

STUDY OF IMPACT OF VARIOUS ATTRIBUTES ON THE PERFORMANCE APPRAISAL OF EMPLOYEES WORKING IN SELECTED SERVICE SECTOR

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ABSTRACT

In this era of cut-throat competition for achieving the organizational goal every organization mainly has to depend upon the human resource of their organization. Overall performance of human resource of the organization decides the future growth, prospects, performance and at last the existence of the organization. Therefore it is very necessary for the organization to manage and develop its human resource in terms of their skills, knowledge, technical know-how and abilities. Performance appraisal is one of the most effective practices used by the management under human resource development practices so as to ensure the employees job performance is directed towards that the expectation set by the organization and it also helps the organization in achieving their organizational goals. This study was conducted in the selected service sector in Maharashtra. The service sector in Maharashtra is an outstanding division regarding national and states income contribution, trade flow and employment generation. This sector comprises ample range of actions consisting of trading, financing, communication, transport, real estate, business services, personal and social services. Different types of PA system are followed by the diverse companies in each segment of the sector. This research paper study the performance appraisal of employee who are working in the selected service sector on the basis and also study the impact of job category, education and experience on the performance appraisal.

Keywords: *Employee Performance, Performance Appraisal, Impact of Performance Appraisal.*

Introduction

PA is considered as a vital Human resource management tool (Gomez-Mejia, Ballein, and Cardy, 1995) and serves some purposes in organizations (Cleveland et al., 1989), PA provides a vehicle for managing and developing human resources by linkage to sub – functions such as compensation, training, integration, internal mobility reason and so on. PA has been cited to be of development and administrative uses (Dorfman, Stephan, & Loveland, 1986). Cleveland & Associates (Cleveland et al, 1989) presented a categorization of motivates for conducting appraisal in the organization and these consist of documentation, within person decisions and between person decisions.

According to McKirchy, (1989). PA focuses on the three goals, performance. Not personalities, valid or significant issues, rather than the subjective emotions, reaching disagreement on what the employee is going to develop in this performance and what you are going to do. Both the parties (Supervisors, and employee) should understand that a strong relationships exist between performance evaluation and employee training (Barr, 1993).Boice and Kleiner (1997) suggested that the overall function of PA is to let an employee know how his or her performance compromises with the manager expectations.

Fletcher (2001) gave a more fair observation, telling that for PA to be productive and helpful there wants to be a bit in it for rate and rater. According to Caruth and Flumphreys, (2008) PA system includes features to meet the employees as well as organizational requirements. Beach (2005) suggested that one of the underlying uses o PA schemes is to elicit corporate compliance. Randell (1994), pointed out the wide range of purposes – evaluation, auditing, planning, succession, controlling, training and motivation.

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Wanna et al (1992) identified the aim of staff appraisal as to develop planning and service delivery and also give formal feedback to individual employees. Bosewell& Boudreau (2000), extended two types of typical purposes which are evaluation and developmental. The evaluation role consists of the uses of PA for pay administration, retention decision, permission decisions, termination decisions, recognition of individual performance, layoffs and find out poor performance. The development role comprises the recognition of training requirements of individuals, providing information feedback, executing the transfer, and the decision of individual weakness and strength.

Objective of the Study

The main objective of the study was to find out the difference in the level of impact of performance appraisal of employee on the basis of their job, category, education and experience in the service sector of Maharashtra.

Methodology

The study was conducted in selected service sector in Maharashtra. The primary data were obtained using a questionnaire. Respondents were asked to react on their role as a rate in the PA system referred to by the organization. In this study the service sectors – financial service, tourism and hostility, media and entertainment and telecommunication were randomly selected. Size of the sample was 543 employees.

Analysis

Table 1: Analysis of variance – Impact of PA job for Category

Variable	Type	N	Mean	Std. Deviation	F	P
Understand the impact of performance appraisal	Managerial	30	52.67	15.41	2.026	0.133
	Operational	364	52.87	11.91		
	Clerk	149	55.14	10.73		

Table 3: Analysis of variance – Impact of PA for length of service.

Variable	Length of the Service	N	Mean	Std. Deviation	F	P
Impact of performance appraisal	Less than one year	26	15.81	3.76	11.142	<0.001
	1 to 3 years	148	14.89	3.70		
	3 to 5 years	149	13.87	3.72		
	6 to 10 years	126	14.13	3.38		
	More than 10 years	94	15.55	2.89		

Table 3.a: Multiple comparison Tests – Impact of PA for length of service.

Dependent variable		Mean difference	Std Error	Sig	
Understand the impact of performance appraisal	Less than one year	1 to 3 years	5.85135*	2.429	0.016
		3 to 5 years	11.42953*	2.427	0.000
		6 to 10 years	11.57143*	2.460	0.000
		More than 10 years	6.36170*	2.531	0.012
	1-3 years	Less than one year	-5.85135	2.429	0.016
		3 to 5 years	5.57818*	1.325	0.000
		6 to 10 years	5.72008	1.384	0.000
	3-5 years	More than 10 years	0.510	1.506	0.735
		Less than one year	-11.42953	2.427	0.000
		1 to 3 years	-5.57818*	1.325	0.000
		6 to 10 years	0.142	1.382	0.918
	6-10 years	More than 10 years	-5.06783*	1.504	0.001
Less than one year		-11.57143	2.460	0.000	
1 to 3 years		-5.72008	1.384	0.000	
3 to 5 years		-0.142	1.382	0.918	
More than 10 years	More than 10 years	-5.20973*	1.557	0.001	
	Less than one year	-6.36170	2.531	0.012	
	1 to 3 years	-0.510	1.506	0.735	
	3 to 5 years	5.06783*	1.504	0.001	
	6 to 10 years	5.20973	1.557	0.001	

The group where significant difference exists are indicated by *

Table 4: Analysis of variance – Impact of PA for education

Variable	Education	N	Mean	Std. Deviation	F	P
Impact of performance appraisal	SLC	13	14.00	4.40	3.936	0.009
	Plus two/Pre-degree	43	16.09	2.96		
	Graduation	325	14.85	3.53		
	Post-graduation	162	13.72	3.50		

Table 4.a: Multiple comparison Tests – Impact of PA for Education

Dependent Variable		Mean difference	Std Error	Sig	
Understand the impact of performance appraisal	SLC	Plus two/ Pre-degree	0.782	3.718	0.834
		Graduation	0.400	3.322	0.904
		Post-graduation	3.976	3.386	0.241
	Plus two/ Pre-degree	SLC	0.782	3.718	0.834
		Graduation	1.182	1.906	0.536
		Post-graduation	4.75754*	2.015	0.019
	Graduation	SLC	-0.400	3.322	0.904
		Plus two/ Pre-degree	-1.182	1.906	0.536
		Post-graduation	3.57578*	1.130	0.002
	Post-graduation	SLC	-3.976	3.386	0.241
		Plus two/ Pre-degree	-4.75754	2.015	0.019
		Graduation	-3.57578	1.130	0.002

The group where significant difference exists are indicated by *

Findings

- No significant difference exists between managerial, clerical and operational level employees in different sectors regarding the level of impact on PA.
- There is a significant difference exists between employees having below one year of experience and other experience categories regarding the impact of PA. The impact level is almost same on in 3 to 5 years experienced and 6 to 10 years experienced employees. Similarly, there is no significant difference exists between the employees having 1 to 3 years of experience and more than 10 years.
- There is a significant difference between employees having post graduate degree, undergraduate degree and plus two degree level of education regarding PA level on commitment and skill of employees. There is no significant difference exists between employees were the educational qualification of SSL and plus two.
- The impact of performance appraisal on managerial, operational, and clerical level employees is almost same.
- There is significance difference between employees having post graduate degree and under graduate degree regarding the level of satisfaction of PA system. Based on the Mean value the PA impact is lower in the category of employees having post graduate degree. There is significant difference between employees having post graduate degree, under graduate, and plus two level of education regarding PA impact level on commitment and skill of employees.

Conclusion

As the result severe competition originated in the market. The firm to farm competition forced companies to enhance their productivity and efficiency. So each and every company took the necessary steps for improving the organizational competence. The line organization changed into functional structure and the company's functional area were further divided into difference categories. It helps the companies to monitor the departmental functions of each and every department individually. Production, marketing, financial services, operations, human resources management (HRM), etc. are the functional areas of the management. PA is used as one of the most imperative components of human resource practices, which is strategic and for obtaining maximum benefits by the organization and it helps to integrate with its organizational policies. The result if the study has shown that the respondents viewed employees' performance as improved through financial emoluments. Such evaluation of employee performance generates the motivation and ensure efficiency. Moreover the evaluation system emphatically impacts the scholastic motivation and performance.

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