

IMPACT OF PERFORMANCE APPRAISAL ON EMPLOYEE'S PERFORMANCE AND SATISFACTION

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ABSTRACT

Under one of most important HR tools comes one of the most important fundamental function of HRM in the organization which is the performance appraisal. It emphasizes on what an organization values and rewards. This gives direction to employees to work in a certain ways to achieve specified objectives. In an organization with cum effective performance appraisal is about to have a sense judgment of everyone & of everything happening around him, here lies the success of an organization. Post to the introduction of performance appraisal system to used the informal standards to check the employee tendency towards his job. But it is not so happening or not so encouraging thing for cum employee, as it does not motivate an employee as which could have been recognized if some proper tools would have been available for measuring g employee standard of work. As the trend fashion, taste, standard of living, usage, demand, is increasing day by day towards technological and social upliftment society is grooming. New tasks are assigned to employees with higher degree of expectation of its successful completion. So standard of a fined nature was required for a healthy their business & its environment. Performance appraisal plays a crucial role and is significant to in the overall development of human resource. As a result the performance appraisal has become very significant and its positive effect also has constructing influence in organizational efficiency and productivity.

KEYWORDS: *Training and Development, Job Rotation, Promotions, Motivation, Job Satisfaction.*

Introduction

The process of setting objectives, making plans & setting standards to achieve the same objective is a key result of performance appraisal management system. To access the performance of an individual organization uses techniques & system. Rewards and recognition follows as the end stage result. **"In order to judge & evaluate an employee output, job work a fined standard is used. It also remits up in summing the end performance of an employee as its output quantitative & qualitative wise"**.

Our Objective is Aims as Follows

- The managers are in capacity to pilot the functionary for better performance.
- The managers scale the pay of employees and proportion it with targets.
- The management examination the component behind work function of functionary.
- It increases satisfaction level of workforce.
- To know the factors influencing the motivation level of employees
- To understand the existing relationship between management and employees.

Research Methodology

This study is descriptive in nature. The study is based on secondary data which has been taken from case studies, books, journals, newspapers and online databases.

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Meaning of Performance Appraisal

To understand the capabilities and ability of an individual towards his current job & for his future roles & responsibilities makes a decision towards promotion & recognition. A systematic evaluation process is called performance appraisal. Performance appraisal is generally done in systematic ways which are as follows:

- The management analyses the factors behind work performances of employees.
- The managers to decide & guide a proper way towards better employee performance.
- The managers to decide & measure the pay of functionary and compare it with targets.

Performance of whom which is appraised is known as appraise and his superior officer who does the appraise is known as appraiser”.

Objective of Performance Appraisal

For an employee working in an organization makes easy for the managers to decide & guide a proper way towards better employee performance on a well defined benchmark and fined standards. It is a method of evaluating the behavior of employee in the work spot, including both quantitative and qualitative aspects of job performance. It is a way of evaluating both work related behavior and potential of employees. Performance appraisal has three important components.

- **Identification:** that is identification of areas of work that a supervisor should be testing when evaluating performance.
- **Measurement:** that is the cognitive process of reaching a decision of how good or bad employee's performance was.
- **Management:** it must take a future oriented view of what workers can do to realize their potential.

For every contemporary organization improvements in performance appraisal should be taken at high priority. This is a confidential element of appraisal that employees are not told them about that strength & weakness.

Types of Performance Appraisal

- **Confidential Appraisal:** In this approach the individual is not involved in the appraisal exercise as the appraisal outcome is not at all communicated to the employee being appraised. In essence, the employee's strengths and weaknesses are not communicated to him.
- **Open Appraisal:** It's a system of appraisal where the appraise is being rewarded about his strength & weakness things are kept open contribution of the appraise & his failures achievements are disclosed. In this the fact of performance appraisal is being disclosed, it creates self awareness.
- **Semi Open and Semi Confidential Appraisal:** At beginning the procedure of performance appraisal is kept open and later on it is made secret. For instance, if an appraise is asked to fill an appraisal form and the appraiser rates the employee and returns to the top management, then the appraise would not hear anything about his final performance outcome.

Need of Performance Appraisal

- **Communicating:** A successful communication requires and works on two way interaction between employer & employee. The maximum no of performance problems can be minimized or presented by proper two way communication. The employee should be given a chance to provide feedback to their line & top management managers. Things which cannot be traced on a clarity basis such proper two ways communication may provide a tracking of activities & requirements like, lack of tracking, need of manpower, poorly maintained equipment, Infrastructure & services such feedback would help the management to understand the needs of the organization and its people. But if the most important component which is two way communication is not allowed by the communication component of performance appraisal the obstacle of employees.
- **Decision Making:** The second need of performance appraisals is to allow management to make decisions about employees within the organization. Managers need to make decisions based on information received from the communication. Accurate information is necessary for management decision making and is an absolutely critical component to allow the manager to

improve organizational productivity. They use information from performance appraisals to make decisions concerning the employees including promotions, demotions, pay, training and development, and termination, The valid and reliable information concerning each individual can give ability to the management to make decisions that can enhance organizational productivity.

- **Motivating:** Here comes the one of the most important need is to provide motivation at regular basis, so that the employee gets up boosted & perform well individual to attain the development goal of organization. Organization needs to create this willingness among the employees, which in turn will increase organizational productivity.

Advantages of Performance Appraisal

- **SWOT Analysis:** In order to determine the opportunities and threats of employee as the performance appraisal gives a complete outlook of the employee's strength & weakness.
- **Suitable Placement:** On the basis of an employee talent, skill and experience organization is able to give suitable placement within the organization.
- **Self-Development:** An employee can develops him as he is well aware of his strength & weakness it enables the employee to work upon his/her weakness to attain companies goal.
- **Motivating Superior Performance:** In order to attain a good result performance appraisal forces manager to comfort those employees whose performance is not up to work & companies standard.
- **Counseling Poor Performers:** Not everyone meets the organization's standards. Performance appraisal forces mangers to confront and counseling those whose performance is not meeting the organization's expectations.
- **Encouraging Coaching and Mentoring:** Performance Appraisal identifies the areas where coaching is necessary and encourages managers to take an active coaching role.
- **Sound HR Policies:** With the help of HR policies are formulated with a proper sound objective for all HR related activities such as for promotion, transfer, increment or lay-off must be sound and objective
- **Effective Training Programme:** As we know that performance appraisal helps to know the need of the employee an effective program of training & development can be develop. As a result they improve their performance and increase chances of promotion.
- **Employee:** Employer Relations: If for HR management, performance appraisal is used it will create management to promote and advance an employee for work role, or about his strength & weakness. Hence creates a healthy relation between employee & Employer.
- **Higher Employee Productivity:** With better achievement of goals high degree of recognition to an employee will be a motivational & enthastic booster which will lead to boost the productivity and will lead to employee's high morale.

Different Methods of Performance Appraisal System

- **Balanced Scorecard:** It defines the expectation of the management & what it means by the performance. It is achieved individually or not. A comprehensive set of objective is transformed on the basis of mission & vision, quantitative in nature which can be quantified & appraised.
- **Critical Incident Method:** The critical incident method for performance appraisal is a method in which the manager writes down positive and negative performance behavior of employees throughout the performance period.
- **Weighted checklist Method:** This method describe a performance appraisal method where rater familiarize with the jobs being evaluated, prepares a large list of descriptive statements about effective and ineffective behavior on jobs.
- **Paired Comparison Analysis:** Paired comparison analysis is a good way of weighing up the relative importance of options. A range of plausible options is listed. Each option is compared against each of the other options. The results are tallied and the option with the highest score is the preferred option.
- **Graphic Rating Scales:** The Rating Scale is a form on which the manager simply checks off the employee's level of performance. This is the oldest and most widely used method for performance appraisal.

- **Essay Evaluation Method:** This method asks managers/ supervisors to describe strengths and weaknesses of an employee's behavior. Essay evaluation is a non-quantitative technique. This method is usually used with the graphic rating scale method.
- **Behaviorally Anchored Rating Scales:** This method used to describe a performance rating that focused on specific behaviors or sets indicators defining effective or ineffective performance. It is a combination of the rating scale and critical incident techniques of employee performance evaluation.
- **Performance Ranking Method:** Ranking is a performance appraisal method that is used to evaluate employee performance from best to worst. Manager will compare an employee to another employee, rather than comparing each one to a standard measurement.
- **Management by Objectives (MBO) Method:** Management by objectives is a process in which managers/ employers set objectives for the employee, periodically evaluate the performance, and reward according to the result. Management by objectives focuses attention on what must be accomplished (goals) rather than how it is to be accomplished (methods).
- **360 Degree Performance Appraisal:** 360 Degree Feedback is a system or process in which employees receive confidential, anonymous feedback from the people who work around them supervisors, peers and subordinates.
- **Forced Ranking (Forced Distribution):** Forced ranking is a method of performance appraisal to rank employee but in order of forced distribution

Conclusion

Performance appraisal is to improve the efficiency of an organization by attempting to mobilize the best possible efforts from individuals employed in it. Such appraisals achieve several objectives including salary reviews, training and development of individuals, improving present performance of employees, improving potentials, improving communication, improving motivation, planning job rotation and assisting in promotions. Performance appraisal plays a crucial and most significant role for an organization. It provides information is highly useful in making decisions regarding various personnel aspects such as promotions and merit increases. Performance measures provide a basis for judging the effectiveness of personnel sub-divisions such as recruiting, selection, training and compensation.

Recommendations

It is expected to bring in more of benefits. The following suggestions:

- If helps in improving communication between employee and employer. An employee to identify how to changes in his behavior, attitude and skill or job knowledge.
- If provides right judgment to the organization to back up salary increases.
- If lets the employee know where he present stands in the organization.
- It is being used need for coaching and counseling the individual by the superior.
- It serves as the basis for improving or changing behaviour towards the organization.

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