. I. Khan and Bannu cities of KP, Pakistan. A sample is defined as

a representative part of the entire population. Sampling is a tool to select a representative group of elements from a population with a view to study and understand their attributes and then generalize the findings from the subjects of the sample on the population (Kothari & Ten, 1999). A model of 150 including workers and managers was preferred via expediency sample method.

Data Collection Methods

In this study document together text review as well as field review was used. A literature review was assumed to take out the perception as recommended by the specialist and researchers on our institutional efficiency. After that, these perceptions were used to expand the imaginary structure for the production of suggestion and its experimental testing.

Information Analysis Tools

Research is defined as a systematic method of identifying a problem, collecting data, converting it into information to reach conclusions (Kothari, 1986) or it a process of looking around for solutions for a problem through a rigorous study of all the related factors. Some of the statistical tools are versatile and used in almost every area of study and practice. At the broader level most commonly used in social sciences are the descriptive and inferential tools and techniques.

DATA ANALYSIS

A database was developed in SPSS 20.0. In order to accept or reject the hypothesis Pearson correlation moment was used. As the hypotheses were non directional, so two tailed was used in correlation. Then multiple regression was used. Before regression some assumptions of the regression need to be fulfilled. The first assumption is the sample size. According to hair et al., (2007) at least 15-20 assumptions should be used. In this study 250 sample size is used. Second no multicollinearity was found, third there are no outlets found in the data and fourth there is no hetroscadasticity problem.

DATA NORMALITY

It is highly advisable that normality test should be done before proceeding to any analysis in SPSS. Once the data is normal then it will work properly for further analysis (Latham, Mann, Saari & Judge, 2006). Data normality is checked by checking the values of skewness and kurtosis values. According to the Pallant (2010) if the values of Skewness and kurtosis are in the range of ± 3 it indicates that data is normal. In this study all the values fall in the range of cutoff level. The

aim of the skins is to provide the readers with the symmetry of the distribution, and purpose of the courthouse is to provide the peaks of distribution Pallant (2010).

Table Descriptive Statistics

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Appraisal system	250	1.9080	1.33441	0.079	0.154	-1.142	0.307
Employee Performance	250	2.0920	1.35235	-0.201	0.154	-1.220	0.307
Appraisal Tools	250	1.936	1.33380	0.087	0.154	-1.099	0.307
Valid N (list wise)	250						

Testing of hypothesis (Prediction of performance)

The bivariate correlation is used to check the relationship between predictor and criterion variables. And also directions of the relationship between the predictor and criterion variables. A significance value less than 0.05 is accepted. Because the hypotheses in the study were non-directional, so two tailed tests were used. Hypothesis # 1 Correlation between Predictors and Criterion

Correlations				
		Performance_ Appraisal	CAS_Tools	Employee_ Performance
Performance_Appraisal	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	250		
CAS_Tools	Pearson Correlation	.986**	1	
	Sig. (2-tailed)	.000		
	N	250	250	
Employee_Performance	Pearson Correlation	.965**	.963**	1
	Sig. (2-tailed)	.000	.000	
	N	250	250	250

**. Correlation is significant at the 0.01 level (2-tailed).

Analysis

It might be seen as of the above table, that the research scholar functional association coefficient to examine the supposition that all the self-determining variables and dependent variable are absolutely and considerably connected/ associated with one another; the out comes demonstrates that assessment scheme is an elevated associated with assessment tools, i.e. 0.986 at the 0.000 level of signifinace, similarly, assessment scheme is also appreciably linked with performance appraisal and employee performance , i.e. 0.965 at 0.000 level of significance. Likewise, appraise tools is also appreciably connected with workers presentation, i.e. 0.963 at .the 0.000 stages of implication., bias the outcome, consequently, the supposition is substantiated and acknowledged.

Hypothesis # 2 Forecasters determine the decisive factor variable

After bivariate correlation the regression analysis is done. Before doing the regression analysis following assumptions need to be taken into account. The main purpose of the regression is to see how much variance explained by the independent variable upon the dependent variable. According to hair et al., (2007) sample size should be at least 15-20, because the sample size has a direct effect on the regression analysis, in this study sample size is 150 so first assumptions are fulfilled. Second is multicollinearity problem. It exists when variables are highly correlated with each other, but there is no Co linearity problem. Third and fourth no outlets and no hetroscadasticity problem.

Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	. 968[a]	.936	.936	.34266

a. Predictors: (Constant), CAS_Tools, Performance_Appraisal
b. Dependent Variable: Employee_Performance

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	426.382	2	213.191	1815.696	.000[b]
	Residual	29.002	247	.117		
	Total	455.384	249			

a. Dependent Variable: Employee_Performance
b. Predictors: (Constant), CAS_Tools, Performance_Appraisal

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.202	.038		5.279	.000
	Performance_Apprai sal	.548	.098	.541	5.596	.000
	CAS_Tools	.436	.098	.430	4.444	.000

Analysis

The Current appraisal system and performance appraisal tools (correspondingly) are the two forecasters which give explanation 93.6% (R^2=. 936) of difference in the job performance of the employees working in BANK-ALFALAH branches in KP, Pakistan. In the upper table R= 0.968 is the association of the three autonomous variable with the reliant variable. The deliberate Coefficient helps us to observe which of the three self-governing variables carry the majority of the discrepancy in the work presented. In the Beta column, we observe that the beta is 0.541 for an existing appraises scheme and 0.430 for presentations appraise tools, which is a vital role in 0.000 and 0.000 and level correspondingly.

The encouraging Beta load designates that for the job performance of employees working in a Bank, current appraisal system and performance appraisal tools. The findings of the study indicate that current appraisal system and appraisal tools, both are the predictors for the job performance. The model fit value is denoted by F = 1815.696, P<0.001 is found significant. The over all regression model is fit. All the hypotheses are proved and accepted.

SUMMARY AND CONCLUSION

This study has used survey approach. On survey part this study examined the relationship between the performance appraisal system, performance appraisal tools and employee's performance. In survey 250 filled and completed questionnaire were collected back from Alfalah Bank employees. For the purpose of this paper only two independent variables are used, one is performance appraisal and other is performance appraisal tools and dependent is performed. All the objectives of the study are achieved and hypotheses are accepted. The correlation analysis and regression tests were used to check the relationship between the predictor variables and the criterion variable. All

variables are correlated positively and significantly. Positive sign shows the direction of the relationship. When the performance appraisal system will be improved then employees' performance will also increase. Also, when the tools of the performance appraisal will be improved then it will increase the performance of the employees.

This study has contributed the literature of the performance appraisal system, tools and performance of the employees. It has contributed theoretically and empirically coming up with empirical results. This study has enriched the literature of the performance appraisal and employee performance, additionally it has filled the theoretical and empirical and methodological gaps. This research will be helpful to the Alfalah bank human resource department, HR practitioners to make those policies which can increase the performance of the employees. The banking environment requires commitment in a suitable conducive climate to reach constructive organizational goals. For organizations, it is vital to retain its employees and customers. It is concluded that the organizational efficiency in any organization would become the successful mechanism through the dedicated involvement of employees and suitable appraisal tools.

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