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A Study on Force of Performance Appraisal on Appointment of Employee

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Abstract:

Performance appraisal is a means of evaluating the organizations human resources qualitatively and quantitatively in regard to the aspect of job performance. In the best organizations, engagement is more than a human resources initiative and strategic foundation for the way they do business. The study aims to identify the factors which influence the employee appointment (engagement) and preferences of the factors which influences. It also aims to study the overall satisfaction of employees on the online performance appraisal system and its relation with employee appointment (engagement). It is a casual study and the data is collected through questionnaire with five point linker scale. Finally the study concludes that there is positive proportion of employee appointment (engagement) and performance appraisal. The engagement/appointment increases by proper rating system and they involved themselves for the higher productivity. It is a positive attitude held by the employees towards the organization and its values.

Key words: Employee Appointment, performance appraisal, online appraisal system, influential factors.

1. Introduction

Employee appointment (engagement) is the level of commitment and involvement an employee has towards their organization and its values. According to Scarlett Surveys, “Employee engagement is a measurable degree of an employee’s positive or negative emotional attachment to their job, colleagues and organization which profoundly influences their willingness to learn and perform their work”. Thus engagement is distinctively different from satisfaction, motivation, culture, climate and opinion and very difficult to measure. An employee is a real power of an organization and directly they are related with productivity and profitability of the company. The performance appraisal system plays an important role in reducing absenteeism and increasing employee’s level of commitment and involvement towards organization and it is directly related to organizational benefits. Fair evaluation of employee’s performance is an important criterion for determining the level of employee engagement. The company which follows an appropriate performance appraisal technique (which transparent and not biased) will have high levels of employee engagement.

2. Importance of Employee Appointment (Engagement)

Engaged employees will stay the company be an advocate of the company and its products and services, and contribute to bottom line business success. They will normally perform better and are more motivated. There is a significant link between employee engagement and profitability. They form an emotional connection with the company. This impacts their attitude towards the company’s clients and thereby improves customer satisfaction and service levels. It builds passion, commitment and alignment with the organization’s strategies and goals. Increases employees trust in the organization and create a sense of loyalty in a competitive environment, provides a high energy working environment and boosts business growth.

3. Influence of Online Performance Appraisal System on Employee Appointment (Engagement)

Fair evaluation of an employee’s performance is an important criterion for determining the level of employee engagement. The company which follows an appropriate performance appraisal technique will have high levels of employee engagement. It is a positive attitude held by the employees towards the organization and its values. It is rapidly gaining popularity, use and importance in the work place and influences organizations in many ways. Employee engagement emphasizes the importance of employee communication on the success of a business. An organization should thus recognize employees more than any other variable, as powerful contributors to a company’s competitive position. Therefore employee engagement should be a continuous process of learning, improvement, measurement and action. There are some basic employee performance management practices that, if done well, address most of these needs. They include

- Giving employees meaningful feedback on a regular basis.
- Being clear about goals and helping employees see how their work matters to the organization.
- Giving employees opportunities for growth and development.

- **Drivers of Appointment (Engagement)**

While it is possible to measure engagement itself through employee surveys, this does not assist in identifying areas for improvement within organizations. There are a range of factors known as drivers that are thought to increase overall engagement. By managing the drivers, an organization can effectively manage engagement levels of its employees. Drivers such as communication, performance clarity and feedback, organizational culture, rewards and recognition, relationships with managers and peers, career development opportunities and knowledge of the organization's goals and vision are some of the factors that facilitate employee engagement. Some points from the research are presented below:

- **Employee perceptions of job importance**- according to 2006 study by Gerard Seijts and Dan Crim, "an employee's attitude towards the job and the company had the greatest impact on loyalty and customer service than all other employee factors combined".
- **Employee clarity of job expectations**- "if expectations are not clear and basic materials and equipment not provided, negative emotions such as boredom or resentment may result and the employee may then become focused on surviving more than thinking about how he can help the organization succeed".
- **Career advancement / improvement opportunities**- "plant supervisors and managers indicated that many plant improvements were being made outside the suggestion system, where employees initiated changes in order to reap the bonuses generated by the subsequent cost savings".
- **Regular feedback and dialogue with supervisors**- "feedback is the key to giving employees a sense of where they're going but many organizations are remarkably bad at giving it". "What I really wanted to here was 'Thanks. You did a good job.' But all my boss did was hand me a check".
- **Quality of working relationships with peers, supervisors and subordinates**- "...if employees' relationship with their managers is fractured, then no amount of perks will persuade the employees to perform at top levels. Employee engagement is a direct reflection of how employees feel about their relationship with the boss".
- **Perceptions of the ethos and values of the organization**- "Inspiration and values is the most important of six drivers in our engaged performance model. Inspirational leadership is the ultimate perk. In its absence, it is unlikely to engage employees".
- **Effective Internal Employee Communications**- which convey a clear description of "what is going on". If you accept that employees want to be involved in what they are doing then this trend is clear (from small business to global organizations). The effect of poor internal communications is seen as its most destructive in global organizations which suffer from employee annexation- where the head office in one country is buoyant (since they are closest to the action, know what is going) are disengaged. In the worst case, employee annexation can be very destructive when the head office attributes the annex's low engagement to its poor performance...when its poor performance is really due to its poor communications.
- **Reward to engage**- Look at employee benefits and acknowledge the role of incentives. "An incentive to reward good work is a tried and test way of boosting staff morale and enhancing engagement". There are a range of tactics you can employ to ensure your incentive scheme hits mark with workforce such as: setting realistic targets, selecting the right rewards for your incentive programme, lots of winners and reward all achievers, encouraging sustained effort, present awards publicly and evaluate the incentive scheme regularly.
- **Studies by consultants**
Engaged employees care about the future of the company and are willing to invest the discretionary effort. Engaged employees feel a strong emotional bond to the organization that employs them.

4. Emotional Attachment

Only 29% of employees are actively engaged in their jobs. These employees work with passion and feel a profound connection to their company. People that are actively engaged help move the organization forward. 88% of highly engaged employees believe they can positively impact quality of their organizations products, compared with only 38% of the disengaged. 72% of highly engaged employees believe they can positively affect customer service, versus 27% of the disengaged. 68% of highly engaged employees believe they can positively impact costs in their job or unit, compared with just 19% of the disengage. Engaged employees feel a strong emotional bond to the organization that employs them.

5. Commitment

It has been routinely found that employee engagement scores account for as such as half of the variance in customer satisfaction scores. This translates into millions of dollars for companies if they can improve their scores. Studies have statistically demonstrated that engaged employees are more productive, more profitable, more customer focused, safer and less likely to leave their employer.

6. Productivity

In a study of professional service firms, the Hay Group found that offices with engaged employees were up to 43% more productive. The most striking finding is the almost 52% gaps in operating incomes between companies with highly engaged employees and

companies whose employees low-engagement scores. High-engagement companies improved 19.2% while low engagement companies declined 32.7% in operating income during the study period.

7. Influences

Employer appointment/engagement, Employee clarity of job expectations, career advancement improvement opportunities, regular feedback, and dialogue with superiors, quality of working relationship with peers, supervisors and subordinates, Effective internal employee communications , Reward to engage.

Their central focus on the management of organizational performance. It is believed that the frame work can usefully be developed further by its use in analysing other instances of management control systems practice, and that case-based longitudinal studies provide the best route to this end.

Feldman, Jack M. in Journal of Applied Psychology, Vol. 66(2) April,1981,127-148,doi:10.1037/0021-9010.66.2.127 contributed "beyond attribution theory: Cognitive processes in performance appraisal ". It construes performance appraisal as the outcome of a dual-process system of evolution and decision making whereby attention, categorization, recall and information integration are carried out through either an automatic or controlled process.

8. Research Methodology

A causal research was used to gain an insight into employees perceived service quality offered by employer with respect to five point linker scale. The primary data has been collected using an undisguised structured questionnaire for this research. The respondents were asked to provide belief rating for various factors. The study tries to enumerate the factors which are considered as important by the employees. In order to analyze the employee involvement the factors have been broadly classified into infrastructure & work environment, learning and development, performance and growth, process and resources. Various sub-variables have been included within each factor to consider the broad facets that each of factors covers. The similar strategy is adopted to find out the satisfaction of respondents for the performance appraisal system. The study aims to correlate the satisfaction level of respondents with the employee engagement.

9. Objectives of the Study

- To study overall satisfaction level of employees.
- To study the influence of performance appraisal system on employee engagement.
- To identify the problem with the appraisal system which affect the employee involvement.

Correlation Analysis

		Awareness	Employee Appointment
Awareness	Pearson correlation	1	0.443
	Sig.(2-tailed)		0.026
	N	25	25
Employee Engagement	Pearson correlation	0.443	1
	Sig.(2-tailed)	0.026	
	N	25	25

		Self-Evaluation	Employee Appointment
Self-Evaluation	Pearson correlation	1	0.324
	Sig.(2-tailed)		0.114
	N	25	25
Employee Engagement	Pearson correlation	0.324	1
	Sig.(2-tailed)	0.114	
	N	25	25

		Evaluation of Approval goal	Employee Appointment
Evaluation of Approval goal	Pearson correlation	1	0.452
	Sig.(2-tailed)		0.023
	N	25	25
Employee Engagement	Pearson correlation	0.452	1
	Sig.(2-tailed)	0.023	
	N	25	25

		Recognition	Employee Appointment
Recognition	Pearson correlation	1	0.515
	Sig.(2-tailed)		0.008
	N	25	25
Employee Engagement	Pearson correlation	0.515	1
	Sig.(2-tailed)	0.008	
	N	25	25

		Goal setting	Employee Appointment
Goal setting	Pearson correlation	1	0.381
	Sig.(2-tailed)		0.060
	N	25	25
Employee Engagement	Pearson correlation	0.381	1
	Sig.(2-tailed)	0.060	
	N	25	25

9.1. Interpretation

The above table shows that there is a positive correlation between the employee appointment and their awareness for appraisal system. The respondents are well satisfied regarding the information given to them regarding the appraisal system, trained related to the various terms and conditions, criteria etc.

The above Table also shows a positive relationship between the employee appointment and their goal setting for appraisal system. The respondents are trained to set a goal and specific their job.

Further, a positive correlation between the employee appointment and their goal evaluation for appraisal system. The respondents are satisfied by the evaluation system of goal set by the manager and their accuracy.

Here, the employee appointment/engagement increases by proper rating system and they involved themselves for higher productivity. All the variables show a positive correlation which indicates a positive proportion of employee engagement and performance appraisal.

10. Conclusion

Fair evaluation of an employee's performance help to building trust, creating conditions of empowerment, managing team learning etc. An engaged employees have a sense of personal attachment towards their work and organization. It is a set of positive attitudes and behaviours enabling high job performance of a kind which are in tune with the organization's mission. Since performance management is a logical sequential process and integrated one, it should be planned, designed and implemented in a systematic and objective manner. Fair online performance appraisal system increase the employee's level of commitment and involvement towards their organization and its values. Performance management is the logical process by which an organization involves its employees as individuals and teams in improving organizational effectiveness.

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