

A Study on Factor Affecting Employees' Performance Appraisal

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ABSTRACT:

This research is an attempt to explore the factors affecting the performance appraisal of employees. All measures were tested for reliability through computation of Cronbach's Alpha. The Alpha coefficient value was found 0.781 for performance appraisal variables like Education Experience, Targets achieved, Position in the organization, Influence of the senior, Targets achieved by the employee, Attendance & regularity of the employee, Vacant position if any to be filled, Rapport of the employer & employee and Past negative or positive experience of the employee etc. Factor Analysis was used to assign loads to each factor that affects and has impact on the performance appraisal system. Further, the effect of age group and target achieved of the employees were evaluated using chi-square test and it was found that there is no association of targets achieved with the age of the employees. This shows that the performance/output of the employees is not affected by the age.

INTRODUCTION:

Performance appraisal is a critical component in the management and development of employees within an organization. It serves as a systematic evaluation of an individual's job performance and overall contribution to the company. Effective performance appraisal processes can enhance employee motivation, provide constructive feedback, and guide decisions regarding promotions, compensation, and career development. However, the efficacy of performance appraisals can be influenced by various factors, which need to be understood and managed to ensure fair and accurate assessments. This introduction explores the key elements affecting employee performance appraisals, highlighting their impact on both the appraisal process and the subsequent development of employees.

The performance appraisal system is affected by numerous factors, including organizational culture, managerial skills, employee attitudes, and the criteria used for evaluation. Organizational culture shapes the environment in which appraisals occur, influencing the expectations and behaviors of both appraisers and appraisees. Managerial skills, particularly in providing feedback and conducting evaluations objectively, play a crucial role in the effectiveness of the appraisal process. Additionally, employees' attitudes towards appraisals, such as their acceptance of feedback and perceived fairness, can significantly impact the outcomes of the process. Lastly, the criteria and methods used for performance evaluation must be relevant, clear, and aligned with organizational goals to ensure meaningful and constructive appraisals.

Understanding these factors is essential for organizations to design and implement performance appraisal systems that not only assess performance accurately but also contribute to employee growth and organizational success.

REVIEW OF LITERATURE:

C. Heyel (1973) “performance appraisal is the process of evaluating the performance and qualifications of the employees in terms of the requirements of the job for which they are employed. For administration, including selection for promotions, placement, providing financial rewards and other actions which necessitate differential treatment amongst the members of a group as distinguished from actions affecting all members equally”. In the views of Winston Oberg (1972), “Common descriptions include performance appraisal, merit rating, behavioral assessment, employee evaluation, personnel review, progress report, staff assessment, service rating and fitness report.” (Abanikanta) As per A. Moapa and

M. S. Saadian Douglas Mc Gregory (1957)– Formal appraisal plans are designed in such a manner that they will be meeting one need of the organization and two of the individuals.

1. Systematic judgments for supporting an increase in salary, transfers, demotions or terminations.
2. Means of informing the subordinates about their performance, and suggesting the required changes in their skills, attitudes, behavior, or job knowledge. Clear information will be given about their position.
3. For further training, coaching and counseling these appraisals are used. (Abanikanta) Armstrong (2006)- “it is a systematic process for improving organizational performance by developing the performance of individuals and teams Further he also added on that performance appraisal allows the supervisor to grab the full potential of the employees through capacity development. plans; helps in identifying the training needs and helps in bringing employee goals and organizational goals together.

Spector (1985) evaluated the relationship between values and management practices and suggested that identification of a set of shared values are important, particularly the ones that are relevant and support the concerns of both the organization and the employee. Organization need to pay special attention to embedding performance appraisal while developing that job satisfaction is not possible without the workers' perception that the organization has taken care of their important job values during job design. Karl & Sutton (1998) identifies the major difference between individualistic and collective values by describing individualistic values as ambitions or pleasure whereas responsibilities and helpfulness demonstrate collective values.

Hawahine. Bruckner (1988) explored second aspects that are supervision, measured in such ways as how supervisor provide feedback, assess employee's performance ratings and delegate work assignment. Co-workers, Cranny Mists Paper ID: ART20161494 216 International Journal of Science and Research (IJSR) ISSN (Online): 2319-7064 Index Copernicus Value (2013): 6.14 Impact Factor (2015): 6.391 Volume 5 Issue 11, November 2016 www.ijsr.net Licensed Under Creative Commons Attribution CC BY and Stone (1992) measured third aspect in terms of social support, networking and possible benefits attached to those relationships. Bruckner (1988) explored the fourth aspect that is Pay; pay is an important source of satisfaction because it provides a potential source of self-esteem as well as the generic opportunity for anything money can buy.

Hemingway (2005) describes various dimensions and levels of values. The values are often loosely referred to as norms or a set of standards. Hitlin and Paladin (2004) identifies the major difference between norms and values and posited that norms capture an "ought" sense and tend to be situated based in the other hand, values captured a

personal or cultural ideal. Therefore, situational constraints cannot change the way the person will act if the person has strong values; they remain true to personal standards of conduct. Apart from the differing, perspectives, personal values are the catalyst for our behaviors, with the result being reinforcement of our senses of personal identity.

Hemmingway's (2005) presented in this paper incorporates elements of both value perspectives and researcher definitions in the nonprofit sector. We should note that in selecting studies to include in this review it was sometimes difficult to separate values as modes of behavior (e.g., achievement) from values as outcomes (e.g., the feeling of achievement associated with a particular job). In such cases, we relied on the context to make this distinction. That is, we included studies where the context indicated a mode of behavior characteristic of an individual, but then when the value was descriptive of an object (e.g., a job). Cranny Smith & Stone (1992) reported the history of job appraisal stems back to the early 1900's with the situation perspective on job satisfaction. This perspective states that appraisal is determined by certain characteristics of the job and characteristics of the job environment itself. This view has been present in the literature since the first studies by Hauser, Taylor and the various projects at the Western Electric plants in Hawthorne.

(Armstrong, 2006) In an organization, the supervisors of any organization have a major role in transforming the behavior of the employees which may improve it or decrease it. As per the equity theory, a feeling of uneven treatment decreases the performance and commitment among the workers. Hence fair performance appraisals should be conducted with utmost care (Fulk et al., 1985). Anup Hurtle and Eke Raj Adjika conducted a study with 14 supervisors of the Council for Technical Education and Vocational Training (CTEVT) of Nepal to investigate the perception of supervisors on performance appraisal in relation to employee development adopting a qualitative design. The results of the study implied that supervisors interpreted the existing appraisal system in a less effective manner, and it was mostly used for promotion criteria. The appraisal could not be conducted on the non-permanent employees and the results of the permanent employees were also kept confidential. Since they failed to discuss the results, they were not able to set the goals for further development. The study suggested a comprehensive performance appraisal system which could include developmental plans for the employees. (A. Bhurtel & E.K. Adhikari, 2016)

OBJECTIVES OF THE STUDY:

To identify the actual performance of the employees and performance standards used in performance appraisal.

RESEARCH METHODOLOGY:

The research methodology for the study on the actual performance of the employees and performance standards used in performance appraisal involves a comprehensive approach. Beginning with an extensive literature review on the performance of the employees, the study defines its problem and sets objectives, primarily aiming to assess the actual performance of the employees and performance standards used in performance appraisal. A suitable research design is chosen, incorporating data collection methods such as surveys. The sample size is 76 selected by simple random sampling method. Collected data is then analyzed using statistical tools and software. Results are presented and discussed in relation to objectives and existing literature, leading to conclusive findings and recommendations. The study acknowledges limitations and suggests avenues for future research, contributing to a transparent and robust research methodology.

DATA ANALYSIS AND INTERPRETATION

PERCENTAGE ANALYSIS

Demographic value	Group	Frequency	Percentage
Age Group	18-25	23	30.2
	26-35	38	50
	36-45	10	13.2
	45 and above	5	6.6
	TOTAL	76	100
Marital status	MARRIED	13	17.1
	UNMARRIED	63	82.9
	TOTAL	76	100

Experience	UP TO YEAR	42	55.3
	5 TO 10 YEARS	23	30.3
	11 TO 15 YEARS	11	14.4
	ABOVE 16 YEARS	0	0
	TOTAL	76	100
Education	ITI	6	7.9
	DIPLOMA	16	21.1
	UG	40	52.6
	PG	14	18.4
	TOTAL	76	100

DEMOGRAPHIC FINDINGS:

- ✓ From the above table it is found that 50% of respondents belong to the age group of 26-35 and 6.6% of respondents belong to the age of 45 and above.
- ✓ From the above table it is found that 82.9% of respondents belong to the group of unmarried and 17.1% of respondents belong to the group of married.
- ✓ From the above table it is found that 55.3% of respondents have up to one year and 14.4% of the respondents have 11 years to 15 years.
- ✓ From the above table it is found that 52.6% of respondents belong to the group of UG and 7.9% of respondents belong to the group of ITI.

PREFERENCES INFLUENCED BY PERSONALIZED MARKETING:

FACTORS	Highly satisfied	satisfied	Neutral	dissatisfied	Highly dissatisfied
Organization goals	28.9	25	25	21.1	0
After the implementation	23.7	34.2	25	7.9	9.2
Quarterly evaluating	21.1	22.4	28.9	9.2	18.4
Final review	21.1	26.3	23.7	18.4	10.5
Strength and weakness	27.6	23.7	30.3	10.5	7.9

INFERENCE:

- ✓ From the above table it is found that 28.9% of the respondents belong to the strongly agree and 0% of the respondents belong to the strongly disagree.
- ✓ From the above table it is found that 34.2% of the respondents belong to the agree and 7.9% of the respondents belong to the disagree.
- ✓ From the above table it is found that 28.9% of the respondents belong to the neutral and 9.2% of the respondents belong to the disagree.
- ✓ From the above table it is found that 26.3% of the respondents belong to the agree and 10.5% of the respondents belong to the strongly disagree.
- ✓ From the above table it is found that 30.3% of the respondents belong to the neutral and 7.9% of the respondents belong to the strongly disagree.

CHI SQUARE

ORGANIZING THE WORK VS RATE THE PERFORMANCE

HYPOTHESIS:

NULL HYPOTHESIS (H0):

There is no significant associate between the organizing the work and rate the performance of the respondents.

ALTERNATIVE HYPOTHESIS (H1):

There is significant associate between the organizing the work and rate the performance of the respondents.

ORGANIZING THE WORK

PARTICULAR	FREQUENCY	PERCENTAGE
Yes	49	64.5
No	27	35.5
total	76	100

RATE THE PERFORMANCE

PARTICULAR	FREQUENCY	PERCENTAGE
Easy	6	7.9
Complicated	16	21.1
Efficient	40	52.6
Inefficient	14	18.4
TOTAL	76	100

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
performance * rate the performance	76	100.0%	0	.0%	76	100.0%

performance * rate the performance Cross tabulation

Count						
	rate the performance					Total
		easy	complicated	efficient	inefficient	
performance	yes	6	16	27	0	49
	no	0	0	13	14	27
Total		6	16	40	14	76

Chi-Square Tests

	Value	df	Asp. Sig. (2-sided)
Pearson Chi-Square	37.690 ^a	3	.000
Likelihood Ratio	48.451	3	.000
Linear-by-Linear Association	30.163	1	.000
N of Valid Cases	76		

a. 3 cells (37.5%) have expected count less than 5. The minimum expected count is 2.13.

SUGGESTION:

- It is defined as a job roles and expectations contribute to a fair appraisal. When employees know what is expected of them, it becomes easier to assess their performance against these predefined criteria.
- The regular and constructive communication between employees and managers is essential. Timely feedback helps employees understand their strengths and areas for improvement, fostering continuous growth.
- The aligning individual goals with organizational objectives ensures that employees' efforts contribute to overall success. Performance appraisals should reflect how well employees have met these aligned goals.
- It provides employees with opportunities for skill development and training can positively impact performance. Assessments should consider an individual's willingness and ability to learn and grow.
- A positive and conducive work environment plays a crucial role in performance. Factors such as workplace culture, team dynamics, and support from colleagues can influence an employee's ability to perform well.

CONCLUSION:

The performance appraisal system is essential for every organization. In order to retain the talented workforce, and also to achieve the organizational goal. So, they have to implement the appropriate performance appraisal system which would be suitable for the organization. And also it would be helpful for the firm's competitive strength. The organization should determine the employees those who are excellent in their job and also to provide effective benefits to them, in order to improve their continuous performance. The organization should conduct frequent training program and career development to the employees in order to make them expert in their field and also it would be helpful to promote them to higher designation. Hence, it is concluded that the performance appraisal system is a tool to reduce the grievances among the superiors and the subordinates, so the organization have to make aware of this necessity, and also to use it effectively.

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