

DOES PERFORMANCE APPRAISAL SYSTEM IN ORGANIZATION IS SATISFACTORY?-INSIGHT FROM INDIAN CONTEXT

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ABSTRACT:

Performance appraisal has a significance impact on the perception of the corporates which influence the behavior in term of performance of an individual as the outcome of the study says that performance appraisal increases the quality and quantity of the work and it reduce the conflict and even help to motivate the employee. Performance appraisal process is a major tool for the organization to evaluate various aspect of the corporates. There is a conflict and issues with respect to the current performance appraisal system. The ultimate objective of the study is to know how well the performance appraisal supports corporates. The perception of corporates towards performance appraisal offered in an organization. In this research, descriptive research methodology has been adopted, and responses have been collected from employees of IT sector. Major findings of this study theoretically contribute the insights of performance appraisal system and it helps the HR manager to implement the appropriate performance management system.

KEYWORDS: Performance appraisal, Wellbeing, Employee engagement, Motivation, Feedback and Training & Development'

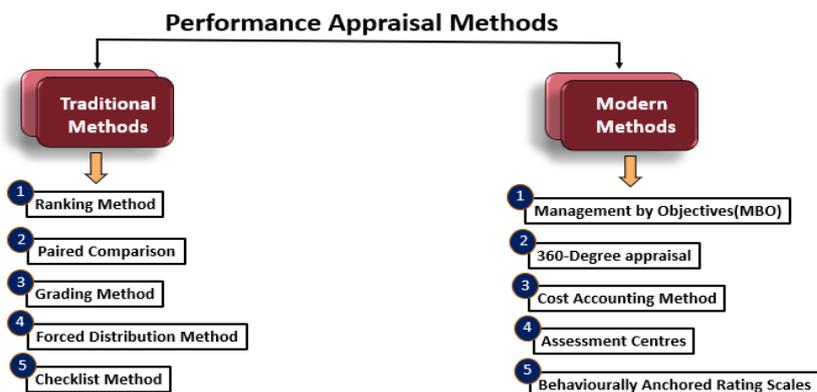
INTRODUCTION

Performance appraisal is the process of enhancing the skills, capabilities and knowledge of employees. Performance appraisal refers to regular review of an employee's job performance to some period. A performance appraisal evaluates an employee skill, achievement and growth. Organization uses this process to give employee feedback to justify promotion salary hike and termination decision can be taken. Performance appraisal is usually designed by human resource to develop the career of the employee and it ensures that employee is under managing.

The traditional ranking method is a modification of the straight ranking method. In contrast to the simple ranking scheme, this scheme compares all employees relatively. After comparison, employees are ranked based on their performance as superior to other employees. Forced distribution system in this method, raters distribute their ratings in the form of a normal frequency distribution. Its main purpose is to remove rater bias against central tendency. This method is very easy to use and understand. One of the drawbacks of this method is that raters cannot explain why an employee belongs to a particular category. Checklist method. This is one of the traditional evaluation methods. A checklist method is nothing more than a list of statements related to employee characteristics and performance in the workplace. Evaluators

check whether employees have certain qualities. The number of ticks represents the employee's evaluation or result.

According to Beach, "Performance Appraisal is the systematic evaluation of the individual with regard to his or her performance on the job and his potential for development"



There are two kind of performance appraisal method. Traditional approach and modern approach. Tradition approach include ranking method, paired comparison method, checklist method, forced choice method, forced review method whereas modern approach contains mange by objectives, 360degree appraisal method psychological method. The traditional ranking method is a modification of the straight ranking method. In contrast to the simple ranking scheme, this scheme compares all employees relatively. After comparison, employees are ranked based on their performance as superior to other employees. Forced distribution system In this method, raters distribute their ratings in the form of a normal frequency distribution. Its main purpose is to remove rater bias against central tendency. This method is very easy to use and understand. One of the drawbacks of this method is that raters cannot explain why an employee belongs to a particular category. Checklist method. This is one of the traditional evaluation methods. A checklist method is nothing more than a list of statements related to employee characteristics and performance in the workplace. Evaluators check whether employees have certain qualities. The number of ticks represents the employee's evaluation or result. Similar researches have been conducted by many authors (Benita, 2021; Monica, 2021; David, Ahmed, Ganeshkumar & Sankar, 2020; Kumar, 2020; Kumar & Shree, 2019; Monica & Supriya, 2019; Mahesh & Uma Rani, 2019; Mahesh, Gigi, & Uma Rani, 2019; Robert & Monisha, 2019; Kumar & Shree, 2018).

This paper attempts to study how well the performance appraisal supports employees and the perception of employees towards performance appraisal offered in an organization.

REVIEW OF LITERATURE:

Beatrice A Onyango (2013) determined the Factors that influence employee perceptions of the National Housing Corporation's performance appraisal process. The study found that the National Housing Corporation's performance review process was relatively effective but

needed significant improvement. The results of this study encourage employees to be involved in the design of evaluation and measurement scales to ensure the development of credible, valid, fair and useful performance standards.

Sharon CCA Karu, et al., (2018) this study focused on employee perceptions of performance reviews and their impact on BNI 46 Manado Headquarters. This research method used case studies (qualitative). The survey found that the performance evaluation system in place at BNI 46 Manado headquarters was overall good based on employee perceptions, but employees felt the evaluation system was not objective. The survey suggests the company should allow employees to be more transparent, get more consent, and provide feedback directly to their managers.

Sunanda Navale- Citeseer., This study finds out that human resources are a critical asset of the organization. Retaining high-performing employees is a critical issue in any organization. Research shows that monetary grants are more effective than non-monetary grants. Therefore, it is very important to have an effective employee performance analysis system in your organization. A performance management system should be based on a transparent, holistic approach that can help employees develop.

Guhanathan, 2008, the study confirmed that Supervisors use a performance appraisal method that includes three elements: employee participation in the performance appraisal process, participatory goal setting, and feedback, which is a component of employee participation. This study found that employee voice and employee satisfaction, and the relationship between job performance improvement and outcomes, were mediated by employee receptivity to job performance evaluations.

Vivian Kaposambo 2016, the purpose of this study was to examine the relationship between employee perceptions of performance appraisals and their engagement with the organization. Using an equity approach, this study examines issues of perceived fairness, trust, process clarity, and communication quality in relation to performance appraisal systems. A quantitative survey approach was used and cross-sectional field surveys generated the primary survey data. Statistical analysis results show a very weak to moderate relationship between organizational engagement and employment.

Shih Yu Cheng 2014, this study investigates the relationship between management performance appraisal (PA) practices, organizational equity perceptions, and organizational engagement. Survey results obtained from 395 employees working at manufacturing companies in Taiwan show that the implementation of management PA activities is strongly associated with employees' perceptions of organizational justice, and that the level of perceived organizational justice is strongly associated with the level of organizational commitment involved.

N Anjaneya Sharma, BK Surya Prakasha Rao., The study aimed to assess the impact of selected factors on management's perception of performance ratings. Empirical studies were conducted by collecting data using structured questionnaires and hypotheses were tested using appropriate statistical tools. The results of this study showed that practical managers in the steel

industry developed better performance appraisal designs, participated in the performance appraisal process, and then redesigned or redesigned the appraisal system to improve employee motivation. Suggests that it is possible to extract it helps to provide information for further improvement.

Liliyan ,2009 The objectives of the research included to Identify the most influential indicators of employee performance evaluation perceptions at Pizza Hut and KFC, and compare employee perceptions of the effectiveness of four indicators of performance evaluation at Pizza Hut and KFC with of job satisfaction and identify KFC. The implications for his research show that job satisfaction is the most influential factor influencing employee perceptions of performance appraisals within an organization. Indicates that employees have a positive attitude towards the performance appraisals used by the organization.

RESEARCH METHODOLOGY:

The design of this research is Descriptive in nature and Information was gathered by utilizing survey built with five-point Likert's scale. The type of sampling used in the survey was non-probability convenient sampling. The poll is coursed to 50 corporates. The collected data is analyzed by Frequency, Mean, ANOVA, T-Test, Factor analysis. The Demographics profiles of corporates are displayed in tables.

DATA ANALYSIS AND INTERPRETATION:

Table No: 1 Demographic profile of Corporates

Age	Frequency	Percent
20 – 30	26	52
31 – 40	12	24
41 – 50	7	14
Above 50	5	10
Total	50	100
Gender	Frequency	Percent
Male	26	52
female	24	48
Total	50	100
Education qualification	Frequency	Percent
School level	4	8
U. G	25	50
P. G	15	30
Others	6	12
Total	50	100
Work experiences	Frequency	Percent
Fresher	11	22
Less than 1 year	8	16
1 - 5years	23	46
More than 5 years	8	16
Total	50	100
Designation in the organization	Frequency	Precent
Top level	13	26
Middle level	10	20
Operation level	13	26
Front level	14	28
Total	50	100

Interpretation:

Majority of the respondents were Male (52%). Nearly 52% of Age falls in the level 20-30 years followed by 31-40 years (24%), 41-50 years (14%) and above 50 years (10%). 50% of the employee's education level is U.G followed by P.G (30%), others (12%) and School level (8%). Most of the corporate's designation in the organization is top and operational level (26%), middle and front level (28%) and their experience ranges from 1-5 years (46%), fresher (22%), less than and more than 1 year (16%).

Mean analysis:

Table no 2: Mean analysis of satisfactory level of corporates performance appraisal

Sl.NO	Perception of corporates towards Performance Appraisal System	Mean	Rank
1.	Information from performance reviews should be used effectively (Information)	3.74	1
2.	Employee should get feedback after appraisal review (feedback)	3.54	2
3.	Employees should be satisfied with consistent and fair rating of the team (consistency)	3.54	3
4.	It should be based on employee experience (experience)	3.54	4
5.	Employees should have his/her objective realistic and achievable (objectives)	3.46	5
6.	Employee should receive feedback regularly on performance (frequently)	3.46	6
7.	It should help employee to do better (support)	3.42	7
8.	Employee should have authority to determine work objective (authority)	3.42	8
9.	It should help employee develop skills and potentials (development)	3.40	9
10.	It should help employee improve performance (improvement)	3.38	10
11.	Employee should understand organizational goals and objectives (recognition)	3.32	11
12.	It should be transparent for all employees (transparent)	3.30	12
13.	Employees should have good organizational communication (communication)	3.30	13

Interpretation:

The mean score and rank are displayed in table no: 2 It shows variable "Information" includes highest mean score of 3.74 followed by feedback, consistency & experience (3.54), objectives (3.46), frequency (3.46), support & authority (3.42), development (3.40), improvement (3.38), recognition (3.32), transparent & communication (3.350). All the mean scores are lies between 3.3-4. It concludes that employees are agreeing towards all the mentioned factors.

ANOVA analysis:

Analysis of difference on corporates perception towards performance appraisal based on age

Table no 3 : ANOVA analysis of corporates perception towards performance appraisal based on age

S. No	Perception of corporates towards Performance Appraisal System	F-value	Sig.Value
1.	Employee should have authority to determine work objective (authority)	35.138	.000
2.	Employee should receive feedback regularly on performance (frequently)	21.773	.000
3.	Employee should understand organisational goals and objectives (recognition)	39.999	.000
4.	Employees should have his/her objective realistic and achievable (objectives)	32.840	.000
5.	Employees should have good organisational communication (communication)	31.687	.000
6.	It should help employee to do better (support)	39.459	.000
7.	It should help employee develop skills and potentials (development)	27.951	.000
8.	It should be based on employee experience (experience)	27.671	.000
9.	Employee should get feedback after appraisal review (feedback)	21.421	.000
10.	It should help employee improve performance (improvement)	41.876	.000
11.	Information from performance reviews should be used effectively (Information)	.349	.790
12.	It should be transparent for all employees (transparent)	41.388	.000
13.	Employees should be satisfied with consistent and fair rating of the team (consistency)	23.773	.000

Interpretation:

Table no: 3 shows the significance value of ANOVA. Significance value should be less than 0.05 for accepting the H₁. In this case the majority of variables are lesser than 0.05. Hence null hypothesis is rejected and alternative hypothesis is accepted.

There is a significant difference among the age level with respect to perception towards performance appraisal of corporates

Independent sample T test:

Analysis of gender and corporates perception towards performance appraisal.

Table no 4: Independent sample T-test analysis

S.NO	Perception of corporate towards Performance Appraisal System	T value	Sig.Value
1.	Employee should have authority to determine work objective (authority)	9.142	.000
2.	Employee should receive feedback regularly on performance (frequently)	7.333	.000
3.	Employee should understand organizational goals and objectives (recognition)	9.866	.000
4.	Employees should have his/her objective realistic and achievable (objectives)	8.832	.000
5.	Employees should have good organizational communication (communication)	8.998	.000
6.	It should help employee to do better (support)	9.508	.000
7.	It should help employee develop skills and potentials (development)	8.361	.000
8.	It should be based on employee experience (experience)	7.959	.000
9.	Employee should get feedback after appraisal review (feedback)	7.189	.000
10.	It should help employee improve performance (improvement)	9.923	.000
11.	Information from performance reviews should be used effectively (Information)	0.057	0.955
12.	It should be transparent for all employees (transparent)	10.094	.000
13.	Employees should be satisfied with consistent and fair rating of the team (consistency)	7.468	.000

Interpretation:

Table no: 4 shows the significance value of ANOVA. Significance value should be less than 0.05 for accepting the H_1 . In this case the majority of variables are lesser than 0.05. Hence null hypothesis is rejected and alternative hypothesis is accepted.

There is a significant difference among the gender with respect to perception towards performance appraisal of corporates

RESULTS AND DISCUSSION:

Majority of the respondents were Male (52%). Nearly 52% of Age falls in the level 20-30 years and 50% of the corporate's education level is U.G with designation in top and operational level (26%) of the organization, and their experience ranges from 1-5 years (46%). There is a significant difference among the age and gender with respect to perception towards performance appraisal of corporates. From the above results it is clear that there is no common factors in the perception of corporates in performance appraisal and individual corporates opinion differs from each other.

CONCLUSION:

Performance appraisal is more than just a process of evaluating an individual's performance and rewarding or punishing them for it. Rather, the intent is to coordinate and improve individual performance to achieve the organization's overall goals. A transparent appraisal system helps employees understand their performance and develop skills they lack. Therefore, it is important for HR managers to focus on performance evaluations to make important decisions.

Organization. From this research, it was concluded that each company's perception of performance evaluation differs from that of other firms and has its own assumptions about the performance evaluation system.

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