"You can want to do the right thing and you can even want to do it for the right reasons. But if you do not apply the principles, you can still hit a wall".

----- Stephen Covey

CONCLUSIONS & SUGGESTIONS
The chapter presents the main conclusions of the study in a concise manner. First, an overview of the extent to which the independent variables influence the institutionalization of the performance appraisal system, and also underline which factors are most essential in institutionalizing the appraisal system. The range of issues figured in the study from the design of the appraisal forms, the relevance and utility of the appraisal procedure in the organizational context.

The changing world of work implies new appraisal systems are being developed and integrated into organizations, there is an acute need for the research community to focus its attention on employee and management attitudes toward these new systems. Research on attitudes toward appraisal has traditionally taken a 'back-seat' to the psychometric paradigm, although researchers have not neglected attitudes altogether. Nonetheless, we would like to see a greater emphasis placed attitudinal criterion variables in appraisal research, because employee and managerial acceptance of these new systems will have important implications for both employee satisfaction as well as individual and organizational performance.

Suffice it to say, the world of work is continuously evolving, and, accordingly, performance appraisal systems will have to evolve and adapt to the changing organizational circumstances. Our impression is that some of the recent research has followed closely many of the changes which organizations are currently undergoing, and that in itself is cause for optimism. Nonetheless, the need to clearly define what is meant by performance. Performance permeates all of the research areas where the focus is on work performance. Although there is no simple solution to the 'criterion problem', the problem will not go away if it is ignored. Without a clear understanding of what performance is/is not, the best measurement technologies will never live up to their potential to effectively assess performance at work. Simply stated, we cannot—or at least should not—assess something that has not been properly defined.
Discussion

The following observations can be drawn from the present study:

- The pre-requisites for performance appraisal are met inadequately in both engineering and chemical organizations in the sample.

- The appraisal results are used for salary raises or for stoppage of increments in engineering industries, while the same are used for tracing the training needs of the employees in chemical industries.

- Personality traits and seniority are also preferred along with performance as the criteria for appraisal by a majority of both appraisers and appraisees in engineering organisations sample.

- A majority of appraisers and appraisees in chemical category perceived the appraisal results as accurate while the opposite trend is noticed in engineering category.

- Humanitarian considerations are an important factor in an appraisal procedure in engineering industries.

- Inadequacy of time for appraisal is a prominent constraint in appraisal procedure in chemical industries.

- A change in the appraisal design is favoured in engineering industries while a provision for fixation for targets together with appraisees, is a change required very much in chemical industries.

- The opinions on appraisee participation in appraisal procedure are evenly divided among the appraisers in engineering organizations while a very good majority of appraisers in chemical organizations preferred appraisee participation.

- Consultation with appraisees in appraisal procedure is relatively more probable in chemical category than in engineering category.
• The scope of non-communication of appraisal results to the appraisees is high in engineering industries.

• Appraisers in low experience group tend to consult their superiors and peers rather than appraisees in appraisal procedure.

• Appraisers in chemical industries tend to discuss both the strengths and deficiencies of appraisees.

• A very high percentage of appraisees in both the categories preferred appraisal by a committee.

• A majority of appraisers (experienced group) in engineering industries preferred committee evaluation while opposite trend is found in chemical industries.

• Both appraisers and appraisees in good numbers preferred the composition of appraisal committee with only superiors in both the categories. A nearly equal number of them wanted representation for peers and subordinates along with superiors on the appraisal committee.

• A majority of appraisees in both the categories desired to have partnership in appraisal procedure.

• Appraisers in high experience group felt ten as the optimum size of an appraisal group.

• An overwhelming majority of appraisers in both the categories opted for appraisee participation in the appraisal procedure.

• Appraisers in less experience groups favoured appraisee participation in appraisal procedure more than those in the high experience group in the engineering industries.

• Both appraisers and appraisees in both the categories least prefer self-evaluation.
Apart from this, the findings on various items support the hypotheses of the present study. The analysis show that the pre-requisites for performance appraisal are not met to a large extent in the organizations in the sample. The data provide sufficient evidence to the assumption that appraisal reports are used either to reward or to punish the employees but not to correct them. The results show that the personality traits, seniority and humanitarian considerations are considered as criteria for appraisal in engineering industries.

The information regarding the criteria for appraisal suggests that it is more objective in chemical category industries. The observations point out that the appraisal designs are less trusted in engineering industries while there is a greater scope for communication of appraisal reports to the appraisees in chemical industries. The perceptions enumerated on the nature and extent of appraisee participation desirable, make clear that the attitudes in chemical industries are much liberal when compared to engineering industries.

Thus, the objectives of the present study have been realised to a great extent. Further, they make clear the utility and significance of the present study. The study could effectively bring out a comparison between the engineering industries and chemical industries relating to the existing appraisal procedures. The study is also successful in highlighting the deficiencies pertaining to the appraisal procedures in the selected organizations. The inferences of the findings suggest the need for further research relating to the pre-requisites for appraisal procedure in both the engineering and chemical firms.

The criterion used to assess effectiveness pertains to the level of agreement between managers and subordinates on each function. As stated above, managers and subordinates must have a shared perception of how well the appraisal process serves its intended functions. The level of agreement between public sector managers and subordinates was accordingly examined. The appraisal was considered ineffective when there was a statistically significant difference in the proportion of managers and subordinates who agreed that the function in question was being served by the appraisal process. Finally, to identify the primary factors that could help to improve appraisal
effectiveness, the responses to the open-ended questions pertaining to the causes of appraisal ineffectiveness were content analyzed.

No one would argue that performance appraisal is a panacea in terms of its ability to serve an organization in a variety of different roles. Yet, it appears that the benefits and merits of the appraisal process can be frequently overstated. The organization in this study had a professionally developed appraisal system, provided rater training, and required managers to conduct annual reviews of subordinates directly reporting to them. To a great extent, the approach to formal appraisal process could be described as quite typical for many public sector organizations. The response to the results was mixed. The response to the first research question on what specific functions the formal appraisal process can effectively serve in a public sector organization received mixed results. Both managers and their subordinates believed that the appraisal process:

- allows employees' input about their jobs;
- informs employees of where they stand;
- helps to clarify the employees' performance and objectives; and
- facilitates the discussion of the employees' development.

Given employee needs for feedback, direction, role clarity, job involvement, and development, these are very positive findings. The appraisal process was conversely perceived as being less than effective by both parties as a vehicle for improving the employee motivation/performance and linking merit pay to the employee performance. These findings are particularly noteworthy since two of the most frequently cited reasons for doing performance appraisals include merit pay administration and improving employee motivation and performance. In each scenario, the appraisal system received disastrous ratings, especially from the subordinates' perspective. The difference in perceptions between managers and subordinates was also significant in both cases.

However, when evaluated both as a tool to improve the manager/subordinate relationship and as a communications tool, the appraisal process received a split review. Managers believed the appraisal process was reasonably effective in both areas while
subordinates viewed the process as ineffective. Managers viewed the appraisal process in a much more favorable light in comparison to the subordinate who considered the exchange more likely to be one-sided or one-way communication. Given the importance of manager/subordinate working relationships and effective manager/subordinate communications, these findings are problematic. They suggest that managers might not be aware that the appraisal process is not meeting the needs of their subordinates.

In addition, the appraisal process by its very nature forces the manager to communicate with the subordinate where the converse is not necessarily true. The merits of the appraisal process as a tool to improve the manager/subordinate relationship and communications are thus called to question by the very individuals the process was supposed to benefit.

It is important to note that both managers and subordinates perceive the formal appraisal process at this organization to be a worthwhile program despite certain levels of dissatisfaction with specific outcomes of the process as indicated by their belief that appraisals are worthwhile.

In this study, managers and subordinates alike indicated they would participate in the appraisal process even if it were not required. This suggests that the appraisal process satisfies some of their specific personal and organizational needs that might not be met otherwise.

Overall, managers typically hold a more favorable assessment of the appraisal process than do their subordinates because it forces them to communicate with their subordinates and encourage them to improve their performance. This process makes the manager feel as if they are fulfilling their managerial responsibilities and allows them to be encouraged (and maybe even relieved) when the process is completed. The subordinate does not necessarily share this feeling. In total, these organizations appraisal system is not accomplishing its intended purposes on a number of counts, although its managers are less likely to think so.

In response to the open ended question on how to improve the formal appraisal process, a careful review of the results reveal that managers and subordinates have their
own ideas about how to improve the appraisal process with some common ground. Both parties agree that to increase appraisal effectiveness:

- More resources are needed to help reward performance;
- Employees need to be more involved in the process; and
- Managers could use additional training.

Design issues include spreading employee appraisals over the entire year to reduce the appraisal workload during a specific period each year; reducing the amount of paperwork associated with the appraisal process; and clarifying the purpose of the organization's appraisal effort. From an operational perspective, managers see the need to increase consistency between the ratings they provide across the organization while reducing employee defensiveness in the process. In terms of support, managers want their superiors to provide them with effective appraisals and make suggestions on the need for additional rater training.

From the subordinate's perspective, suggestions on how to improve appraisal effectiveness are very focused. From the employees' perspective, the manager is the key element to see the appraisal effectiveness improvement. Subordinates suggest the need for more effective performance planning; more ongoing performance feedback during the year and better performance monitoring by management during the year. These factors are the hallmarks of effective management that extend beyond the process of an annual formal performance appraisal review. When the review takes place, managers must take the time to conduct effective reviews; minimize personal bias and favoritism; greater emphasis on employee development; and increase two-way communication. Subordinates also indicated that an effective appraisal process:

- Has clear performance standards;
- Takes place in an environment where managers do not dwell on negatives;
- Is preceded by ongoing performance feedback during the year; and
- Is conducted by a manager who is prepared, who takes the process seriously, and who has sufficient knowledge of the subordinate's actual performance.
However, private sector organizations would be well served to focus their development activities on enhancing the appraisal skills of the key component in the appraisal process - the manager, by providing them with the system, training and support required.

Suggestions

In this study we found that formal appraisals are not always as effective as organizations believe. This conclusion is consistent with the findings in private sector organizations. While there is considerable evidence that performance appraisal provides the critical input for certain types of administrative decisions, its contribution to the more positive aspects of management such as feedback and counselling is far less evident. At the same time, appraisals do serve a number of useful purposes for public sector organizations, managers, and subordinates alike, many of whom fall into the category of scheduled (or forced) communications. If a public and private sector organization is committed to improving the effectiveness of its appraisal system, the following recommendations are suggested.

*Make sure managers and subordinates understand the appraisal system.* Everyone in the organization needs to understand why appraisals are being conducted and how the system operates. Organizations that clearly state the purpose for appraisals aid in reducing the confusion and ambiguity surrounding the process. The goal should be that everyone knows the purpose of conducting appraisals.

*Assess the effectiveness of your current appraisal system.* What are the intended functions of your current appraisal system? Identify them, and construct a questionnaire to assess the degree to which organizational members perceive the appraisal process to be effective. The organization is then in a position to develop a strategy to address shortcomings if any are found to exist.

*Appraisal skill training for your managers is a must.* It is obvious that the ability of the supervisor to adeptly appraise his/her subordinate is critical to a successful performance appraisal. Performance appraisal training must focus on helping managers
develop specific appraisal skills and confidence in their ability to effectively evaluate others. These skills should include:

- Goal setting,
- Communicating performance standards,
- Observing subordinate performance,
- Coaching and providing feedback,
- Completing the rating form, and
- Conducting the appraisal review.

Appraisals without training often lead to ineffectiveness, frustration, and dissatisfaction.

*Increase your manager's willingness to conduct effective appraisals.* This study clearly reveals two key issues that will strongly influence appraisal system's effectiveness.

- First, more managers than subordinates believe the appraisal system is effectively fulfilling the functions for which it was designed. Thus, they may feel less need to improve as raters.

- Secondly, the primary causes of appraisal ineffectiveness fall squarely on the manager's shoulder.

The organization therefore needs to take steps to make the manager more willing to conduct effective appraisals once skills training have been conducted and to realize that they might not be as effective as they think. Survey feedback is an effective tool to inform them where their employees stand. Next, the organization must take active steps to increase its manager's willingness to conduct effective appraisals. Conducting effective appraisals with your managers and providing refresher training on a regular basis are key factors in improving rater effectiveness. Managers must also be rewarded in their appraisals for effectively evaluating their subordinates.
Start with effective performance planning. Planning is required to set the stage for effective appraisals. More than half of the subordinates in this study cited unclear performance standards as a cause of ineffective appraisals. Meaningful and accurate evaluation and feedback requires that clear goals be established beforehand. Therefore, a large part of the appraisal process should be devoted to determining what actions need to be taken in the future, since it is harder to correct the results of poor planning than it is to plan correctly at the beginning.

Make informal appraisals an ongoing activity. Annual appraisals are only as effective as what happens during the rest of the work year. Managers can increase their appraisal effectiveness by scheduling periodic, informal appraisals with their subordinates on a regular basis. These mini-appraisals will encourage honest communication, give the manager an opportunity to monitor employee progress, provide the employee with an ongoing source of feedback, and help address minor problems before they build or snowball.

Provide resources necessary to link pay to performance. The practice of linking rewards to performance appraisal results has been found to be one of the most unclear and controversial issues in the related research studies. If a performance appraisal is to be used as a vehicle to administer merit pay, managers and subordinates must perceive that sufficient funds are available to reward actual differences in performance and that the administration of the plan is done in a fair and equitable manner. When the availability of merit pay levy either a) drives the ratings a subordinate receives instead of vice-versa, or b) does not allow for differentiation among various levels of contribution to the organization, the system will be viewed as a sham. Should this occur, the appraisal process will lose its ability to have a positive effect on employee motivation and may create a lack of trust in the performance appraisal process that is sure to undermine the potential for the system to effectively fulfill other desired functions.

Use employee anniversary dates to stagger appraisals. To provide managers time to conduct more effective appraisals we strongly urge that organizations stagger appraisals throughout the year. This practice reduces the difficulty of manager’s having
to conduct numerous appraisals in a condensed period of time that can be a serious threat to the effectiveness of the process.

Private sector performance appraisals are a significant aspect of making employees more productive and are the 'tool of choice' in such performance enhancing efforts. It has been said that 'anything worth doing is worth doing well'. Given the goals of most appraisal systems, this saying appears to be quite appropriate and, yet, effective appraisals are not assured by a technically sound system alone. Other elements, such as managers and subordinates attitudes toward performance appraisals, and expectations also play a significant role in achieving effectiveness of performance appraisal. Organizations must continually look for ways to keep effective management and appraisal behavior in the forefront of managerial consciousness or the things worth doing will not be done well. Appraisals are no exception.