In the Jin Shang Commercial Bank KPI Performance Appraisal Problems and Countermeasures

Jihao Han
College of Management, Xi’an University of Science and Technology, Xi’an 710054, China

Abstract: KPI as key performance indicators, it is based on the input end of a process within the organization, the output key parameters setting, sampling, calculation and analysis, is used to measure a job specific quantitative indicator of the incumbent job performance. With the market economy gradually perfect, the domestic commercial bank’s survival environment, great changes have taken place in the domestic market competition intensifies, the performance of commercial bank management mode proposed the new challenge. By interpreting the connotation of KPI performance appraisal, this paper analyses the necessity of Jin Shang Commercial Bank introduced KPI performance appraisal system, discusses problems in the KPI performance appraisal, puts forward the protection countermeasures of Jin Shang Commercial Bank implementation of KPI performance appraisal, business Banks to realize strategic target, improve the development of soft power is very important.

Keywords: Jin Shang Commercial Bank the KPI performance appraisal Management Mode Indicators.

1. Introduction
With the market economy gradually perfect, the domestic commercial bank's survival environment, great changes have taken place, development goals and development mode has changed, the domestic market competition intensifies, the performance of commercial bank management mode proposed the new challenge. Jin merchants bank as one of China's commercial Banks, the introduction of KPI key performance indicators to optimize the performance appraisal system for the bank and enhance the level of human resource management and deal with the important means of competition, to achieve strategy of commercial Banks, improve the development of soft power is very important.
2. The KPI Overview

2.1 The Connotation and Function of KPI

2.1.1 The Connotation of the KPI
KPI call Key Performance Indicators (KPI), as a Key Performance Indicators, is based on the input end of a process within the organization, the output Key parameters setting, sampling, calculation and analysis, is used to measure a job specific quantitative Indicators, the incumbent job Performance is the most direct effect of work on the task to complete, objective measure basis. KIP mainly comes from two aspects, one comes from the strategic goal of the enterprise, and the other is the responsibility of the department and position.

2.1.2 The Purpose and Function of KPI
The main purpose of the KPI is clear guide the incumbent will mainly focus on the most effective contribution to the job responsibilities, and through the efforts to improve the level of performance improvement measures in time, so it is the most to influence the key driver of the enterprise value creation, is the foundation of the enterprise performance management. Its main function is to determine department or individual performance indicators according to the development plan or target plan of the organization; Monitoring operational processes related to performance objectives; Identify potential problems, identify areas for improvement, and feedback to appropriate departments or individuals; Output is the basis and basis of performance evaluation.

2.2 Key Performance Indicators (KPI) Theory Basis
KPI theory is based on this principle, it is put forward by Italian economist pareto a principle of economics, is an enterprise in the process of value creation, every department and every employee's 80% of the work task is completed by 20% of the critical behavior of, hold 20% of the key, is the main body. Pointed out the direction of the principle of performance evaluation, the result of the inspection work should focus on the key and key in the process of the assessment work must be built around key performance indicators, establishing clear practical KPI system, is the key to good performance management.

3. The Present Situation of KPI Performance Appraisal of Jinshang Bank
Jin merchants bank co., LTD. (hereinafter referred to as jin merchants bank) is established on the basis of taiyuan city commercial bank, approved by the China banking regulatory commission formally founded on February 28, 2009, is a joint-stock commercial bank, head office is located in taiyuan in Shanxi Province for provincial
large financial enterprises. Jinshang bank branch has lulian branch, yuncheng branch, linfen branch, shuozhou branch, datong branch, changzhi branch, xinzhou branch is under construction. Since listing, the shanxi provincial party committee, the provincial government's correct leadership and the people's bank of China, under the guidance and help of regulators, closely around the development of bank "to create national brand" vision, achieved leapfrog development, effectively support the major projects of Shanxi Province, the industrial structure adjustment and the entity economy development.

At present, the jin merchants bank although from chasing scale extensive management pattern to attach importance to the quality benefits, both interests and risk prevention and control of the intensive mode change, performance evaluation mechanism from the past to profit maximization as the core the profitability of the assessment, gradually transformed into value management as the core of comprehensive benefit evaluation. However, most of the methods of performance appraisal still follow the traditional methods of assessment of commercial Banks, and there is a biased performance assessment, which leads to insufficient guidance for long-term sustainable development. The performance appraisal with economic value added as the core is one-sided; The subjective efforts of the grass-roots organizations are inadequate and the incentives are not obvious. The lateral assessment is relatively weak, focusing on the assessment system at all levels, lacking the specific assessment indicators to evaluate its achievements; Employee participation is neglected in performance evaluation. These problems have seriously affected the bank work efficient and effective human resources management, in order to cope with the new development situation, to formulate the network layout, complete province jin merchants bank gradually to expand outside the province satellite radiation, in domestic and overseas capital market public offering of the "three-step" development strategy, so based on KPI performance appraisal system for guiding the construction of a management work of jin merchants bank has a certain practical significance.

4. The Problems of KPI Performance Appraisal of Jinshang Bank
KPI performance appraisal in the jin merchants bank is still in the preliminary and exploratory stage, from the actual execution, the assessment measures to promote the development of the banking business, has played a positive role in promoting, but also exposed many problems in the process of practice.

4.1 Performance Appraisal and Jinshang Bank's Strategic Objectives are Not Fit Jin merchants bank is the purpose of performance appraisal through performance appraisal, to promote the work of the staff enthusiasm, standardize and optimize the
bank operation process, improve the level of bank management, improve the competitiveness of the Banks, so as to realize the strategic goal of jin merchants bank. This requires that jinshang bank should be in line with the strategic planning of the bank at the time of the construction of KPI performance appraisal. At different stages of development, the bank’s strategic objectives are different, and the key indicators of KPI performance assessment should be adjusted accordingly. Now, jin merchants bank performance evaluation is given priority to with traditional assessment methods, assessment index selection of volatility and adjusting is small, with bank there is a certain distance between the realization of the strategic objectives.

4.2 The Evaluation Index Design of Jinshang Bank Is Not Scientific and Difficult to Execute
The key and important part of the KPI performance assessment operation process of jinshang bank is to set key indicators. Set of key performance indicators (KPI) and the selection is not random, is to fully understand the bank strategic objectives and the roles and responsibilities of each position such as cases, preliminary determined in accordance with the principle of simple and effective key performance indicators (KPI) of each position, at the same time indicators should also after a series of textual research, validation, and revised to finally determine. This requires that the evaluation index of jinshang bank should be scientific, measurable and operable.

4.3 There Is A Lack of Communication in the Assessment Process
In KPI performance appraisal in their quest to establish a performance evaluation system of communication, which requires the jin merchants bank strengthen the communication between the higher and lower fluctuation and horizontal communication between departments, avoid between departments and between higher and lower due to the understanding of the key performance indicators (KPI) have deviation cause conflict KPI performance appraisal process. The existing performance appraisal process of jinshang bank lacks multiple communication, which makes it difficult to coordinate the interests of various departments and employees, and to maximize the profit of jinshang bank.

4.4 The Appraisal Result Lacks Feedback and Appeal Link
Of jin merchants bank adopts the traditional performance evaluation methods to the results of the assessment with wages, as long as is the whole of the performance appraisal results, the staff for the problems existing in the assessment is not a complaint in time, is not conducive to the improvement of the performance appraisal work and improve. And KPI performance appraisal system can feedback with the introduction of the inspection, implementation of performance appraisal of
communication, feedback, incentive function full play, this is the jin merchants bank lacked in the existing assessment system.

5. The Measures to Improve the KPI Performance Appraisal of Jinshang Bank are Improved

5.1 Build the KPI Performance Appraisal System of Jinshang Bank

According to the development goal of jinshang bank, the system is formulated to establish KPI performance appraisal system suitable for its development. According to the order from macro to micro, the index system at all levels is set up. Firstly, the key performance indicators (kpis) of key business areas in the medium and long term should be identified in combination with the current strategic objectives of jinshang bank, and the basic framework should be formulated. Second annual decomposition of long-term strategic objectives, to determine the total annual development goals, find out the annual business priorities, and to determine the annual key business areas of key performance indicators (KPI), through the decomposition step by step, the annual overall goal decomposition to each department, each department will target decomposition to the specific jobs and personal again. Should avoid overlapping between each branch, for some common, such as organization management, personnel management, rewards and punishment standard, common problems are no longer separate design their own evaluation standard, and will be subject to the basic framework. According to the theory and practice of KPI, the comprehensive KPI system in the bank is divided into bank head bank, branch, department layer and post layer.

5.2 Establish and Improve the KPI Performance Appraisal System of Jinshang Bank

All kinds of employees at jinshang bank should actively participate in and agree with the bank's KPI performance appraisal standard. Performance appraisal is not just the human resource department, it is the bank staff to participate in the events, perfect every job responsibilities, work content and requirements for the qualifications of employees, so as to clear the content of the performance appraisal, goal and plan through layer upon layer decomposition form of the assessment of personal KPI. Bank executives should be based on the principle of fair, each of their subordinates and staff performance appraisal and evaluation, so as to distinguish each employee contribution to the value of the bank, to lay a foundation value distribution. Performance appraisal standard to contracting, contract or KPI performance appraisal agreement is the job of the staff and supervisor should implement, performance of formal written agreement is concluded, it defines the main evaluation aspects of management, staff and key performance indicators, and reference to historical performance and future policy focus,
set performance should be up to standard; Participation in the contract is subject to compensation and non-material rewards and punishments.

5.3 Scientific Setting and Optimizing Bank Performance Appraisal Target
Jin merchants bank scientific performance indicators, setting up and optimizing should first analyze the bank performance appraisal target and the specific matters, find out all the indicators to reach their goals, the second is the analysis of each index reached the purpose of, and then select key indicators KPI performance appraisal indicators, selection of indicators in general to determine on the 20/80 principle. Setting the principle of the principle of specificity: the principle of specificity refers to that the performance appraisal should be specific to the specific work indicators and cannot be generalized; The principle of scalability refers to that the performance indicators are quantitative or behavioral, and the data or information can be obtained by verifying these performance indicators. The realization principle means that the performance indicators can be realized under the circumstance of hard work and avoid setting too high or too low targets. The principle of reality means that the performance indicators are real and can be proved and observed. Have time limit principle, pay attention to accomplish the specific deadline of performance index. Through scientific setting, the performance evaluation index is optimized.

5.4 Establish the Communication Mechanism of Performance Appraisal of Jinshang Bank
Jin merchants bank should build an effective communication mechanism, between the bank and its branches, departments and between departments, between individual and individual, continuous communication and coordination between higher and lower, through the bank of communication to ensure the realization of strategic goals. At the same time, the jin merchants bank shall establish the KPI performance appraisal feedback and defence mechanism, to increase performance appraisal feedback and defend system plays a role in the performance review, avoid the examination personnel operation is wrong, lead to affect the enthusiasm of staff, performance appraisal play a bigger role. The establishment of this mechanism is the key to the performance appraisal, and it is an effective way to strengthen communication, and it is the necessary procedure for the optimization of performance assessment index.

5.5 Strengthen the Publicity and Training of KPI Performance Appraisal
The publicity and training of KPI performance appraisal is an important component of performance appraisal, and also one of the links that is easy to be neglected in the performance appraisal process of jinshang bank. The promotion of performance
appraisal plays an important role in the performance appraisal, which enables employees to quickly enter the performance appraisal environment. The training of performance appraisal plays an important role in improving the performance evaluation level and the performance level of the assessed. The training of assessment is not a single point of training for employees. It should also include training for managers and personnel who perform the assessment. Only by constantly improving employee and management personnel and performance evaluation of the quality of concrete, improve their understanding of evaluation indices, to improve their perception of jin merchants bank performance evaluation indicators, so that the performance appraisal to the expected goal.

To sum up, the construction of KPI's performance appraisal system has certain practical significance to guide the management work of jinshang bank. Although KPI performance assessment is a very complicated procedure, it requires a process of trial and error, summarization and perfection to use it flexibly to play a larger role. At the same time, in the use of the new appraisal system, although some problems still exist, but more attention should be paid to the KPI performance appraisal on the business development of jin merchants bank plays an important role that cannot be replace, with the deepening of our understanding of it, the current policy of continuous improvement, its leverage will be more and more big.

References
[1] Li yizhong: "the 12th five-year plan": accelerating the transformation of industrial development mode;