Chapter VII
Findings, Conclusion and Recommendations

7.1 Findings:

The following are the findings drawn on the basis of quantitative data, stated in chapter - V as shown vide tables 5.4.1 to 5.5

A) All selected Organisations are very keen in administering and practising Performance Appraisal System with reference to Supervisory / Managerial level with the specific and whole -hearted purpose of trying for achieving organizational objectives through its employees by bringing out development among them by way of imparting training, in the areas requiring improvement.

B) Though the practice and procedure of Performance Management slightly differs from one organization to another, the objectives of the Performance Management System are one and the same and those are Employee Development, Creating Performance driven Culture, Accomplishing Organisational Objectives, Providing data for administrative decision-making, promotions, increments, salary rise etc.

C) Performance Appraisal is served as tool for communicating the Top Management’s Plans and Business Goals to Employees, in almost all the selected Organisations barring one or two.

D) Performance Appraisal System is found to be very useful to the Appraise, Appraiser and Organisation in various relevant areas.

E) The activity of Performance Planning and Performance Review on quarterly basis is helping the Organisation in a great way, in the following important areas:

a) Communication of Top Management’s Plans & Business Goals to the employees at all levels.

b) Setting the targets in respect of individuals, in line with the Organisational Goals through Departmental Goals.
c) Reviewing the status of the set targets on Quarterly basis, at the same time of setting new targets for next quarter.

d) Reprioritising the targets based on the status of earlier targets as well as modified Goals, if any.

e) Organising developmental and training needs pertaining to required tasks.

f) Bringing up a very co-ordinal relationship between Appraiser (Supervisor) and Appraise (Subordinate) by means of continuous interactions and dialogue, leading to transparency, mutual trust and team building.

F) Top Management of these selected Organisations is very keen and involved in implementing Performance Appraisal System effectively by incorporating the following major activities through the same.

a) Communicating its Plans and Business Goals to employees.

b) Organising periodical trainings on Performance Appraisal System followed in the Organisation, in order to reduce the possibility of doubts, ambiguity and for leading to proper Performance Review Process.

c) Implementing the activities of Performance and Planning Performance Review, thereby creating Performance-driven culture in the Organisation.

d) Obtaining the data, rating of Performance in respect of every individual enabling to decide about Promotion, Increments, Salary Rise, Incentives etc; as a part of recognition and appreciation.

e) Benchmarking the approximate percentage of employees to be fitted in the prescribed Grades and awarding them increment accordingly in the decided range of percentages’ rise of the previous year’s Gross Emoluments and trying to keep employees motivated and be retained in the Organisation, as far as possible. (Most of the progressive Organizations among the selected Group are implementing the same, very effectively).
7.2 Conclusion

Conclusions are the statements framed by the Researcher based on both qualitative and quantitative assessment. Conclusions are reflective of Researcher’s personality but some are arrived at after the detailed analysis and matured interpretation from experts and academicians. The statement of conclusions can always be used by new researchers as hypothesis which can be tested by Researcher by his / her own data. Since Research is the continuous process, conclusions are always tentative in the since of specific interpretations of specific data. The Researcher’s reasonable confidence is expressed in the conclusion, but the same is not to be regarded as ultimate truth. Management being the dynamic science, such experiments are always welcomed, because conclusions create the foundation for future research. In Chapter Data Analysis the tabulation of the data and statistical analysis is included. Based on these tabulations and statistical analysis, the following Conclusions are drawn.

A) All selected Organisations are very keen in administering and practising Performance Appraisal System with reference to Supervisory / Managerial level with the specific and whole-hearted purpose of trying for achieving organizational objectives through its employees by bringing out development among them by way of imparting training, in the areas requiring improvement.

B) Though the practice and procedure of Performance Management slightly differs from one organization to another, the objectives of the Performance Management System are one and the same and those are Employee Development, Creating Performance-driven Culture, Accomplishing Organisational Objectives, Providing data for administrative decision-making, promotions, increments, salary rise etc.

C) Performance Appraisal is served as tool for communicating the Top management’s Plans and Business Goals to Employees, in almost all the selected Organisations barring one or two.

D) Performance Appraisal System is found to be very useful to the Appraise, Appraiser and Organisation in various relevant areas. Versus
Criteria wise Usefulness of Performance Appraisal System is attached to this Chapter, as Annexure –1.

E) The activity of Performance Planning and Performance Review on quarterly basis is helping the Organisation in a great way, in the following important areas:

a) Communication of Top Management’s Plans & Business Goals to the employees at all levels.

b) Setting the targets in respect of individuals, in line with the Organisational Goals through Departmental Goals.

c) Reviewing the status of the set targets on Quarterly basis, at the same time of setting new targets for next quarter.

d) Reprioritising the targets based on the status of earlier targets as well as modified Goals, if any.

e) Organising developmental and training needs pertaining to required tasks.

f) Bringing up a very co-cordial relationship between Appraiser (Supervisor) and Appraise (Subordinate) by means of continuous interactions and dialogue, leading to transparency, mutual trust and team building.

F) Top Management of these selected Organisations is very keen and involved in implementing Performance Appraisal System effectively by incorporating the following major activities through the same.

a) Communicating its Plans and Business Goals to employees.

b) Organising periodical trainings on Performance Appraisal System followed in the Organisation, in order to reduce the possibility of doubts, ambiguity and for leading to proper Performance Review Process.

c) Implementing the activities of Performance and Planning Performance Review, thereby creating Performance-driven culture in the Organisation.

d) Obtaining the data, rating of Performance in respect of every individual enabling to decide about Promotion, Increments, Salary Rise, and Incentives etc; as a part of recognition and appreciation.
e) Benchmarking the approximate percentage of employees to be fitted in the prescribed Grades and awarding them increment accordingly in the decided range of percentages’ rise of the previous year’s GrossEmoluments and trying to keep employees motivated and be retained in the Organisation, as far as possible.

Conclusion on Hypotheses From the responses of In charge – Human Resource and Supervisors / Managers from 100 selected Large Scale Manufacturing industries of Maharashtra and the inferences above, it is concluded that Performance Appraisal is the most significant and indispensable tool for an Organisation and Top Management’s blessings, involvement and commitment make the Performance Appraisal System more meaningful, productive, fruitful and effective in achieving Organisational Goals along with Employee Development and also enables HR Department to create performance driven culture in the Organisation. Hence, the Hypotheses viz.

* Performance Appraisal system provides competitive strength to an organization.
* Performance Appraisal system facilitates positive motivation to the employees, are proved

7.3 Recommendations

Make sure Manager and subordinates understand the appraisal system:

The appraisal system should be explicitly described specific to the purpose of the appraisal. Organizations that clearly state the purpose for the appraisal reduce the confusion and ambiguity of the process. The goal should be that everyone knows why you are conducting appraisals. Think of it as purpose and procedure training.

Assess the effectiveness of your current system:

The intended functions of the current system. Recalls that in Performance appraisal accomplish managers and subordinates agreed that the system uphold some functions while falling short in other functions. Additionally, managers and subordinates have different needs. Identify them,
and construct a questionnaire to assess the degree to which org members perceive the process to be effective. Only then is the organization in position to develop a strategy to address shortcomings.

**Appraisal skills training for your managers is a must:**

It can reasonably be concluded that the ability of the supervisor to skillfully appraise his/her subordinate is critical to an effective appraisal. Training must focus on helping managers develop specific appraisal skills and confidence in their ability to effectively evaluate others. Skills should include (each of these could be a book on their own):

1. Goal setting
2. Communicating performance standards
3. Observing subordinate performance
4. Coaching and Providing feedback
5. Completing the rating form
6. Conducting the appraisal review

**Increase managers willingness to conduct effective appraisals**

Primary causes of appraisal ineffectiveness fall squarely on the manager’s shoulder. It’s the harsh truth, but organizations should take more steps to facilitate. Offer refresher trainings, or training on the skills mentioned in the previous bullet. In short, arm or prepare managers to best carry out effective appraisals.

**Start with effective performance planning**

Planning is required to set the stage for effective appraisals. The majority of subordinates cited unclear performance standards as a cause of ineffective appraisals. Meaningful and accurate evaluation and feedback requires clear goals be established beforehand. Therefore a large part of the process should be devoted to determining what actions need to be taken in the future. It is harder to correct the results of poor planning than it is to plan correctly at the beginning.

**Make informal appraisals ongoing activity**

Annual appraisals are only as effective as what happens during the rest of the work year. Managers can increase the effectiveness by scheduling periodic, informal appraisals with subordinates on a regular basis. Mini-appraisals encourage honest communication, give the manager an opportunity
to monitor employee progress, provide employee with an ongoing source of feedback, and address minor problems before they build or snowball. This can be difficult to maintain throughout the year as workloads pile up. However, when systems and structures are put in place, they can help ensure commitment to ongoing activity. Here’s how point to performance can help.

**Provide resources necessary to link pay to performance**

Linking rewards to performance appraisal results has been found to be one of the most unclear and controversial issues. However, this value proposition or selling point is frequently made for the appraisal. Few managers and subordinates believe the system effectively linked pay to performance. When the following happens, the system will be viewed as a sham.

1. Changes in pay drive ratings instead ratings driving pay
2. Does not allow for differentiation among various levels of contribution to the organization

When this happens, appraisal process loses its ability to have a positive effect on employee motivation instead creates a lack of trust in the appraisal process, which can undermine the potential for the system to effectively fulfill other functions. In short, define performance and contribution and reward them.

**Use Anniversary dates to stagger appraisals**

Conducting appraisals can be burdensome. Not only do managers have project or client work to do but also the administrative and internal work. To provide managers time to conduct more effective appraisals, encourage the staggering of appraisals throughout the year. This reduces the difficulty of manager’s having to conduct numerous appraisals in condensed period, which is a serious threat to the effectiveness of the process.

What have we learned from this performance appraisal review? Using a feedback structure here’s what we can take away:

**STOP:** assuming they are motivational or lead to performance or better relationship between the manager and subordinate, dwelling on negatives.

**START:** involving employees more into the process, evaluating the actual process/system, giving feedback more often.
CONTINUE: clarifying performance and goals, getting input from employees about their job, discussing employee development.

The perceptions, needs and expectations that management and staff have of performance appraisals often do not coincide. Henri Louw says that in order to get buy-in from all stakeholders, we should incorporate the expectations of both managers and non-managers in the design of a performance appraisal system. He includes a questionnaire that we can use to design performance appraisal systems that meets everyone’s needs according to Henri Louw. The design of performance appraisals is probably one of the most hotly discussed human resource topics of all time. Ever since the introduction of performance measurement in a work context, the term performance appraisal has caused tempers to flair, blood pressures to spiral out of control and often lead to violent altercations between managers and employees. The perceptions, needs and expectations that management and staff have of performance appraisals often do not coincide, leaving either party, and often both parties, disenchanted and disillusioned by a cumbersome system that is impractical and time consuming, as generally, performance appraisal systems only meet the needs of managers. The design and structure of the performance appraisal system is important to both staff and management. It is globally recognized that performance appraisals should be to the advantage of managers and employees, but few systems, if any, involve both these stakeholders in the design of the system. The needs and expectations that management and employees have of performance appraisals (and performance appraisals systems) should be aligned when the system is designed. Furthermore, every element of the performance appraisal’s design must be considered carefully, as the needs and expectations that staff and management have of each element will impact on the level of buy-in (from all stakeholders), as well as the credibility of the system in its entirety.
The following model is suggested:

![Figure 8.1: A model for the design of performance appraisal systems.](image)

7.4 Scope for further research:

Any planning activity will be worthwhile only if it is incorporated in the continuing management processes of an Organisation. Otherwise, although it is extremely useful will rapidly become out of date and therefore, irrelevant. Succession Planning used to be seen as a once-a-year exercise, usually driven by the Top Management for meeting their responsibilities to Customers, by at least thinking about succession cover for top-level jobs. Unfortunately, many times, the results of these exercises were beautifully prepared but the same are rapidly vanished after the Organisation’s Annual Meeting. A succession plan should be much more than an Organisation Chart showing who will succeed whom. It should first of all, set the business scene against which future succession will take place. It should indicate the likely shape and size of the organization and the content of future management jobs. Succession Plan should be a flexible framework which can be adjusted to cope with changes in business plans, unexpected resignations or the injecting new talent by recruitment etc. The usefulness of undertaking a succession planning exercise at times of significant potential change is increasingly being recognized. However, many
organizations find it difficult to sustain interest in succession management on a continuous basis. Researcher, hence, strongly feels that if succession planning can be associated with the Performance Appraisal process, which is an accepted annual-or even more frequent activity; then it can at least ensure that it is given serious detailed attention at the time of the year when Management is more pre-disposed to longer-term thinking. Researcher, therefore, sees a huge scope for further research in the area Succession Management as Part of the annual cycle of Performance Management Process, as Succession Management is one of the strategic activities of the Personnel function it is business-driven and concerned with the longer-term success of the Organisation aimed at identifying particular individuals as possible successors for specific and suitable posts for specific individuals, keeping in mind the future people needs of the business.