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EFFECT OF PERFORMANCE APPRAISAL TECHNIQUES ON ORGANIZATIONAL GROWTH

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Abstract:
Performance appraisal is systematic periodic and so far as humanly possible and impartial rating of an employee excellence in matter relating to his present job and his potentially for the job. After selection of the employee, he is assigned his duties after performance he is rated by performance appraisal. Performance refers to the degree of accomplishment of the task that makes up an individual job. It indicates how will individual is fulfilling the job requirement. The present article includes review of the various techniques of performance appraisal and how these are used to test the performance of the organization. The article is based on the case study. This study will assist organization to know factors affecting performance of employee and techniques to be adopted to appraise the performance of an employee.
Keywards: Performance Appraisal, Organization, Evaluation.

Introduction

Appraisal procedures are not consistent as well as regularly categorized through individual inspirations caused through organizations concern to custom intimate assessment method which obstructs fairness as well as equality. Organizations should break generous fewer considerations to the appraisal of their workers also identify that structural working out requirements may merely be recognized after performance appraisal results. In business and in administration, operational outcomes are critical to existence subsequently enhanced presentation is an elementary standard in aid of separate with organization growth. It is an precious instrument nevertheless indicators of human resource management officers to constantly appraises as well assign sections of the performance of its workers in further to support organizations success modest improvement. The procedure of performance assessment initiates through the formation of performance criterions, tracked through collaborate the criterions to the workers since certainty left to them would invention it problematic to estimate what is predictable of them. Performance appraisal method is used in the organizations to extent the efficiency as well as effectiveness of their workers. Performance Appraisal method is desirables in every one workers and has a diverse approach to grip the effort. Performance Appraisal is likely to expand the effort performance, communiqué potentials and influential worker probable as well as assisting worker treatment. In this paper present researcher has taken a review of several widespread performance appraisal techniques. To measure the effect of the Performance Appraisal techniques a case study is also reported.

OBJECTIVE OF STUDY
Objectives set for present study are as follows:
1. To study concept of performance appraisal.
2. To evaluate Loopholes in existing performance appraisal system.
3. To suggest improvements in existing performance appraisal system.

HYPOTHESIS
Researcher wants to set the following hypotheses for the study
1) The existing performance appraisal system is effective.
2) The productivity of the organization is depends on performance appraisal of the employee.
3) To study the performance appraisal techniques for organizational growth.

SCOPE OF STUDY
The present study is undertaken to review the existing performance appraisal techniques and to measure the effect of some of the techniques on the organizational growth. The present study is limited to M/S Equal Industries, L-16, MIDC Kupwad, Dist. Sangli in the Maharashtra state of India. To have more clarity in evaluation researcher has analyzed data using tables and pi-charts.

PERFORMANCE APPRAISAL TECHNIQUES
Traditional Methods: Traditional Methods are comparatively ancient procedures of performance evaluations. This method is founded on reviewing the individual potentials of the workers.
1. Ranking Method: Ranking workers on or after greatest to poorest on a specific attributes selecting maximum formerly lower most till

entirely categorized. It is useful because it is fastest, transparent, charge operational and simple as well as easy to practice.

2. Graphic Rating Scales: A scale that gradients a numeral of characters plus a variety of presentation on behalf of every one, the worker is then evaluated through recognizing the mark that finest designates his or her performance on behalf of every quality. It is needed because it is simple and easy to use, simply created, consequences are identical what permits appraisal to be made among workers as well as decrease the individual preference.

3. Critical Incident Method: Observance a high of especially respectable otherwise objection able models of a worker's effort associated performance in addition to appraising it through the worker at prearranged periods. It is needed because it is informal plus financial to improve well as control, it is constructed on straight interpretations and it is phase verified in addition delivers additional aspect phase.

4. Narrative Essays: Assess outruns crib adscription almost worker's strong points as well as faintness facts preceding presentation, positional also recommendation nosed for workers improvement at the completion of appraisal stage. It is needed because in this method report really displays worker's presentation and it can shield completely aspects; more samples are specified to deliver response in this method.

Modern Methods: Modern Methods were formulated to expand the traditional methods. It endeavored to expand the deficiencies of the ancient methods.

1. Management by Objectives: Workers are appraised how healthy they proficient a particular set of intentions that have been resolute to serious in the effective achievement of the work. It is needed because it is informal to instrument as well as quantity, by this method worker inspired as he is conscious of predict able characters also responsibility, presentation concerned with a lyrical structure and it simplifies worker treatment in addition to supervision.

2. Behaviorally Anchored Rating Scale (BARS): BARS syndicate fundament also or after dangerous occasions well as graphic rating scale attitudes. The supervisor charges workers rendering to objects on a arithmetical measure. It is essential for work performance designate worker presentation in anima proved method with additional objectives, additional approvals

because of contribution of super visors as well as workers.

3. Humans Resource Accounting: The persons are appreciated resources of organization data on asset as well as worth of human resource is suitable used forages sent construction in the organization to determine the rate of work revenue, growth of human resources with preparation in addition to implementation of workers strategies, reappearance on asset on human resources to improve the effectiveness of workers.

4. Assessment Centers: Workers are appraised completed age of phase approximately one or three days, through perceiving their performances diagonally a sequence of designated movements otherwise effort models. These perceptions are modest and extremely elastic procedure. It assistances in assortment as well as upgrade assess mensal soon behalf of identifying worker expansion requirements. It is agree on behalf of the dimension of numerous features to workout is rigid to false.

5. 360 Degree: It depends on the input of a worker's greater generations, assistants, occasionally clients, contractors as well as partners. It is outstanding worker expansion implement, precise, consistent as well as trust worthy structure and lawfully additional defendable in this method additional impartial existence multi-rate structure.

INTRODUCTION TO THE ORGANIZATION (Case Study)

M/S Equal Industries had established on 14/05/1994 with the co-ordination under Mr. Landge and Mr. Erandole and their two other partners, who has completed their graduation and were in search of the business and service. With this aim they have started the production of the Dolomite powder which is the main raw material of the Mosaic Tiles. They have invested equal capital i.e. 25% each at the beginning, hence the name M/S Equal Industries.

Capital Cost of the Project:

1. Land and building　　Rs. 433000/-
2. Plant and Machinery Rs. 353000/-
3. Preliminary Expenses Rs.　64000/-
4. Working Capital　　Rs.　50000/-
　　Total Cost　　Rs. 900000/-

Sources of Finance
1. Own Capital　　　Rs. 288000/-
2. M. S. F. C.　　　Rs. 492750/-
3. SIDBI　　　　　Rs.119250/-
Total　　　:　　Rs. 900000/-

Market for the product:

Since 1994, there was demand for the Mosaic Tiles in the building construction and the main raw material for it is the 'Dolomite Powder', cement, Chemicals, granite stones and colours. There are many factories of Mosaic Tiles in the western Maharashtra. Hence there is huge demand for this raw material. Hence the M/S Equal Industries has decided the produce the 'Dolomite Powder'. Now-a-days, the powder is very useful for the various products as main filler in the products like Kumkum, calcium products and fertilizers.

Due to the easily availability of the raw material and farther market the factory is in the sound financial position within 6 Years only.

Analysis: For the analysis of the data collected the researcher has used tables, chart, percentage etc. and the result and conclusions are drawn.

The table 1 reveals that 6% of the respondents are between the ages 19-23 years, 9% of the respondents are between 24-28 years. 16 % of the respondents are between 24-28 years, 16% of the respondents are 29-33 and 41% of are 34-38 and only 28% of the respondents are above 38.

The table 2 indicates that, 34% of the respondents state that it is an instrument used to control employee's behavior through rewards, punishment and threats, 41% of the respondents are of pinion that performance appraisal is an activity to keep check on the performance of employees, and remaining 3% of the respondents state performance appraisal as a regular activity conducted periodically to rate employee.

Table 3 shows that 38%, of the respondents are of the opinion that, performance should be appraised by Head of the Department, while 30% of the respondents by the immediate supervisor, 10% of the respondents are of the opinion that is should be self appraised, 10% says all should appraise the performance , while 6% says it should be appraised by external consultant and another 6% are of the opinion that peers are the better appraiser.

The table 4 indicates that 69% of the respondents prefer individual employee as a better appraise, 22% respondents prefer group of employee as better appraise, whereas 9% prefer both as a better appraise.

Table 5 shows that, 75% of the respondents are of the opinion that performance appraisal should be conducted at regular interval, 13% of the respondents prefer

performance whenever necessary, whereas 3%, of the respondents prefer to conduct performance appraisal at employee's anniversary date 9% of the respondents prefer slower work periods.

The table 7 shows that, 47%, of the respondents say quarterly appraisal, 38% of the respondents sat half yearly, appraisal, 9% of the respondents say monthly appraisal and 6 of the respondent say performance of an employee should be appraised annually.

From the table 7, 53% respondents are of opinion that both measurements should be used to do performance appraisal 28% prefer numeric measurement while 19% prefer descriptive measurement.

Table 8, 47% respondents are of the opinion that they use MBO method. While 28% say rating method, 12% are of the opinion that confidential report is good while 9% prefer ranking method and 4% prefer self appraisal.

The table 9 shows that 6% of the respondents prefer creative contribution to the organization for their basis of performance appraisal, 22% of the respondents prefer required quality behavior and 13% of the respondents prefer completion of targets, while 59% prefer all these criteria together. From above table and chart we learnt that, appraisers like to prefer the entire basis i.e. creative contribution to organization, required quality behavior and completion of targets all thee criteria's together.

Respondents are of the opinion that, identify training and development needs is secured the 1st rank. While compensation and placement decisions secured 2nd rank and evaluation of employee's strength and weakness got 3rd and motivation for employee's performance got the 4th rank. Performance appraisal is used mainly to identify training and development needs of the organization (Table 10).

The table 11 shows that 75% of the respondents said that there is no training to appraise and appraiser while 25% respondents are of opinion that there is training to both appraise and appraiser.

The table 12 reveals that, 69% of the respondents said that goal setting is a part of appraisal system while 31% respondents are of opinion that there is no such goal setting.

The table 13 shows that 84% of the respondents are agree with their opportunities given by the organization and 16% of the respondents are not agree with the opportunities given by the organization.

The table 14 shows that, 41 % of the respondents are of the opinion that they tell often but not always to employees how to improve, 28 % said that they tell only when required. 16 % are of the opinion that they tell every time to the employee how to improve while 9 % tell rarely, 6 % never tell how to improve.

The table 14 shows that, 41 % of the respondents are of the opinion that they tell often but not always to employees how to improve, 28 % said that they tell only when required. 16 % are of the opinion that they tell every time to the employee how to improve while 9 % tell rarely, 6 % never tell how to improve.

The table 14 shows that, 41 % of the respondents are of the opinion that they tell often but not always to employees how to improve, 28 % said that they tell only when required. 16 % are of the opinion that they tell every time to the employee how to improve while 9 % tell rarely, 6 % never tell how to improve.

The table 14 shows that, 41 % of the respondents are of the opinion that they tell often but not always to employees how to improve, 28 % said that they tell only when required. 16 % are of the opinion that they tell every time to the employee how to improve while 9 % tell rarely, 6 % never tell how to improve.

The table 16 shows that, 50% of the respondents are of the opinion that feedback from, all employees is taken 31% of the respondent s are of the opinion that only low performance employee's feedback is taken while 19% of the respondents said that feedback of high performance employee is taken.

Respondents are of the opinion that, difference of opinion between appraiser and appraise is secured the 1st rank. While performance appraisal is a time consuming process secured 2nd rank and untrained appraisers got 3rd rank and casual approach of the employee got the 7th rank (Table 17).
Difference of opinion between appraiser and appraise is the main problem of the organization.

The table 18 (A) shows that, job knowledge has secured 1st rank quality of output gets, 2nd rank while quantity of output gets the 3rd rank.
Job Knowledge is important to measure the performance of an employee.

The table 18 (D) shows that, putting forward ideas effectively has secured 1st rank, two ways communication both orally and in writing gets 2nd rank while effective listening gets 3rd rank.

In communication skills, putting forward ideas effectively is important.

The table 18(C) shows that, intelligence has 1st rank creativity 2nd while positive attitude gats 3rd rank. Co-operativeness gets the 4th rank. Stability gets the 5th rank. Therefore, intelligence is the important personality trait.

The table 18 (D) shows that, attendance has secured 1st rank, safety at workplace gets 2nd rank while punctuality gets 3rd rank. Discipline at work gets the 4th rank. Therefore attendance is an important factor of behavior of employee.

The table 19 shows that 94% of the respondents are satisfied with criteria's ratings and the remaining 6% of the respondents are dissatisfied.

The table 20 shows that 53% of the respondents are satisfied with all of these whereas 25% says there is increase in productivity, 16% respondents are of the opinion that there is decrease in the disputes, while 6% are of the opinion that there is decrease in the wastage.

Table -1: Age wise classification of Appraise

Age Group	No. of Respondents	%
19-23	2	6
24-28	3	9
29-33	5	16
34-38	13	41
Above 38	9	28
Total	32	100

(Source : Primary data)

Table -2 : Opinion of Appraisal regarding performance appraisal.

Performance Appraisal	No. of Respondents	%
A	1	3
B	7	22
C	13	41
D	11	34
Total	32	100

(Source : Primary Data)
A) Performance appraisal as a regular activity conducted periodically to rate employee.
B) An activity to identify the development need of the employee.
C) Performance appraisal is an activity to keep check on the performance of employee.
D) It is an instrument used to control employee's behavior through rewards, punishment and threats.

Table -3 : Opinion of appraisers regarding better appraiser

Better Appraiser	No. of Respondent	%
Head of the department	12	38
Immediate Supervisor	10	30
Self	3	10
External Consultant	2	6
Peers	2	6
All of these	3	10
Total	32	100

(Source : Primary data)

Table -4: Opinion of Appraisers regarding better appraisee

Appraiser	No. of Respondent	%
Individual employee	22	69
Group of Employee	7	22
Both	3	9
Total	32	100

(Source : Primary data)

Table -5: Opinion of respondents regarding better time for performance appraisal.

Time of performance appraisal	No. of Respondents	%
Slower work periods	3	9
Employees anniversary date	1	3
Whenever necessary	4	13
At regular interval	24	75
Total	32	100

(Source : Primary data)

Table -6: Opinion of appraisers regarding frequency of the appraisal.

Frequency of appraisal	No. of respondents	%
Monthly	3	9
Quarterly	15	47
Six Monthly	12	38
Annually	2	6
Total	32	100

(Source : Primary data)

Table -7: Opinion of appraisers regarding measurement of performance appraisal.

Measurement of performance appraisal	No. of respondents	%
Numeric	9	28
Descriptive	6	19
Both	17	53
Total	32	100

(Source : Primary Data)

Table -8 : Methods of performance appraisal.

Methods of performance appraisal	No. of respondent	%
Rating Method	9	28
Ranking	3	9
Confidential report	4	12
MBO	15	47
360 Degree	0	0
Self	1	4
Total	32	100

(Source : Primary Data)

Table -9: Basis of the performance appraisal

Basis	No. of Respondents	Percentage
Creative Contribution to the organization	2	2
Required quality behavior	7	22
Completion of targets	4	13
All of these	19	59
Total	32	100

(Source : Primary data)

Table -10 : Use of Performance Appraisal

Assessment	Wt. Average	Rank
Identify training and development needs	9.2	1
Compensation decisions and placement decisions	7.6	3
Evaluation of employees Strength and weakness	7.5	4
Motivation for employees performance	8.9	2

(Source : Primary data)

Table -11: Opinion of appraisers regarding training to appraiser and appraise

Training	No, of Respondents	Percentage
Yes	8	25
No	24	75
Total	32	100

(Source : Primary Data)

Table -12 : Opinion of appraisers regarding goal setting a part of appraisal system.

Goal Setting	No. of Respondents	%
Yes	22	69
No	10	31
Total	32	100

(Source : Primary data)

Table -13 : Opinion of appraises regarding opportunities given to improve performance

Opportunities to improve performance	No of respondents	%
Yes	27	84
No	5	16
Total	32	100

(Source : Primary data)

Table -14: Opinion of appraisers regarding frequency to tell employees how to improve.

Frequency	No. of respondents	%
Yes, every time	05	16
Often but not always	13	41
Only when required	09	28
Rarely	03	09
Never	02	06
Total	32	100

(Source : Primary data)

Table -15: Opinion of appraisers regarding face to face interaction with the employee

Face to face interaction with employees	No. of Respondents	%
Yes	25	78
No	7	22
Total	32	100

Table -16 : Opinion of appraisers regarding feedback of employee.

Feedback	No. of Respondents	Percentage
All employees	16	50
Low performance employee	10	31
High performance employee	6	19
Total	32	100

(Source : Primary data)

Table -17: Problems related to performance appraisal system.

Problems	Wt. average	Rank
Administrative problems		
Tedious Task	6.2	5
Time Consuming process	7.3	3
Casual Approach of the appraise	4.8	7
Implementation Problems		
Untrained Appraisers	8.4	2
Resistance from appraisers	6	6
Assessments problems		
Bias attitude of the appraiser	7.2	4
Difference of opinion between appraiser and appraiser	9	1

(Source : Primary Data)

Table -18: Opinion of appraisers regarding parameters

The following table shows that amongst the parameters which sub-parameter is most important.

Table – 18(A) Performance

Factors	Average Wt.	Rank
Job Knowledge	8.4	1
Quality of output	8.2	2
Quality of output	7.6	3

Table – 18(B) Communication skill

Parameter	Average Wt.	Rank
Putting forward ideas effectively	8	1
Effective listening	7.8	3
Two way communication both orally and in writing	7.4	2

Table -18(C) Personality traits

Parameter	Average Wt.	Rank
Emotional stability	5	5
Cooperativeness	6.4	4
Creativity	7.6	2
Positive attitude	7.4	3
Intelligence	8	1

TABLE -18(D) Behavior of employee

Parameter	Average Wt.	Rank
Discipline at work	7	4
Safety at workplace	8.2	2
Attendance	9	1
Punctuality	7.8	3

Table -19 : Satisfaction of appraisers with criteria's

Satisfied with criteria	No of Respondents	Percentage
Yes	30	94
No	2	6
Total	32	100

(Source : Primary data)

Table -20 : Impact of performance appraisal on organization

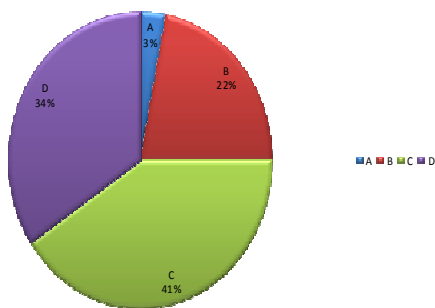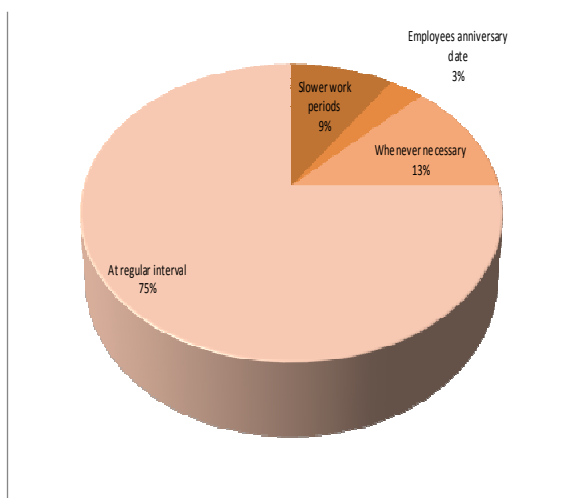| Impact	No. of respondents	Percentage
Increase in Productivity	8	25
Decrease in disputes	5	16
Decrease in wastage	2	6
All of these	17	53
Total	32	100

(Source : Primary data)
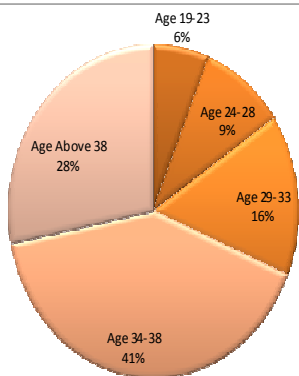
Graph -1: Age wise classification of Appraisal
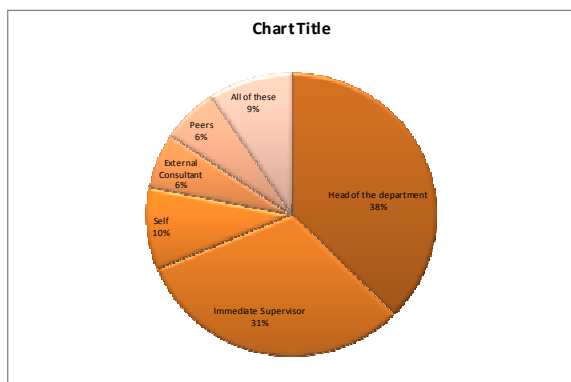The most respondents are between the ages of 34-38 years.

Graph -2: Opinion of appraisers regarding performance appraisal.
Most respondents are of opinion that performance appraisal is an activity to keep check on the performance of employees.
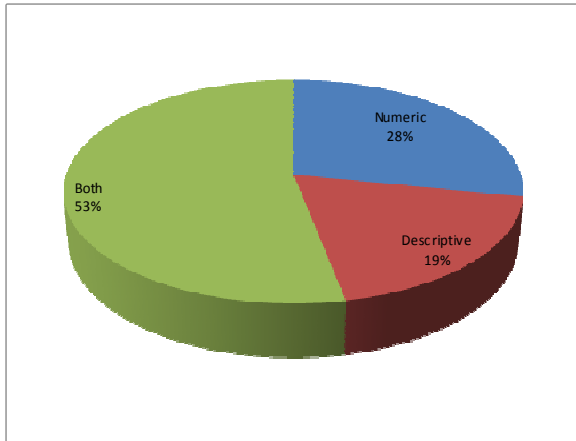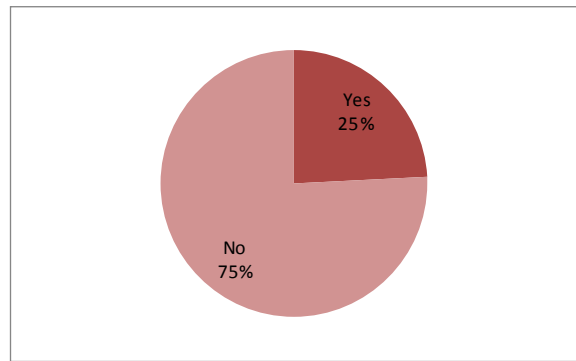

Graph -3 : Opinion of appraisers regarding better appraiser.
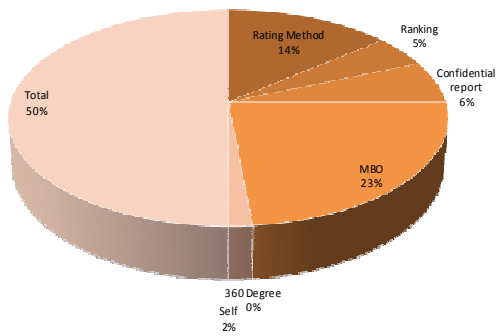From above table and chart, it is found that performance is better appraised by Head of the department.

Graph -4 : Opinion of Appraiser regarding better appraisee
Appraisers prefer individual employee as a better appraise.

Graph -5: Opinion of respondents regarding better time for performance appraisal.
From above table and chart is was learnt that performance appraisal should be conducted at regular interval.
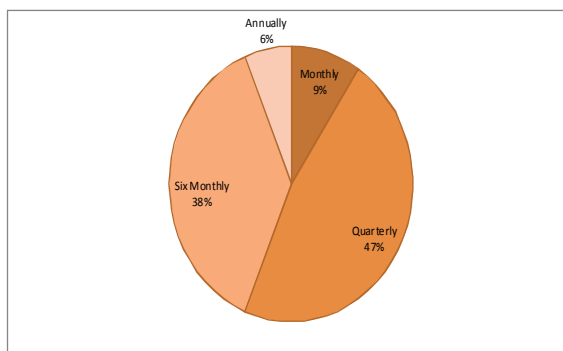
Graph -6: Opinion of appraisers regarding frequency of the appraisal.
Appraisers like to prefer quarterly appraisal.

Graph -7: Opinion of appraisers regarding measurement of performance appraisal.
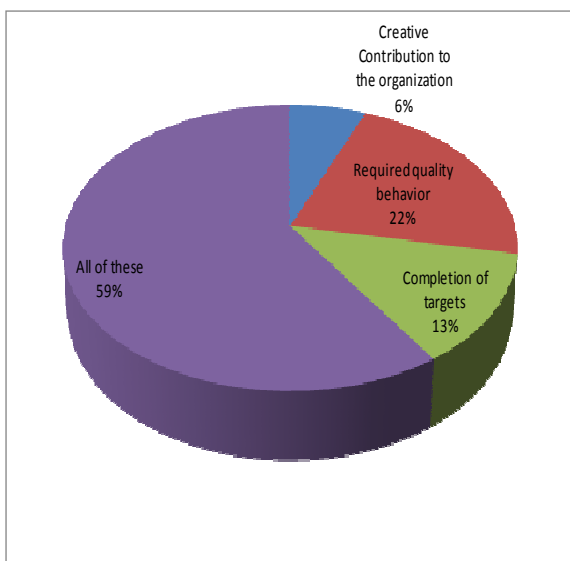Both measurements i.e. numeric and descriptive are used to do the performance appraisal.

Graph -8: Methods of performance appraisal. Appraisal prefers MBO method to conduct the performance appraisal.

Graph -9: Basis of the Performance Appraisal.

Graph -11 : Opinion of appraisers regarding training to appraiser and appraise
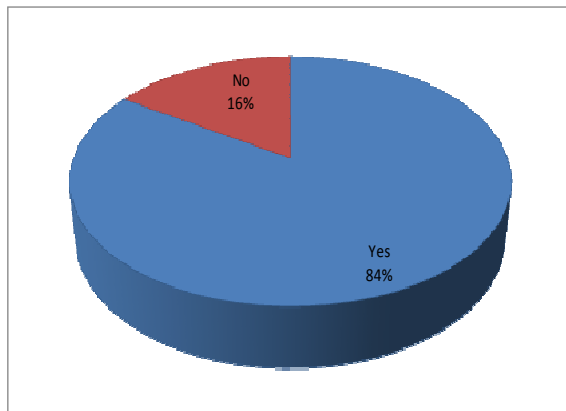No training is given to both appraise and appraiser.

Graph -12 : Opinion of appraisers regarding goal setting a part of appraisal system.
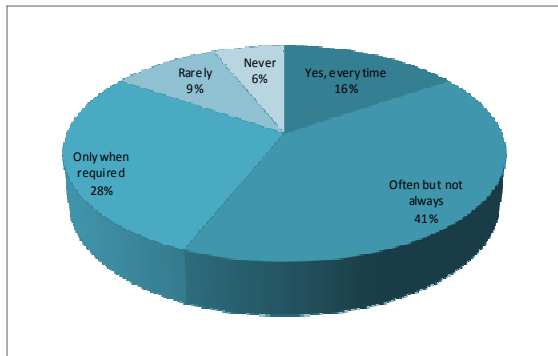Goal setting is a part of appraisal system, in this organization.

Graph -13 : Opinion of appraises regarding opportunities given to improve performance
Appraisers are agreeing that they give opportunities to the employees to improve their performance.
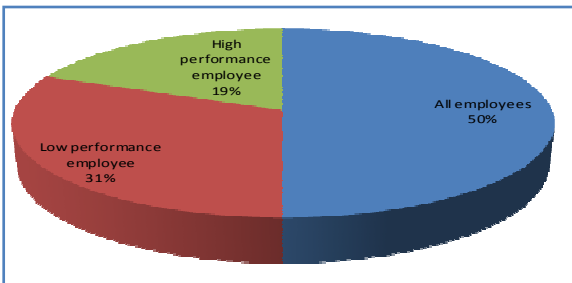
Graph -14: Opinion of appraisers regarding frequency to tell employees how to improve.
Appraisers tell often but not always to employees how to improve.
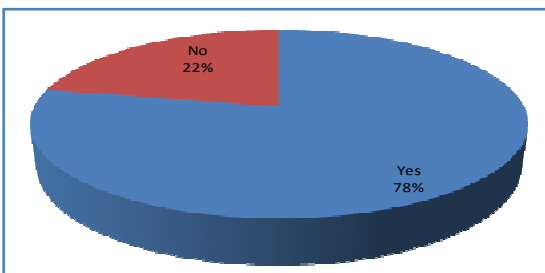
Graph -15 : Opinion of appraisers regarding face to face interaction with the employee. Appraiser are agreeing with face to face interaction with employees.
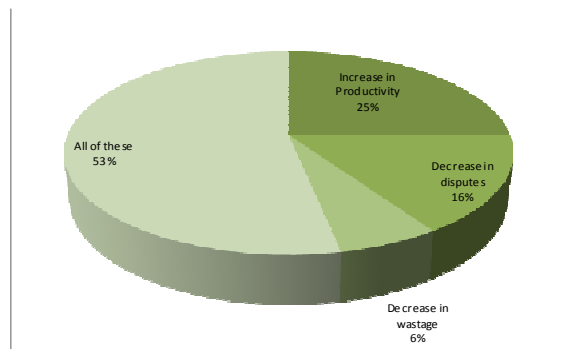

Graph-16: Opinion of appraisers regarding feedback of employee.
Half of the appraiser takes the feedback from all the employees.
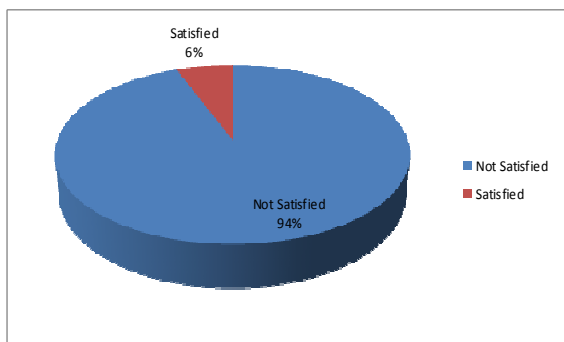
Graph -19: Satisfaction of appraisers with criteria's

Appraisers are satisfied with criteria ratings, used in the organization.

Graph -20 : Impact of performance appraisal on organization.
From above table it is leant that, due to good performance appraisal there is increase in productivity, decrease in disputes and decrease in wastage.

FINDINGS

Researcher has collected data required to fulfill objectives of the study through schedule. This data was analyzed using various analytical and statistical tools so as to study the performance appraisal techniques.

SPACIAL FINDINGS

Following findings are drawn by analyzing the collected data.

1. Appraisers conduct performance appraisal at regular interval i.e. 75 %.(Table -5)
2. Appraisers prefer individual employee as a better Appraise i.e. 69 %. (Table -4)
3. Appraisers prefer quarterly appraisal i.e. 47%. (Table -6)
4. Appraisers prefer MBO method i.e. 47%. (Table -8)
5. Identifying training and development needs is the main use of performance appraisal.(Table -10)
6. There is no training to appraise and Appraisers i.e. 75%.(Table -11)
7. Goal setting is a part of appraisal system i.e. 69%. (Table -12)
8. Appraisers take feedback from all employees i.e. 50% .(Table -16)
9. Difference of opinion between appraiser and appraise is the main problem in the performance appraisal system. (Table -17)
10. Appraisers given 1st rank to job knowledge, putting forward ideas effectively, mediating disputes, imitativeness, intelligence and attendance with respect to their parameters . (Table -18)
11. Appraisers are satisfied with criteria rating i.e. 94%. (Table -19)

12. Appraisers are satisfied with the impact of performance appraisal on the organization which is increase in productivity decrease in the conflicts, decrease in the wastage i.e. 53% .Table -20)

GENERAL FINDINGS

1. The organization is evaluating the performance appraisal from time to time.
2. Large number of supervisor satisfied with the current performance appraisal system and its process in the organization.

SUGGESTION

Research has given some important suggestions to overcome the problem in the regarding performance appraisal system, these are as follows:

1. Organization should use 360 degree appraisal system, as in this method performance can be evaluated by all types of appraisers so that more accurate performance appraisal will get which will be helpful to reduce conflicts.
2. Training must be provided to both appraiser and appraise for conducting better appraisal.
3. Results which are generated in performance appraisal should be immediately communicated to the appraise through discussion or meetings.
4. There should be one committee to keep control on the performance appraisal system.

Conclusion

From the above study there are many techniques which used for performance appraisal. It is actual challenging to guess that which technique procedure is enhanced than further technique since it be resolute through upon the category as well as scope of organization. All modern techniques are useful for organizational growth, because every technique has its importance. Out of these selected techniques it is concluded that every organization has need of modern technique for growth of the organization. Because it explained the present actual performance with standard performance for taking decision to improve the effectiveness and efficiency of the organization.

In this study, performance appraisal technique followed at M/S Equal Industries was evaluated and found to be good. This study also reveals the gaps in the existing technique. By providing suitable training programmes to both appraisal and appraisee the organization can improve the existing performance appraisal Techniques.

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