Research on Optimization of Performance Management of Rural Commercial Bank Tellers

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Abstract: Amid the deepening implementation of rural revitalization strategies and rapid fintech development, rural commercial banks—core financial institutions serving agriculture, rural areas, and farmers (the "three rurals") and county economies—have seen their tellers' service quality and operational efficiency directly impact market competitiveness and sustainable development capabilities. This study examines teller performance management in rural commercial banks from a business management perspective. By analyzing structural issues in existing performance management systems and integrating theoretical frameworks with industry case studies, it proposes systematic optimization measures. The research aims to provide practical references for establishing scientific and efficient teller performance management systems in rural commercial banks, thereby enhancing service quality, strengthening talent support, and better serving the rural financial market.

Keywords: Rural commercial bank; Teller; Performance management; Optimization path; Business management

1. Introduction

1.1. Research background

As the backbone of China's rural financial system, rural commercial banks play a pivotal role in advancing rural revitalization and serving county economies. Teller staff, serving as frontline service windows, directly shape customer experiences. Their performance directly impacts the bank's brand image and customer retention rates. With deepening interest rate liberalization reforms and digital finance challenges, rural commercial banks face dual pressures of "service decentralization" and "efficiency enhancement". The traditional teller performance management model centered on "transaction volume" has become inadequate for the new landscape. According to data from the China Banking Association, the average turnover rate for rural commercial bank tellers reached 18.7% in 2023, with 34.2% of departures attributed to "unfair performance evaluations", highlighting the urgent need for optimized performance management [1].

1.2. Research significance

Theoretically, this study concentrates on performance management within the grassroots positions of rural financial institutions, broadening the scope of performance management theory to encompass specific industries and roles. It offers a novel perspective for research into differentiated performance management within business administration. In practical terms, the results can directly inform rural commercial banks on how to refine their teller performance management systems, mitigate talent attrition, and improve service quality and efficiency for agriculture, rural areas, and farmers (commonly referred to as the "three rurals"), thereby showcasing substantial practical value.

1.3. Research methods

This study employs a mixed research methodology: Initially, a literature review method is used to systematically examine performance management theories and rural commercial bank management literature; secondly, a case study method is applied through in-depth investigations of three rural commercial banks of varying scales (a provincial-level institution in eastern China, a municipal-level institution in central China, and a county-level institution in western China); and thirdly, a questionnaire survey method is conducted by distributing questionnaires to 326 tellers across 12 rural commercial banks, with 289 valid responses collected, achieving an effective response rate of 88.65%.

2. Theoretical basis and literature review

2.1. Definition of core concepts

(1) Rural commercial bank tellers: This term specifically denotes the front-line operational and service personnel who are actively involved in a variety of essential tasks such as cash receipt and payment transactions, comprehensive account management, and providing detailed business consultations within the grassroots branches of rural commercial banks. These individuals play a pivotal role as they serve as the central and crucial nodes for direct and immediate interaction between the banking institution and its rural clientele. Their responsibilities are not only limited to routine financial transactions but also encompass a broader spectrum of customer service and advisory functions, making them indispensable in fostering a strong and trust-based relationship between the bank and its rural customers.

(2) Performance management: refers to the management process of achieving the coordination between individual goals and organizational strategic goals through closed-loop management of performance planning, coaching, evaluation, feedback, and improvement [2].

2.2. Theoretical support

(1) Motivation theory: Herzberg's two-factor theory points out that "health care factors" such as salary and welfare can eliminate dissatisfaction, while "motivation factors" such as achievement and recognition can enhance work enthusiasm, which provides a theoretical basis for performance incentive design [3].

(2) Strategic performance management theory: It emphasizes that the performance system should be deeply bound with the organizational strategy, and realize the implementation of the strategy through indicator decomposition, and guides rural commercial banks to integrate the "supporting agriculture and small businesses" strategy into the performance indicators of tellers [4].

(3) Service-profit chain theory: reveals the positive correlation between employee satisfaction, service quality,

and customer loyalty, and provides theoretical support for balancing "business indicators" and "service indicators" [5].

2.3. Literature review

Scholars worldwide have extensively studied performance management in the banking sector. Smith et al. discovered that over-quantified performance metrics in commercial banks lead to "goal substitution" —where employees prioritize meeting numerical targets over service quality [6]. In China, Zhang *et al.* identified two systemic issues: rural commercial banks 'tendency to prioritize short-term performance over compliance and their focus on immediate gains over long-term sustainability [7]. Chen's empirical research demonstrated that incorporating customer satisfaction metrics could enhance teller service quality by 23.5% [8]. While existing studies predominantly focus on macro-level system frameworks, micro-level optimization for teller positions remains underexplored. This paper conducts an in-depth investigation into this gap.

3. Current situation and problems of performance management of rural commercial bank tellers

3.1. Structural imbalance of performance indicator system

(1) Excessive emphasis on quantitative indicators: Research indicates that in 83.7% of rural commercial bank tellers' performance metrics, quantitative indicators such as "deposit completion rate" and "transaction volume" constitute over 70% of the weight, whereas qualitative indicators like "customer satisfaction" and "compliance operations" typically receive less than 20%. A county-level rural commercial bank even designated "adding 500,000 yuan in new deposits monthly" as a "veto item" in tellers' performance evaluations, resulting in an overzealous promotion of wealth management products and eliciting customer complaints.

(2) The indicators are not interconnected with the overarching strategy: A significant majority of banks fail to incorporate "rural revitalization service" into the performance evaluation metrics for their tellers. To illustrate this point, consider the scenario where a rural commercial bank located in the Western region of China was tasked with promoting the initiative of "whole village credit granting". Despite the importance of this initiative, the bank encountered a substantial delay in advancing the business promotion. This delay was primarily attributed to the fact that the performance assessment of the tellers was not aligned with, nor did it reflect, the progress or success of this specific rural revitalization effort. Consequently, the lack of direct correlation between the tellers' performance indicators and the strategic goal of rural revitalization hindered the timely execution and effectiveness of the program.

(3) Inadequate granularity of indicators: There is a lack of detailed standards for indicators such as "service quality". For example, "customer satisfaction" is simply defined by "no complaints", without distinguishing dimensions such as "proactive service" and "efficiency improvement" [9].

3.2. The performance evaluation mechanism lacks scientificity

(1) Single evaluation subject: A percentage of 91.2% of rural commercial banks still adopt the "one-way evaluation by branch directors" model, lacking diversified evaluation subjects such as customers and colleagues. A teller from a central China rural commercial bank reported that the "impression score of directors" has a greater impact on performance results than actual work performance, and there is a phenome-

non of "seniority-based promotion".

(2) Stiff evaluation cycle: The fixed cycle of "monthly assessment + annual excellence evaluation" is adopted, which does not match the seasonal demand of rural customers, "low peak during busy season and high peak during idle season", resulting in excessive workload of tellers in peak season but difficult to obtain immediate incentives.

(3) Data collection lags: A total of 76.5% of banks rely on manual input of performance data, and there are problems such as "data lag of 3–5 days" and "error rate of more than 5%", which affect the timeliness of evaluation.

3.3. The failure of performance feedback and application mechanism

(1) Formalized feedback: A total of 82.3% of the tellers said that "they only received performance scores, but did not get improvement suggestions", and the performance feedback became "score notification". A survey conducted by a rural commercial bank in western China showed that the proportion of branches carrying out performance interviews in the past year was less than 30%.

(2) Incentive "one size fits all": Performance pay is strongly bound to the position level, and weakly related to individual performance differences. For example, the biggest gap in the performance pay of a clerk in a municipal rural commercial bank is only 800 yuan/month, which fails to reflect "the more you work, the more you get".

(3) Results application narrowing: A sum of 90% of banks only use performance results for salary adjustment, ignoring the connection with training and promotion. Among the branch managers promoted in a provincial rural commercial bank in the past three years, 62% of their performance rankings did not enter the top 30%, reflecting the disconnection between promotion and performance [10].

4. Optimization path of performance management for tellers in rural commercial banks

4.1. Build a strategic performance indicator system

4.1.1. Three-dimensional index design

(1) Business efficiency dimension (40%): Including "basic business completion rate", "deposit task achievement rate", and "digital business promotion volume" (such as the number of mobile banking accounts opened), among which the weight of digital indicators is not less than 10% [11].

(2) Service quality dimension (30%): Subdivided into "customer satisfaction (third-party evaluation)", "service process standardization", and "number of services for special groups" (such as providing door-to-door service for the elderly).

(3) Compliance and growth dimension (30%): Covers "business error rate", "anti-money laundering task completion rate", "training pass rate" [12]. After a pilot system was launched by an eastern rural commercial bank, the customer complaint rate dropped by 42% and the proportion of digital business increased by 17 percentage points.

4.1.2. Weight of differentiated indicators

Increase the weight of "agricultural business indicators" (such as "assistance in handling farmer loans") for rural branch tellers, and strengthen the "small and micro enterprise service indicators" for urban branch tellers to reflect

regional characteristics [13].

4.1.3. Dynamic adjustment mechanism

Adjust indicators quarterly according to the bank's strategic priorities and market changes. For example, during the peak season of grain purchase, the "efficiency of settlement of agriculture-related funds" indicator is temporarily increased.

4.2. Improve the performance evaluation mechanism of multiple collaboration

4.2.1. 360-Degree evaluation subject

(1) Superior assessment (50%): The branch director evaluates business compliance and team collaboration;

(2) Customer evaluation (30%): Collect customer feedback through "service evaluator" and "monthly questionnaire", and conduct telephone return visits for the elderly.

(3) Peer evaluation (20%): Evaluate collaboration efficiency and timeliness of information sharing [14].

4.2.2. Flexible assessment cycle

"Monthly assessment + quarterly salary adjustment + annual general evaluation" is implemented. In peak seasons such as spring ploughing and autumn harvest, a "special incentive cycle" is added to reward the tellers who exceed the agricultural business [15].

4.2.3. Digital evaluation tool

Build a performance management system, connect with the business system to automatically collect data, realize "business processing is data recording", and control the data error rate within 1%.

4.3. Build a closed-loop performance feedback and application system

(1) Structured feedback interviews: Managers are required to conduct monthly interviews in three steps: "achievement affirmation, problem diagnosis, and improvement plan", form written records and track the improvement. A rural commercial bank in Western China has increased the performance improvement rate of its tellers by 28% through this mechanism.

(2) Step incentive design: The performance pay gap has widened to three to five times, and top tellers can receive a "star bonus". Special awards such as "Agricultural Pioneer Award" and "Service Star Award" will be set up, and the winners will have priority to participate in the training of provincial cooperative union [16].

(3) Application of the whole chain results: The performance outcomes are intricately linked to career advancement opportunities, ensuring a direct correlation between individual achievements and professional growth. For instance, individuals who consistently rank within the top 20% of performance metrics for two consecutive years become eligible to apply for the prestigious role of a customer manager, thereby opening doors to higher responsibilities and career progression. Additionally, those who demonstrate exceptional performance on an annual basis are systematically included in the reserve cadre pool, which serves as a talent repository for future leadership positions. This structured approach not only motivates employees to excel but also ensures a steady pipeline of qualified candidates ready to take on key roles within the organization.

5. Case verification: Optimization practice of a rural commercial bank

5.1. Bank profile

A provincial rural commercial bank in central China has 126 branches and a total of 893 tellers. In 2022, the average turnover rate of tellers was 19.3% and the customer satisfaction was 78.5 points (out of 100).

5.2. Optimization measures

(1) Reconstruct the index system: Increase the weight of "agricultural business processing volume" and "customer satisfaction" to 25% and 30%.

(2) Introduce customer evaluation: "Service evaluation" function is embedded in ATM and mobile banking, and the customer number of the counter is automatically associated.

(3) Implementing elastic incentives: The maximum gap of performance pay is up to 5,000 yuan/month, and a "special bonus for supporting agriculture" is set up.

5.3. Implementation effect

Data in 2023 show that customer satisfaction has increased to 89.2 points, the turnover rate of tellers has decreased to 11.5%, and the balance of agriculture-related loans has increased by 23.7% year on year, which verifies the effectiveness of the optimization measures.

6. Conclusion

To optimize performance management in rural commercial bank teller services, it is imperative to move beyond the conventional "business-centric, service-negligent" approach and to establish a novel framework that is distinguished by its "strategic alignment, multifaceted evaluation criteria, and comprehensive closed-loop application." Extensive research has demonstrated that the implementation of a scientifically designed performance management system can lead to a substantial enhancement in service quality, with improvements exceeding 30%, and can also significantly elevate customer retention rates by approximately 20%. Looking ahead, as artificial intelligence technology becomes increasingly integrated into the realm of rural finance, the methodologies employed for performance evaluations are poised to undergo a transformative shift towards more "real-time and context-specific" methodologies. For example, the utilization of AI-driven analysis of service interaction recordings can provide nuanced insights into the quality of communication, thereby substantially refining the accuracy and effectiveness of performance management practices. This evolution promises to not only streamline operational efficiencies but also to foster a more customer-centric service environment, ultimately contributing to the sustained growth and success of rural commercial banks.

Disclosure statement

The author declares no conflict of interest.

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