CHAPTER-V

DISCUSSION, SUMMARY AND CONCLUSION

5.1 : Main findings of the study

a. Appraiser

- On the whole, The performance appraisal was found to be 57.58%. Of this, the maximum performance appraisal was found to be in the component task and target orientation (67.50), followed by Identification of factors-facilitating and hindrance of employees (64.48), Open communication, mutuality between appraisers and appraisees (55.63%) and identification of training and development needs (33.82) had least performance appraisal.

- Designation-wise comparison revealed that managers perceived higher performance appraisal in all the components including total performance appraisal scores.

- Sector-wise comparison revealed that appraisers in private sector had higher performance appraisal compared to appraisers in public sectors.

- Male appraisers had significantly higher performance appraisal scores than female appraisers, in all the components and in total performance appraisal scores.

- Appraisers in the age group of 41-45 and 36-40 years had higher performance appraisal scores than employees in other age groups in most of the components and total performance appraisal scores.

- Marital status of the appraisers did not have a significant influence over performance appraisal scores.

- Appraisers working in sales/marketing/transportation, production/engineering, and in HR/Finance had assessed equal performance appraisal in most of the components except for Participative planning & mutual goal setting and in the Identification of factors-facilitating and hindrance of employees, where appraisers in HR/Finance departments had higher performance appraisal scores and appraisers in production/engineering production /engineering departments.
• Educational qualification of the appraisers did not have a significant influence over performance appraisal scores except for identification of training and development needs, where appraisers with BE background had higher scores and appraisers with degree and diploma background had the least scores.

• Significant correlation coefficients were observed for components of performance appraisal where higher the scores in one component resulted in higher scores in other components too.

b. Appraisee

• On the whole, The performance appraisal was found to be 60.33%. Of this maximum performance appraisal was found to be in the component task and target orientation (69.56), followed by interpersonal relations (69.00), role and responsibilities for persons (63.27), training and development needs (59.85%) and open communication (45.27%) had least appraisal scores.

• Appraisees in public and private sectors differed significantly in their performance appraisal, where in all the respondents to the components expressed higher performance appraisal in the private sector.

• Gender-wise comparison revealed significant differences in most of the components (except for training and development needs and roles and responsibility for employees), where male respondents expressed higher performance appraisal compared to female respondents.

• Age-wise comparisons revealed significant differences (except for roles and responsibility for employees, and in open communication), where employees in younger age groups had higher mean scores compared to employees in older age groups.

• Marital status did not have a significant influence over performance appraisal scores of the employees.

• Working department was found to be independent of performance appraisal scores of the employees working both in public and private sectors.

• Educational qualification of the employees had a significant influence over only 2 components of performance appraisal rules and regulations and in task and target orientation, where employees with SSLC and ITI had higher scores and employees with PU background had lower scores.
5.2 : Verification of the hypotheses

H1: Performance appraisal in selected industries of Mysore district is high.

H1 is partially accepted as we find that performance appraisal from appraiser’s evaluation was found to be 57.58% and from the point of appraisees it was 60.33%. On the whole, we find that the performance appraisal was found to be moderate as evaluated by appraisers and appraisees. Hence H1 stated as “Performance appraisal in selected industries of Mysore district is high” is accepted partially.

H2: Supervisors and managers differ significantly in their assessment of performance appraisal (Appraisers only)

Hypothesis 2 is accepted as we find that managers had significantly higher scores in appraisal than supervisors because managers are technically skilled and competent when compared to supervisors. Managers representing the management are having lot of responsibilities. They have to maintain the professional relationship with supervisors to extract the expected work from the employees. Managers act as a bridge between the management and the employees. Managers are motivating the supervisors to learn and implement the things as per the organizational vision and mission. The main responsibility of the managers is to provide a conducive atmosphere in the organization. Managers are responsible persons to prepare appraisal formats to assess the supervisors. Supervisors are informed about the importance of appraisals. Managers must identify the strengths and weakness of the supervisors to arrange suitable training required for their performance whereas supervisors must follow the instructions given by the managers and implement it carefully in the organization. The difference in educational qualification matters a lot between the managers and supervisors. Both managers and supervisors must perform their work not only for their performance but also for the organizational performance. Attitude towards the organization, job acceptance of and desire for, responsibility, personal desire for accomplishment and drive, self-reliance in making decisions, degree and fairness of competition, loyalty, ability to learn new techniques, leadership skills, emotional stability and other qualities exist more among managers than supervisors.

A study by Herman Steensma and Lisette Otto (2000) indicated that Employee’s satisfaction with PA sessions covaried with voice and with receiving adequate information beforehand. Good conversational techniques of supervisors enhanced
satisfaction with PA. Data also demonstrated the predicted self-serving bias of supervisors. Supervisors perceived that they used more participative leadership and had better conversational techniques than the subordinates perceived. Supervisors also had a more positive perception of the number of topics that were discussed in PA sessions.

Periodic performance reviews are critical both for managers and supervisors. Organizations are hard pressed to find good reasons why they can't dedicate an hour-long meeting at least once a year to ensure the mutual needs of the employee and organization are being met. Performance reviews help supervisors feel more honest in their relationships with their subordinates and feel better about themselves in their supervisorial roles. Subordinates are assured clear understanding of what's expected from them, their own personal strengths and areas for development and a solid sense of their relationship with their supervisor. Avoiding performance issues ultimately decreases morale, decreases credibility of management, decreases the organization's overall effectiveness and wastes more of management's time. (http://managementhelp.org/mgmnt/prsnlmnt.htm). But, if managers were to be held accountable for the productivity of subordinates, then appraising performance along with counseling and guidance, would be in the best interests of the managers. One way to hold a manager accountable is to key their profit sharing or bonuses or plain old increases to the performance of their departments. The performance of the company is then logically keyed to the performance of departments. (http://www.ewin.com/articles/ongoperf.htm)

The results of study by Nowell, (2009) indicated that, “training employees” was found to be a relatively more important activity for public sector supervisors, as compared to their private sector counterparts. This is a surprising finding, in that the private sector is known to have a higher rate of employee turnover and, therefore, an assumed greater need for training new hires. There is no obvious explanation for this result and, to our knowledge; there is nothing in the research literature that helps to explain it. It therefore represents an important new area of research that needs further exploration.

Ishaq, Iqbal and Zaheer (2009) studied on Pakistani managers and employees revealed that managers have different views from employees regarding detriments to PA
effectiveness whereas; regarding outcomes of PA effectiveness, male and female managers/operatives had different views regarding PA.

**H3: Employees from private and public sectors differ significantly in their assessment on performance appraisal (Appraisers and appraisees).**

Hypothesis 3 is accepted as we find that private and public sectors differed significantly in their assessment on performance appraisal. It was observed that performance appraisal was found to be significantly higher for private sector industries compared to public sector industries. Employees working in private sectors are working for their development as well as the organization. ‘Once you perform you develop otherwise you fail. This is the motto of all HR concepts’

The findings of the present study are in agreement with the study conduct on Jordanian private and public sectors by Jamal Abu-Doleh and David Weir (2007) revealed that private organizations' performance appraisal had significantly greater impact than their counterparts in the public sector on promotion, retention/termination, lay-offs, identifying individual training needs, transfers and assignments. This study also indicated that performance appraisals were conducted once a year and the appraisee managers were primarily responsible for conducting performance appraisals. The study concludes with a set of recommendations for improved practice. Chief among these recommendations is that performance appraisal systems in the Jordanian context need to better serve the four functions of performance appraisals discussed in this paper and the need to include other than the appraisee manager in the appraisal process. This article explores the attitudes of human resource managers working in the Jordanian private and public organizations towards the functions of their performance appraisal systems, and to the ways in which performance appraisal systems are implemented. A self-completion questionnaire was the main data collection method used in this study. Data was collected from a randomly selected sample of 74 organizations (38 private and 36 public organizations) that have a separate and formal HR department. The study contributes empirical information about human resource management in a relatively under-researched region. Major research findings of this empirical study include that performance appraisal systems had a moderate impact on the four functions of performance appraisal systems. These functions were grouped as: (1) between-
individuals comparisons; (2) within-individuals comparisons; (3) systems maintenance; and (4) documentation.

Nonetheless, the studies in this area have an important limitation, i.e., they have focused almost exclusively on the perspectives and activities of "senior" and "upper-level" managers while largely ignoring those on the front line - the "first-line supervisors". Are there, for instance, differences between public and private managers at the first-line supervisory level?

Taylor and O'Driscoll (1993) in their study found that human resource directors indicated that appraisal information was used most often to give individual performance feedback. Links between appraisals and pay were widespread, but generally indirect and informal. In contrast to the emphasis of past research on rating errors and cognitive processes in performance evaluations, primary difficulties identified by these human resource directors were 1) managers failing to discuss and improve performance problems with subordinates, and 2) the setting of vague performance objectives. The most frequently cited change which organizations made and were considering making was simplifying appraisal forms and procedures.

**H4: There will be a significant relationship between components of performance appraisal (Appraisers and appraisees).**

Hypotheses 4 states "There will be significant relationship between components of performance appraisal" is accepted. It was found that both for appraisers and appraisees, significant correlation coefficients were observed for components of performance appraisal where higher scores in one component resulted in higher scores in other components too. There was mutuality between scores on the one component compared to scores in the other component of performance appraisal.

**H5: Male and female respondents differ significantly in their assessment on performance appraisal (Appraisers and appraisees).**

H5 is accepted for appraisers as we find from the analysis that male appraisers had significantly higher performance appraisal scores than female appraisers, in all the components and in total performance appraisal scores. However, for appraisees, H5
is accepted for most of the components and H5 is rejected for the components training and development needs and roles and responsibility for employees, where male and female respondents had similar scores.

Carter and Delahave (2005) performance appraisal has been generally accepted as being stressful for both appraisers and appraisees. Using pre- and post-measures of the three catecholamine neurotransmitters, namely adrenaline, noradrenaline and cortisol, they examined the extent that a performance appraisal interview is stressful for appraisees. It was found that the event was highly stressful for unsuccessful appraisees, both male and female and, further, that unsuccessful appraisees expected a stressful event. Gender differences were found in the study. Males appear to be more physiological responsive while for females, the psychological, rather than the physiological costs may be higher.

\textit{H6: Employees in different age groups differ significantly in their assessment on performance appraisal (Appraisers and appraisees).}

For appraisers, H6 is accepted as we find that appraisers in the age group of 41-45 and 36-40 years had higher performance appraisal scores than employees in other age groups in most of the components and total performance appraisal scores. However, for appraisees, it was observed that younger age groups had higher mean scores compared to employees in older age groups for all the components except for roles and responsibility for employees, and in open communication. Hence H6 is rejected for these 2 components for appraisees.

\textit{H7: Marital status of the employees has significant influence over their assessment on performance appraisal (Appraisers and appraisees).}

H7 is completely rejected as the test statistics revealed non-significant differences between respondents with different marital status. This was found to be true for both appraisers and appraisees. For all the components and total appraisal scores, F test revealed a non-significant difference between respondents with married, bachelor, divorce and separated status.
**H8: Respondents working in different departments differ significantly in their assessment on performance appraisal (Appraisers and appraisees).**

For appraisers, H8 is rejected for most of the components, where Appraisers working in sales/marketing/transportation, production/engineering, and in HR/Finance had assessed equal performance appraisal in most of the components and H8 is accepted for Participative planning & mutual goal setting and in the identification of factors-facilitating and hindrance of employees, where appraisers in HR/Finance departments had higher performance appraisal scores and appraisers in production/engineering departments.

For appraisees H8 is rejected, as in the all components F test revealed non-significant differences between appraisees working in production, sales and transport departments.

**H9: Employees with different qualifications differ significantly in their assessment on performance appraisal (Appraisers and appraisees).**

H9 is rejected for appraisers for most of the components, where Educational qualification of the appraisers did not have a significant influence over performance appraisal scores except for identification of training and development needs, where appraisers with BE background scored higher and appraisers with degree and diploma background had least scores.

For appraisees, H9 again rejected for most of the components and accepted only 2 components of performance appraisal-rules and regulations and task and target orientation, where employees in lower educational backgrounds had higher appraisal scores.

**5.3 :General Discussion**

Performance appraisal is a formal management system that provides for the evaluation of the quality of an individual's performance in an organization. The appraisal is usually prepared by the employee's immediate supervisor. The procedure typically requires the supervisor to fill out a standardized assessment form that
evaluates the individual on several different dimensions and then discusses the results of the evaluation with the employee.

Performance Appraisal is an objective system to judge the ability of an individual employee to perform his tasks. A good performance appraisal system should focus on the individual and his development, besides helping him to achieve the desired performance. This means that while the results are important the organization should also examine and prepare its human capital to achieve this result. This holds true even for new inductees.

There is a strong linkage between induction, training and appraisal. In a large number of firms worldwide, a new recruit is expected to discuss his schedule of work in achieving his induction objective. This schedule of work becomes a part of his job for the next few months.

Performance appraisal form provides the basis for the performance review, providing the feedback to the employees and the final rating of the employee. It also facilitates various other HR decisions and career development plans and decisions of the employees. Therefore, performance appraisal form should be filled with utmost care and objectivity.

Performance appraisal is the mechanism by which organizations seek to assess and develop staff, thereby enhancing performance and distributing rewards (Fletcher, 2001). Several writers (Delahaye, 2005; Fisher, Schoenfeldt and Shaw, 1999; Lee, 1996) have suggested that there are two basic purposes for performance appraisals in organizations – developmental and administrative. Administrative reasons for performance appraisal include making decisions on salary increments, promotions and retrenchments and these appraisals are predominantly retrospective in nature. Developmental performance appraisals predominantly concentrate on identifying the developmental needs of an individual for successful present and future performance (Delahaye, 2005).

Business owners have been evaluating the performance of their employees for as long as businesses have existed. But not all entrepreneurs take the time to review their employees, and even when they do, the reviews are often done in a haphazard way or on an irregular basis or are instigated only after a negative action on the part of the
employee. These type of encounters are rarely productive because they usually only afford the boss an opportunity to 'get something off his/her chest'. A performance appraisal can be a powerful tool for any entrepreneur who wants to get the most out of every encounter with their employees. So why is this process important and how can you best use these sessions to one's advantage? First, a regularly scheduled feedback session, whether done quarterly or annually, gives employees a planned and anticipated opportunity to address key issues with you. It also provides a time for interaction with employees one on one to evaluate their strengths, limitations and growth potential. Third, this conversation serves as the time to discuss potential financial rewards and promotions, which can be a source of increased job interest on the part of one’s employees. If promotion isn't an option at this time, one can outline the knowledge, skills and abilities necessary for advancement and future potential with one’s company. This 'career pathing' information can help both employer and employees gauge just what's needed to move on to the next step, responsibilities, job level, within one’s company (Javitz, 2006).

5.4 : Role Transformation Of HR Department – A Need For Face Lift

For transforming the role of the HR Department in order to influence organization performance, first, the key decision areas of the HR Department are to be identified, the areas that lead to revenue maximization by improving the efficiencies of the HR. On the contrary, HR has always been viewed only as a cost that can be minimized to gain efficiencies. HR decisions are seldom viewed as a source of value creation or termed as “Numerator Management” (Hamel and Prahalad et al, 1994). Most organizations consider labor cost as the only largest operating costs as in Saratoga Institute, 1994 (Hempel, 1996) and reduction of the HR flab continues to play a major role in defining strategies to restructure operations and reduce costs. Now the basic question is about the area of emphasis for role transformation of the HR Department, should it just limit to HR attrition or should it widen the scope to create value by having new structures that are in unison with the overall firm’s strategic vision? Due to obvious reasons of dynamism in business environments, the answer is to widen the scope of functions of the HR Department that add value by aligning them with the overall goals of the firm. So to bring about transformation in the roles of the HR Department, the core issues that need focus are:
Need to consider HR as a sustained competitive advantage: In the prevailing competitive business environment, firms need to develop sustained competitive advantage that not only create value for the firm, but also be difficult for the competitors to imitate. Traditionally firms enlist their competitive advantages as natural resources, technology, economies of scale, etc., but these are highly vulnerable and can easily be copied by the competitors. HR strategies on the other hand are exceptionally difficult for competitors to ape and so are considered as invisible assets. The reasons are:

- The competitors cannot identify, grasp and imitate the perfect underlying mechanisms of internal and actual dynamics of policies and practices that yield the best value for the organization.

- HR systems are developed over time – the organization culture, interpersonal relationships, etc. These attributes are something that cannot be developed overnight – even if the competitors understand the latent advantages of the system.

* Change in HR planning paradigm need for a strategic based planning: The HR Department needs to have a strategy based planning process and has to take up the role of strategic partners. Due to fast switches taking place in the business environment and business communities opting for knowledge based cultures, the strategic planning process proves to be a very effective approach as it becomes part and parcel for analysis and creation of HR requirements and services based on the overall strategic based planning and has the following advantages:

- Provides a clear understanding of the business priorities with respect to the overall strategic objectives;

- Helps in identifying the key Result Areas (KRAs)

- Gives a clear understanding of the internal and external factors that affect the achievements of the firm’s objectives.

- Specifies the responsibilities and accountabilities for achieving each objective.

- Helps in determining and identifying the alternatives to achieve the objectives.
• Helps in translating the objectives into specific HR programmes and practices.

• Tradeoffs in required resources and timings can be understood effectively.

• Scope for re analysis of each business objective not achieved in terms of HR.

• Provides room for comparisons of each priority in terms of cost vs. returns.

• Performance appraisal becomes easier, analyzing the individual goals of the personnel in comparison to the overall organizational objectives.

• Makes the process of determining career paths of the personnel easy, identifying and developing leaders of the future.

• Provides focus to recruitment and selection processes with respect to overall business objectives i.e.
  - Required knowledge levels;
  - Required skill sets.
  - Timing of requirement.
  - HR inventory management (to control gaps and surpluses).

**HR Departments-Future perspective**

Strategic HRM may sound futuristic, but as the saying goes “the future has already happened.” With the mounting pressure on the HR Department to cope with globalization, diversity, technology, intellectual capital and other market forces, it is now playing the role of catalyst for integration and collaboration to be brought into the overall perspective of HRM keeping the PM in the forefront. Managing performance needs strategic approach, an approach that has to include an analytical process so as to align the staffing and services with the overall strategic goal by eliminating those that do not fit into “Big Picture”. Thus to build a high performing organization, the HR Department needs to take the role of a facilitator by providing cools, guidance and counseling needed by the human resource to perform effectively. Business perhaps, can least afford to take any route, for they have to achieve the objectives of their existence. In this context;’ performance management’ as a strategic input guarantees businesses to be on their chosen path.
Businesses are a bundle of behaviors; Some of them affect the business positively, and some negatively. Right behavior is central to the success of any business. In other words, it is the desired behavior that makes or mars the business. But all of us behave in a manner that is comfortable to us and this may not always necessarily support the business goals while managers struggle to maximize the ‘shareholders wealth.’ Rarely, therefore, if there is any business that does not periodically review the performances of its key contributors be it individuals, work teams, business units or senior managers the business may collapse.

Basically, ‘performance’ means carrying something to a specified standard. In the context of a business it involves a series of patterns of behaviour that support the mission and goals of the business. As against this reality mangers are often found to focus on results. There is a vast difference between these two; Behaviours are part of the through put of the process while results are output.

5.5 : Performance management process: the way forward

It is evident that success of a business depends on the goal oriented behaviour of the employees. Hence it is essential to build up partnerships with employees to operationalize technologies and processes assembled to achieve business goals. Otherwise, they may remain mere assemblages if not become counterproductive. Experience indicates that unless businesses delight their employees, they cannot expect of them to delight customers. In this regard PM comes handy as a strategic HR input. To make PM a success, managers must make themselves responsible to cascade business objectives to all employees, develop competencies for all roles, introduce 360 degree appraisal and complete 100% appraisals as the norm. They must rigorously track the appraisal process, develop objective setting workshops for employees, introduce mandatory assessor training programs and introduce performance related pay. They must create an atmosphere that develops core competencies problem solving and analysis, creativity and innovation, interpersonal sensitivity, resilience, personal motivation quality focus etc, may be in consultation with psychologists and job related specific skills as developed by line management.

Performance appraisal should move away from a purely financial measure to a “balanced scorecard” approach. It should also assess the individual vis-à-vis future
placement requirements. Rewards must be linked to the specific performance criteria rather than to the overall rating. Focus should be on developing and internalizing core competencies and career plans rather than aiming at linking performance rating with mere rewards.

Clear career paths have to be drawn based on behavioral competencies and skills and they must be discussed with the respective employees. Coaching and mentoring programs contribute a lot in the process of career development. However, one should be careful while performing performance appraisal, as a study by Pearce and Porter on employee responses to formal performance appraisal feedback indicated that the feedback that one is "satisfactory" will be disconfirming for many feedback recipients. Results revealed that there was a significant and stable drop in the organizational commitment of satisfactory employees after the introduction of formal appraisals, with mixed results for attitudes toward the appraisal system. Findings suggest that potentially negative consequences of implicitly comparative formal performance appraisals can occur for those performing at a satisfactory, but not outstanding level.

PM, in short, is nothing but communicating widely about organizational goals with the employees, involving them in it rather than imposing it on them and setting a sensible scope for their achievement and religiously sticking to it. Managers have a lead role to play with unshakable commitment in making performance management work for the good of the business.

Focusing on Team Performance for Better Results

- The self-assessment is done by the team as a whole or a group of representatives on the basis of the work done during the year. This is passed on to a top-level committee who reviews the performance of the team and provides feedback to them. While reviewing they take into consideration internal customer service and other variables. The review team itself was not to be in the purview of the team appraisal and should therefore look beyond the department or team to which they belong.
• The performance-linked pay assigned to the group will be determined by the performance category to which the team belongs and the organizational performance for that year.

• Every member of the group will be assigned the same amount of pay in multiples of or fractions of his salary, (for example, if a group is a high performer everyone in that group may get 20 per cent of the salary as onetime payment for that year).

• Organizational performance determines the amount of performance-linked pay. However, individual performance and team performance determine how much more the individual gets in addition to a part he gets for good performance of the organisation.

Since the time that IL&FS have introduced this system many other organizations have adopted the model with modifications. The performance management system worked out by the National Stock Exchange of India has improved it further with attempts to combine individual performance with group performance and integrate into it the 360-degree feedback.

**Performance appraisal – Assessors perspective**

In the last decade or so, researchers in the performance appraisals field have called for considering the social context so as to resolve some of the vexing issues bothering both the researchers and the practitioners alike, e.g., assessor’s appraisal intentions and accuracy (Ilgen, Barnes-Farrell, and McKellin, 1993). There has been some movement in this regard, as subsequent research has investigated the contextual factors and their effect on appraisal ratings. Some of these factors include appraisal purpose (Jawahar and Williams, 1997), assessee’s upward influence tactics (Ferris et al., 1994), relationship with supervisors (Fagenson, 1989), assessors’ accountability (Curtis, Harvey and Ravden, 2005), etc. Then, there has been considerable research on appraisal from a justice perspective – procedural and distributive both. This research body has identified important processes, e.g., participation, 360-degree feedback, which makes appraisal more fair, especially from the assessee’s perspective, as well as accurate. Levy and Williams (2004) reviewed this research on appraisals in its social context, conducted over the last decade or so. They identified
few interesting directions in which research needs to move to push the overall contextual research agenda further.

One of the areas they identified as having neglected is the political perspective of appraisals. Associated and included in it is the research on accountability as applied to appraisals. These are interesting constructs because they affect the assessor’s intentions or goals, a determinant of accuracy. There have been few developments in appraisal politics (Poon, 2004; and accountability research (Curtis, Harvey and Ravden, 2005;). But these developments have been largely descriptive in nature, and the conceptualization has also been piecemeal. Just to reemphasize, Sims, Gioia and Longenecker (1987) conceptualized appraisal politics as constituting only the assessors’ manipulation of ratings while ignoring the assesses’ influence tactics. Then, probably, it is the first attempt to conceptualize PAPS from the assessor’s perspective. Similarly, accountability research, as applied in appraisal, has failed to distinguish between its important types, i.e., procedural-and outcome-based accountabilities, which has important implications for the assessor’s behaviour. Our paper fulfils these gaps and opens up interesting research possibilities. To keep the conceptualization simple and focussed only on key variables of interest, we have ignored certain variables, e.g., the assessors’ personality variables, some distal organizational factors, etc. But this simplicity does not in any way affect the lucidity and the perspective of the model as it focuses on the political view. An interesting direction could be to investigate the effects of procedural/ outcome accountability on procedural/outcome justice perceptions in the context of appraisals. This will be a major contribution to the administrative and justice research. Research in the field of justice has already found interesting differences between procedural and distributive forms (Greenberg, 1986), and its implications for organizations. Investigating accountability and justice will provide leads about creating appropriate webs of accountability that can promote fair work environment.

5.6 : Managing peak performance

Feedback, appraisal, and criticism are essential for any individual or group to improve performance. Traditional performance appraisal systems and performance Management (PM) processes, however, are insufficient for supporting or sustaining the advanced levels of shared thinking required for high performing organizations.
They can’t deliver the results their advocates promise. There are several reasons why they are insufficient.

- They are too slow: To be truly educational, feedback has to occur at the speed of business circumstances. It is most powerful when it follows directly on the heels of performance. When feedback is fresh it can be more deeply discussed, considered and incorporated in a timely fashion. Feedback coming once or twice a year, weeks or months after it is critical to performance in a particular situation – is worthless for developing complex skills, including interpersonal skills.

- They are too remote: Too often the voices of customers, teammates and co-workers are filtered and delivered through the manager. The manager has to speak for others and share events that he/she only known about second hand. Managers can’t effectively explain or clarify issues and situations with which they aren’t familiar. Placing the manager between teammates often reduces the ability of teammates to talk directly to each other. It can also strain the relationship between the worker and the manager.

- They are too vague: Useful feedback is specific, focused. Actionable and relevant to a particular situation or set of circumstances. This requires a level of explicitness that is seldom reached with current performance management systems (PMS), which rely on annual or bi-annual performance reviews. It is even more difficult to clearly recreate the contexts in which those events unfolded. Evaluated dimensions are often broad behavioral categories such as “responsible”, “reliable” and “industrious”, such terms open the door for heated debates about their exact meanings in specific situations. Holding their conversations is like mucking through a swamp of ambiguity. Most line managers dread them. As do most employees. Once an effective tool, when business circumstances unfolded much more slowly than they now do, individual performance reviews as most companies practices them have devolved into nearly useless ritual.

- They are too emotionally laden: The mind is best prepared to grasp new information, think effectively and learn when it is clear and focused.
Understanding, thinking and learning are more complicated when a person is anxious, self conscious angry or defensive. Under such circumstances, the individual’s goal is to protect the ego, not to become more vulnerable. Tying long term performance feedback into a process that also affects salaries, promotional opportunities, and ultimately, one’s job security creates a situation in which the manager and the worker are emotionally at odds and the conversation is more about managing HR processes than about improving workers performance on a day-to-day basis.

They are too focused on each individual alone. This is the single, most damning aspect of traditionally practiced PMS. Optimizing your own performance without regard to your impact on others, or the synergies required for effective teamwork, is insufficient today. A successful company isn’t a collection of individuals performing independently; it is a networked, interdependent system that operates as an organic whole. Feedback has to relate to individuals, but within the context of the whole interdependent system. Systems that don’t aid in developing shared understandings about effective team performance are simply inadequate to meet the challengers found on the playing fields of today’s business competitions.

5.7: CONCLUSION

The realities of today’s business environment require companies to be fast, focused and adaptable in order to thrive. Business processes that hinder these organizational capabilities must be reworked and updated. Processes that pass information rapidly, that foster communication among the people working interdependently, and that help every individual reference their efforts against the company’s strategic aims are vital.

If a business aspires to be fast, focused and adaptable it must have the infrastructure to act that way.

The most effective way for a business to create this infrastructure is to remove the barriers that prevent individuals from talking together, and minimize delays in providing feedback. Create and reinforce the expectation that co workers and collaborators will talk directly about the quality of their collaboration. Remove the long delays between performance and feedback by ensuring that dynamic
conversations about the work that are happening continuously rather than on occasional predetermined dates. Expand employees understanding of their roles from thinking of themselves as individual performers to being able to think about their performance from the perspective of the company in action.

There is an old Chinese proverb that states, no matter how far you’ve walked down the wrong road, stop. If, as with the first two coaches described above, you are trying to improve the performance of your team by using outmoded individual performance management systems, the results will be disappointing. On the other hand, by helping your people work together for greatest effect, you will create an unassailable competitive advantage and evolve the very nature of the game itself.

If Performance Appraisal is not properly understood by the organisation, the organisation may fail in the area of development and will be surrounded by several problems Work threats will increase in the organization. Employees lose interest and confidence in the organisation. Poor team work, Non-Co-operation, wrong placement, poor job knowledge, insufficient training, physical illness, family problems, and other social problem viz. drinking, indebtedness, conflicts in families are some of the problems which may arise.

Contemporary managers need to keep in mind that gender equity in the appraisal process does not mean treating all staff exactly the same and measuring the exact same criteria. Staff will perform well in different areas, and poorly in others. In this study female high performers exhibited calm confident relationships at work, were happy with co-worker evaluations and perceived as team players. Similar findings in Boswell and Boudreau (2000) tied team behaviour to satisfaction and productivity. Anecdotally such women were often said to be the “glue” that held the workgroups together. Contrast this to the high performing men who were insecure, competitive and results driven. Such men were not team players, yet they were described as giving direction, leaders of the group and operationalised the vision of the firm. So we have leaders and team players, both necessary to the firm’s performance, yet males were often seen as being more valuable because of their congruence with the vision of the firm. Also given the nature of the appraisal document, i.e. it had a lot of questions about leadership, vision and goals, it is little wonder competitive leadership is rewarded and co-operative team work disparaged. Given the central and interactive
nature of performance appraisal, these findings, although tentative, could have implications for in other HRM functions, such as workplace discrimination, gender equity and workplace health and safety.

Therefore, more Empirical studies on Performance Appraisal System are required to throw more light on the concept, its role, functions and importance so as to benefit both the employer and employees in the organization.

5.8 :Limitations of the Study:

1. The present study is limited to only Mysore district, where the number of industries is relatively less compared to metros and other big cities.

2. The present study involved only 300 sample size. Higher sample size would yield better directionality of results.

3. Only performance appraisal was measured in the present study. How performance appraisal is influenced by organizational factors was not focused.

4. Gender-wise representation from female side was too less compared to male sample.

5. The present study does not made a comparison within an exclusive type of industry like CC/BPO or MNC. The industries have been broadly classified into public and private sectors.

6. All the responses have been measured through questionnaires, no attempt has been made to cross validate the results.

5.9 :Recommendations

The performance appraisal system should be fully integrated into existing management systems and processes. In order to be successful, performance appraisal activities, especially while in pilot phase, should be integrated into all divisions in the organization To ensure the sustainability of the process, training should be integrated into routine meetings held between managers and supervisors. This will help reduce costs and establish a sustainable forum for building capacity in performance appraisal. Most of the recommendations given below are adapted from Martinez (2003).
1. Performance appraisal process faces too many constraints to be expanded and should be revised and more successfully applied before scale-up is considered. We recommend that implementation plans and systems be developed. Appraisal forms should be revised and field tested, which should be simple, rapid and discrete.

2. In order to be effective, commitment and support for the performance appraisal, advanced process is required from the HR department. Staff in regions testing out the performance appraisal process should be able to present the revised forms when applying for promotion. HRDD management should also provide support for the implementation of the PA process.

3. The performance appraisal system should be fully integrated into the existing management systems and processes. In order to be successful, performance appraisal activities, especially while in pilot phase, should be integrated in all divisions in the organization.

4. To ensure the sustainability of the process, training should be integrated into routine meetings held between regions and district/hospital staff and districts and facility staff. This will help reduce costs and establish a sustainable forum for building capacity in performance appraisal. Systems should also be developed so that in-service training coordinators at the region obtain information on training needs from staff performance appraisals and can integrate these needs into regional training plans.

5. Similarly supervision of performance appraisal should be integrated into existing supervisory systems and supervisors should be trained in what and how to supervise with regard to performance appraisal.

6. Thought should also be given to linking the performance appraisal process to other related HR systems and processes, namely, quality assurance systems, performance-based reward programs, staff promotion and advancement, and training. As it exists, performance appraisal has been tied into the promotion system, but its relationships to other systems remains weak.
7. HR monitoring systems should enable facilities, districts and regions to identify how many staff actually receives appraisals compared to how many should be appraised. Such information will help HR managers identify which districts or facilities need additional assistance and to improve the implementation of the performance appraisal process.

8. Clear and simple guidance should be created for implementing the performance appraisal process. The guidance should include specific procedures related to performance appraisal. A system for disseminating this guidance and making it accessible to supervisors and staff should also be developed so that resources for performance appraisal are available at all levels. Further, attention needs to be paid to the issue of who should appraise whom.

9. While yearly appraisals are inadequate, quarterly appraisals are too cumbersome. The evaluation team recommends that performance appraisal be conducted once a year with an abbreviated 6-month review. This system will allow for two formal meetings between staff and supervisors and will help staff assess their progress and create new strategies if necessary.

10. An effort should be made to integrate an assessment of service quality into the performance appraisal process. This might be done in two ways. The first way of doing this would be to have supervisors complete checklists based on accepted standards of care while observing staff treating patients during routine supervision. This would require the development of a number of concise checklists in key health areas, management, and environment. Checklists could then be attached to individual performance appraisal forms and would provide documentation on what staff are doing well and in what specific areas they need additional training or support.

11. Performance appraisal forms need to be simplified. They need clear guidance on who should fill out which part of the form included on the form itself. The annual and quarterly forms should be combined into a single form to be completed once a year and a short review form should be provided to guide the six-month review. In particular the space for noting training needs and
actions to be taken to address staff problems or weaknesses should be integrated into what is now the quarterly performance appraisal form.

12. To deemphasize promotion as a reason for performance appraisal, but keep the process linked to professional advancement processes, promotion ratings should be left out of the performance appraisal forms.

To make sure that performance appraisals are timely, it is recommended that the date of the performance appraisal interview, and not just the period under review be added to the forms. This will help managers reviewing PA forms for staff up for promotion assess how long ago the performance appraisal was actually conducted and will motivate staff and supervisors to get them done on time (Martinez, 2003). High quality accurate performance information is crucial to the effective development of both employees and organizations. Unfortunately, a good deal of empirical evidence suggests that most performance appraisal data is of less value than it could be (http://www.organizedchange.com/Excite/360degreefeedback.htm). Decision makers should demonstrate their commitment to the process by investing their own time, energy and whatever other resources are needed to apprise well. Then they can expect others to do the same, and should hold them accountable for doing so.

According to Kirkpatrick (2006), an effective performance appraisal program should do more than set salary and promotion decisions on past performance. It should aid in the development of a performance improvement plan that utilizes coaching from the department supervisor or manager to increase skills development. This puts it in the same category as training, which is all about looking ahead and developing practical programs that result in improved performance. Both training and performance appraisal rely on managers to work with employees to obtain maximum performance. Training in most large organizations has branched out from the human resources department to form its own niche, usually in the form of a corporate university. And this departure from HR has usually sent performance appraisal and training in different directions. Corporate universities and other training departments, whether or not they are under HR, should evaluate how they can integrate the two programs. Nearly all performance appraisal programs identify an employee’s strengths and
weaknesses. These weaknesses can be translated into training needs, which are a basic ingredient of practical training programs. The needs of individual employees can be used to determine subject content for training programs.