International Research Journal of Human Resources and Social Sciences
ISSN(O): (2349-4085) ISSN(P): (2394-4218)
Impact Factor- 5.414, Volume 4, Issue 12, December 2017
Website- www.aarf.asia, **Email** : editor@aarf.asia , editoraarf@gmail.com

EMPLOYEE'S PERCEPTION TOWARDS PERFORMANCE MANAGEMENT SYSTEM IN BANKING SECTOR-AN EMPIRICAL STUDY

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ABSTRACT

The banking sector has been growing sector since its inception in Kashmir. The faster growth of the banking sector is undoubtedly due to the contribution of its human resource. With the upward expansion of banking industry, the management of those who run the organization also becomes more pivotal. Performance appraisal is one of the most important mechanisms of human resource development need to be effective in improving or sustaining employee performance, motivation, and satisfaction, otherwise, they are a tremendous waste of time and money spent on development and implementation and leads to other major problem that is employee dissatisfaction and turnover. An Emergent body of data suggests that the traditional annual or twice-yearly performance appraisal may have endured its usefulness. As the world of work is changing and so the way an organization works, an organization needs more than just a method of evaluating the performance of employees, it requires a system that will help an organization in identifying, measuring, managing and developing the workforce. In this competitive time, its only *human resource that can give an organization an edge to rise above the competition so their management is required not just their appraisal. Executives and employees seek less formal and more frequent communication to check in on development, progress needs, and engagement.*

The purpose of this study is to examine the perception of employees towards performance management system in the banking sector and highlights how performance management leads to more effective management of the employees and that of an organization. The paper will focus to determine the effectiveness of the performance management system in the changing scenario of business

Keywords: performance appraisal, satisfaction, motivation, Performance management.

Introduction

The technique of performance appraisal has been widely embraced in banks to assess and evaluate the performance of employees. Both the public and the private sector banks utilize this apparatus. Although less research has been done to know about the employee's satisfaction towards existing performance appraisal system and to discern about their perception regarding performance management system.Employees are the valuable assets and the key to the organizational success. The organization needs to understand that satisfactory and motivated employees have a high probability of making significant contributions to the organizations. The success stories of many organizations hugely depend on the effective and efficient workforce. The importance of employees to organizations makes it very important to effectively measure their performance and use it as a vital source to increase employee's job satisfaction and motivation. In order to survive in this highly competitive and dynamic market, organizations must ensure consistent and high performance from all of their employees

Performance appraisal is that instrument that can be used to manage employee's performance. Researchers uncover that performance appraisal makes a relationship between supplementary pay and compensates skillful workforce and improve their work duty and desires (Giangreco et al., 2012).Performance appraisal is one of the common practices conducted in most of the organization for the superior performance of both the employees and that of the organization.

(Seldom, Ingraham & Jacobson, 2001) examined that more than 90% of bigger organizations follow performance appraisal system and more than 75% are scheduled annually. For organizational success, employee satisfaction must be there. The research piloted by (Malik, Bibi, and Rahim, 2010), analyzes that worker appreciates working and endeavor to work in associations which give constructive workplace where they watch they are making distinction and individuals in an association are potential and ready to propel association.As stated by Kinlaw (1988), employees' perception may be really important, but rarely acknowledged. It is often understood that a performance appraisal is considered just a convention and maybe exact exhausting. This is because the results of performance appraisals are not often followed by any feedback. Companies that seek to gain competitive advantage through employees must be able to manage the behavior and results of all employees especially in an increasingly complex environment and the hasty change of technology which has created some new challenges for many organizations. Writing in the Harvard Business Review in 1959, Likert observed that 'Performance review meets when in doubt are truly emptying to representatives' feeling of significance and self-esteem. Not exclusively is the customary audit neglecting to contribute, in many officials' supposition it can do hopeless damage'. Grint composing all the more as of late (1993) was considering all the more scorching: 'Once in a while in the historical backdrop of management can a framework have guaranteed so much and conveyed close to nothing'.

Over the last several years, the issue of performance management is at the forefront. This is because of the reason that the companies are realizing that hiring and motivating employees will give them a competitive advantage in the global marketplace.Performance management is a need of the present world for the reason of the vicious rivalry and the authoritative fight for the initiative. Performance management is considerably extensive term as it comprises activities such as joint goal setting, continuous performance review, frequent communication, feedback and coaching for improved performance, Implementation of development programmes and rewarding activities.Performance management and appraisal frameworks have come to assume a crucial part in helping organizations to achieve their objectives of efficiency (Stevers and Joyce, 2000).

A fundamental explanation behind the need and development of performance management system has been the competitive market and the drivers of globalization within which an organization operates (Bach 2005). With globalization and increased market competition, organizations are becoming under pressure to increase their efficiency and potential and reduce their costs. Ultimately, the goal of performance management is to achieve human capital advantage knowing the human resource is the most important source of capital advantage to the organization (Armstrong and baron, 2004).

Review of literature

The literature revealed that performance appraisals are practice to measure how individual employees are acting and how they can improve their performance in the organization.Performance Management system (PMS) is the procedure that clearly includes documentation and support of the employees inside the organization and that decides the consequences, across the norms that are set by the organization (Neelam, et al., 2013).Performance management includesnumerous levels of analysis, and is clearly related to the themes deliberate in strategic HRM as well as performance appraisal. Different terms refer to performance management initiatives in organizations, for example, performance-based budgeting, pay-for-performance, planning, programming and budgeting and management by objectives (Heinrich, 2002).Grattol and Global(2002) argue that the core of the development and appraisal process should be,'improving the quality of conversations', rather than going through 'dehydrated rituals' with honest and open leaders setting the example for a culture of curious, creative learning organization. Cunneen (2006) also highlights the issue of managers and employees simply going through the motion of the process when he stated: The failings of the appraisal have led to the new approaches of performance management system. (Grote, 2000) and much more inclusive, forward-looking approach involving individuals, supporting their development and linking in to the organization's needs and values (Spangenberg and thereon, 2001). But as Cannel (2006) points out, there is still a need for the conversation to both reflect on past performance and to look forward.The latter is what in the mind of those who advocated the substantial changes in the performance appraisal: a shift to the performance management philosophy that engages employees in the process and drives the performance towards organizational goals.

In their book on their subject, Armstrong and baron (2005) note the shift of terminology from performance appraisal to performance management, which they believe indicates a wider change in the viewpoint and content of the process: Performance appraisal has a status as a corrective, top-down control device, a reviled system. Performance Management is a holistic, total approach to engaging everyone in the organization in a continuous process, to improve everyone and their performance, and thereby the performance of the whole organization. In the recent past, many research studies shown that only a few organizations are actually satisfied with their existing performance appraisal system and the dissatisfaction is greater enough. Research has also indicated that most often performance appraisal practices are not properly designed in most of the organization (Thathachary 1981, Latham and Wexley 1982 and Rao 1992).Accordingly, figuring out what constitutes great performance and how the diverse parts of performance can be measured is basic to the plan of a powerful performance management process. What's more, performance management adequacy increments when there is progressing feedback, behavior-based measures are utilized and preset objectives and prepared raters are utilized (Lawler, 2003). In a recent article for *People + Strategy,* a Deloitte manager referred to the appraisal process as “an investment of 1.8 million hours across the company that didn’t fit our business needs anymore.” One *Washington Post* business writer called it a “rite of corporate kabuki” that restricts imagination, generates mountains of paperwork, and aids no real purpose. Others have described performance appraisal as last-century practice and blamed them for a lack of teamwork and innovation. Employers are also finally acknowledging that both managers and subordinates hate the appraisal process—a perennial problem that feels more crucial now that the labor market is picking up and concerns about retention have returned.When Brian Jensen told his viewers of HR executives that Colorcon wasn’t concerning with annual reviews anymore, they were appalled. This was in 2002, during his tenancy as the drugmaker’s head of global human resources. In his presentation at the Wharton School, Jensen described that Colorcon had found a more effective way of reinforcing desired behaviors and managing performance: Managers were giving people instant feedback, binding it to individuals’ own goals, and handing out small weekly bonuses to employees they saw doing good things. Back then the idea of leaving the traditional appraisal process—and all that followed from it—seemed profane. Nonetheless currently, by some estimation, more than one-third of U.S. companies have adopted performance management. From Silicon Valley to New York, and in workplaces across the world, firms are replacing annual reviews with regular, informal check-ins between managers and employees. Knowledge companies such as Adobe, Juniper Systems, Dell, Microsoft, and IBM have directed the way and there have been number of professional services firms who has joined these companies like Deloitte Accenture, PwC, early adopters in other industries as Gap, Lear, Oppenheimer Funds, and even General Electric, the longtime role model for performance appraisals. Business researcher Josh Bersin estimates that about 70% of multinational companies are moving toward this performance management.

The reason of mentioning only these seven dimensions among many that define performance management system is based on their importance and covering almost all the aspects of performance management system as Performance is stated to as being about doing the effort, as well as being about the results attained. It is a two-way process in which manager and the employees establish and gain an understanding of the goals set for the employee to achieve.Communication is necessary as provides for regular and frequent dialogue between the manager and the employee to address performance as well as development needs. The importance of designing and implementing reward systems in an organization is increasing at a speedy pace. It is a matter of shared observation that when an employee performs well, they expect to receive some kind of reward in turn. Thus reward system of any organization plays an important role in motivating employees towards performance. Accuracy in evaluation would be a starting point for training, rewards and feedback. The whole process of performance management system would be distorted if the evaluation would be inaccurate. Accenture is forsaking the annual review in exchange for performance management that's simply more accurate. Performance management should be a continuous process and should be carried out throughout the year, in its totality. Once you have appointed good employees, the next step that managers should train the employees develop their full potential. Larson and Turbo have strong training departments conducting large number of training programmes and linking training with performance management. GE's performance management system renovation is noteworthy, not just because the company is No. 8 in the Fortune 500, but because it's formal, once-a-year review ritual had been about for decades.Before the change, GE managers would meet with employees once a year for fate-determining assessments. Under performance management system, GE is still relying heavily on managers, who meet with employees at the end of the year. The variance is that they'll be guiding employees and training them on their path to meeting their goals under a much less stiff framework. GE is also progressing out an application for delivering more regular feedback. State Bank of India — the country's largest lender — has introduced a performance management system for its 1.70 lakh employees to build individual accountability. State bank of India stresses on employee training, feedback and counseling. To revamp its performance evaluation system IBM, new app-based performance management system called Checkpoint has launched. With Checkpoint, IBM employees will set shorter-term goals, and managers will deliver feedback on their growth at least every quarter.

- **Performance**: Performance management is the ongoing process of continuous communication between management and employees for achieving the strategic objectives of the organization. Every organization requires competent employees to boost up their efficiency. It is a concerted effort of the human resource division/section to check the strength and weaknesses of their employees, the performance is associated with the movements and also integrates judgment and review process (Tett, Jackson & Rothstein, 1995).The performance is not interrelated to the particular focus qualities but instead, it anticipates the association among common and sensitive environment (Bates & Holton, 1995).An attempt to define performance, as deploying and managing the components of the causal model that lead to the timely attainment of stated objectives with constraints specific to the organization and to the condition (Lebas, 1995).The AMO-model claims (Appelbaum et al., 2003) claims that performance is the function of employee's ability, motivation and ability to participate. Performance management system is a kind of accomplished and integrated set for performance management. The emphasis of performance management system is on continuously improving the organization performance, that could be achieved through improved individual employee performance (Macky & Johnson, 2000). Employees at Apple are assessed based on terms of objectives, tasks, and results achieved on the basis of pre-determined goals planned and agreed jointly by managers as well as employees.
- **Communication**:Excellent communication skills are the key to the effective performance management system.Moreover, continuous communication or exchanging information between an organization's strategic managers and its internal stakeholders should be designed to promote commitment to the organization and conscious of its varying environment and understanding of its developinggoals (Welch&Jackson, 2007). In addition to this, according to Fletcher (1996), Continuous communication activity in the managing performance stage as well.According to Ainspan and Dell (2000), favorable employee communication has been revealed to increase job satisfaction and employee performance and finally result in organizational achievement (Baskin, Aronoff, &

Lattimore, 1996).). Since communication is very important for every organization. Apple has a very strong skill of communicating top down and vice versa, feedbacks are given on time are necessary steps are taken to improve the performance State bank of India is also leveraging the social networking platform Facebook to encourage peer-to-peer interaction and help build new relationships with the SBI community from the first day of the employee joining the bank.

- **Rewards:**According to Schneier, Beatty and Baird (1987), the rewarding performance comprises three activities: personnel development, linking to pay and recognizingthe results or performance. A tie-up is required between performance and rewards for employee's retention and increasing the commitment of employees towards work which in turn contributes to the job satisfaction. Employees should perform well to be rewarded and this approach designed for 'pay for performance'. Apart from financial rewards that surely motivates employees to an extent, ultimately they want to be appreciated and recognized for their work.. In Rahdert's (1960) view, the function of personal development is that the growth of people can be accelerated over and above that which would take place logically and generally, and then maximum the employees' input to personal and group goals.
- **Accuracy:**According to Fletcher and Bailey (2003:397), executives are effortlessly capable of forming judgments of employee performance that are accurate. Fandray (2001:35) highlights "that rating inaccuracy was often a reflection of a thoughtful conscious process of misrepresentation used to serve the rater's agenda and not unconscious bias or error". According to Atkins and Wood (2002:879), employee performance ratings are huddled around either moderate or high performance. Negative information is less likely to be taken than positive information. Moreover, a consequence of this is the tendency to rate employees as average or above, due to the interpersonal ineptness of telling employee their performance is below average (Rechter, 2010:63). Byron (2007:728) states that "there is a tendency to mark at the central of the scale or higher and raters may evade giving negative news, because they employ empathic cushioning". According to Hunt (2005:268), there is indication to suggest that in performance appraisal policy, executives are using ratings to achieve goals that are conflicting to the goal of providing accurate employee performance ratings. Ratings may

be driven by a fear of conflict with poor performing employee. Moreover, inflation may also be used to improve an employees' performance by increasing self-efficacy (Mackey and Johnson, 2000:8). Executives might also steadily inflate ratings to protect their employees' reputation as good executives, if employees are understood to be performing poorly and this may reflect badly on the manager (Rudman, 2003:6).The assessment of individual employee performance also needs to focus on evaluating employee behavior and work performance and not the personality of the employee (O' Donnell & O' Brien, 1999).

- **Periodicity:**Rudman (2003:12) highlights that timely recognition of the achievement also motivates and helps to improve the performance of employees. There is substantially more to performance management than the annual performance review meeting. Rechter (2010:239) struggles that the performance appraisal policy for employees must be frequent, accurate, specific and timely.. Appraisal in Apple is on-going and continuous that serves the purpose for personal counseling, motivation and salary reviews.
- **Training:** Training is the process of imparting knowledge and skills for present job and development for acquiring capabilities for future job postings. Rahdert (1960) also stresses on the benefit of personal development. For employees, if there individual knowledge and skills constantly increase; he may create more value for and receive a sense of job satisfaction and recognition. Furthermore, training activities should be based on training gaps that are identified during performance review phase (Teke, 2002). Stone (2002:22) states that the most frequent complaint is that a large number of managers are ill-trained in how to give feedback to employees and they provide little coaching, mentoring or support. Moreover, performance appraisal plan procedures are repeatedly ill designed, making the plan unwieldy and difficult to administer. Teke (2002) also points out that relevant training and development intervention and regular feedback is essential for skill retention. Therefore training, development and performance management should be aligned tightly with overall retention strategy of the organization**.** Google managers continue to refine this approach to train employees toward creating and achieving their goals.
- **Feedback:** According to Freeman (2002:9), Employees often find themselves in circumstances where they must change direction frequently. Therefore, the employee

pursues constant feedback to determine whether the direction they are working is what is expected by the organization. Targeted management requires setting the targets and following them (Türk, 2001; Woodmann and Pasmore, 2002). A target centered feedback system favors the development of the organization as a whole. Targeted management is a method where the performance of the previous work period is discussed and the focus lies in the primary goals of future work. Taylor, Fisher, and Ilgen (1984) suggest that feedback is essential for organizational effectiveness and that a lack of feedback can lead to anxiety, inaccurate self-evaluations, and a diversion of effort toward feedback gathering activities. Furthermore, effective performance feedback has the potential to boost employee engagement, motivation, and job satisfaction (Aguinis, Gottfredson, Joo, 2011).Accenture's new model is intended to better graph the ongoing performance discussions between employees and their managers.

Need for the present research

Performance appraisal found to be somehow inappropriate when it comes to meet the needs of changing scenario of business. The corporate environment is getting more competitive and challenge. Organizations are going global and it needs the workforce that could be able to handle global assignments. Competent employees are required to meet the challenges of the present and uncertainty of the future. When it comes to performance appraisal it can hardly contribute to the ultimate goals and objectives of an organization.For survival and being competent, organizations are finding new ways to retain and develop the employees. Performance management proactively aligns employee's performance with the overall vision, mission and strategic plans of an organization. Baron (2004) advocates that the focus of the performance management is of the factors like recognition, constructive feedback, personal development and career opportunities.

The study is carried out to know employee's perception towards performance management system in the banking sector. The human resource is the most valuable resource in an organization makes it very important to take their perspective in the practices and processes of the performance management system.

Objectives of the study

1. to study the significance of performance management among employees,

2. to find out the implications of changing scenario of business on performance management system and
3. to draw conclusions and to provide suggestions to banks regarding their employees perception regarding performance management system.

Hypothesis

In consonance with the above objectives, following hypothesis is formulated:

H_1: Performance management is significant among employees

Research design and methodology

Research design is a proper planning of the operation to be done to collect data in a systematic way. This researcher has combined both the quantitative and qualitative method for the purpose of the research study. Quantitative research involves the methodological techniques that represent employees in numerical categories. The researcher used the Likert scale questionnaire; respondents are selected through simple random sampling and required in their response to choose most appropriate answer.Qualitative methods are described as research methods that provide the detailed description and analysis of the quality or substance, of human experience. In this research, Reliability test, Mean and Standard deviation that were carried out using a computer software tool of SPSS.

The population of the study includes the employees working in two most growing banks in Kashmir, J&K Bank and HDFC Bank .The questionnaire is used as a tool for data collection, it was distributed through 100 respondents, out of which 78 were completed and returned to the researcher.

Data Analysis and interpretation

Table 1: Reliability test

Cronbach's Alpha	No.of items
0.806	30

Interpretation of table no 1: Cronbach's alpha is the most common measure of internal consistency (reliability). It was been used in this study to determine if the scale was reliable. As the reliability value is above 0.70, it demonstrates internal consistency.

Table 2: Descriptive statistics ofPerformance

		p1	p2	p3	p4	p5	p6
N	valid	78	78	78	78	78	78s
	Missing	0	0	0	0	0	0
Mean		4.05	3.76	3.38	3.78	4.01	4.30

Interpretation of table no 2: Clearly exhibit as the computed mean score of item (p6) =4.30 is highest which means employees feel that performance appraisal system is necessary in the organization whereas the figured mean score of item(p3) = 3.38 is lowest, which infers that good level of performance is not always rewarded in their organization.

Table no 3: Descriptive statistics of Communication

		c1	c2	c3	c4	c5
N	valid	78	78	78	78	78
	Missing	0	0	0	0	0
Mean		4.50	2.93	3.02	3.55	3.08

Interpretation of table no 3: Clearly shows as the computed score of (c1) = 4.50 is highest, implies that employees believe that communication leads to higher efficiency of the employees and that of organization, whereas computed mean score (c2) = 2.93 is lowest, implies organization do not communicate with their employees how their performance contributes to the overall objectives of the organization.

Table 4: Descriptive statistics of Rewards

		r1	r2	r3
N	Valid	78	78	78
	Missing	0	0	0
Mean		2.38	2.43	3.24

Interpretation of table no 4: Plainly indicates as the mean score of (r3) = 3.24 is maximum, indicates that employees that rewards leads to the job satisfaction and increase the morale of the workers. On the other hand the computed score mean of (r1) = 2.3846 is minimum, specifies that somehow organizations fail to link rewards with performance.

Table 5: Descriptive statistics of Accuracy

		a1	a2	a3	a4	a5	a6
N	Valid	78	78	78	78	78	78
	Missing	0	0	0	0	0	0
Mean		2.75	3.79	2.91	4.14	3.51	2.98

Interpretation of table no 5: Clearly shows as the mean score of (a4) = 4.14 is highest, implies that employees believe that performance appraisal is necessary to identify their strengths and weakness whereas the mean score of (a1) = 2.7564 is lowest, believes that ratings are not accurate and doesn't reflect actual performance of employees.

Table 6: Descriptive statistics of Periodicity

		py1	py2	py3
N	Valid	78	78	78
	Missing	0	0	0
Mean		2.28	2.70	4.34

Interpretation of table no 6: Demonstrate as the mean score of (tr3) = 4.34are highest, denotes that employees want ongoing process of performance against periodic review, while as the mean score of (tr1) =2.28 is lowest, suggests that organizations are conducting evaluation of performance periodically.

Table 7: descriptive statistics of Training

		tr1	tr2	tr3
N	Valid	78	78	78
	Missing	0	0	0
Mean		2.30	4.01	3.29

Interpretation of table no 7: Clearly indicates as the mean score of (tr2) = 4.0128 is highest designates that employees believe that training programmes are effective for their and organization development, whereas the mean score of (tr1) = 2.3077 is lowest shows that trainers who provide the training often lack the training expertise.

Table 8: descriptive statistics of Feedback

		f1	f2	f3	f4
N	Valid	78	78	78	78
	Missing	0	0	0	0
Mean		2.58	2.56	3.94	2.60

Interpretation of table no 8: Undoubtedly shows as the means score of (f3) = 3.9487 is highest, indicates that employees feel that timely and reliable feedback is necessary for them to improve their performance, whereas the mean score of (f2) = 2.5641 is lowest, shows that employees are not provided with feedback at the early stage that could help them to diagnose the problem and take corrective action before much damage.

Table 9: Descriptive statistics Dimension wise

	N	Minimum	Maximum	Mean	Standard deviation
Performance	78	2.17	4.83	3.88	0.72
Communication	78	2.20	5.00	3.42	0.68
Rewards	78	1.33	5.00	2.68	0.96
Accuracy	78	2.33	5.00	3.35	0.56
Periodicity	78	2.00	5.00	3.11	0.76
Training	78	1.00	5.00	3.20	0.63
Feedback	78	1.00	4.75	2.92	0.87

Interpretation of table no 9: Demonstrates that banks are doing consistently well when it comes to performance dimension as its computed mean score = 3.88 is highest, whereas they need to improve on other dimension especially rewards as it mean score = 2.68 is lowest.

Findings: On the whole, our findings suggest that banks are yet to recognize the importance of performance management and its effect on the employee morale and satisfaction. Performance management sets expectations for employees' performance and motivates an employee to work hard in ways that are expected of the organization. Management of banks has failed to link pay with performance. Banks do not communicate to the employees that what is expected to them in terms of performance and how an employee's performance contributes to the overall business plan. The rating system of banks somehow lacks accuracy as the employees believe that ratings are not accurate and does not reflect their actual rating and ratings are mostly based on personal feelings or prejudice than on their actual performance. Banks has yet not recognized the importance of the ongoing process of evaluating and still continuing with the practice of periodic review. Banks have underestimated the importance of training and just made it as the ritual rather than a practice of delivering value to the employee. Feedback being the most important mechanism of performance management, banks falls short on this dimension by not providing timely and early feedback to the employees.

Suggestions and Recommendations: This empirical study has important implications for banks. Banks should adopt performance management that is consistent with the requirements of the employees and is also beneficial to the growth of the organization. Moreover, it is important for employees and management to understand the performance management and the performance management system that are key determinants of a banks success and failure. Management needs to understand the impact of the dimensions of the performance management on employee performance. If employees are not happy with the prevailing performance appraisal, they are likely to be unwilling to take an active part in the process because they do not see any value of it. As a result, banks performance and productivity decrease due to inefficient employee performance. It the senior management who can guarantee performance management is allied with the corporate strategy so that all individual understand how they can add to the general goals of the organization. In addition to this, there is the prerequisite to integrate performance management with the culture of the organization and tailor this process of performance management to the changing needs of the individuals. The organization could also make the use of technology to connect the employees with the performance management and making this process more reachable and pleasant. All the elements need to be monitored and proper coordination is required to make the process more adaptable to the changing circumstances. It is important for the banks to plan, manage and reward the performance. In compliance with performance management, banks overall productivity and profit would be increased as well through the whole supervising the whole process of performance management, such as building objectives, checking feedbacks and evaluating performance. On the hand, employees are the assets of the organization. Banks need to find out the strategies to death with the problems of performance quickly and consistently. Banks should recognize the good performance and reward the same that would increase the morale and satisfaction of employees. Subsequently, improved employee performance could also boost organizational performance. Banks should involve employees in the decision-making process and communicates with them how their performance contributes to the overall goals of banks which not only creates the sense of commitment and loyalty towards the banks but also contributes to their formulation. Banks should link rewards with the performance that is pay- for- performance that will lead to better employee performance. A effective pay- for-performance strategy can be the key to retaining your top talent and driving organizational performance that surpasses all expectations. At its essential, pay-for-performance serves to align your employees with the goals and objectives of the company and motivate and reward your top performers, while enduring to develop the low performers to become greater assets to your organization. It is significant for an employee to know that if his or her work performance meets or exceeds expectations that he or she will be rewarded for the hard work.

Banks should pay emphasis on training and coaching that aims at empowerment, development and qualifying employees through knowledge and skills. Banks should adopt an ongoing process of assessment rather than a periodic review. Effective feedback has a potential to enhance employee involvement, motivation and satisfaction so banks should draw their attention towards timely and accurate feedback that would be beneficial for both employees and banks. The future of performance management will comprise more feedback and place a greater importance on development. And as employees become even better at their jobs, it's a win-win for employees and for organization as well.

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