CHAPTER- IX

CONCLUSION AND SUGGESTIONS

9. 1  INTRODUCTION
9. 2  CONCLUSION AND SUGGESTIONS

I  CONCLUSION

a. Specific Conclusion
b. General Conclusion

II. SUGGESTIONS

a. Specific Suggestions
b. General Suggestions

9.3 CONCLUSION
9. CONCLUSION AND SUGGESTIONS

9.1 INTRODUCTION:

This chapter draws appropriate conclusion and practical suggestions to different categories of business houses employees for performance appraisal system and its improvement. This chapter has covered Conclusion and Suggestions parts on the basis of study and derived models. To measure the performance of employees the researcher has designed three different models or formats for three different nature industries at three different levels of management. The researcher has focussed on different variables with appropriate weights. In the manufacturing industry, service industry and trading organization, there are knowledge-workers and physical workers at three levels of management. The knowledge and physical workers performance measurement weight is not uniform, so, the researcher has designed the measurement on 25 scales with different weights for the measurement of employees' performance. In rapid changing LPG situation, managerial and technological changes have taken place, so it becomes necessary for knowledge and technical workers to be in a continuous learning process. To minimize the 'brain drain' problem, proper performance appraisal is required. In any case, learning and employees performance constitute the essential foundation for success of any knowledge and technical workers of the organization. In this situation 'training' is more than 'learning'; has become the MANTRA of the business world. This performance appraisal will allow the managers to know how well their business is running, and whether its products and services conform to customer requirements. Recent management philosophy has shown an increasing realization of the importance of customer focus and customer satisfaction in any business. If customers are not satisfied, they will eventually find other suppliers that will meet their needs. Poor performance from this perspective is thus a leading indicator of future decline, even-though the current position may look good and it is directly dependent on the human resource performance. Keeping this view in mind, the researcher has studied and designed the performance appraisal model or format and also drawn following conclusion and made suggestions.

9. 2 CONCLUSION AND SUGGESTIONS:

I. CONCLUSION:

a. Specific Conclusion:

1. It is concluded that out of the total respondents educational qualification in manufacturing industry is 67% S. S. C., 40% employees are H. S. C and Post Graduates in service industry and 67% employees are H. S. C in trading organization. The educational level of majority of employees in the sample units is lower.
2. It is found out that 60%, 93% and 33% sample respondents are partly happy in manufacturing, service and trading organization respectively. This is not good for the industry. Happiness of employees in the workplace affects employee performance. If happiness level is lower employees' performance will not improve.

3. It is concluded that 80%, 93% and 60% respondents are taking good efforts for performance improvement in manufacturing, service and trading organizations respectively. It means majority of the employees are taking efforts for performance improvement which is a good indication of the industries. As compared to other two sectors, service sector respondents are taking more efforts for performance improvement though there is very less job rotation in all sample industries.

4. It is summarized that 67%, 40% and 47% respondents partly agree, agree and completely agree with promotion policy based on performance appraisal in manufacturing, service and trading organization respectively. There are mixed opinions in the sample respondents. It can be concluded that any company's promotion policy should be based on performance of the employees.

5. It is observed by the researcher that there is no 360-degree performance appraisal in the sample industries. It is seen that there is only supervisor observation method for performance appraisal. It is observed that the respondents are interested to go for 360-degree appraisal system where more accuracy and transparency is found. In the trading organization the respondents are more positive with the 360-degree feedback method.

6. It is concluded that top management people are very much interested to introduce computerized performance appraisal but lower level management people are reluctant to use it. The overall analysis shows that service sector industry respondents strongly agree with IT application in performance appraisal.

7. It can be concluded that in the manufacturing and service industry, Peer evaluation for performance appraisal is not that much satisfactory but in trading organization it is somewhat acceptable. Considering other parameters for performance appraisal there is a biased evaluation of employees. It is true that it is a tedious job to evaluate the employees on a mass scale. The analysis shows that in the manufacturing and service sector industry there is absence of strongly agreed respondents with Peer evaluation for performance system. There is a strong need for 360 degree performance appraisal.

8. Considering the Ratees perception regarding performance appraisal they are ready to involve in this process. 87% and more, 93% and more, and 33% and more have good and positive perception in manufacturing, service and trading organization respectively. It indicates that there is a positive signal for performance appraisal of employees from Ratees point of view.

9. It is concluded that by considering other tables and data that 87%, 67%, and 100% respondents from manufacturing, service and trading organization agree enough to have scope for improvement in performance appraisal respectively. It means that there is a considerable scope for improvement in the performance appraisal system. In other words, the present systems of performance appraisal are not up to the
There is a need for redesigning the performance appraisal systems in their respective organizations.

10. It can be concluded that there is no proper uniformity in the performance appraisal system at three levels of management and three types of industries, so, modification of system is required. One should bring uniformity at three levels of management although it is some what difficult. There is urgency to start rigorous study regarding the uniformity in performance appraisal and design the good and moderate performance appraisal systems at all levels of management. Broad based and tentative uniformity could be designed for different levels and different type of organizations.

11. Considering the size of the human resource the sample organizations are using supervisor authority performance appraisal system. It can be concluded that performance appraisal is conducted only as a routine work and part of duty. It is also indicated that there is no any rigorous exercise followed for performance appraisal of employees. It is also again focused that human resource is a very vital resource in resources but not treated properly regarding valuation or performance measurement point of view. These sample units are not using human resource account in their organizations. It is also observed by the researcher that in all the sample units supervisor and higher authority assess the performance of an employee. In brief, it can be interpreted that in sample units all the 360 degree performance appraisal is not followed. It is concluded that the company should use 360 degree performance appraisal system for proper evaluation of human resource in the organization.

12. It is concluded that the performance appraisal is undertaken in the selected sample units only for the increment, promotion and training need determination purposes and not for other vital reasons. Under this situation it is suggested that the all organizations should conduct performance appraisal for salary, wages, increment, promotion, transfer, training need determination, employees productivity measurement, motivation and required skills determination equally in the organizations, which will help for overall development of performance of employees.

13. It is found that 40% and 55% of the manufacturing and trading organization are facing halo effect problem respectively and 67% of the service industry are facing supervisor’s duel and conflicting role problem. It is studied by the researcher that halo effect, supervisor’s duel and conflicting role, long time gap between two appraisals and partiality problems are found in manufacturing industry and except long time gap between two appraisals and all other problems have been faced by the service and trading organizations. It means that almost all problems are found in all the sample units. To minimize the problem in performance appraisal independent thinking and research is required and for this purpose the researcher has designed the model for performance appraisal of employees where performance appraisal problems are minimized.
b. General Conclusion:

1. Rater should rate the performance of employees about 15th to 20th date of the month when Retee and Raters are some what comfortable in the sample selected units and such types of other units.

2. Performance appraisal should be conducted in morning session i.e. first half of the day, which provides real evaluation because Rater and Ratees are in fresh mood.

3. Rater should be in a fresh mood and he should finish Rating one at a time in the sample units.

4. If computers are at all departments then ask to feed individual data to a departmental computer and bring the data at central department i.e. HR Department for processing. This will help for central processing of data and report. If it is possible that LAN should be installed and it is possible to big size business. Through the LAN, HR Department can collect faded data at central server and then it can get processed, but this system requires more investment. Heavy investment is possible to the manufacturing unit but it is somewhat difficult in other two sample organizations i.e. Hotel and Trading organization.

5. In performance appraisal system, the basic problem is data collection, analysis and it is very difficult and time consuming manual feeding, which is found in the sample units.

6. It is observed by the researcher that at the beginning companies followed the performance appraisal system but after 2-3 years they did not find time for all these labourious activities. There after they simply do this performance appraisal exercise for the purpose of promotion as technical compliances. The real result of employee performance is not coming out, considering this limitation in executing performance appraisal system, the researcher has suggested to use computerized performance appraisal model developed by the researcher. The researcher does not claim that the prepared and developed performance appraisal model is 100 percent full proof but definitely it is worth saying that this developed performance appraisal model is more suitable to Small, Medium Enterprises (SME) and large size organizations too.

7. To establish perfect employees performance appraisal system the researcher desired to suggest the People Capability Improvement Model (PCIM). It is an improvement model focusing on continuously improving the employees and development of the human assets as if it is software. PCIM can be described as an evolutionary improvement path from adhoc, inconsistently performed practices, to a mature, disciplined, and continuously improving development of the knowledge, skills, and motivation of the workforce in the sample business units.

8. It is concluded that the sample units should follow continuously improvement in a workgroup, and organizational capability i.e. KAIZEN, the Japanese technique in the area of human resource management.

9. It can be concluded that for improvement of employees' performance in Manufacturing, Trading and Service industry; Mentoring, Organizational Capability Management, Quantitative Performance Management, Competency Integration, Quality Circle, etc are required in the sample business units.

10. It is concluded that the HR Managers need to take responsibility for managing and developing their people. It includes development of
Compensation, Training and Development, Performance Management, Work Environment, Communication and Coordination of Staff.

11. Employees performance improvement is nothing but the increasing quality of competitiveness, determination of benchmarking and self-assessment techniques to improve performance. The excellence can cover results orientation, customer focus, leadership and constancy of purpose, processes and facts, involvement of people, continuous improvement and innovation, mutually beneficial partnerships, and public responsibility which is required in the sample units for better employees performance.

12. Motivation is a backbone of employees’ performance improvement. The sample organizations are experimenting different kinds of techniques to motivate people at work. Of course, the techniques have been developed based on the sound background of Motivational theories formulated by behavioural scientists. In the changing business scenario, the working population is more knowledgeable, smart and competent. Hence, they give equal importance to intrinsic and extrinsic factors of the job at work.

13. Organizations need to be performance oriented and competitive. Acquiring competent employees is not enough to exert high performance unless they are motivated enough to deliver the results. In today’s organization employee motivation is actually a difficult task because of the high expectations and opportunities. So it is a real challenge for the HR professionals to motivate people at work. It is desirable to have innovative practices keeping in view the changing employee needs and expectations. In the sample units it was found that the employees were not motivated sufficiently.

14. In the ideal performance appraisal system, form of appraisal should be the specific design and contents of the form varies from one organization to another, generally five elements should appear in every performance appraisal form. They include 1. Organizational core competencies, 2. Job family competencies, 3. Key job responsibilities, 4. Projects and goals, 5. Major achievements, but such type of standard form is not found in sample manufacturing, service and trading organization.

15. Along with above mentioned core elements of the performance appraisal forms there should be several other elements or sections like Demographic data, Instructions for completion, Attendance record, Development plans and goals Approvals, Appraiser summary, Employee comments, and potential analysis, which are not found in the sample units.

16. In the beginning of the appraisal form demographic data should be collected. It includes name of the individual, name of the appraiser, and the date of appraisal. Besides these three components, there are several other pieces of demographic data that might appear on the front cover of the form, including job title, division/department/work unit identifier, social security number, pay grade or salary classification, evaluation period, length of time the appraiser has supervised the individual, the individual’s start date with the organization, reason for appraisal, current salary and position in range etc but which is not found in the sample units. Only some variables are found in manufacturing industry’s Performance Appraisal form.
17. Instructions for completion of performance appraisal system should be communicated to the concerned employees. All appraisers would have the opportunity to attend a performance appraisal training program before using the system. Along with this training activity the authority should publish a brief set of instructions as a part of the performance appraisal that guides the appraiser through the most important requirements of conducting performance appraisal. In the sample study not a single unit is communicating properly to the concerned employees. It is found that only supervisory appraisal system has been used by the sample units.

18. Attendance is primarily an issue with employees in the administrative and operational functions of the HR management. If attendance is a significant issue, the appraisal form might include a statement of the organization's attendance expectation. Here attendance record should be checked and recorded in the performance appraisal form for measurement of employee performance. Consider other unexpected problems causing absence, lateness, or the need to leave early. If the expectation is clearly laid out in the performance appraisal, the supervisor may also be asked to indicate how frequently the employee is absent. More important is the individual's attendance record. In the attendance record, number of days absent in the past twelve months, number of days late in the past twelve months. It is noticed by the researcher that proper and accurate attendance record has not been maintained by the sample organizations, except manufacturing industry.

II. SUGGESTIONS:

a. Specific Suggestions:

1. It is suggested that the minimum qualification should be a compulsory criterion while selecting the employees and for the existing employees, company should motivate them to improve the educational qualification. For improvement of qualification the companies should provide some financial support and some working hours concession to the employees. Company can motivate the employees to join distance learning programmes for further education. It is also suggested that the company can start in-house soft skills development programmes.

2. It is suggested particularly to the service and trading organizations that they should appoint experienced staff in the HR Department which will help for effective employees' performance appraisal.

3. It is suggested that the management of the respective organizations should increase the satisfaction among the employees by way of healthy atmosphere, moderate salary, perks, fringe benefits, recreational benefits, family get together, training, visits, tours, etc to help them for better performance.

4. It is suggested that all the industries should follow the 360-degree performance appraisal method for effective performance measurement. It is found that the respondents have been interested to go for 360-degree appraisal system where more accuracy and transparency will be found.
5. It is suggested that, all organizations should bring transparency and free discussion between Appraiser and Appraisee in the company. Building the confidence among the employees’ mind is very much required which will help for improving performance. It is also suggested that the companies should organize quality circles and discussion workshops for the employees regarding performance appraisal system.

6. It is suggested that there should be 360 degree performance appraisal with 5 or 7 or 9 or 25 (developed by the researcher) point scale for proper and accurate measurement of the employees’ performance. To eliminate halo effect, 360 degree appraisal is quite suitable. It is also suggested that there should be objective and weighted type evaluation of employees with the help of computer support.

7. It is suggested that in each and every organization there should be a committee for designing performance appraisal system. The committee should consist of management representatives and employee’s representatives from all levels. Knowledgeable and experienced members committee should be established and jointly they should develop the performance appraisal system. The committee may be of 5 or 7 people but more representatives should be from the middle and lower levels, since they may give proper justice to the system.

8. It is suggested that the companies should conduct training programmes to motivate the employees to take initiative in their work. The management should think seriously and boost the employees to initiate the things. It is also suggested that some creative, vibrant and brainstorming training programmes like declare the scheme for employees that once in a month each and every employee should come forward and declare one good and innovative thing where he has taken initiative should be conducted, which will motivate all other employees.

9. It can be suggested that the companies should redesign the performance appraisal systems in their respective organizations. It is also suggested that the companies can use the models developed by the researcher through this study.

10. It is suggested that the companies should start rigorous study regarding the uniformity in performance appraisal and design the suitable performance appraisal systems at all levels of management. Broad based and tentative uniformity should be designed for different levels and different type of organizations. In this regard the researcher has tried his level best, hence this model or format for performance appraisal of employees is recommended.

11. The fact that performance appraisal is used for a specific narrow purpose is not good for the organizations. Under this situation it is suggested that all the organizations should conduct performance appraisal for the purposes of salary, wages, increment, promotion, transfer, training need determination, employees productivity measurement, vision of employee, motivation and required skills determination in the organizations. This will help for overall development of performance of employees.

12. It is suggested that the companies should use different performance appraisal methods in mixed manner or in integrated manner for
measuring performance of employees. The companies can use the researcher’s model or format for 360 degree performance appraisal.

13. It is necessary to minimize the halo effect, supervisor’s duel and conflicting role, more time gap between two appraisal etc. Proper training, rigorous efforts, open discussion can help the organizations in this regard. Workshops should be organized in the area of performance appraisal to help for minimization of problems in the performance appraisal system. Appraisal schedule must be declared at the beginning of each year.

b. General Suggestions:

1. There should be one independent person or authority from HR department to look after the performance appraisal system and its implementation and calculating result and submitting to the top management for managerial decisions. He can work part time or full time, it depends upon the size and number of employees in the business. In this regard the researcher also suggests that the industry can appoint an MBA – HRM or MSW student for the performance appraisal work. It is also suggested that sample units can give summer project to M. B. A. / M. S. W. / M. Phil. / B. B. A. students.

2. Raters or Appraisers or Supervisors should be trained at some extent as that will help for implementation of computerized performance appraisal system.

3. The researcher has suggested that the organizations should use 360 - degree feedback for employees’ performance appraisal. The 360 - degree feedback is a relatively new feature of performance management although interest is growing. In this appraisal system ‘The systematic collection and feedback of performance data on an individual or group derived from a number of the stakeholders on their performance’. The data are usually fed back in the form of ratings against various performance dimensions. 360-degree feedback is also referred to as multi source assessment or multi-rater feedback.

4. The performance appraisal system should cover other stakeholders including external customers, clients or suppliers. This system is known as 540 - degree feedback. But it will take its own time.

5. A self-assessment process may also be incorporated for comparison purposes. The same criteria can be used for collection of information which will be useful for performance appraisal.

6. It is suggested that the feedback can be initiated entirely by peers or by both peers and the team leaders. It can also take the form of 180-degree or upward feedback where this is given by subordinates to their managers. Feedback may be presented direct to individuals, or to their managers, or both. Expert counselling and coaching for individuals should be introduced for employees in the sample organization. This 180 degree feedback will help for HR policy decisions.

7. The appraisal can be conducted by Peers, Individuals, Managers, Direct reports, Internal customers etc.

8. Performance appraisal is “a personal” development tool and should be used for wider development of HR and achievement of organizational
goal. Feedback should be given very systematically to the Appraisee for his personal development and ultimately for the development of the institute.

9. Performance appraisal system should be used as a base for reward.

10. The performance appraisal awareness of any organization and organizational employees is very poor, considering this situation, it is suggested that, how we see ourselves (self introspection) and how others see us, for this awareness self-awareness, and group performance should be improved by way of employees development programmes, leadership development programmes, executive development programmes and existing entrepreneurs development programmes.

11. It is suggested that the organizations should collect feedback from various stakeholders by way of powerful soft intervention to increase awareness of the importance of leader behaviour, work unit results, and customer expectations, as well as increasing employee participation in leadership development and work unit effectiveness.

12. It is suggested that the questionnaire feedback processes should be very strong and scientific. The questionnaires should be rigorously designed and then only data will be collected that will help effective performance appraisal, through which one can measure different perspectives of the behaviors of individuals against a list of competencies. The competency model may be developed within the organization or the competency headings may be provided by the supplier of a questionnaire. More research is required on behavior of individual and competencies. It is a further research area to the keen researchers. The dimensions may broadly refer to leadership, management and approaches to work.

13. It is recommended by the researcher that the headings used in the Performance Management should be leadership, team player, self-management, communication, vision, organizational skills, decision making, expertise, drive, adaptability of employees which will be helpful for focusing on specific variables employee performance.

14. It is suggested that the performance appraisal questionnaire should be very easy and it can be in a regional language which will help the respondents for clear understanding of the different variables.

15. The Researcher indicates that in performance measurement the authority should focus on achievement of the employees which will provide the insights for employee performance measurement. One should create the base for performance management.

16. It is suggested that performance ratings are given by the generators of the feedback forms on a specific scale against each heading. This should be referring to the employees workload, task assigned, importance of the job, situation under which the employee is working, and performance of an employee, which the researcher has done in his performance appraisal model or format.

17. For effective performance appraisal model or format one should have the pilot study and on the basis of pilot study he should prepare very effective questionnaire, that should cover rating scale from 1 (Low) to 6 (High) i. e. a six point scale performance appraisal or use the Researcher’s model.
18. It is suggested that ratings should be supplemented for text comments regarding employees performance appraisal. These comments should be suggestive in very polite words.

19. It is observed by the researcher that almost all sample organizations manually process their performance appraisals by way of questionnaires. But it is suggested that the questionnaire should get processed with the help of software developed within the organization or, most commonly, provided by external suppliers for accuracy and quickness of appraisal. This enables the data collection and analysis to be completed swiftly, with minimum efforts with graphical as well as numerical presentation. Graphical presentation is effective and brief presentation of individual, departmental and overall employees performance of an organization, which will provide quick policy decision regarding HR and allied areas.

20. It is suggested that the authorities should give useful feedback to the employees. Establish good working relationships, develop new ideas, consider others’ opinions, recognize achievements, and use of computer and the internet for administration and analysis.

21. The feedback is often anonymous and may be presented to the individual (most commonly), to the individual’s manager (less commonly) or to both the individual and the manager. It is found that some organizations do not arrange for feedback to be anonymous. Whether or not feedback is anonymous depends on the organization’s culture – the more open the culture, the more likely is the source of feedback to be revealed. It is suggested that the authorities should give feedback to the concerned employees in a confidential way.

22. The action generated by the feedback will depend on the purposes of the process, i.e. development, appraisal only or pay. If the purpose is primarily developmental, the action may be towards individual as a part of their personal development plans the planning process may be shared between individuals and their managers if they both have access to the information. Even if the data goes only to the individual, they can discuss in a performance review meeting, so that joint plans can be made. It is suggested that the purpose of the performance appraisal process should be clear at the beginning itself.

23. It is suggested that for effective implementation of employees performance appraisal one should concentrate on objectives of the performance appraisal, the receiver of feedback, who is submitting the feedback forms to the HR authorities, outside consultant, etc. These factors should be considered for effective performance appraisal. Manpower and authorities should be trained in this regard.

24. It is suggested that the performance appraisal model or format should be clear; the model should fit the culture, values and type of work carried out in the organization, area of operations, and behaviour of employees.

25. It is suggested that for excellent performance appraisal the questionnaire should be designed in-house with the help of experts or a consultant’s or software-based questionnaire. This is very much essential in the present scenario.

26. It is observed that in the sample cases they are not using any software for employees’ performance appraisal. It is suggested that all the
business units should use software for data analysis; presentation and quick decision-making regarding the performance appraisal. One can take the help from the consultant or software provider for achieving business aim. The software should be simple and tailor made to the fulfillment of the organizational needs in the area of employee performance appraisal.

27. It is suggested that there should be a pilot project undertaken before introduction of the software based appraisal system. It should be communicated to all the managers in the functional areas or departments. The pilot scheme will need to be launched with communication of its working to those involved in the appraisal. The aim is to make familiar the software system for performance appraisal. Training in giving and receiving feedback is also necessary.

28. It is suggested that the authority in the performance appraisal department should analyze the outcome of the pilot study, the reactions of those taking part in a pilot survey, and necessary changes required in the process.

29. Monitoring and evaluation of performance appraisal and maintaining close watch on the implementation of feedback from the employees are required. This is possible through trained manpower in the human resource department. It is also suggested that there should be qualified and trained manpower appointed in the performance appraisal department.

30. This process can cause anxiety and stress therefore it is suggested that the HR authority should control anxiety and stress and produce practical gain in terms of development and improved performance.

31. It is studied and suggested that the people are not giving frank or honest feedback; also people are under stress in receiving or giving feedback. Under this situation without any correlation one should collect information through computerized performance appraisal models, which will minimize stress.

32. Too much bureaucracy is found in the human resource department where employee performance is measured, in this regard it is suggested that the organization can appoint the outside party as a consultant for performance appraisal.

33. Questionnaire items reflect typical and significant aspects of behaviour and items covered in the questionnaire can be related to actual events experienced by the individual. In this regard the researcher has suggested that the questionnaire should be prepared very scientifically and carefully.

34. It is suggested that comprehensive and well-delivered communication and training programmes should be followed, no one should feel threatened by the process – this is often achieved by giving and getting the feedback by a third-party facilitator. Feedback questionnaires should be relatively easy to complete and not complex or lengthy, with clear instructions.

35. Performance appraisal causes frustration for employees. It is suggested that job rotation, horizontal responsibility, job enlargement, job enrichment, opportunity for growth, higher motivation, career guidance, job satisfaction should be followed. The management needs
to put the right person in the right job for effective performance appraisal.

Considering all the above specific and general suggestions it is ultimately suggested by the researcher that for improvement of employees performance and effective performance appraisal, one should use management by objectives, behavioural study of employees, employee involvement in decision making process, work counselling, quality circle, viable pay programmes, profit sharing plans, skill based pay, flexible benefits etc. should be introduced in the sample institutions.

9.3 CONCLUSION:

For implementation of the performance appraisal model or format by the researcher it is advised to use the computerized model for more convenience for data collection and analysis. The PAS implementation is dependent upon size, location, nature, financial position, employee’s awareness, supervisor’s awareness of the business. Therefore, it is suggested that in small and medium size business houses laptop should be used for data collection to minimize investment in computerization. In these departments one should ask the employees to feed or tick or click the information for data collection through computerized program for performance appraisal and this will make data collection faster and easier. The researcher is aware of the fact that LAN or WAN infrastructure is practically not possible to all industries, so the researcher suggests the use of laptop for data collection and processing. The researcher's designed model or format will help for immediate result and corrective actions.

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