"A Study on Performance Appraisal System at IT Industry"

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Abstract:

In this study the operative function in the human resource department are analyzed with the contribution of employees and their opinion about the function performed by the employees and their opinion about the function performed by the HR Department. From the study it is found that they are enriching their knowledge with appraisal system and necessary findings are made and suggestions were given. Within a short period of time the employees are aware about the various policies are implemented by the company and also it gain goodwill in the minds of employees. Is suggested that the company should introduce new methods to provide good services promptly and efficiently at the time of employees' measures. Thus the study is mainly focus on performance of the employee among executives, and their opinion efficiently and effectively.

Key Words: Performance appraisal, Employees, Management.

Introduction

Performance appraisal is an integral part of HRM and HRM deals with personnel is people. People" is the important and valuable resource that every organization or institution has in the form of its employees. Dynamic people can build dynamic organization. Effective employees can contribute to the effectiveness of the organization. HRM has multiple goals, which include employees competency development, employee motivation development and organization development. Employees require a variety of competencies,

knowledge, attitude, skills in technical area; Managerial areas, behavioral and human relations areas and conceptual area to perform different tasks or functions required by their jobs. HRM aim at constantly the competency requirements of different individual to perform the job assigned to them, effectively and provides opportunities for developing these competencies. As HRM deals with humans it is necessary to keep a check on their performance after regular interval of time given jobs, it is necessary to corrective actions term or there is need to appraisal their performance. The process of appraising for doing their work effectively is known as performance appraisal system. It is very essential to understand and improve the employees performance appraisal is the basis for HRD. "There is a basic human tendency to make judgments about those one is working with, as well as about oneself." Appraisal, it seems, is both inevitable and universal. In the absence of a carefully structured system of appraisal, people will tend to judge the work performance of others, including subordinates, naturally, informally and arbitrarily.

The human inclination to judge can create serious motivational, ethical and legal problems in the workplace. Without a structured appraisal system, there is little chance of ensuring that the judgments made will be lawful, fair, defensible and accurate. Performance appraisal systems began as simple methods of income justification. That is, appraisal was used to decide whether or not the salary or wage of an individual employee was justified. The process was firmly linked to material outcomes. If an employee's performance was found to be less than ideal, a cut in pay would follow. On the other hand, if their performance was better than the supervisor expected, a pay rise was in order. Little consideration, if any, was given to the developmental possibilities of appraisal. If was felt that a cut in pay, or a rise, should provide the only required impetus for an either improve or continue to perform well.

Statement of the problem:

Much of literature dealing with Human Resource Management and its issues recognize the importance of performance appraisal system which occurs in the organization. All organization faces the problem of directing the energies of their staff to the task of achieving business goals and objectives. In doing so, organization need to devise means to influence and channel the behaviors" of their employees so as to optimize their contributions. Performance appraisals constitute one of the major management tools employed in this process. The continuous evolution of organization towards the changes creates a great impact in the life of the business still, the business leaders are relying on the capacity of the people and their performance towards their job and roles in the organization. Various strategies had been effectively used for the employee according to their different needs and areas that needs to sustain. However, there is a little attention given in enhancing the employee performance appraisal system.

Objectives of the Study:

- ✓ To identify the actual performance of the employees and performance standards used in performance appraisal program (opinion, satisfaction, benefit, outcome, etc.)
- ✓ To create and maintain a satisfactory level of performance.
- ✓ To maintain and assess the potential present in a person for further growth and development.
- ✓ To review and retain the promotional and other training programmers.
- ✓ To maintain records in order to determine compensation packages wage structure, salaries raises etc.

Review of literature:

The design of the system is tailored to the organization's strategy and culture; to the nature of the work; and to the type of people to be assessed. For example, a more highly. The design objectives of the system are mutually compatible. The dynamics of processes to determine pay increases; to bring about performance improvement in a person's current job; and to assess a person's potential to perform in a higher level job are all different and are most effectively managed by separate processes. Self-assessments are encouraged – especially with people in high discretion jobs. Multiple raters are used to assess performance in an attempt to overcome appraiser bias and also to recognize that "good performance" may mean different things to different people. If possible, encourage the employee to seek regular feedback from the people they work with, the job's "customers", external business partners, etc. The fairness of the assessment system used for evaluating the employee's goal performance under the circumstances that actually prevailed during the review period as opposed to those that had been assumed would prevail when the goals were set. Clearly, the task of assessing and improving employee performance is complex and difficult. Research findings the performance appraisal research literature suggests that performance appraisal systems will be most effective in raising performance and engagement when they display the following characteristics: Top management demonstrates a commitment to the system by using it to assess the performance of senior managers. The conversation should also be about organizational changes that might be needed to improve ways of working. This aspect of performance improvement is often left out of performance appraisals – the assumption being that it is up to the individual employee to improve performance regardless of how uncompetitive organizational technology is or how inefficient management or team leadership may be. Can we really manage by objectives? Setting goals at the start of project and then assessing performance by examining how well goals are achieved makes some heroic assumptions about.

Structured appraisal process conducted by the immediate supervisor using quantified performance measures may be appropriate with employees working on routine, independent tasks in a specific job

location, but they would not be appropriate for team workers charged with adapting their roles to changing circumstances using innovation and initiative. Performance feedback and support should be ongoing activities. Any formal reviews will then be "no surprises" stock takes that are used to summarise and document how the employee is going, what they are learning, and how they can be supported in improving of performance. The appraisal process takes into account the fact that organizational changes may need to be made to enable improved performance. In particular, reward systems and enterprise agreements may need to be changed before new ways of working are experienced as worth doing. Finally, having a meaningful definition of "performance" is a critical precursor to an effective system for managing employee performance. It is not just pleasing the boss or even pleasing the customer (e.g. by selling things at a big discount). I have argued elsewhere that "outstanding" employee performance is when employees can point to actions they have taken that increase their own potential (or the potential of others in the organization) to contribute to team goals, as well as actions they have taken to increase the scope within the organization to deliver valued outcomes.

It is easier to rank the best and the worst employee. Limitations of Ranking Method. The "whole man" is compared with another "whole man" in this method. In practice, it is very difficult to compare individuals possessing various individual traits. ii. This method speaks only of the position where an employee stands in his group. It does not test anything about how much better or how much worse an employee is when compared to another employee. iii. When a large number of employees are working, ranking of individuals become a difficult issue. iv. There is no systematic procedure for ranking individuals in the organization. The ranking system does not eliminate the possibility of snap judgments'. 2. Rating Scale Rating scales consists of several numerical scales representing job related performance criterions such as dependability, initiative, output, attendance, attitude etc. Each scales ranges from excellent to poor. The total numerical scores are computed and final conclusions are derived. Advantages – Adaptability, easy to use, low cost, every type of job can be evaluated, large number of employees covered, no formal training required. Disadvantages – Rater's biases.

Under this method, checklist of statements of traits of employee in the form of Yes or No based questions is prepared. Here the rater only does the reporting or checking and HR department does the actual evaluation. Advantages – economy, ease of administration, limited training required, standardization. Disadvantages – Raters biases, use of improper weighs by HR, does not allow rater to give relative ratings 4. Critical Incidents Method The approach is focused on certain critical behaviors of employee that makes all the difference in the performance. Supervisors as and when they occur record such incidents. Advantages – Evaluations are based on actual job behaviors, ratings are supported by descriptions, feedback is easy, reduces decency biases, chances of subordinate improvement are high. Disadvantages – Negative incidents

can be prioritized, forgetting incidents, overly close supervision; feedback may be too much and may appear to be punishment.

In this method the rater writes down the employee description in detail within a number of broad categories like, overall impression of performance, promote ability of employee, existing capabilities and qualifications of performing jobs, strengths and weaknesses and training needs of the employee. Advantage – It is extremely useful in filing information gaps about the employees that often occur in a better-structured checklist. Disadvantages – It its highly dependent upon the writing skills of rater and most of them are not good writers. They may get confused success depends on the memory power of raters. Behaviorally Anchored Rating Scales statements of effective and ineffective behaviors determine the points. They are said to be behaviorally anchored. The rate is supposed to say, which behavior describes the employee performance. Advantages – helps overcome rating errors. Disadvantages – Suffers from distortions inherent in most rating techniques.

Theoretical Background:

Overview of the performance appraisal system:

Performance appraisal is the process of making an assessment of the performance and progress of the employees of an organization. Once an employee has been inducted into the organization and given the necessary training, the next step is to assess his performance periodically. Such assessment would indicate whether he is efficient or not. Performance appraisal is also known as "merit rating" or "efficiency rating".

The following factors are given weight age in evaluating the performance and progress of an employee:

1. Knowledge of work
2. Extent of co-operation with colleagues and superiors.
3. Initiativeϖ Quality of work.
4. Target attainment.
5. Aptitude.
6. Degree of skill.
7. Discipline
8. Punctuality
9. Honesty
10. Ambitionϖ Crisis management, etc.

Performance appraisal to performance development:

In fact, performance appraisal, in recent times, emerged as performance analysis and development. Performance analysis and development is a departure from the traditional and controlling approach. It views from the development aspect of the employee. Therefore, the main purpose of performance analysis and development is to analyze the present performance of the employee from multiple viewpoints, observe the gap/developmental needs and develop the employee.

Performance appraisal is also a technique of HRD. The performance interview and the process of the performance analysis help the subordinate to interact closely with his superior. The interaction helps particularly subordinates learn from his superior the job related and behavior related aspects. This process becomes a training/development /educational process. Thus, performance appraisal is closely related to HRD. In fact, performance appraisal helps employee development.

Conclusion:

Human resources are the vital source of every organization. Every employee in an organization increases the productivity and goodwill of every company. An employee, being an individual is treated as assets in the organization. So the organization should mainly emphasis performance appraisal techniques and its development programme. Both the appraiser and appraise should realize the principle and use the tool of appraisal system in a constructive way for the prosperity of the organization. The performance appraisal technique prevailing in the organization is fair. Employees are satisfied with the present performance appraisal system that is a traditional one. As many new appraisal techniques are emerged, the organization can implement modern technique which would be more effective. The welfare measure of organization is at par with the company policies and has brought a great sense of involvement in work among the employees of the organization. If the suggested measures are taken into consideration it will help to increase the effectiveness of performance appraisal system

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