

Performance Appraisal System Is a Key to Enhance Employees Performance and Productivity and Essential Part of Goal Achievement in the Business Organization

Ritesh Jameendar

Davi Ahilya Vishva Vidyalaya, Management Department, LSA College, Dhar, Madhya Pradesh, India

Abstract:-

Performance appraisal plays a vital role in an organization for measuring the performance of the employees of an organization. This is the process of obtaining, analyzing and recording information about the relative worth of the employees, working in the organization on certain or specific work or task. It is a powerful tool to calibrate, refine and reward the performance of the employees. It is a part of career development. Appraisal of employees is made by senior supervisors, peers, customers, clients, subordinates and so on once or twice in a year. Performance appraisal is a formal programme in an organization which is concerned with not only the contributions of the members who form part of the organization, but aims at spotting the potential also. The satisfactory performance is only a part of the system as a whole and management needs more information than mere performance rating of the subordinates. Performance appraisal helps the organization to improve the skills and abilities of employees which is converted into the increase productivity of the employees and organization as well which makes possible the dream of top management to fulfill the dream of higher profitability and predetermined objectives and end goals of the organization. Performance appraisal is very essential and an integral part of a successful business organization or company.

Keywords :- Productivity, Profitability, Core competency, end goal achievement, success of business organization.

Introduction :-

In modern time of business, the performance appraisal is backbone of the business organizations. Performance appraisal or employee appraisal is the method of evaluating the behavior of the employee in the work spot including both quantitative and qualitative aspects of job performance. There are some importance of applying successful performance appraisal method or process in an organization, as follows :-

Importance of an effective performance appraisal system in the organization:-

1. Enhancing employees performance:-

Performance appraisal is very helpful in enhancing the performance level of the all employees or workers of the organization or company. Performance appraisal is a process in which seriously examination done by human resource managers regarding actual work performance of each and every employee or worker, working in the certain organization, on a specific job and if performance is not up to the mark than manager or supervisor assist the employees to improve their performance. It enhances employees performance at expected level.

2. Base of human resource planning :-

Performance appraisal play a vital role in human resource planning and it is the base of whole process of human resource planning. It is applied to determine who needs what sort of training and who will be promoted, demoted, retained, and fired. It generates data on the promotability and potential of each and every employee, working in the organization. The evaluation information is very useful in making provision for successions and replacements in employees.

3. Promotional decisions :-

The performance appraisal is very important and essential base of the promotional decisions of the working employees in the organization. This is perhaps the most important administrative use of performance appraisal.. It is to the common interests of both the management and employees to promote employees into the positions where they can most effectively utilized their abilities. It is mismanagement to promote employees into the positions where they cannot perform effectively in the work place or in the organization. On the basis of result of the performance appraisal, human resource or top level managers promote an individual employee to next enriched position where he deserving to perform successfully.

4. Self improvement :-

Performance appraisal helps in self improvement of the employees or workers. The performance appraisal brings out the deficiencies and shortcomings of the employees. Discussions between rater and rates may be conducted in a spirit of co-operation and mutual understanding. This gives an opportunity to the employer to have an insight on their performance and to take corrective measures to improve upon their performance. Performance appraisal helps

human resource development in another way also. Promotion minded individual can ask for the target programmes of a position he seeks and use the information given by performance appraisal to prepare him for the job and enhance his candidacy.

5. Helpful in training and development :-

Performance appraisal plays a vital role in decisions regarding training and development programs and development of employees or workers in the organization. If an employee is not performing up to the expectation level which is expected to him, he is sent to the training and development department to have training for a specific period until he may not become competent. It also identifies individuals with high potential who can be placed on higher position. The appropriate system of performance appraisal can be helpful in identifying the area of skills or knowledge. Thus pointing out general training deficiencies which presumably should be corrected by additional training, discussions, or counseling. Performance appraisal can also help in spotting the talented employees so as to train and develop them to create an inventory of executive skills.

6. Motivation :-

The performance appraisal is also the basis of intrinsic motivation of employees, working in the organization. After performance appraisal of employees, most of employees whose performance is on the expected level or up to the mark, they get higher motivation by their performance and the other employees whose performance is not up to the mark, sent to the training and development department to get training, by which after some time they become competent and they have higher motivation level just because of appropriate performance appraisal system.

7. Rewards and punishment :-

The appropriate and best performance appraisal system is also basis of reward or punishment of employees or workers. The performance of all employees continuously measured by the supervisor or human resource manager when employee is working on the actual job. If he is giving performance as expected to him, he gets reward or if he is doing wastage or doing misbehavior continuously gets punishment.

8. Determination of wages and salaries :-

The determination of wages and salaries is crucial task or job for human resource manager in the organization. Every year all the employees get increments on their salaries and wages. But there is a question always remains for human resource manager that what will be the criteria for increments and how much should salary and wages be increased. The best performance appraisal system plays here a vital role to help the human resource manager on the basis of performance of employee or worker that how much productivity he has given to the organization in the year. On the basis of that he gets increment at the end of the year. Merit rating method of performance appraisal plays the best role here to measure merits of performance of employee on the actual job.

9. Creating healthy competition among employees :-

The performance system or process is for employee himself also that he knows about his strength and weakness in the organization while performing a certain task or the job. After successful appraisal of each and every employee, employees in the condition to know about his performance, opportunity, weakness, and strength, and not have rivalry competition among them in the organization.

10. Helpful in personal action :-

Performance appraisal provides information of great in making and enforcing personal decisions and action. Performance appraisal system or process helps the supervisor or human resource manager to take his personal action towards the employees. Personal action such as lay-off, demotion, transfer and discharges and so on sort of actions, may be taken by the human resource managers and may be justifiable only if they are based on appropriate performance appraisal system.

11. Increase productivity :-

The better performance appraisal system helps the organization to increase productivity. In the appropriate appraisal system performance is measured timely and it enforces and motivates the employees of the organization to improve their performance. It creates a positive work environment to work at higher level performance which converted into higher productivity of the organization.

12. Enhance profitability of organization :-

Profitability of the organization depends on the performance of the employees which they give in the organization on doing actual work. By the help of appropriate appraisal system weakness, strength of performance continuously measured and organization and employees continuously work to improve it that becomes a great cause of enhancing profitability of the organization.

13. Reduction in cost of production :-

In the appropriate performance appraisal process, each and every employee works in a disciplined and controlled manner, because they have to improve their performance. This becomes very helpful in reduction of cost of production of end or finished product.

14. Produce better supervision :-

The appropriate performance appraisal system helps the supervisor to produce better supervision over the employees working under him. The immediate supervisor should be well acquainted with the employees and their performance and on the other part employees too. This leads to produce better supervision for supervisor in the organization.

Process of effective performance appraisal :-**1. Establishing the performance standards :-**

The first stage in the performance appraisal process is start from establishing the standard of performance according to which the actual performances expected from the employee in the organization. In this the employees has to follow the performance standard strictly to get expected performance set earlier by the top management. The standard may be deeply related to the high quality, the sufficient quantity and size of product which is going to be produce by the employees or workers.

2. Communicate the standard with the employees :-

The second stage in the process of performance appraisal process is, the standard which are set by the top level managers earlier, must be communicated with the employees. Every employees must be aware of all the rules and regulation to complete the job or task what company or an organization is expected from them to complete successfully. This is stage is vey important for the employees and top level manages as well.

3. Measuring actual performance :-

When all the standard communicated with the employees, working in the organization. All workers assigned a particular task or work which they have to complete in specific time and standard. The works on the job, and the next step is to measure the actual performance of the employees or the worker on the actual job or performing the task or the job.

4. Comparing actual performance with standard performance :-

The next stage in the process of performance appraisal is to compare the actual performance with the standard performance. This is the duty of main supervisor of human resource manager to record all the actual data of actual performance of works, working in actual work. This stage of comparing actual performance with the standard performance leads to the next stage in the process of performance appraisal.

5. Discussing the appraisal result :

The fifth and the second last stage in the process of performance appraisal is to discussing the end result of performance appraisal with the employees by the human resource or main supervisor. By discussion with the employees of the result of the performance, the human resource manager and the employees are in the condition to know about the weakness and strength of job performance which is given by the workers on performing actual job place.

6. Taking corrective action :-

Taking corrective action is the last and final stage in the process of performance appraisal. In the fifth stage human resource manager have to discuss the appraisal result with the all employees in the organization. The result may be positive or may be negative that is this is possible that there is possibility of weakness to complete job or work in the part of employees or the workers. In the last stage the human recourse manager take the corrective decisions, steps and action to remove the deficiencies and weakness which are found in the actual work performance which is a big constrain or stake in the successful completion of the work.

Performance appraisal criteria for measuring performance of employees:-**1.) Quality level :**

The first criteria of performance appraisal process or the fist measure is the quality level which is to be expected from the employees. The employees have to remember this and put always on their mind.

2.) Timeliness :-

The second criteria of performance appraisal process in measuring performance of employees is, timeliness of completing a specific task or work. The work must be completed in appropriated time and time standard which is predetermined earlier.

3.) Quantity level :-

The third very important criteria of performance appraisal is quantity of production which must be maintained by the employees working on a specific task or work at the work place.

4.) Cost control and effectiveness :-

The important criteria for measuring performance appraisal of employees are, cost effectiveness and control over the cost of production. It is degree to which the use of the organizations resource that is human, monetary, technological, material.) is maximized in the sense of getting the highest gain or reduction in loss from each unit or instance of use of a resource.

5.) Need of supervision :-

Need of supervision is also a main criteria of performance appraisal process in measuring the performance of the employee. Need of supervision for an employee demonstrate his competency or incompetency towards work or a specific job.

6.) Performance of manager or supervisor :-

Performance of a manager or supervisor also be measured in the process of performance appraisal. The performance of manager in good management process demonstrate his capability and competency towards organization and towards the work he perform.

7.) Organizational goal achievement :-

The organizational goal achievement is also a measure to assess the performance of an individual employee and the managers. Every employee in the organization and manager working for not only giving the best performance but also working for achievement of organizational. In this process it must be measured that what and how much he contribute to the organization to achieve the organizational goals on the basis of this performance result, the organization promote him in senior level.

8.) Interpersonal impression or impact :-

This is a level or a degree in which a performer give his impression on his subordinate or colleagues like cooperation , helpfulness, politeness and making environment of organization healthy and so on.

Suggestion and finding:-

1. Performance appraisal is a systematic process which consist of number of steps to evaluate employees job relevant strengths and weakness.
2. The process of performance appraisal may be formal or informal. The formal system is likely to be more fair and objectively whereas informal system is more likely to be subjective and influenced by personal factors.
3. This is an ongoing and continuous process , in every large scale organization.
4. This is a scientific and objective study. Formal procedures are used in this study more often.
5. The performance appraisal process tends to be backward looking. It concentrates on what had gone wrong.
6. The main purpose of it is to secure necessary information which are important for making objective and correct decisions on employees.
7. It is not a job evolution. But it refers to how well the employee has done the assigned work.
8. Performance appraisal data helps to judge the effectiveness of recruitment, selection, placement and orientation programmes of the organization. also an indication of the worth of a training system can be derived by an analysis of employee performance after completion of the course.
9. Performance appraisal unifies the rating procedures so that all the employees are rated on the same qualities by same method of measurement.
- 10.The information gathered in the appraisal can be used to identified and plan the additional training, learning or other improvement of employees required. This information also helps to prepare them for greater responsibilities in the future.
- 11.The process of performance appraisal is result oriented as well as potential oriented.
- 12.This process helps in legal compliance. it can serve as a legally defensible reason for promotions, transfer, rewards, and discharge.
- 13.The appraisal form, procedures and rules must be standardized. There must be well defined performance criteria and standard.
- 14.Employees must be made fully aware of all standards what are expected to them as appraisal decisions affect all employees of the group.
- 15.The appraisal plan must take in to account the appraisal practices prevailing in other units in the industry as well as the latest thinking on performance appraisal. It must fit in the structure and operations of the organization.

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