2.1 Introduction:

The qualities of the product and customer satisfaction are the two principal objectives of the modern organization. One of the major elements that drive organizational success is its employee performance. There is a saying that what get measured gets managed. Measurement is considered central element to improve business performance. As a consequence, performance measurement is an obvious tool to control employee performance and in turn organization efficiency. For the various purposes of PMS is used like administrative decisions (such as: promotions, pay hikes) and developmental decisions like training, corrective feedback, counseling\(^1\). Lots of researches in the direction to measurement and management of performances of employees gave rise to the new concept of Performance Management System and HRD. Today in the stiff competitive situation performance management occupies pivotal position in the organizational setting to face challenge and makes a place in the market. It is now proven from the existing literatures and research, that to improve employees’ performances, emphasis should shift from measuring and controlling their performances to its management through self involvement of the appraisee, and development orientation. The structured Performance Management System is of recent origin. The design of performance management systems appropriate for various industries is of increasing concern of the both practitioners and

\(^1\) (Murphy & Cleveland, 1995)
academicians. The focus of traditional accounting system and appraisal process was simple\(^2\), narrow in scope and uni-dimensional\(^3\) during 70’s and 80’s. Contribution from Kaplan and Norton during 90’s, gave performance measurement a multi dimensional framework. After economic liberalization, India is now one of the largest economies in the world. The economy is a mixture of unorganized traditional agriculture and handicrafts and other side a wide range of modern industries like chemicals, food processing, and also sophisticated services sectors like IT and IT – enabled services. There is a shortage of literatures particularly in this field of performance management systems in Indian organizations. However, from the articles of Budhwar, T. V Rao, and Tanuja Sharma we get some glimpses of PMS practices in India. According to Basu, 1988, India ranges from “no appraisal” to “Sophisticated, multipurpose, multi component web based performance management systems”. This chapter aims to bring out a short history of Performance Management systems worldwide and also in Indian context.

The study is constructed in several sections:

2.1 Introduction
2.2 A study on the use identification of skill and merit rating in ancient world
   2.2.1 Pre Historic Age
      2.2.1.1 Western World
      2.2.1.2 China
      2.2.1.3 India
      2.2.1.4 Egypt
   2.2.2 The Medieval
      2.2.2.1 The England
      2.2.2.2 India: The Mauriyan Dynasty
      2.2.2.3 The Mughals

2.3 Merit Rating: A precursor to Performance Appraisal System – a various

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\(^2\) (Skinner, 1971)
\(^3\) (Neely, et al., 2000)
2.2 A study on the use identification of skill and merit rating in ancient world

2.2.1 Pre Historic Age

In almost all great epics, holy texts of world, we see skilled artisans are mentioned. But no formal documentation of structured performance appraisal system is observed. Before Industrial Revolution, the industries were small, society was based on agriculture, and industries were fragmented and unorganized. But as the industries started to be organized and large in size, the requirement of formal performance appraisal became important.

2.2.1.1 Western World:

According to the Holy Bible evaluation of performance started on the sixth day after the world was created; –And God saw everything that He had made, and behold, it was very good (Genesis 1: 31). This shows that the Creator had set goals for each day and evaluated His performance after setting all resources in order as planned. The elements of appraisal and identification of skilled artisan are observed in the Holy Bible, by GOD on the traits wisdom, understanding, knowledge and workmanship as given to workmen by God (Exodus. 31 – 35). It is seen from the study of various authors that there were substantial elements in promoting man management relationship through the introduction of PMS during the period. It is from the study of various authors
that the elements of man management were found in the codes of Hamurai around 1800 BC which advocates about minimum wage rate and concept of ‘Span of Management’, organizing and assessment of skill was envisaged by Moses in 1200 BC4.

2.2.1.2 China:

PMS was remarkably followed in China with objective of attaining excellence in business activities. Han dynasty of China (206 BC – 220 BC) used merit rating for selection and promotions of Royal officers5. Wei dynasty (AD 221 – 265) of China had imperial raters appointed by the emperor to rate the performances of the official family. But the fairness of rating was questionable stating that “The Imperial Rater of Nine Grades seldom rates men according to their merits but always according to his likes and dislikes”6.

2.2.1.3 India:

From the study of various literatures and journals about the performance management system way back in prehistoric age, a great understanding and knowledge of people performance and assessment are very much prominent. It happens that people during that period with exceptional expertise were assigned to specific task that resulted in incomparable, unparallel performance contribution. Even in Hindu mythology and the two epics, Ramayana and Mahabharata, the reference of highly skilled artisans Viswakarma and Maya Danav is made. So it becomes obvious that thousands years ago, in our country, a system of evaluating people performances was developed.

4 (Chhabra, 2005)  
5 (Wren, 1994)  
6 (Pattern, 1977)
From the study of epic, Ramayana and Mahabharata a clear understanding about people performance and evaluation system is gathered. It is found that the princes during those periods were given rigorous training through the use of different sophisticated mechanism with the objective of making them prepared for protection of the country’s people and properties. In this process after the training period is over the knowledge, skill and abilities gathered/ acquired were subject to assessment, evaluation and verification for the final selection and conclusion.

With regard to people performance it gives the idea that the people of Harappa were very much acquainted with the technique of bronze production by mixing copper with zinc. The design of the smelter and its processing not only show a high level of engineering skill, but also a sound knowledge of chemistry. Likewise the ornament making with gold and silver was very much significant during Vedic age for the excellent artistic performance (Indian Business Heritage).

All these give a conclusive idea that the PMS was very much in practice in earlier ages.

2.2.1.4 Egypt:

The concept of organizing based on skill was very much known to the Egyptians. The big structures like Pyramid were only possible due to coordinated, systematic management and sophisticated knowledge of architecture. The identification and assessment of skills were very much in practice in Egypt. The labor force was organized in a hierarchical way which included the craftsmen and specialized workers on the pyramid construction sites, largely made up of a
relatively skilled, permanent royal work. Unskilled agricultural workers were used to be employed on a seasonal as helpers\textsuperscript{7}. The pyramidal architecture and craftsmanship gives a thoughtful idea that the elements like PMS, \textit{MSTC and C} (Motive, Self Control/ concept/ tolerance, Trait, Content of knowledge and skill, Skilled behavior, Cognition) were very much present to make the pyramidal task a perfect, accurate one.

It thus makes it obvious that there was definite system of evaluation of artisans and other performance.

\textbf{2.2.2 The Medieval}

\textbf{2.2.2.1 England:}

In Medieval age, performance appraisal and evaluation system was seen in different form, particularly through the formation of association / unions or guilds. It happened in both categories of people; viz., employers and employees. Craftsmen/ workers formed their association (crafts guild) for the purpose of better performance and better earning. Employers’ association (Merchant guild) were formed to get maximum output from the workers and in this case as the situation warranted the workers were given training to develop their competence (knowledge, skill and abilities) and in the process the trainees’ competences judged through assessment techniques. Likewise, workers’/employees’ unions were formed for the member protection from employees’ unethical whimsical activities and also to promote their skill and abilities and also to promote their skill and ability through a well designed training system. For all this, their objective was to earn more by promoting their competence. In this case also there

\footnote{(Dunn)}
is system of judging the trainees a level of learning through assessment mechanism\textsuperscript{8}.

\textbf{2.2.2.2 India: The Mauriyan Dynasty:}

In India, the first authentic written documentation about the administration policy, trade, and business, condition of laborers, wage fixation, and working condition is Chankya’s Arthasastra. According to Chanakya, The king should choose those as His ministers not those who has only proved loyal and devoted in fatal situations or those who belong to the ministerial family, or those who posses only theoretical knowledge and no practical exposure. He shall employ those as ministers who are born of high family and possessed of wisdom, purity of purpose, bravery and loyal feelings inasmuch as ministerial appointments shall purely depend on qualifications." "This," says Kautilya, "is satisfactory in all respects; for aman's ability is inferred from his capacity shown in work. And position will be given in accordance to working capacity. Kautilya even fixed the criteria on which the performance of the ministers have to be judged and on the basis of which the influential position should be ascertained. The criteria according to him are: educational qualifications (\textit{silpa}) from professors of equal learning; theoretical and practical knowledge, foresight, retentive memory, and affability shall be tested from successful, application in works; eloquence, skilfulness and flashing intelligence from power shown in narrating stories (\textit{kathāyogeshu}, \textit{i.e.}, in conversation); endurance, enthusiasm,

\textsuperscript{8}(Sharma R., 1997)
and bravery in troubles; purity of life, friendly disposition, and loyal devotion by frequent association.

In our country during Mauriyan dynasty a well premeditated PMS was designed for appraising performances of people. Some parameters were developed and people performances were evaluated relative to the standard set. No question of giving relaxation/leverage to the people was given to the non performers. Performance management system was as far as practicable, scientific and acceptable to the subordinates. So the study reveals that today’s PMS, though from various perspective showed its recency, has been continuing for a long long period.

2.2.2.3 The Mughals:

Though during Mughal period the main occupation was agriculture, non-agricultural production also made a significant impression in Indian Economy. These crafts included textile, leather, pottery making, dyeing, sugar making, metal works, paper making, wood work, arms and armour manufacturing, ship-building, chemical works, minerals extractions, etc. Royal workshop (karkhana) was another unit of craft production. These karkhanas were part of the royal establishment. These units produced commodities for the consumption of the royal household and the court. Generally, expensive and luxury items were produced here. The Karkhanas employed skilled workers who worked under one roof and were supervised by state officials. Wages were paid during Akbar’s reign according to skills and worth of the job. For example, ordinary labours used to get 5½ annas, whereas skilled labourers used to get 8½ to 11 annas. Carpenters

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9 (Shyamasatry, 1915)
8½ annas to 1¼ Rs. Lowest grade of slaves in imperial court received 12 annas, whereas the foot soldiers drew Rs. 3\textsuperscript{10}.

From the above deliberation it gives an implicit idea, that a system of evaluation was prevalent during Mughal period and it was done definitely on the basis of some parameters that worked as KRA for judging the peoples performance. Various rates of wages and remuneration were given to the people for doing various types of activities indicating a distinctive work competence, so in our country PMS in various organizations had the origin during Mughal period.

Now it is pertinent to make a thorough deliberation on the growth and evaluation of formal monitoring of the skill requirement to introduce performance appraisal system from merit rating system and the sole object of the discussion is to highlight the evaluative perspective of PAS.

2.3. Merit Rating: A precursor to Performance Appraisal System – various stage approaches

Merit rating is the prime objective of the performance appraisal system as the evaluation of peoples performance is based on qualitative traits, competence level and other behavioural element of the people. All these are reflected on the outcome of people’s output. In order to have a thorough understanding on merit rating system which is a precursor to performance appraisal it is felt a dire necessity to present the whole aspects in various stages.

\textsuperscript{10} (Garrett, 1995)
2.3.1 Period up to 1950

Measurement of performance of employees is always a concern for the organization from time immemorial. Every civilization had their own way to measure skill and manage performances of their work force. But there was no authentic and written documentation of using the scientific techniques for management of performances. Loyola (1491 – 1556) established a formal rating of the members of the Society of Jesus (the Jesuits)\textsuperscript{11}. The elements of performance appraisal were found in early 1800s by Robert Owen at his cotton mill at New Lanark, Scotland, where over each employee work station, there was a coloured block displaying a particular colour for different degree of merit\textsuperscript{12}. Wooden cubes of different colours indicating different degrees of merit were hung over the employees’ work stations. The colours of the cubes were used to change with the change in employee skill to performance\textsuperscript{1}.

The first recorded approach of merit rating is obtained in the US Army in 1813. After being asked to evaluate his men, General Lewis Cass, used some humorous examples to describe the traits of his men. There were no established specific goals to against which employees required to be evaluated. The humorous examples given by General Cass were\textsuperscript{13}:

- This officer has talent but has kept it well hidden.
- He has failed to demonstrate any outstanding weaknesses.
- Open to suggestions but never follows same.

\textsuperscript{11} (Armstrong & Baron, 2006)
\textsuperscript{12} (Coens & Jenkins, 2002)
\textsuperscript{13} (Ralph E, 1998)
• Of average intelligence except for lack of judgement on one occasion in attempting to capture a rattlesnake for which he was hospitalized

General Cass described his men as either “good nurtured men” or a “knave despised by all” (Bellows & Estep, 1954). In 1840s and 1850s, the efficiency rating system containing information on competence, faithfulness and attention for the clerks were introduced, though they were not linked to the selection, retention and promotional plans which were the discretion of the bureau of head and Secretary of the department\(^\text{14}\).

The Federal civil services started merit rating and used the term ‘efficiency rating’ in late 1800s\(^\text{15}\). Petrie explained the origin of merit rating is as early as 1887\(^\text{16}\) while Lopez was of the view that such rating system was provided prior to 1842\(^\text{17}\). In the late nineteenth and twentieth century, the merit rating system was basically used by the military/Government organizations, mainly reasoned to promote high performers to higher organizational level\(^\text{18}\). Van Riper, 1958, opined that “Division of Efficiency” was created within the Civil services Commission in 1912.

The element of merit rating was first observed in the US industry for selection of salesmen after the work of industrial psychologists in Carnegie-Mellon University, who used trait system to develop man – to – man comparison method\(^\text{19}\). This approach was used by the US army to measure the performances

\(^{14}\)(White, 1954)  
\(^{15}\)(Graves, 1948)  
\(^{16}\)(Petrie, 1950)  
\(^{17}\)(Lopez, 1968)  
\(^{18}\)(Wiese & Buckley, 1998)  
\(^{19}\)(Scott, Clothier, & Spriegel, 1941)
of their officials. After World War I, the success of the method in US army popularized the method among business leaders to appraise performances of the individuals associated with work\(^1\). Though later on in 1960s, the method lost the popularity and the organizations used the method for lay – off and retrenchment decisions which was called totem approach\(^20\).

Merit rating came into force in the USA and the UK in the 1950s and 1960s\(^12\). The foundation of formal appraisal system was credited to an avant-garde person W. D Scott, who introduced merit rating, being influenced by Taylor's work. W. D Scott modified the man – to – man comparison scale and used to rate the efficiency of the army officers\(^12\). This pioneering work by Scott during 1920 – 1930 resulted into graphic rating scale, which after all criticisms\(^21\) are popular and in use till today\(^22\). The assessment of various qualities of a manager and supervisor was made with different categories on the basis of scale, as given below:

“Consider his success in winning confidence and respect through his personality”\(^23\):

Inspiring  
Favourable  
Indifferent  
Unfavourable  
Repellent

The advantages of this method can be derived from the use of such system. They are simple, interesting, quickly filled out, and easily scored, free from any quantitative terms\(^24\). The criteria as designed helps the rater to rate the

\(^{20}\) [Pattern, 1977]
\(^{21}\) [Rudd, 1921]
\(^{22}\) [Denisi, 1996]
\(^{23}\) [Armstrong M. , 2010]
\(^{24}\) [Ghosh, 2006]
apraisee\textsuperscript{25}. The graphic rating scale is of great help to the raters to analyze their subordinates according to their trait. Workers are very much aware that they are judged periodically on traits which were essential to their success. The work done by W D Scott and his colleagues, generated the key criteria for ratings, but the working principles of the scale and the factors used were apprehended by the organizations according to their need and hence the practice of appraising performances started.

Graphic rating scale method generally focused on appraising individual on the basis of previously established performance dimensions, using a standard, numerical scoring system. The system was featured as past record oriented rather focusing on future goals and laid importance on the supervisor with little emphasis on the employee\textsuperscript{26}. As a result, prior to and during World War II, American army explored the fraternity to search for more accurate and useful performance appraisal systems; for which they sought help of industrial psychologists and tried to improve the rating methods, which resulted into Forced choice method (Sisson, 1948) and critical incident techniques\textsuperscript{27}.

In the earlier days, some organizations had the practice of judging people performance on the basis of merit specified/ designed by them. These were at that time most effective weapon to make comparison among people at work with regard to this competence and also output yielded by them. There is no denying the fact that this system helps the organization to function its activities effectively.

\textsuperscript{25} (Freyd, 1923)
\textsuperscript{26} (DeVries, Morrison, Shullman, & Gerlach, 1981)
\textsuperscript{27} (Flanagan, 1954)
and smoothly through the administration of various decisions and use of control mechanisms.

2.3.2 Period from 1951 - 1990

By 1950, appraisal in the companies was an accepted practice and survey reported 61% organizations having structured performance appraisal system for their workers, exempting the top level management from the rating system mainly using the appraisal tool for administrative purpose. During this period, performance was either measured as a single overall composite or a multidimensional construct to use for administrative purpose only. Most organizations reported the formal appraisal system for their workers.

In 1954, Peter Drucker, proposed the philosophy of management by objective, which changed the concept and practice of performance evaluation system. The MBO concept advocated towards development of individual strength and responsibility through teamwork and harmonizing the individual goal with organizational vision and effort. The MBO concept had set a milestone towards the development of ‘Performance Management’ by introducing the concepts of participative goal setting and linking the broader organizational vision with individual as well as team performance.

The merit rating concept was outlawed by McGregor, 1957, after his influential writings ‘An uneasy look at Performance Appraisal’ which suggested a change in the concept of performance appraisal to performance analysis.

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28 (Spriegel, 1962)
29 (Nagle, 1953)
30 (Toops, 1944)
31 (Schmidt & Kaplan, 1971)
32 (Whisler & Harper, 1962)
McGregor advocated for a future oriented analysis of behavior critical to the agreement of the result rather than only assessment of personality and proposed a change in the role of supervisors from inspector to facilitator and a coach\(^{33}\).

1950- 1980 was the criterion developing phase where most research studies were directed towards forming rating instruments\(^ {34}\) to measure employee performances, much more emphasis was laid to accelerating merits and limitations of PAS. The concern was to find out more objective method of performance measurement. Formation of rating scale and ranking scale was of major concern for the researchers\(^ {35}\). Researches had to exhibit a lot of efforts in finding appropriate performance measuring technique that could have prior agreement with the raters in an unbiased systematic order.

This was manifested through grouping of trait based linkage performance and behavior based linkage performance.

Critical Incident technique, behaviorally anchored rating Scale, Mixed standard scale\(^ {36}\) are some major techniques were proposed during 1950 – 1980. Forced choice method\(^ {37}\) was introduced by Sisson with a objective of removing the limitation occurred due to emphasis given on personality trait. He designed a set of statements, phrases and words to describe the job performance of the employees in his new technique of performance evaluation. Flanagan, in the paper “The Critical Incident Technique (1954)” proposed a process to develop the critical incidences generated from some observed behaviors for a specified period.

\(^{33}\) (McGregor, 1957)  
\(^{34}\) (Smith & Kendall, 1963)  
\(^{35}\) (Arvey & Murphy, 1998)  
\(^{36}\) (Blanz & Ghiselli, 1972)  
\(^{37}\) (Sisson, 1948)
of time to create criteria for evaluation. This technique provides an exhaustive list of typical performance criteria which measures proficiency with respect to standard, identifies training need, sets the selection criteria, designs job, counsels and influences employee motivation level and leadership style in the organization.

Smith & Kendall, 1963, in their paper “Retranslation of expectations” constructed an evaluative rating scale anchored by the example of behavior. They proposed a scale anchored by the behavior descriptions attached with examples of behavior and expectations for each description and for each level of performance with the agreement of the rater. From 1960 – 1980, a significant number of researchers examined the BARS method and recommended different format of the rating scale. Behaviorally Anchored rating scale (BARS) format failed to appear as superior format comparing to others on several psychometric criteria. Campbell, et al (1973) reported that BAR format is not free from halo and leniency error. A new format of rating scale was developed by Blanz & Ghiselli, 1972 and proposed as mixed standard scale (MSS) to minimize the halo and leniency error. Dickinson & Zellinger, 1980 compared BARS and MSS.

Civil rights act 1964, and 1966, Equal Employment Opportunity Commission guideline for regulation of selection procedure, forced legally the organizations to formalize, validate and organize appraisal system. In 1978, four major federal enforcement agencies adopted a uniform selection procedure to protect employees from any discriminations related to personnel practice and policies.
The legal considerations forced the organizations to implement a structured appraisal process based on specific behavioral dimension, established through proper job analysis, systematic and structured feedback system, rater's training and enough opportunity to observe the employee’s performance. The organizations were advised to use multi – rater’s system to reduce the bias and discrimination in performance appraisal.\footnote{Bernadin & Beatty, 1984}

Another important problem creped in was the agreement of rater on the behavior dimensions. This agreement varied from rater to rater and created ambiguity in allocation of incidents to behavior dimension. Some other ambiguity emerged in the final instrument development due to disagreement cropped up from among the researchers on the issue of standard deviation in the scale points. Harai & Zedeck (1973) and Smith and Kendall (1963) used 1.5 standard deviation in 7 point scale, whereas Campbell, Dunnette, Arvey, & Hellervick, 1973 used 1.75 standard deviation in 9 point scale.

Schwab, Herbert, Heneman, & DeCotti, 1975, reported that major researches had faced confusing dilemmas:

(i) Difficulty in assigning observed behavior to specific dimension.

(ii) Fixing an appropriate, reliable and valid scale dimension to the observed behavior and suggested a shift in the focus from characteristic of the instrument to the situations in terms of the rater context, ratee context and the evaluation context, their interaction and their impact on the evaluation process.
In the 1980’s concentration toward preparing a rating scale was deviated to some important factors related to appraisal process: the rater characteristic, the rating format, the process of data analysis and rater training\(^{39}\). Borman W. C., 1979, examined the effects of rater training and rating format on halo error and accuracy in performance rating. He suggested a three step approach for trainer’s training towards improved, reliable, and accurate performance rating, Rater through the process of standardizing the observation of behavior, integrating to inter rater agreement on relative importance of different kinds of behavior. Many researchers aimed to establish a relation between performance appraisal process and organizational structural characteristics \(^{40}\), relation between performance appraisal to financial condition\(^{41}\) of the organization, and also with the climate and culture of the organization\(^{42}\). Several research studies show that the objective of Performance Appraisal system was mainly administrative and developmental. The most common use of performance appraisal was in salary decision, identification of training need, merit review, performance feedback, promotion decisions, etc\(^{43}\).

Various researchers endeavored to identify the numerous sources of conflict arising out of appraisal process such as: conflicting purposes due to utilization of single mechanism for promoting inter-individual comparison (for promotions and salary decision), intra- individual comparison (training need identification, feedback mechanism), cognate to the precision of criteria; conflict

\(^{39}\) (Landy & Farr, 1980)  
\(^{40}\) (Brinbaum & Wong, 1985)  
\(^{41}\) (Nadler, Hackman, & Lawler, 1979)  
\(^{42}\) (Gooding & Wagner, 1985)  
\(^{43}\) (Rendaro, 1980)
due to diverse appraiser’s orientation and the others\(^44\); It also occurs that there is no identical/ homogeneous process involved in evaluating peoples performance as it varies from organization to organization. All these tend towards a divergent outcome of people performance evaluation\(^45\).

Various research studies of performance appraisal during 1980’s highlighted much on consequence of rater training and also the cognitive aspect of rater’s awareness on the appraisal system. All these studies also gave emphasis on the removal of limitation/ weaknesses of the performance appraisal emerged from system principles, philosophies of the higher management about performance evaluation. Researchers had taken the help of the basic psychological research to frame the base of cognitive psychology and social cognition to develop performance appraisal process. The interest area for the researchers were additionally towards establishing cognition between rater’s variables like cognitive intricacy, leadership quality, and trust with consequentiality of rating purport and rating scales to the performance ratings of the employees\(^46\). This era can be divided in major categories like: (i) Cognitive processing of information; (ii) Rater, Ratee personal characteristics and their effects on rating; (iii) Effect of Appraisal sources and rating purpose on ratings; (iv) Appraisal feedback and its process; (v) rater’s training; (vi) appraisal format; (vii) some other issues.

Feldman (1981) established a direction to develop measures of cognitive structure with categories, prototypes, and accessibility of those categories. During

\(^{44}\) (Drenth, 1984.)
\(^{45}\) (DeNisi, Cafferty, & Meglino, 1984)
\(^{46}\) (Bernadin & Orban, 1990)
the period some researchers attempted to find out the probable reason for ineffectiveness of performance appraisal system in the organization. They also endeavored to find out how to use the appraisal data for making effective decisions in the companies for their excellence in the business activities. Since the companies obtaining sustained advantage in the competitive market are dependent upon the quality of service and production, the people rendered the importance of a full proof performance appraisal system is sine quanon for any organization.

The foregoing deliberation makes a clear indication about an evolutive trend of performance appraisal in organizational setting prior to 1990.

The elements of assessment in the Federal Civil service of the US during 1800s were based on performance criteria like faithfulness, attention, competence. Merit Rating was fragmented, subjective and not linked to the individual comportment. The outcome of these methods was generally salary or promotion decisions. After 1950 the researchers’ concentration shifted towards the description of behavior and maintenance of record for a specific period in the area of significant achievement/ task. Objective setting, feedback review discussion were given proper weightage to make the appraisal functioning and effective.

A much discussed appraisal method involving most stakeholders, peers, boss came into vogue for practical use in organizational settings. These undoubtedly give a proper evaluation provided the probable limitations are removed from the system.
Criticism against the merit rating and traditional year end appraisal augmented to a high level for its bureaucratic nature of managerial, strict adherence to compliance, manifestation of authority in the process of exercising the practice, voluntary compliance of objective, police action, loss of customer focus and reasoned to damage in the pride of workmanship due to target orientation. Unitary frame of reference to appraise, diverse interests and roles, ignorance to the system factors were very much inherent with the performance appraisal system.

It is gathered from the above discussion that peoples’ performance were measured/evaluated before taking decision of salary increments, promotion and control activities but not a systematic process was in vogue during such period in organization. Some organizations introduced its own method for measuring performance of employees. It occurs that counseling activities feedback discussions were made not on regular basis but in a haphazard way. Some study particularly undertaken by Smith and Kendall, 1963, Drucker, 1954, Murphy Cleveland gives an idea about how people’s performance is evaluated in various organizations.

2.3.3 Period after 1990

The earlier phases reveal the idea on development of performance appraisal. The growth of performance appraisal after 1990 was mainly concentrated towards integration of appraisal system with production quality and control under the arena of total quality of management (TQM). In the context of developments of the people’s and their performances, the performance appraisal system catered to the need of corporate management in the specific area of
activity. But subsequently after the pragmatic change, in the economic system that shifted from controlled, regulated protected economy to liberalized, privatized and globalised (LPG) economy, much more need to design and develop the performance appraisal and also to make employee performance review format (EPRF). Thus the whole gamut of the employee performance appraisal system was changed looking to the various aspects like economic scenario, competitive climate, business activities, market position, HR availability, Government attitude, desire, and change in technology. A considerable number of research work in modern phases has been made to overcome the rater's bias. Participation of peers, subordinates, supervisor and the other stakeholder having linkage with the delivery of the service/ goods by the ratee was given due consideration when the performance appraisal process was considered in totality. Many research workers contributed towards the integration of individual performance improvement to the organization development. Performance results and their determinants were differentiated. A great endeavor was noticed among the researchers to match quality aspects with performance appraisal system. The issues like development oriented by counseling, guiding and aiding towards organizational quality drive, inclusion of customers and other role customers in appraisal process of the role incumbent, behaviour based and process oriented appraisal system to improve quality driven behaviour were addressed.

Many exploratory research projects were directed towards development of process focused appraisal that contributes to incremental growth of
performances of the people who feel satisfied, committed, contented with the appraisal system\textsuperscript{47}.

The pioneering work by Kaplan & Norton, 1992, proposed a multi-dimensional framework balancing internal and external measures and financial and non-financial measures, to monitor a comprehensive framework to track financial records and to monitor progress of internal capabilities and intangible assets, to integrate performance measurement systems as an essential part of company strategy. Over the last decade, the Balanced Score Card has gone through an evolutionary process of improvement, from performance measurement to performance management, to becoming a globally recognized best practice for strategic management. Clive Fletcher (1995) integrated performance appraisal to performance management to achieve organizational goals through strategic performance.

A number of researches laid the emphasis on understanding contextual performances their differences with job specific performance and the effect of inclusion of those non-job specific behavior like cooperation, dedication, perseverance, and enthusiasm in performance appraisal criteria. With the increase in business complexity most companies introduced a system to practice of quality management system deployed highly qualified workforce with talent orientation, increased the importance of team based work, requirement of effective communication, concentration towards considering the contextual performance criteria and incorporated and practiced the concept of

\textsuperscript{47} (Lam & Schaubroeck, 1999)
organizational citizenship behavior, emotional intelligence of employees, their personality, commitment and behavior.

Robert Bacal (2004), in his book “Managers guide to Performance Reviews” demonstrated strategic issues to make the Performance Appraisal System effective through planning, communication, observing and documenting data, and providing feedback through review meetings to create an development oriented appraisal system.

After 1990’s, the use of computers in the work has increased a lot. Most employees initially experienced difficulty in excelling their performances, so the requirement to restructure and redesign many job descriptions was felt. Different newly developed skill sets were on demand. The concept shifted from measurement of performances to management of performances. Computers played a crucial role accumulation and management of data relating to employee performance, electronically. Use of computers and IT, attracted the attention of the researchers looking to the job served by the electronic monitoring system to data handled by it at a time. The mediating role of the computer system in feedback system through recording, aggregating the performance rating and making them available online, proved to be very much significant. Software emerged in the market, supported the performance development and facilitated learning system. A large number of studies inquired into the characteristics, attributes and behaviors of performance-centered packages available in the

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48 (Sulsky & Keown, 1998)
49 (Stanton, 2000)
50 (Ang & Cummings, 1994)
51 (Kluger & Adler, 1993)
consumer market. A considerable number of research works was centered on the use of computer software in appraisal process and evaluation of the software in relation to the productivity improvement.

After 1990, Management of performances by results gained popularity. Some research studies emphasized the competency levels, role expectations, and process and system maturity in terms of the organization. EFQM model integrates leadership, people management, policy, strategy, resources, (enablers) to achieve people satisfaction, customer satisfaction, business result, societal impact (Result). Balanced Score Card that was popular for contributing towards a balanced set of financial and non financial measurements integrated individual performance, team performance with organizational strategic initiative. More specifically, the HR Scorecard linked people performance with HR strategy vis-a-vis organizational strategy. Performance Prism provides an innovative and holistic approach to deal with the intricacy of relationships of the organization with its multiple stakeholders in the context of functioning environment for long term success and integrates performance measurement systems relevant to the specific conditions of their operating environment. The following table depicts the pioneering works towards the development of modern appraisal system.

<table>
<thead>
<tr>
<th>Year</th>
<th>Proposer</th>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>Kaplan &amp; Norton</td>
<td>Developed a comprehensive framework to measure business performance</td>
</tr>
<tr>
<td>1993</td>
<td>Borman &amp; Motowidlo</td>
<td>Studied the result of inclusion of contextual performance in the appraisal system</td>
</tr>
<tr>
<td>1993</td>
<td>Shore &amp; Wayne</td>
<td>Studied the effect of personality and commitment on employee behavior</td>
</tr>
</tbody>
</table>

52 (Stewart III, 1980)  
53 (Neely, Adams, & Kennerley, 2002)
### Table: 2.1 The most important works in the area of performance appraisal after 1991

<table>
<thead>
<tr>
<th>Year</th>
<th>Proposer</th>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993</td>
<td>Kaplan &amp; Norton</td>
<td>Linked strategy to the business performance measuring framework</td>
</tr>
<tr>
<td>1993</td>
<td>Kluger &amp; Adler</td>
<td>Compared electronically administered feedback system and face-to-face</td>
</tr>
<tr>
<td>1994</td>
<td>Ang &amp; Cummings</td>
<td>Studied the effect of computer on feedback system</td>
</tr>
<tr>
<td>1995</td>
<td>Fletcher, 2001</td>
<td>A comprehensive literature review approach studying the journey from performance appraisal to performance management</td>
</tr>
<tr>
<td>1995</td>
<td>Ghorpade &amp; Chen, 1995</td>
<td>Harmonized a quality management and appraisal process</td>
</tr>
<tr>
<td>1995</td>
<td>Gery, 1995</td>
<td>Studied the attributes of computer driven appraisal system</td>
</tr>
<tr>
<td>1997</td>
<td>Lepsinger &amp; Lucia</td>
<td>Consequence of participation of peers, appraisee and appraiser in the performance appraisal system</td>
</tr>
<tr>
<td>1997</td>
<td>Organ</td>
<td>Introduced the concept of organizational citizenship</td>
</tr>
<tr>
<td>1998</td>
<td>Arvey &amp; Murphy</td>
<td>Extended the research to study further the effect of non-job specific behavior on the employee performances</td>
</tr>
<tr>
<td>1998</td>
<td>Goleman</td>
<td>Studied the effect of emotional intelligence on employee performance</td>
</tr>
<tr>
<td>1998</td>
<td>Sulsky &amp; Keown</td>
<td>Explored the contemporary trends of appraisal system</td>
</tr>
<tr>
<td>1999</td>
<td>Lam &amp; Schaubroeck, 1999</td>
<td>Studied the implication of performance appraisal system on TQM, towards development of process focused appraisal system</td>
</tr>
<tr>
<td>1999</td>
<td>Higgs &amp; Dulewicz</td>
<td>Defined emotional Intelligence as the personal capabilities</td>
</tr>
<tr>
<td>1999</td>
<td>Spinks, Wells, &amp; Meche</td>
<td>Explored various software and their use in performance appraisal process</td>
</tr>
<tr>
<td>2000</td>
<td>Stanton</td>
<td>Studied the trend of electronically monitored appraisal system</td>
</tr>
<tr>
<td>2001</td>
<td>Becker, Huselid, &amp; Ulrich</td>
<td>Concept of HR Score card</td>
</tr>
<tr>
<td>2002</td>
<td>Neely, Adams, &amp; Kennerley</td>
<td>A new concept of Performance Prism was introduced through the Scorecard for measuring and Managing Business</td>
</tr>
<tr>
<td>2003</td>
<td>Kennerley &amp; Neely</td>
<td>Provided an understanding about the contemporary performance measuring process</td>
</tr>
</tbody>
</table>

### 2.4 Performance Appraisal Practices in Indian Industry

This section of the chapter deals with an extensive study of literatures available in the direction of use of appraisal in the Indian organization for various
functional activities. The literature review in the area indicates that in the Indian industrial setting the use of appraisal system is of recent origin, though in some organizations in the 19th and 20th century introduced a practice of evaluating people’s performance for fixing salary and granting reward to the employees but no systematic appraisal format was found to be working in the concerned organizations. Such organizations used the tool for administrative purpose and corporate governance but later initiated the practice to motivate the employees.

The early evidences of merit rating were observed during the British rule in India when East India Company started to keep some confidential report of performances of their employees. In India, the history of formal performance rating is of recent origin. The various studies indicate that in India, Union Carbide first has started formal appraisal system in 1940’s to get to know the people’s strength and competences and their level of performance. This organization accepted the principle in proper and right direction to make the people happy and contented.

Bata India in 1950s TISCO and Voltas’ have implemented employee performance evaluation program in 1953 and 1954. The maximum Government and Public concern after 1947 used confidential reporting as performance appraisal tool. Indian armed force used trait based and personality based appraisal process. Indian Railway also used confidential report as performance appraisal tool.

54 (Basu M. K., 1988)  
55 (Sharma & Sahni, 2012)  
56 (Sharma, et al, 2008)
Life Insurance Corporation of India advocated the performance appraisal system as a “Work planning and review process” that could help the organization to design strategic work planning with its’ consequential feedback/ review. Subsequently, a more emphasis has been laid on the quality of work, customer service and delightment. People’s performance evaluation was made looking to the quality service, customer satisfaction rendered by them\(^{57}\). According to the Administrative reform Commission (1969), the format of performance appraisal system in India was not structured and so it require development. The format focused more on the man rather than on job, and the appraisal was very much subjective. The rating error used to occur from the raters resistance to judge the people also\(^{58}\).

The appraisal system was used as a control mechanism that could help the company to take steps against non performers. Review/ feedback were also given much more importance to change the people behavior so that they could manifest their activities as per the target\(^{59}\). In mid 1970s, Larsen and Toubro used a performance evaluating system including performance planning and analysis, identification of development needs, participatory planning, culture building, competence building, upward appraisal and review, in terms of design made by Rao and Pareek\(^{60}\).

\(^{57}\) (Parker & Datta, 1996)  
\(^{58}\) (Dayal, 1969)  
\(^{59}\) (Tripathi, 2002)  
\(^{60}\) (Rao & Pareek, 1996)
Appraisal system in Indian banks was also error prone. Raters had no formal training to rate the employee. Rating was not linked to the on-the-job performance, hence, rating led to bias and subjectivity\(^{61}\).

Around 1976, some companies like Glaxo Laboratories Ltd., Bombay; Hindustan Lever Ltd., Bombay; Indian Tobacco Co. Ltd., Calcutta; Indian Aluminum Co. Ltd., Alwaye and Madura Mills Ltd., Madurai felt the necessity to use MBO as a performance evaluation measures through joint participation, goal setting and action orientation\(^{59}\).

It was also very much evident from various studies that a significant number of organizations including Government owned undertakings have been assessing people performance through the use of confidential report\(^{62}\) which is basically based on the subjective traits\(^{63}\), where the opportunity to improve the employee performance through joint interaction under feedback system were totally absent. The organizations irrespective of public and private followed the same type of appraisal form. The errors resulted in the appraisal process different aspects like individual behavior, appraisal format, and the appraisal process. Subjectivity, Leniency, over strictness, inconsistent rating, and lack of clarity of appraisal goal also caused bias in the process\(^{64}\).

In the late 1980’s some big organizations started to change their performance evaluation pattern from closed, hidden system to open, transparent, review/feedback based system\(^{65}\).

\(^{61}\) (Vaghul, 1975)
\(^{62}\) (Mazumdar, 1978)
\(^{63}\) (Dayal, 1979)
\(^{64}\) (Singh, Maggu, & Warrier, 1981)
\(^{65}\) (Bhatia, 1981)
The utility of judging the view of respective stakeholders of the employees was highly felt essential as the earlier appraisal methods used by companies were not free from the limitations of biasness. Such system as is coined today as 360 degree feedback has occupied an important performance measuring tool.

The companies like TELCO, MODI Xerox, SAIL, CMC Ltd. introduced such 360 degree feedback method for assessing people’s performance in 1991 onwards. Much emphasis was given on the self development review, career progression, performance planning, and people motivation through reward system.

An attempt was also taken to measure business performances in the line of measuring scale used for assessing people’s performance. It is very much observed from the Memorandum of Understanding (MoU) the Government of India made with the undertaken enterprises/organizations in terms of the Arjun Sengupta Committee report in 1986. A five point scale was used to measure the qualitative or quantitative criteria judged against financial as well as non-financial performances (ex. ‘on – time - performance’, ‘customer satisfaction’) of the business, where 1 = ‘excellent’, 2 = ‘very good’, 3 = ‘good’, 4 = ‘fair’ and 5 = ‘poor’.

In the early part of the century, tendency to use performance appraisal system in call centres has been developed. Some organizations notably IT sectors have initiated the practice of measuring people performance in line with key result area. It also occurs that some IT sectors introduce a pattern of role model that act as benchmark for others who can take it and proceed as example to reflect in the performance records. Such organizations use this performance...
appraisal technique for designing and promoting reward management, training identification and discipline management\textsuperscript{66}.

The last few years some Indian Banks may be for obtaining competitive advantage in the market have been on the aggressive search of introducing a performance appraisal system that can enable their employees to attain excellence in the overall performance and can continue with the pace of activities in line with changing requirement. The performance appraisal format has been designed in such a way that the areas like competency, review by stakeholders, training requirement, personal growth, self evaluation have been incorporated\textsuperscript{67}.

A major change in the performance appraisal system components is found to be prevalent in some companies. As a parameter to appraise performance such companies have identified the components like competence, values, attitude, technical expertise, strategic thinking. The companies like National Thermal Power Corporation Limited (NTPC) has emphasized upon five components namely Performance, Competence, Values, Potential Appraisal, Potential and Performance Profile\textsuperscript{68}.

In the recent past, some private companies working in India are designing the performance developing appraisal looking to the objectives like performance measurement system, financial and non financial parameters used for performance measurement. So their approach was to use widely the performance measurement through 360 degree appraisal using TQM approach and activity based costing.

\textsuperscript{66} (Budhwar, Varma, Singh, & Dha, 2006)
\textsuperscript{67} (Chowdhury, 2008)
\textsuperscript{68} (Goyal & Khurana, 2010)
It is clear from the survey of literature in the field of PAS, prior to 1980, organizations operating in India had no systematic, planned and continuous process to evaluate people’s contribution having linkage with feedback and counseling mechanism. All this was found to be practiced by some Indian companies after 1980. However in 1990s a lot many IT companies have started giving importance on identification of potential people, excellent performers and also deadwoods through PAS and potential appraisal mechanisms. In the 21st century research activities in such field of performance management got momentum to explore new grounds to enable the organization to gain substantial competitive advantage through customer delightment.

**A Review approach:**

Existence of identification of merit and the appraisal of merit was proven from an in-depth study of the literatures. Literatures proved that the requirement and thus development of appraisal was primarily paved by the US military, to assess the performance of army generals resulted in forming a base for promotion during World War I and II. Industrial revolution created grounds of mass production, factories and hence an industrial era. The success of appraisal techniques used by US army towards assessment of merit of the employees for diverse personnel decisions. The British companies stated following the system for their establishments. During 1914, development of performance appraisals in United States industry began with early work in salesman selection by industrial psychologists at Carnegie-Mellon University, who used trait psychology to develop a man-to-man rating system. Through the passage of time, researchers tried to establish various techniques to assess the performances of the people,
rating scales, universal rating criteria towards rater’s agreement. Performance Appraisal is always debated and criticised by the researchers for its pattern of use and biased nature, as the same tool is used for administrative as well as development purpose and over emphasis on supervisor’s ratings and researchers tried to find out best and strategic utilization of appraisal method linking with behaviour beyond job description. The historical retrospect of appraisal process is described in the table below:

<table>
<thead>
<tr>
<th>Period</th>
<th>Growth trend of appraisal process</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antiquity</td>
<td>The elements of merit rating and use of appraisal system in man management was an established practice</td>
<td>Epics,</td>
</tr>
<tr>
<td>206BC - 220AD</td>
<td>China under the Han Dynasty, had evidenced the practice of man management and appraisal system</td>
<td>Pattern, 1977</td>
</tr>
<tr>
<td>322 – 185 BC</td>
<td>India under the rule of Mauriyan Dynasty, established a transparent and well defined management system</td>
<td>Kautilya’s Arthasastra</td>
</tr>
<tr>
<td>221AD-265AD</td>
<td>A rating system of the official members were observed during Wei Dynasty (221-265AD)</td>
<td>Banner &amp; Cooke (1984); Coens &amp; Jenkins (2000), Patten (1977)</td>
</tr>
<tr>
<td>1540-1560</td>
<td>A formal rating system was found to be established by Ignatius Loyola.</td>
<td>Whisler &amp; Harper (1962)</td>
</tr>
<tr>
<td>1526-1707</td>
<td>The wages were based on the performances and skill level during Mughal empire</td>
<td>Garret, 1995</td>
</tr>
<tr>
<td>18th century</td>
<td>The first formal method of appraisal system was evidenced among the US and American army.</td>
<td>Furnham (2004).</td>
</tr>
<tr>
<td>late 18th century</td>
<td>The administrative issues like promotions, increments were practiced on the basis of appraisal.</td>
<td>Pratt (1991).</td>
</tr>
<tr>
<td>1800-1817</td>
<td>Performance appraisals in industry were most likely initiated by Robert Owen in the early 1800s.</td>
<td>George (1972), as cited in Banner &amp; Cooke (1984); Wiese &amp; Buckley (1998).</td>
</tr>
<tr>
<td>1813</td>
<td>Army General Lewis Cass reported to the US War Department on individual ratings of officers using descriptions of each officer.</td>
<td>Bellows &amp; Estep (1954), Wiese &amp; Buckley (1998), Lopez (1968) as cited in Banner &amp; Cooke</td>
</tr>
</tbody>
</table>
### Table 2.2 A chronological trend of growth in Performance appraisal

<table>
<thead>
<tr>
<th>Period</th>
<th>Growth trend of appraisal process</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>1840s and 1850s</td>
<td>In the 1840s and 1850s, the US Congress required efficiency ratings of clerks which contained information on competence, faithfulness and attention. However, these reports were not used for selection, retention or promotion which continued to be at the discretion of the bureau head and Secretary of the department.</td>
<td>White (1954) as cited in Wiese &amp; Buckley (1998).</td>
</tr>
<tr>
<td>1911</td>
<td>Taylor proposed the concept of piece rate system which in turn required the measurement of the performance of individuals, especially their output.</td>
<td>Radnor &amp; Barnes (2007)</td>
</tr>
<tr>
<td>1914</td>
<td>The industrial psychologists at Carnegie-Mellon University, used trait psychology to develop a man-to-man rating system.</td>
<td>Scott et al. (1941) as cited in Wiese &amp; Buckley (1998).</td>
</tr>
<tr>
<td>1918-1939</td>
<td>Graphic rating scale was popularized prior to World War II but performance appraisal systems excluded top management. Performance appraisals traditionally been used for administrative purposes, such as retention, discharge, promotion, and salary administration decisions.</td>
<td>Wiese &amp; Buckley (1998). DeVries et al. (1981); Murphy &amp; Cleveland (1995); Patten (1977) Whisler &amp; Harper (1962).</td>
</tr>
<tr>
<td>1950-1960</td>
<td>Almost 50 – 60% big companies reported to have formal appraisal system. This was the criteria developing phase. Focus was more on finding bias free appraisal techniques, rater's training, etc.</td>
<td>Spriegel (1962), Wiese &amp; Buckley (1998).Furnham (2004).</td>
</tr>
</tbody>
</table>
Table 2.2: A chronological trend of growth in Performance appraisal

<table>
<thead>
<tr>
<th>Period</th>
<th>Growth trend of appraisal process</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990s</td>
<td>Inclusion of innovative parameters like competence, values, attitude, technical expertise, strategic thinking gained importance to appraise the performances</td>
<td>Ghosh, 2006</td>
</tr>
</tbody>
</table>

Source: (Ghosh, Sanyal, & Bose Biswas, 2013)

A detailed study based on citations justified trend proposition. Through in-depth study and analysis of research work in the area of performance measurement, rater’s bias, rating format and the appraisal method had generated 8, 80,000 results, it revealed that a large number of researchers made an attempt to explore the related factors affecting this concern areas. Summary of important work during the period 1950-1980 and their citation patterns are highlighted in Table 3 and Chart 1 respectively. The research activities in subsequent years particularly after 1990, and its citation patterns are given in Table 4 and Chart 2 respectively.

Table 2.3: Citation Details for 10 most cited authors during 1950-1990

<table>
<thead>
<tr>
<th>Most Cited Authors</th>
<th>Most Cited Papers</th>
<th>Year</th>
<th>Citation</th>
<th>Work summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feldman,</td>
<td>“Beyond Attribution Theory:</td>
<td>1981</td>
<td>677</td>
<td>The research studies the behavior</td>
</tr>
</tbody>
</table>
Table 2.3: Citation Details for 10 most cited authors during 1950-1990

<table>
<thead>
<tr>
<th>Most Cited Authors</th>
<th>Most Cited Papers</th>
<th>Year</th>
<th>Citation</th>
<th>Work summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zedeck &amp; Cascio, 1982</td>
<td>Performance Appraisal Decision as a raters training and Performance rating.</td>
<td>1982</td>
<td>112</td>
<td>Studied influence of raters training on fair performance rating process</td>
</tr>
<tr>
<td>Murphy, K. R &amp; Balzer, W. K, 1989</td>
<td>Rater Errors and Rating Accuracy</td>
<td>1989</td>
<td>119</td>
<td>Studies the different causes of rater errors and improve the rating accuracy</td>
</tr>
<tr>
<td>Cleveland, J. N; Murphy, K. R; Williams, R. E</td>
<td>&quot;Multiple Uses of Performance Appraisal&quot;: Prevalence and Correlates&quot;. Journal of Applied Psychology.</td>
<td>1989</td>
<td>268</td>
<td>Studied use of appraisal for different purposes</td>
</tr>
</tbody>
</table>

Source: (Ghosh, Sanyal, & Bose Biswas, 2013)

![Figure 2.1 Citation pattern of the articles of duration 1950-1990 up to 17th August, 2012](source: Ghosh, Sanyal, Bose Biswas, 2013)
<table>
<thead>
<tr>
<th>Most Cited Authors</th>
<th>Most Cited Papers</th>
<th>Year</th>
<th>Citation</th>
<th>Work summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Levinson, H, 2003</td>
<td>“Management by Whose Objectives?” Harvard Business Review. Vol 81.</td>
<td>2003</td>
<td>227</td>
<td>Suggested that the appraisal process must be integrated with personal individual need and desire stated by Herzberg, thus aligning</td>
</tr>
</tbody>
</table>
### Table 2.4: Citation Details for 10 most cited authors after 1990

<table>
<thead>
<tr>
<th>Most Cited Authors</th>
<th>Most Cited Papers</th>
<th>Year</th>
<th>Citation</th>
<th>Work summary</th>
</tr>
</thead>
</table>

Source: Ghosh, Sanyal, Bose Biswas, 2013

### Figure 2.2: Citation pattern of the articles of duration 1991- 2012 upto 17th August, 2012

![Citation pattern of the articles of duration 1991- 2012 upto 17th August, 2012](image-url)

Source: Ghosh, Sanyal, Bose Biswas, 2013
Analyzing various empirical research work in the field of people’s performance, it is revealed that substantial research works had been carried out in a progressive manner that is found to be 807 from 1920-1950; 15400 from 1950-1990; 42,400 in 1990-2012, which mean, 72% increase in interest during the last twelve years in the direction of research on PAS. The table below gives the implications towards a shift in objective of appraisal only from control and development to strategic control, maintenance and development. Review of existing literature transpires the role of individual performance on organizational performance, organizational culture and citizenship behavior. Indian literature survey shows clearly that employee appraisal system is still in its infancy stage and needed to be studied extensively.

<table>
<thead>
<tr>
<th>Objectives of Performance management System</th>
<th>Strategic approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance</td>
<td>Competence management, career management, organizational culture building, value based leadership, creativity,</td>
</tr>
<tr>
<td>Usually used for administrative purpose. To make decisions regarding pay, incentives, succession planning, transfer, job rotation, etc.</td>
<td></td>
</tr>
<tr>
<td>Development</td>
<td>Self developments, Dyad (Supervisor and self) dynamics, Team effort, Inter-Team coherence through continuous learning and knowledge sharing, exploration of potential capabilities and right assignment</td>
</tr>
<tr>
<td>Regulation of performance through disciplinary measure (performance or perish)</td>
<td></td>
</tr>
</tbody>
</table>

Source: Ghosh, Sanyal, Bose Biswas, 2013

An in-depth study on literatures provided a thorough understanding of the evolution pattern of appraisal system based on the available researches. It is adding to scholarly value by providing bibliographic information about the most important work in the area of performance appraisal system. It is now proven from the existing literatures and research, that to improve employee's
performance, emphasis should shift from measuring and controlling their performances to its management through self development by way of generating a culture of employee involvement, empowerment and participation that result in creation of reservoir of committed, contented and loyal workforce. All such workforce can be able to provide rare, incomparable and value addition in service and product that can help the organization to obtain sustainable competitive advantage through customer delightment. The effect of volatile national and international economy, project wise changing team, inherent drawbacks of rater’s characteristics and organization’s policy and system need to be addressed.

Research in the field of appraisal in India is still in its developing stage. More empirical and exploratory analysis of the practice of appraisal system in Indian organizational context is needed. Appraisal system must be integrated with the work values like sincerity, loyalty, perseverance, truthfulness, honesty, creativity, positiveness, self discipline, contentment and tolerance. A high degree of top management attitude and spontaneous initiative and desire to introduce an effective performance appraisal system having no linkage with the inhibiting factors in the growth process of the appraisal system is a dire necessity.