



A STUDY ON PERFORMANCE APPRAISAL SYSTEM IN IT SECTOR

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Abstract

Performance appraisal is a systematic evaluation of an individual with respect to performance. It is considered as the most significant tool for an organization which provides basis for employment decisions such as Promotion, Transfers, and Termination etc. It also provides basis for judging the effectiveness of personal subdivisions such as Recruiting, Selection, Training and Compensation. This research studies the effect of Performance appraisal on individual and it studies how well the employees are satisfied and what are the best techniques used by them.

Introduction

The success of an organization is based on numerous factors Organizations are run and steered by people they are the most vital factor that affects the organization performance. The success of an organization will therefore depend on its ability to measure accurately the performance of its members and use it objectively to optimize them as a vital resource (Biswajeet 2009).

Performance Appraisal is a review and discussion of an employee's performance of assigned duties and responsibilities based on results obtained by the employee in their job. It is the central reason for performance improvement. It assesses the training needs of employees. It is about exploring the appraisee's potential for development in terms of their career. Performance appraisal can also be used to aid in work motivation through the use of reward systems. Performance appraisal can aid in the formulation of job criteria and selection of individuals "who are best suited to perform the required organizational tasks". A Performance appraisal can be part of guiding and monitoring employee career development.

Objectives of the Study

1. To study the outcomes of Performance appraisal system.
2. To identify the different Performance appraisal techniques used by IT sectors.
3. To know the impact of performance appraisal system on IT sectors.
4. To know how well the employees are satisfied with their present appraisal systems.
5. To examine how effectively the performance appraisal system is induced/followed in IT sectors.

Purpose of the Study

The purpose of conducting the research is to identify the different appraisal methods used by IT sectors. We will analyze these factors according to the employee's point of view, which influence them and which lead them to develop performance towards their career. The methodology of research will be used to analyze the satisfaction of the employees which will link with other factors.

Review of Literature

Day to day corporate environment is becoming more competitive and comprehensive. For survival and competition the market environment organizations need well competent employees who can face present and uncertain future challenges. So organizations always try to seek the new ways to improve employee's performance. Traditionally, this objective was attempted to achieve through employees performance appraisal which was more concerned with telling employees where they lacked in their performance. Though performance appraisal served the purpose to some extent, but not considered enough to raise the employee performance at the most desirable level (Prasad 2005).

Snell and Bohlander defines (2007) performance appraisal as a process, typically performed/delivered by a supervisor to a subordinate, designed to help employees understand their roles, objectives, expectations and performance success. Further he explains performance management is the process of creating a work environment in which people can perform to the best of their abilities. It is a whole work system that begins when a job is defined. So performance appraisal is a way, by which senior officers keeps some periodic objective (for specific period) to his subordinates, clears the expected role and explain his performance success by his actual performance with pre-determined standard, and performance management is the way to creating the whole working environment so the people can perform their best. Dessler (2008) defines performance appraisal means evaluating an employee's current and /or past performance relative to his/her performance standards. He explains performance appraisal always assumes that the employees understood what his/her performance standards were, and that the supervisor also provides the employees with the feedback, development, and incentives required to help the person eliminate performance deficiencies or to continue to perform above par. This aims at improving employee's performance. Further he



explains performance management as an integrated process, may defined as a process that consolidates goal setting, performance appraisal, and development into a single, common system, the aim of which is to ensure that the employee's performance is supporting the company's strategic aims. Prasad (2005) defines performance management is the process of planning performance, appraising performance, giving its feedback, and counselling an employee to improve his performance. So performance appraisal is considered as the key ingredient or an important step of whole performance management system (Prasad 2005, Dessler 2008). Potgieter (2002) conclude performance appraisal systems were the precursor to today's performance management. From Performance Appraisal to Performance Management (1Ms. Leena Toppo, 2Dr. (Mrs.) Twinkle Prusty 1,2(Faculty of Commerce, Banaras Hindu University, INDIA))

The author (Deepa. E, et al 2004) summarizes on the performance appraisal system/method as a whole, their framework and its relationship with different job related concepts as well as issues related to Performance appraisal such as how Performance appraisal (PA) is related to job satisfaction, organization citizenship behaviour etc. The Performance appraisal approach is formal and structured system of measuring as well as evaluating an employee's job related behaviours and output for the same and to study how and why the employee is currently performing on the job and how he can perform his job more effectively in the near future. (Deepa. E, et al, 2004).

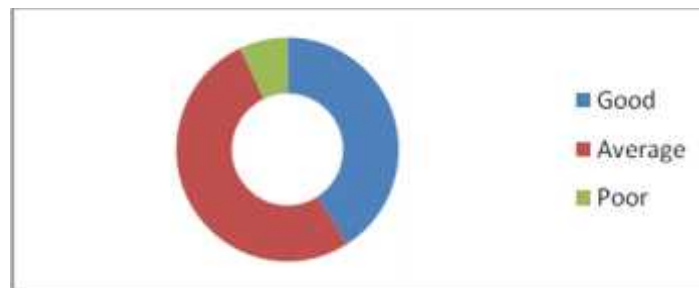
There has been a historical evolution Performance appraisal approach. The Performance appraisal process may be unsatisfactory for most people in industry; performance appraisals serve a number of valuable organizational purposes. The appraisal system is complicated as there is a culture believes that people should be rewarded for outstanding performance, yet does not like to receive negative feedback (Wiese, et al, 1998). A performance appraisal is conducted on an annual basis for existing employees whereas for trainee and new recruits it is done on quarterly basis in many organizations. Here author studies about the multidimensional nature of job where the nurse manager gives rating to different job of nursing process. Thus, Employees who have relatively less competition or lenient appraisers have higher appraisal than to equally competent employee (Rajput, et al, 2015).

A performance appraisal system is a wide concept and as a Performance Management it has become a part of more strategic approach towards HR activities and as a result has it has begun to focus more on motivational and social appraisal. As a result of this, the research on the subject has moved beyond the limited and accuracy of performance ratings . The organization's outcome that is its success and failure is determined by Performance appraisal, thus this system is considered to be an important work performance in any organization.

Data Analysis

1. How is the appraisal system in IT sectors?

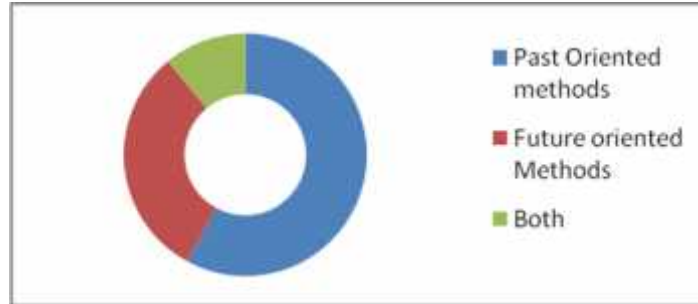
Good	Average	Poor
41	52	7



Interpretation: The above chart revealing that 52% of employees are satisfied with present Appraisal system.

2. Which methods they are following?

Past Oriented methods	Future oriented Methods	Both
58	31	11



Interpretation: From the above chart it is revealing that most of the IT companies are following Past oriented methods.

3. Are you satisfied with present appraisal system?

Yes	No
42	58



Interpretation: The above chart is revealing that most of the Employees are not satisfied with their present Appraising system.

4. On which trait mostly IT sectors are depending?

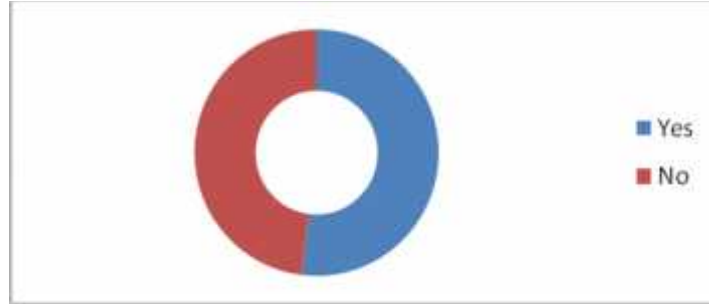
Personal Traits	Job traits	Both
47	26	27



Interpretation: From the above table it is revealed that most of the IT companies are depending on personal traits.

5. Do you think you have fair Appraisal system?

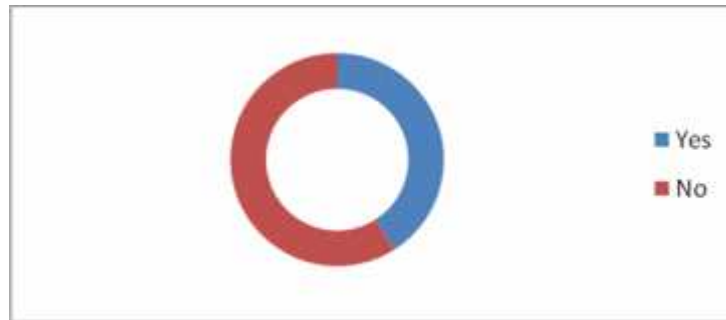
Yes	No
52	48



Interpretation: From the above table most of the Employees said that their performance appraisal system is good

6. Do you have good training and development programs to improve your performance?

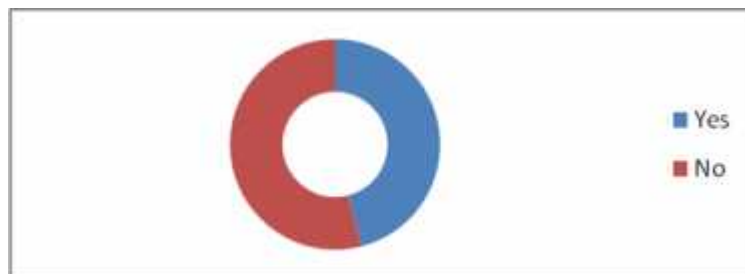
Yes	No
41	59



Interpretation: From the above Table it is revealed that most of the employees are not satisfied with their present training programs.

7. Do you think present Appraisal system is useful for employee potential and development?

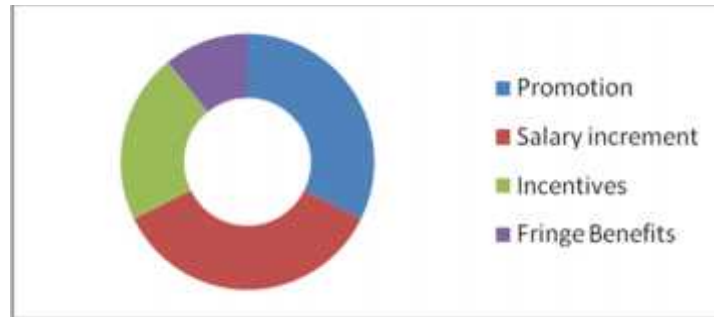
Yes	No
46	54



Interpretation: From the above Table it is revealed that most of the employees are satisfied with their present appraisal system which is useful for employee potential and development.

8. By which benefit you will be motivated to give your best in performance?

Promotion	Salary increment	Incentives	Fringe Benefits
33	36	22	11



Interpretation: From the above Table it is revealed that most of the employees are motivated by promotional benefit.

9. Which drawback you have with your present appraisal system?

Halo Effect	Bias	Central Tendency
28	25	47



Interpretation: From the above Table it is revealed that most of the IT companies are suffering with central tendency Drawback.

10. Do your organization is trying to overcome drawbacks?

Yes	No
61	39



Interpretation: From the above Table it is revealed that most of the IT companies are trying to overcome the drawbacks.

Findings

1. Study reveals that the performance appraisal system in IT sectors is not up to the mark.
2. Mostly IT sectors are depending on Traditional or Past oriented methods.
3. Mostly employers are depending on personal traits for Appraising.
4. It is found that most of the employees are motivated by salary increment benefit.



5. Study reveals that most of the IT Industries are suffering with central tendency drawback.
6. Most of the IT Industries are trying to overcome draw backs.

Suggestions

- There is necessity to improve performance Appraisal system in IT sectors.
- The IT sectors have to implement both traditional and modern methods to have better Appraising.
- Companies should consider all the traits while Appraising Employees.
- Companies should motivate employees by providing good compensational benefits. And they should practice performance based pay system.
- Companies should adopt good training programs to improve the performance of employees.
- IT industries have to overcome their draw backs by reviewing and implementing best appraising techniques.

Conclusion

Although there are some draw backs in appraising system , everything is done should have both positive and negative impacts.

There is no compelling evidence that one appraisal format is significantly better than another. The improvements in accuracy and precision that were at one time anticipated.

Assuming that reasonable care has been taken in the development of scales and the training of raters, the reliability and validity of performance appraisal systems.

However, it is important to remember that line supervisors are usually in a position to know their employees well and to have far more information available to them than the consumers of standardized test results-say, a college admissions committee.

References

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