

PERFORMANCE APPRAISAL: NEED OF TODAY'S CORPORATE WORLD

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ABSTRACT

The dynamic organizational system goes continuously with the transformation. As per Baker, Jensen, and Murphy (1998), the behavior and the performance of the staff largely reflects the motivation system of the organisation which is predicated on the appraisal system. Good salary system, interrelationship between the superior and also the subordinate, ratio, punishments, poor performance etc all are relied on the-product of the behavioral pattern of the worker, which is the by-product of incentive system. A healthy Performance Appraisal process is systematic, cyclic, in nature and essential need of a corporation which helps the managers to assess and evaluate their employees' performance on an ongoing basis. Performance Appraisal may be a systematic and periodic review of the worker performance working within the organisation. Employee performance will be enhanced if the worker knows his goals, aligns them, increases his engagement with the organisation and continuously interacts together with his superior for seeking feedback on his performance. Performance Appraisal aims to see the desired performance of the worker within the beginning of the year. It's done mutually by the superior and his subordinate. At the tip of the amount, the particular performance is measured and compared with the quality performance. The explanations for the gap are identified so worker is helped to beat the deficiency or gaps. It's a proper system designed to live and evaluate the performance and behavior of people at work and thru constant observation, developmental changes will be made in his performance, behavior, results, etc. Performance appraisal helps the organisation to grasp and compare the after-effects of employee behavior, when a task is given. The main focus of performance appraisal is that the actual performance under the wants of the duty, and standardized performance that's expected from him

KEYWORDS: Job Performance, Evaluation, Deficiencies, Quality Management, Human Resource.

Introduction

The present scenario is witnessing a transmutation within the role of Human Resource Management of business organizations as there has been a significant shift in its focus from only recruitment and selection, induction and training, calculation of salary and PF of employees to developing such functional policies which helps in implementing the foremost corporate strategies in an efficient and effective manner. Nowadays, HR Department, including its other traditional functions, works on facilitating and improving the performance of the staff through a conducive and healthy work environment and providing with more scope for the workers to participate in planning and organizational deciding process. The term Performance Management System (PMS) gained popularity in early 1980's when Total Quality Management (TQM) programmes received its due importance for achieving higher standards and quality performance. Within the comprehensive and a far improved framework, various

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other HR practices like job design, training and development and reward system were also recognized equally important because the traditional performance appraisal system. Performance management could be a method of the managing employees and organizational culture in such how that employees perform so as to realize the specified and predetermined organizational goals. Performance management, as a process, is all about developing an understanding, shared between management and employees, for what's required to line and achieve as organizational goals. It's an approach to manage people so on increase the amount of individual performance and business success at the identical time. Performance management systems, that include performance appraisals, became vital link pins for Human Resource Management. Employees feel that through Performance Appraisal System, their work is tracked, which enables them to finish their task in given time. They also feel that the equal division of labor load is crucial which further results in enhanced work performance. Performance Appraisal System has changed the perception & attitude of the staff. Though, Performance Appraisal System has made the relation better between superiors and subordinates, but superiors aren't sure that the workers put their best efforts on the task. Employees are of the opinion that Performance Appraisal System has improved the reward system, which is in accordance to their achievement. Business has both monetary & non monetary benefits, except for employees monetary benefits are more influential than the non-monetary benefits. Employees think that concentrate on achievement mustn't be the factors for giving these rewards, there should be other factors too. Employees feel that it's not necessary that good performance is often rewarded. Henceforth, initiatives are taken by the Business to enhance the performance of the non performers. Performance Appraisal System has influenced the culture of the entity. Employees feel that good performance affects work behavior. Welfare activities and open communication promotes an improved culture within the Business. Other factors like interpersonal relation & better higher cognitive process also are enhanced by the Performance Appraisal System.

Purpose of Performance Appraisal

In short, appraisal is a key input for the administering a proper organizational reward and punishment system. Appraisals provide feedback to employees and thereby function vehicle for private and career development. The most important reason of performance appraisal is to encourage conversation between the subordinate and superior about job performance. Leadership skills, customer focus, result orientation, problem solving, communication and team work are six most crucial and effective competencies of manager while appraising the performance of employee. The performance appraisal is taken into account because the tool for communication that ensures the supervisor and her reporting employee are clear about the expectations from the each employee. Within the entire discussion both superior and subordinate concentrates on:

- The successful achievement of target by the subordinate within the given timeframe.
- Initiatives for performance enhancement and improvement, and
- Setting of targets for the approaching year.

Need of Performance Appraisal

- **Improving Communication:** performance appraisal provides the platform for open communication. Communication also helps the worker to grasp how the organization perceives his performance and on what areas he must improve.
- **Providing a Career Path:** through an enrich performance appraisal system, the worker is ready to reinforce his career path. It provides the worker with a chance to be of greater use to a company. New opportunities, learning process and recognition of employee ends up in loyalty and stability within the organization.
- **Encouraging and Improvement:** Noting the key areas of improvement isn't a simple task. Performance appraisal is the means to spot and highlight the areas that require improvement. Even the foremost valuable employee may benefit from additional training. And training is that the means of to boost performance.
- **Improving Decision-Making Ability:** When a corporation includes detail information on employee performance, business decisions become easy. Appraisal helps to grasp the employee's strengths and weakness. It also provides a framework when decisions associated with compensation or separation is taken. Effective use of performance appraisals helps a corporation to work efficiently and with focus.

- **Measuring Recruitment Efforts:** Performance appraisals can provide key information that may help to judge recruiting practices of the organization for instance, if a specific number of employees were hired with certain qualification and experiences were rated high in their appraisals, the organization may conclude that its recruiting process is functioning effectively. On the opposite hand, poor performance is indicative that the recruiting efforts weren't up to the expectations, hence it became of 1 the rationale for poor results.

Performance Appraisal and Performance Management

In the current Scenario, the organizations have shifted their focus from performance appraisal to performance management as results of the internalization of human resource and globalization of business. The performance management approach focuses more on the particular results supported the previously framed smart objectives. These smart objectives are established keeping in mind the varied facts and figures, employee behavior pattern, expected result and therefore the superior plays a crucial role as a mentor and as a facilitator. Employee growth and improved performance is the key determinant to organisational success. Performance Management frames employee performance at a broader level because it could be a business function. Both the manager and therefore the employee should participate equally in setting goals, behaviour and assessing result. The objectives are mutually set at the start of the year and expected standard of performance for evaluation is expressed. Performance management may be a broader term compared to performance appraisal because it prohibited those hidden concepts of performance appraisal which were never handle. Performance appraisal deals with evaluation of employee performance, but performance management emphasizes at building a system of high performance team and continuous improvement of the worker. Performance management focuses on ongoing improvement of the worker instead of just evaluating the worker as exhausted the performance appraisal.

What is Performance Evaluation?

Formal determination of an Individual's job-related actions and their outcomes within a grip or setting is performance evolution. Overall achievement opinions, which accord administration with a befalling to appraise their employees' contributions to the corporation, are capital to growing an able paintings group. Yet in some practices, physicians and exercise managers positioned all-embracing achievement critiques at the rear burner, generally due to the time anxious and therefore the difficulties of critiquing advisers with whom they paintings intently. The allowances of all-embracing achievement critiques outweigh those ambitious situations, although. If accomplished as allotment of an all-embracing achievement appraisal apparatus that consists of a accepted appraisal form, acclaimed all embracing achievement measures, tips for delivering feedback, and antidotal approaches, achievement evaluations can apparatus the appropriate limitations of all embracing performance, advertise physique of worker's acceptability and able communiqué and affect humans to try and do their superior for themselves and also the exercise. The amount one goals of an all-embracing achievement appraisal arrangement are to accommodate a candid ambit of a worker's addition to the workforce, aftermath authentic appraisal affidavit to absorber anniversary the agent and corporation, and access a boundless amount of accomplished and abundance aural the plan produced.

Objectives of Employee Performance Evaluation

Objectives of Employee Performance Evaluation have many important objectives to fulfill. Information associated with performance improvement always helps the workers to perform well. Motivation towards organizational work, work related information; benefits given by the organization, organizational culture are a number of the factors which offer better performance information. These are the five objectives of an efficient employee evaluation process.

- The superior and the subordinate are cognizant of the set objectives, expected results, and to what extent the achievement will contribute to the success of the organizational achievement.
- The objectives of the worker performance assessment also include employee development and organizational improvement. The worker performance evaluation ends up in employee personal development and organizational goals and growth.
- Since the objectives are discussed in a good manner and ways are looked upon to attain them successfully, the superior and therefore the employee are committed to attain them. These objectives are maintained in an exceedingly written form.

- The worker performance evaluation may be a base for non-discriminatory promotion, pay, and recognition processes. This can be a crucial consideration for the HR Manager in consistent, regular, non-discriminatory employee performance evaluations.

Employee performance appraisal systems has number of methods for evaluation but their basic element may differ from one organization to a different and a few of those elements may be more practical than the opposite. The traditional appraisal system was insufficient and incomplete because it was supported the concept of considering the worker as a tool to be used and managers were forced to create subjective decision and judgment about the worker performance and behavior against the pre-determined job standards. This approach of performance appraisal was more targeting employee accomplishment of task. The evaluation was from the highest to the underside where the superior played a pivotal role. Judging of such performance was totally eluded the active involvement of the worker himself. Performance appraisal faced the unnecessary delay within the decisions making and more biased. Performance appraisal was mostly narrowly focused and functioned in isolation without bearing any linkage with the general organizational vision and goals. Therefore modern appraisal system became a crucial approach to judge the performance of the worker.

How to Set Up a Good Performance Evaluation System

The Performance Appraisal System should be more objective & supported the result obtain, which establishes relationship between Performance Appraisal System on the assorted underlying factors like Performance Improvement, Rewards, Culture, Job Satisfaction, & Retention. Efforts should be made to cut back the biasness within the Appraisal System. This may affect the connection positively between the superior along with his subordinate. Other qualitative factors must be included in PAS above than target achievement. Work load must be in accordance to the division of labor. Initiatives should be taken by the Business for poor performers and their performance should be handled accordingly under the reward system. Stronger culture is required to boost the performance of the worker. Decision Making, suggestions, interpersonal relations, conflicts and grievance redressal should be exercised to form business culture more congenial to figure. Mutual setting & review of targets from time to time will help the workers to realize their targets more easily. Nature of labor affects the satisfaction level of the worker, hence efforts should be made to produce challenging jobs which increases the performance of the workers. More emphasis should be made on counseling, job progression and retention strategy.

Conclusion

Performance Management System is taken into account as a vital business driver that helps to realize business result. An efficient PMS can boost the firms to maximise the worker performance. an efficient system should be specified it can encourage an organizational climate of trust, autonomy, authenticity, experimentation, proactively, confrontation, collaboration, communication and teamwork etc. it's important that a company should implement such system that not only identify and recognize the highest performers rather should be ready to help the staff and organization to attain their objectives. However in step with this study most of the organizations have identified this need and are spending a large amount of cash to develop and implement an efficient Performance Management System still a large amount of variation can still be noticed within the employees' performance. PMS is the key factor which helps in determining whether a corporation can manage its human resources effectively or not. The PMS also provides crucial information on whether the work-integrated learning skills of employees are compatible with the objectives of their organizations or not. A dynamic performance management system must be introduced altogether organizations and at different levels. The alignment of individual performance with those of organizational goals is additionally of tremendous significance by introducing an appropriate set of performance indicators. Assessing performance is beneficial only if it's translated into practice. Performance management tools and techniques don't create constant high performance on its own rather it requires to make up such an environment which is favorable for effective and efficient performance together with a system of rewards and punishment, besides building capacity to urge results.

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