

A STUDY ON PERFORMANCE APPRAISAL WITH TRADITIONAL AND MODERN METHOD

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ABSTRACT

Performance appraisal is a systematic evaluation of present potential capabilities of personnel and employees by their superiors, superior's superior or a professional from outside. It is a process of estimating or judging the value, excellent qualities or status of a person or thing. It is a process of collecting, analysing, and evaluating data relative to job behaviour and results of individuals. The appraisal system is organised on the principle of goals and management by objectives. Management decisions on performance utilise several integrated inputs: goals and plans, job evaluation, performance evaluation, and individual history. It connotes a two-dimensional concept - at one end of the continuum lies the goals set by the authority, and at the other end, the performance achieved by the individual or any given group.

Performance appraisal can be either formal or informal. Usage of former systems schedule regular sessions in which to discuss an employee's performance. Informal appraisals are unplanned, often just chance statements made in passing about an employee's performance. Most organisations use a formal appraisal system. Some organisations use more than one appraisal system for different types of employees or for different appraisal purposes. Organisations need to measure employee performance to determine whether acceptable standards of performance are being maintained. The six primary criteria on which the value of performance may be assessed are: quality, quantity, timeliness, cost effectiveness, need for supervision, and interpersonal impact. If appraisals indicate that employees are not performing at acceptable levels, steps can be taken to simplify jobs, train, and motivate workers, or dismiss them, depending upon the reasons for poor performance.

The results of appraisal are normally used to:

- (1) estimate the overall effectiveness of employees in performing their jobs,
- (2) identify strengths and weaknesses in job knowledge and skills,
- (3) determine whether a subordinate's responsibilities can be expanded,
- (4) identify future training and development needs,
- (5) review progress toward goals and objectives,
- (6) determine readiness for promotion, and
- (7) motivate and guide growth and development.

INTRODUCTION

Human Resources Management:

Human Resource Management (HRM) is the function within an organization that focuses on recruitment of, management of, and providing direction for the people who work in the organization. Human Resource Management can also be performed by line managers.

Human Resource Management is the organizational function that deals with issues related to people such as compensation, hiring, performance management, organization development, safety, wellness, benefits, employee motivation, communication, administration, and training.

Human resource management (HRM) is the strategic and coherent approach to the management of an organization's most valued assets - the people working there who individually and collectively contribute to the achievement of the objectives of the business. The terms "human resource management" and "human resources" (HR) have largely replaced the term "personnel management" as a description of the processes involved in managing people in organizations. In simple words, HRM means employing people, developing their capacities, utilizing, maintaining and compensating their services in tune with the job and organizational requirement.

Human Resources Development:

Human Resource Development (HRD) is the framework for helping employees develop their personal and organizational skills, knowledge, and abilities. Human Resource Development includes such opportunities as employee training, employee career development, performance management and development, mentoring, coaching, succession planning, key employee identification, tuition assistance, and organization development.

The focus of all aspects of Human Resource Development is on developing the most superior workforce so that the organization and individual employees can accomplish their work goals in service to customers.

Human Resource Development can be formal such as in classroom training, a college course, or an organizational planned change effort. Or, Human Resource Development can be informal as in employee coaching by a manager. Healthy organizations believe in Human Resource Development and cover all of these bases.

Performance Appraisal System:

Performance appraisal refers to all the formal procedures used to evaluate an individual, his contributions and potential. In other words, it is to plan and measure the performance of an individual in terms of the requirement of the job or it is a process of finding out how effective the organization has been at hiring and placing an employee.

Performance appraisal is a formal system of review and evaluation of individual or team task performance. While evaluation of team performance is critical when teams exist in an organization, the focus of performance appraisal in most firms remains on the individual employees. Regardless of the emphasis, an effective appraisal evaluates accomplishments and initiates plans for development, goals and objectives.

OBJECTIVES OF THE STUDY:

- 1.To study the need and importance of “Performance Appraisal”.
- 2.To portray the profile of “ADP”.
- 3.To study the performance appraisal implementation in ADP.
- 4.To make data analysis and interpretation based on the perception of the employee in the organization.
- 5.To summarize and find certain suggestions for the impotent of Performance Appraisal system in the company.

NEED AND IMPORTANCE OF THE STUDY:

Appraising the performance of individuals, groups and organizations is a common practice of all societies. While in some instances these appraisal processes are structured and formally sanctioned, in other instances they are an informal and integral part of daily activities. Consciously or unconsciously evaluate our own actions from time to time. In social interactions, performance is conducted a systematic and planned manner to achieve widespread popularity in recent years.

Performance appraisal is essential to understand and improve the employee's performance through HRD. In fact, performance appraisal is the basis fore HRD. It was viewed performance appraisal was useful to decide upon employee promotion / transfer salary determination and the like. But the recent developments in human resources management indicate that performance appraisal is the basis for employee development. Performance appraisal indicates the level of desired performance level, level of actual performance and the gap between these two. This gap should be bridged through human resources development techniques like training executive development etc.

According to the past survey it was noticed that the performance appraisal system in this company was not up to the mark. Hence there would be scope for giving few suggestions as per my knowledge to improve the performance appraisal system which was quite essential for the better performance of the employees.

SCOPE OF THE STUDY:

Performance appraisals provide employees and managers with opportunities to discuss areas in which employees excel and those in which employees need improvement. Performance appraisals should be conducted on a regular basis, and they need not be directly attached to promotion opportunities.

Personal Attention

During a performance appraisal review, a supervisor and an employee discuss the employee's strengths and weaknesses. This gives the employee individual face time with the supervisor and a chance to address personal concerns.

Feedback

Employees need to know when their job duties are being fulfilled and when there are issues with their work performance. Managers should schedule this communication on a regular basis.

Career Path

Performance appraisals allow employees and supervisors to discuss goals that must be met to advance within the company. This can include identifying skills that must be acquired, areas in which one must improve, and educational courses that must be completed.

Employee Accountability

When employees know there will be regularly scheduled evaluations, they realize that they are accountable for their job performance.

Communicate Divisional and Company Goals

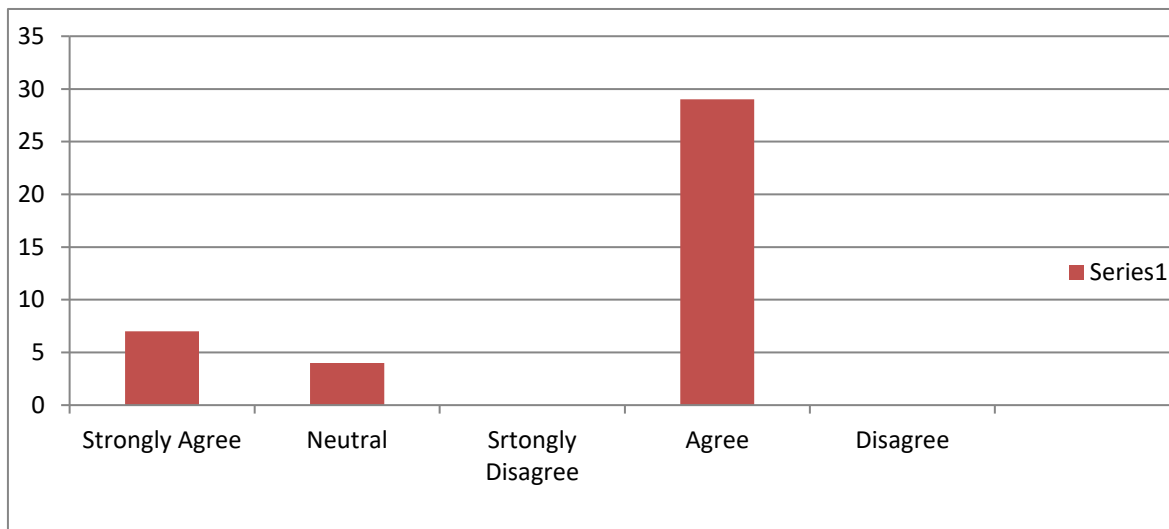
Besides communicating employees' individual goals, employee appraisals provide the opportunity for managers to explain organizational goals and the ways in which employees can participate in the achievement of those goals.

INTERPRETATION

Table-1 Performance Appraisal is the assessment of individual potential.

S.No.	Rating Scale	No. of Respondents	In%
1	Strongly Agree	7	17.5
2	Neutral	4	10
3	Strongly Disagree	0	0
4	Agree	29	72.5
5	Disagree	0	0
	Total	40	100

Graph-1



Analysis:

From the above table-1 it can be known that 72 % of respondents have agreed about the assessment of individual potential and 17.5 % of them have strongly agreed of the above statement and 10 % of the employees are in a neutral stage and where none of them have disagreed for the above statement. So majority of the respondents i.e. 72.5 % of the respondents have agreed about the assessment of individual potential

Interpretation:

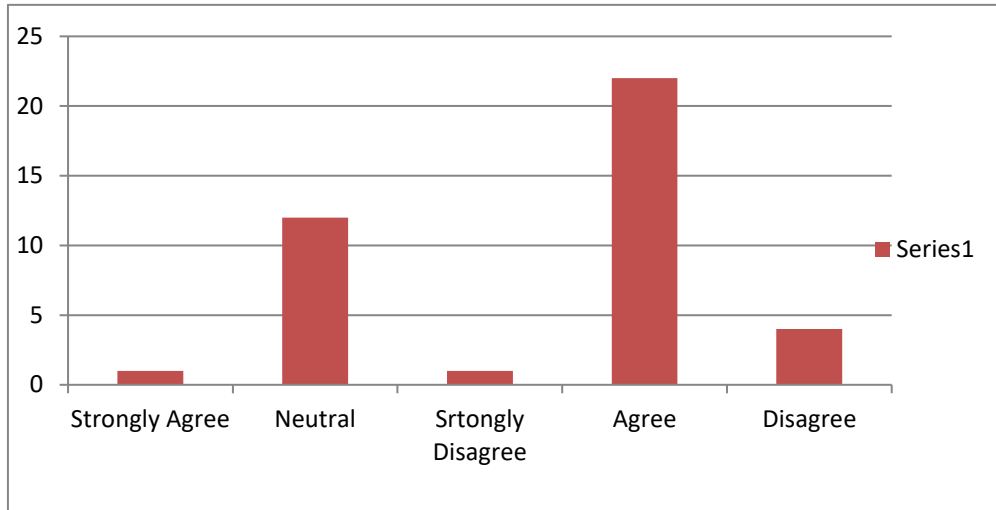
From the above analysis we can interpret that, some of the employees were in neutral position, because the appraisal system in the organization was not in a full fledged way.

Table-2

Performance Appraisal system followed in the organization is rational and fair.

S.No.	Rating Scale	No. of respondents	In%
1.	Strongly Agree	1	2.5
2.	Neutral	12	30
3.	Strongly Disagree	1	2.5
4.	Agree	22	55
5.	Disagree	4	10
	Total	40	100

Graph-2



Analysis:

From the above table-2 it can be known that, 55% of respondents have agreed that the performance appraisal system followed in the organization is rational and fair and 30% of the respondents are in neutral stage. Whereas 2.5% of the respondents have agreed for the above statement and 2.5% of the respondents have strongly disagreed, where 10% of the respondents have disagreed for the above statement.

Interpretation:

From the above analysis we can interpret that, some of the employees were in neutral position. Because the organization doesn't follow the company's policies fairly.

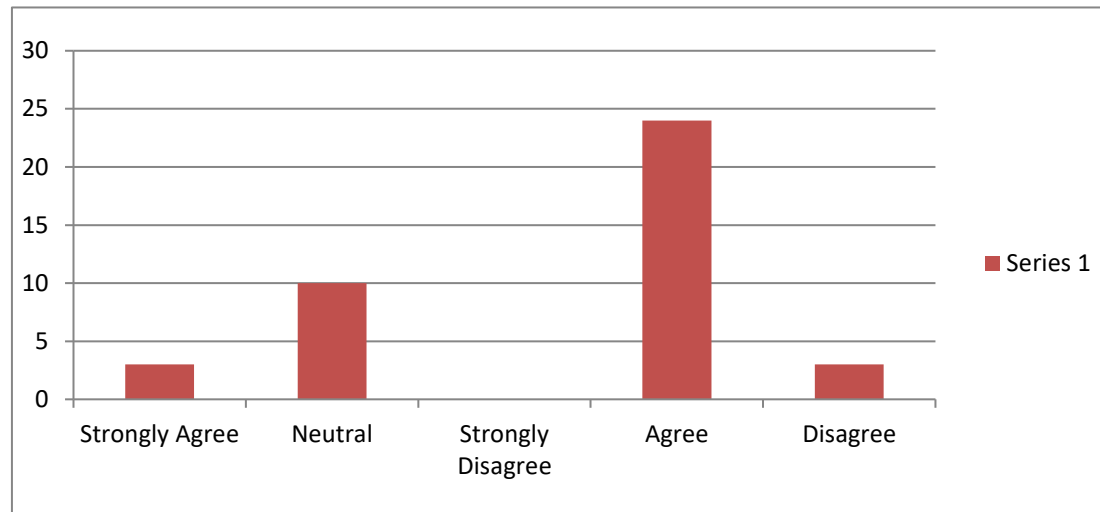
Table-3

Job expectations are informed and the superiors set the tasks.

S, No.	Rating Scale	No. of respondents	In%
1.	Strongly Agree	3	7.5
2.	Neutral	10	25
3.	Strongly Disagree	0	0
4.	Agree	24	60
5.	Disagree	3	7.5

	Total	40	100
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Graph-3



Analysis: From the above table-3 it can be known that, 60% of respondents have agreed that the job expectations are informed and the superiors set die tasks. And 25% of die respondents are in neutral stage and 7,5% strongly agree for above statement and where as 7.5% of the respondents disagree for die above statement, none of them are in a stage of strongly disagree opinion.

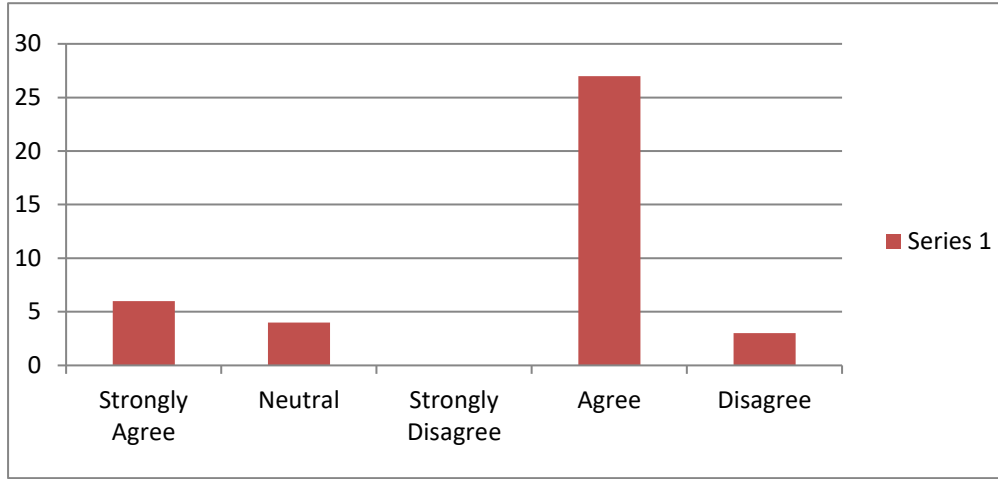
Interpretation: The above analysis shows that, some of employees were in neutral position. Because the job expectations were not informed, and the tasks were not assigned by superiors properly.

Table-4

Performance Appraisal followed in the Organization helps to the Training and development needs of employee.

S.No.	Rating Scale	No. of respondents	In%
1.	Strongly Agree	6	15
2.	Neutral	4	10
3.	Strongly Disagree	0	0

4.	Agree	27	67.5
5.	Disagree	3	7.5
	Total	40	100



Graph-4

Analysis:

From the above table-4 it is found that, 67.5% of respondents have agreed for the performance appraisal followed in the organization helps to assess the training and development needs of employee and 15 % of them have strongly agreed in ID-% of the respondents are in neutral stage and the remaining 7.5% of the respondents are in disagreed opinion. Where none of them are in strongly disagreed opinion.

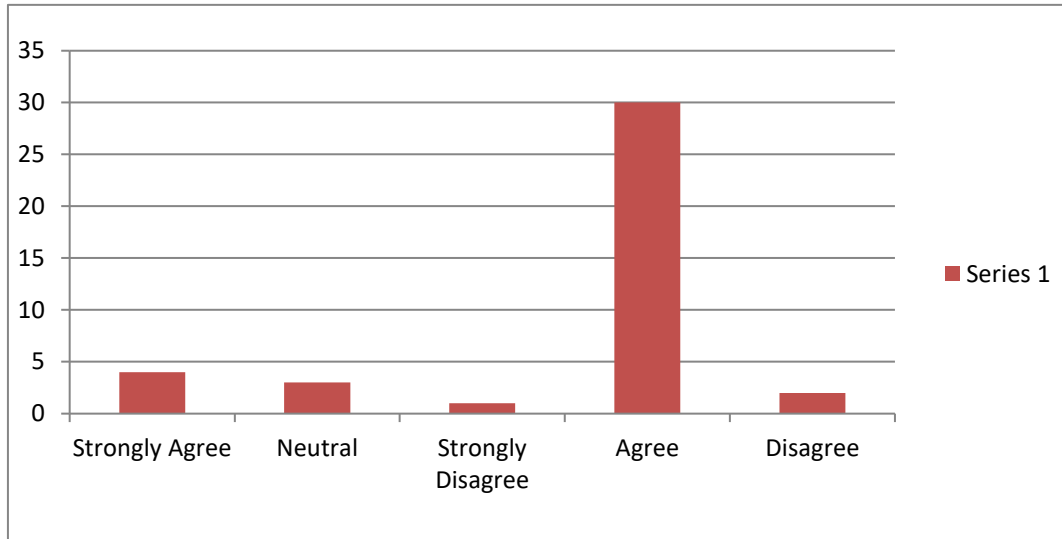
Interpretation: The above analysis states that, majority of the employees opined that a good performance appraisal system in the organization, helps to train and develop an employee in all aspects.

Table-5

The Performance appraisal in the organization helps to recognize the competence and potential of an individual.

S.No.	Rating Scale	No. of respondents	In%
1.	Strongly Agree	4	10
2.	Neutral	3	7.5
3.	Strongly Disagree	1	2.5
4.	Agree	30	75
5.	Disagree	2	5
	Total	40	100

Graph-5



Analysis:

From the above table-5 it is found that, 75% of respondents have agreed for the performance appraisal in the organization helps to recognize the competence and potential of individual and 10% of the respondents have strongly agreed, and 7.5% of the respondents are in neutral stage and 5% are in disagreed opinion where as 2.5% of the respondents strongly disagree for the above statement

Interpretation:

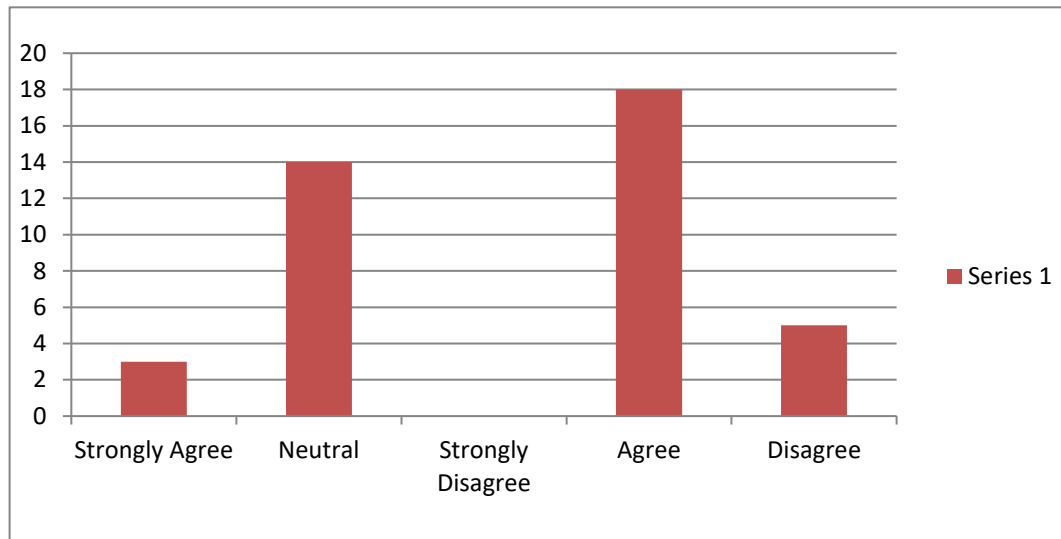
The above analysis elicits that, some of the employees were in neutral and disagree position. Because the appraisal process in the organization is not that much effective.

Table-6

Employees are happy with the assessment of performance followed in the organization.

S.No.	Rating Scale	No. of respondents	In%
1.	Strongly Agree	3	7.5
2.	Neutral	14	35
3.	Strongly Disagree	0	0
4.	Agree	18	45
5.	Disagree	5	12.5
	Total	40	100

Graph-6



Analysis:From the above table-6 it is found that, 45% of respondents have agreed **that** they are happy with the assessment of performance appraisal followed in the organization. And 35% of the respondents are in neutral stage and 12.5% of the respondents are in a disagreed stage where 7.5% have strongly agreed for the above statement but none of them have strongly disagreed for this statement.

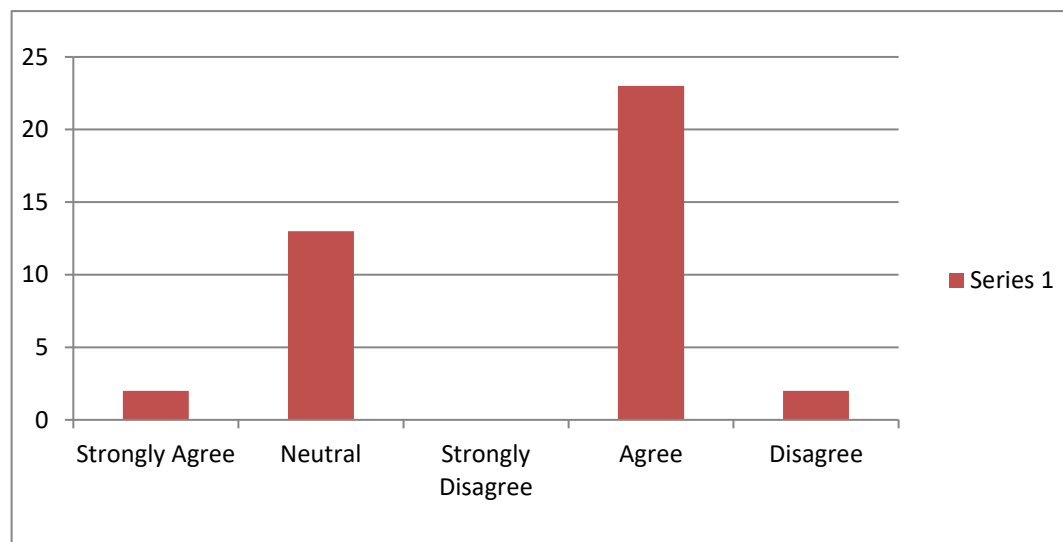
Interpretation:We can interpret that, most of the employees were in disagree and neutral position. Because the assessment system in the organization was not up to the mark.

Table-7

Employees have been appraised fairly according to the company's policies.

S. No.	Rating Scale	No. of respondents	In %
1.	Strongly Agree	2	5
2.	Neutral	13	32.5
3.	Strongly Disagree	0	0
4.	Agree	23	57.5
5.	Disagree	2	5
	Total	40	100

Graph-7



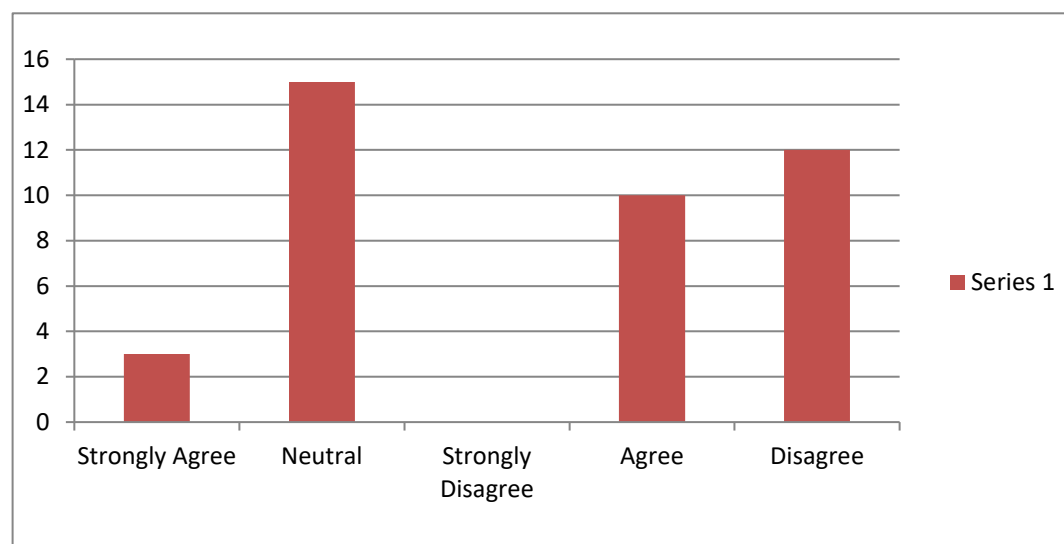
Analysis: From the above table-7 it is found that, 57.5% of respondents have agreed that the employees have been appraised fairly according to the company policies and 32.5% of the respondents are neutral stage and 5% of them are strongly agree and where as 5% of the respondents disagree for the above opinions and none of them have disagree for the above opinion.

Interpretation: Here we can state that, most of the employees were in disagree and neutral position. Because performance appraisal was not done fairly according to the companies policies.

Table-8 Advises and suggestions are given to the employees during the appraisal process.

S. No.	Rating Scale	No. of respondents	In%
1.	Strongly Agree	3	7.5
2	Neutral	15	37.5
3.	Strongly Disagree	0	0
4.	Agree	10	25
5.	Disagree	12	30
	Total	40	100

Graph-8



Analysis:From the above table-8 it is found that, 30 % of respondents have disagreed that advises and suggestions are given to the employees during the appraisal process and 25% of them have agreed and 7.5% of the respondents strongly agree and majority of the respondents i.e. 37.5% are in a neutral stage and none of them have disagreed for the above statement.

Interpretation:The above analysis exhibits that, employees are expecting many more suggestions and advises, during the appraisal process that would be helpful for their career.

FINDINGS

1. More than half of the employees (72.5%) agree that Performance Appraisal is the assessment of individual potential.
2. Some of the employees (30%) neutral that Performance Appraisal system followed in the organization is rational and fair.
3. Some of the employees (25%) neutral that Job expectations are informed and the superiors set the tasks.
4. Most of the employees (67.5%) agree that Performance Appraisal followed in the Organization helps to the Training and development needs of employee.
5. Some of the employees (5%) disagrees that The Performance appraisal in the organization helps to recognize the competence and potential of an individual
6. Less than half of the employees (35%) disagrees that they are happy with the assessment of performance followed in the organization.