

“A REVIEW ON PERFORMANCE APPRAISAL AS A CONSEQUENCE OF EMPLOYER SATISFACTION AND OPTIMIZING BUSINESS RESULTS”

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ABSTRACT

This paper deals with the study of performance appraisal as a result of employer satisfaction and optimizing business result. The commonly held supposition is that “A satisfied employer will be the one who is able to establish and run a sound business undertaking thereby optimizing the business results. A fulfilled work drive creates an environment filled with charm thereby providing a platform for all to perform well. Subsequently, work fulfillment results in optimized business results thereby providing opportunities for business expansion. Due to this expansion in business, there are regular appraisals of the performance of the employees.

KEYWORDS: *Performance Appraisal, Employer Satisfaction, Work Fulfillment, Employee Appraisal, Skill Development*

INTRODUCTION

Performance appraisal (PA) is described as a constructed official communication amidst a manager and their employee, which commonly gets converted into an interview that happens from time to time (yearly or half-yearly). The performance of an individual at work is evaluated and analyzed during this tenure, with a motive of conducting a SWOT analysis of each employee, i.e. finding their strengths, weaknesses, opportunities for improvement and skills development & their practices that can be a threat to themselves or the organization. Performance appraisal, also known as employee appraisal, is a technique where the performance of a worker is evaluated. This evaluation can be done on different parameters like quality of the performance, the quantity of work an individual does, a cost that is invested behind an individual & time he/ she takes to adapt & perform the job. Performance appraisal can be classified as a constitution of professional growth.

Performance appraisals are timely feedback discussions of an employee’s performance in the organization. Very commonly, the intents behind conducting a PA are as follows:

- Share reviews about an employee’s job performance.
- Identify the need for training and development for employees.
- Pre-determined criteria used to issue organizational rewards.
- Take the basic personnel decisions like salary increment, promotion, demotion, disciplinary actions, etc.

- Give opportunities for organizational recognition and development.
- Direct and smooth communication between employee and managers.
- Validation of methods and human resource management (HRM) policies that meet nationwide Equal Employment Opportunity standards.

Performance Appraisal Summary

Performance appraisal, not only helps a manager to diagnose the requirements of training (if any) for employees, and executing a training plan for them, but also, helps in meeting other objectives. Performance appraisal soothes the psychological desires of employees helping them understand their performance at the job and increases an employee's gratification at work and confidence by motivating them to believe that their manager is keen in their growth and advancement. Organized performance appraisal additionally provides the organization as well as the worker an accurate analysis, instead of an off-hand decision of an individual's performance. A lot of companies use performance appraisals for setting up the positioning and relocations and to initiate discussions & share their thoughts for decisions concerning pay increase, transfers& promotions of employees. Lastly, performance appraisals can also be utilized as a base for providing training & counseling to the subordinates by their superiors.

Summarizing the Importance of Performance Appraisal

- Upgradation in performance
- Reimbursement & Remuneration
- Positioning & Placement
- Need for coaching and counseling for employees
- Professional planning
- Detection of fallacy in job design

LITERATURE REVIEW

The quantity of analysis concerning the subject "Performance Appraisal" is very extensive. PA is an old topic; it's as old as the foundation of the organizations. Prior to the early 1980's, most of the conceptual studies focused on reinstating the evaluation system in the organization. The activities were a good factor in cutting back the chaos of an individual's performance appraisal (Feldman, 1981). With the passing time, the techniques and evaluation system of the workers got better and was given huge regard and observation by the managers. Behavioral Observation Scale (BOS) is considered as

the best amongst all the techniques used by the superiors to evaluate their subordinates. The problem was at the pinnacle in the 1960s and 1970s. During this period a lot of altered evaluation techniques were introduced, two of which were Behaviorally Anchored Rating Scale (BARS) and the Mixed Standard Scale (MSS). These innovations were commanding ones that compressed the fallacy and bettered the noticing skills from the performance appraisal activity. As per the analysis of Arvey and Murphy (1998), there were a lot of researches happening within the 1950 to 1980 period, having researches that merely focused on the various evaluation techniques. Landy and Farr (1980) inspected and found out the ways of performance appraisal that were wholly distinct to the existing methods, in which they study the evaluator and the process of evaluation from the organization's point of view. Remaining performance appraisal reports embody the attributes of an evaluator in their reports like race, sex, and amiability.

Post-1980, the unfairness in the performance appraisal process occurred atrociously & employees were appraised on the basis of race, sex, amiability, etc. instead of the inspected information, competency and magnificence of the employee's work. Precision in the criteria of the performance appraisal process grasps its hold at the beginning of the 1980s, wherein the researches were focused on typical psychological unfairness that embodies the different evaluating fallacies like lenity, location of distribution and glory, which were considered as errors in the evaluation method. It was determined that the fair appraisals were unavoidably accurate, but this evaluation method was totally turned down by the research of Hulin in 1982. As per them, the fair appraisals weren't essentially correct (Murphy & Balzer, 1989).

The researches that were conducted in the year 1980 were said to be the most commanding one that accorded the performance appraisal process at a fair amount. The 1980 like the work of Murphy (1982) researched furthermore to resolute a few inferences concerning the performance appraisal. The research also involved the attitudes of employees towards the performance appraisal process and how they accepted it (Roberts, 1990).

As per the various researchers, the improvisation and up gradation in the performance appraisal system and technique can elevate the level of satisfaction of the workers and can undoubtedly better the method of setting goals in an organization.

ADVANTAGES OF PERFORMANCE APPRAISAL

- Documenting the records of performance in a span of time.
- Gives an opportunity for communication between the managers with their employees.
- Gives feedback to the employees highlighting their individual performance facilitating the organizational goals.
- Gives a platform to the subordinates to discuss their performance & expectations with their superiors.
- Gives an opportunity to design the plan for coming years & further finalize employee goals.
- With the help of a good reward & compensation system, it can be motivational for the employees.

DISADVANTAGES OF PERFORMANCE APPRAISAL

- It can turn out to be a negative experience, if not executed properly.
- Can turn out to be tedious in case of a manager having many employees working under him.
- Are assessed by humans & hence are expected to have errors & unfair means or practices.
- Can be a lost cause, if not executed in the right way.
- Can be exasperating for both, the manager & the employee along with others who are involved.

CONCLUSIONS

Performance appraisal is an evaluation technique used to review the performances of employees against the pre-determined expectations & goals of an organization. It requires documentation of the inspected performance followed by a one-to-one discussion over the same between a subordinate & superior. With the help of truthful & positive feedback, setting better & higher performance standards every year becomes easier. The main motive behind the performance appraisal process is to revamp an employee's positive points, to identify areas of improvement which can then help an employee to work on them & set new & higher goals for themselves. A successful performance management process should have a face-to-face discussion between the superior & his subordinates. A better understanding of the subordinates can help a supervisor to push the employee on a path of high productivity & advanced output. PA is one of the most important and crucial method of evaluation for organizations as it helps them to understand & know the employees who work for them. It also helps an organization with information, that helps in taking crucial decisions for the better development of an employee and his/ her organization.

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