International Journal for Multidisciplinary Research (IJFMR)
E-ISSN: 2582-2160 ● Website: www.ijfmr.com ● Email: editor@ijfmr.com

Study of Effectiveness of Performance Appraisal System in Public Sector

Gauraxnath Aghav[1], Dr. Manisha Singh[2]

[1]PhD Scholar, University of Engineering and Management, Jaipur, Rajasthan
[2]University of Engineering and Management, Jaipur, Rajasthan

Abstract:
This study looks into how effective the performance appraisal system is. Performance appraisals are now part of a more strategic way to connect human resources with business goals. They are considered a broad term that includes various activities used by organizations to evaluate employees, improve their skills, boost performance, and decide on rewards. The goal of this study was to look at the performance appraisal system. To get the results, the researchers used descriptive statistics and chi-square methods on data from 100 people. The study found that the overall performance appraisal system is highly valued by the respondents. They are very satisfied with their work. Based on the findings and analysis, some recommendations were made.

Introduction:
A performance appraisal is a structured and regular process that evaluates an individual employee's job performance and productivity based on specific standards and the organization's goals. All organizations aim to be efficient and reach their objectives, and to do so, it is essential to monitor employee performance consistently. Effective performance monitoring involves providing timely feedback, reviewing performance against set standards, and recognizing achievements promptly, which encourages employees to strive for better results each day. It is often said that "encouraged people achieve the best; dominated people achieve second best; neglected people achieve the least." Timely recognition and rewards serve as the best form of motivation.
People have different abilities and skills.
There is always some variation in the quality and quantity of work done by different individuals on the same job. Conducting performance appraisals helps understand each employee's strengths, competencies, and value to the organization. These appraisals assess employees based on their performance levels. As stated by a well-known expert in human resources, "performance appraisal is the systematic, periodic, and impartial evaluation of an employee's excellence in their current job and their potential for future roles."
Performance appraisal is a strong tool that helps improve, refine, and reward employee performance. It enables the analysis of achievements and the evaluation of contributions toward the organization's overall goals.
Performance appraisals are necessary to measure employee and organizational performance, ensuring progress towards set objectives.
This topic continues to be of significant interest to human resource professionals. Over the years, performance appraisal has been widely discussed in literature by both researchers and practitioners.

Currently, many organizations follow the principle of "paying based on contributions," shifting the focus towards performance management and individual performance.
Performance appraisals help rate employee performance and assess their impact on achieving organizational goals.

Literature Review

Devries, Morrison, Shullman, and Gerlach (1981) describe performance appraisal as a process where an organization measures and evaluates an individual employee's behavior and achievements over a specific time period.

Eichel and Bender (1984) note that over the last 25 years, the goal of performance appraisal has changed from being mainly a tool for management activities to a growing focus on helping employees develop their skills.

Churchill and others (1985) suggest that appraisals usually have a positive effect on performance, but they can also lead to negative outcomes like reduced motivation, confusion about job roles, and higher staff turnover if they are not well planned or carried out.

Scheneier, Richard, and Lloyd (1986) focus on three types of appraisals: evaluating results, behaviours, and personal traits.

Each type requires a different format based on skills or job-related actions. These appraisals can be done by one person or multiple people such as supervisors, peers, self, subordinates, or outsiders.

Prince and Lawler (1986) discovered that aspects like setting work plans and discussing performance traits improve employees' satisfaction and belief in the value of appraisals.

However, the aspect of career development had less impact on how satisfied employees were with appraisals.

Cleveland, Murphy, and Williams (1989) found that guidance from immediate supervisors is a key and common use of appraisals.

Vroom (1990) explains that formal appraisal plans can help meet the needs of the organization, supervisors, and employees.

He emphasizes the importance of effective evaluation for these areas.

Denhardt (1991) describes performance appraisal as a specific evaluation of an individual's progress in achieving set tasks.

Wanna and others (1992) define the goal of staff appraisals as improving planning and service delivery overall, as well as giving feedback to individual officers.

Cherry (1993) believes the appraisal process is crucial for successful organizational changes. He mentions that performance management can significantly influence organizational power, workforce skills, and company culture.

Blanchard and others (1994) point out that leadership style is about how others see your behavior. The key is how people perceive your actions, which is shaped by how you communicate.

Moulder (2001) highlights that appraisals are valuable for setting clear expectations and showing where employees are doing well or need to improve.

She also states that appraisals help set goals and improve communication between teams and between employees and their supervisors.

ICMA (2005) notes that most employees want to know how well they are performing, but many are worried about the meetings where their performance is discussed.

Angelo S. DeNisi and Robert D. Pritchard (2006) describe performance appraisal as a formal, organization-approved event that happens only once or twice a year.
It has clearly defined standards for evaluation. It is also an evaluation process where scores are often given based on how well an employee meets the standards, and these scores are shared with the employee.
Lillian, Mathooko & Sitati (2011) state that the information collected and performance appraisal serve as a foundation for recruitment and selection, training and development of current staff, and motivating and maintaining a high-quality workforce by properly rewarding their performance.
Sharma (2012) notes that these methods are less structured compared to traditional approaches, which focus less on rankings and ratings and more on holding meetings between employees and their supervisors.

Need of the study

Performance appraisals are regular reviews of how well employees are doing within the organization. For a company that values its people, the main focus is always on making sure employees are satisfied. Studies show that this satisfaction is closely linked to the performance appraisal system in place. Management wants to understand the quality of the appraisal criteria, the parameters used, and the duration of the process from the employees' perspective. This has created a need for the study.

Scope of the study

The study was done to look at the performance appraisal system that is currently in place in the organization. It helps to understand both the strengths and weaknesses of the appraisal process as well as the employees' perspectives. This information allows the management to make necessary improvements and updates to the system.

Objectives of the study

To figure out how well the performance appraisal system is working
To look into the current system and see what's working and what's not
To gather the employees' views on the system they are using
To check how much the employees know about the performance appraisal system
To find out the best ways to make the performance appraisal system better

Nature of Research

The study is designed as a descriptive type. A descriptive study aims to get a full and accurate picture of a situation. The method used in this design is mostly qualitative, which means it focuses on gathering descriptive data.

DATA COLLECTION

Primary Data Collection

The main data collected are fresh and gathered for the first time, making them original in nature. The research gathered these primary data through methods like questionnaire surveys, personal interviews, and telephone calls. These data are first-hand and will be used for analysis and interpretation.

Secondary Data

Secondary data is information that has already been gathered by someone else and processed through sta-

tistical methods. The research needs to decide which type of data to use for their study and then choose the appropriate method of data collection. The researcher gathered secondary data from sources like the company's records, the internet, and previous project reports.

RESEARCH INSTRUMENT

Questionnaire

In this section, respondents are given questions to answer by selecting from a list of options. One of the main benefits of this approach is that it is simple to fill out and easy to analyze. The research used this type of survey.

Statistical Tools

The researcher mainly used statistical tools to analyze the data and create interpretations.

Chi-Square Analysis

In this project, the chi-square test was used.

This is a statistical technique that analyzes the data presented in the project. It examines the assumed data and calculations made during the study. The chi-square test is one of the important tests among various statistical methods used to determine significance.

Weighted Average Method

In addition to this, tabulation, diagrams, and percentages were also used to make the study more valid, reliable, and easier to understand.

LIMITATIONS OF THE STUDY

As the study had to be finished quickly, the time limit greatly affected how much could be covered in the research.

The information given by the people who took part might not be completely correct because of personal biases that can't be avoided.

Since this was a single-person survey, the number of people who responded was small for this type of study.

But this was unavoidable because of limited time and money.

Because of budget and staffing issues, the data was collected using convenience sampling.

FINDINGS

91% of the employees are men.

47% of the employees are aged between 20 and 30.

66% of the employees are married.

39% of the employees have completed a diploma.

36% of the employees have between 2 to 6 years of work experience.

38% of the employees earn between 15,000 and 20,000.

85% of the respondents agree that performance appraisal helps reduce grievances.

70% of the respondents agreed that performance appraisal helps improve personal skills.

81% of the respondents said promotion is a positive outcome of performance appraisal.

46% of the respondents believed performance appraisal leads to employee promotion.

86% of the respondents said the grading method of performance appraisal is used.

76% of the respondents said they received a salary increase after performance appraisal.

70% of the respondents agreed that performance appraisal helps people set and achieve meaningful goals.
76% of the employees are satisfied with the improvement in performance after appraisal.
91% of the employees are aware of the performance appraisal system.
56% of the employees said observation is used, and 34% said skills or job-related tests are used.
30% of the respondents suggested that training and knowledge transformation should be improved in performance appraisal.
78% of the respondents are satisfied with the training programs.
69% of the employees agreed that the appraisal system strengthens the relationship between employees and employers.
83% of the employees said performance appraisal helps identify strengths and weaknesses in their job.
81% of the employees said they receive performance feedback from their supervisor regularly.
84% of the employees said their supervisor discusses their strengths and weaknesses.

STATISTICAL FINDINGS

There is a significant relationship between the gender of the respondents and their opinion on the performance appraisal system.
There is a significant relationship between age and the opinion about performance appraisal.
There is no significant relationship between age and the opinion about performance appraisal.
Approximately 3.825, which is almost 4, people either neutral or agree that performance appraisal helps individuals set and achieve meaningful goals.

SUGGESTIONS

From the findings, it is clear that 69% of employees agree that the appraisal system helps strengthen their relationship with the company.
However, 41% of employees feel the system could be improved to help them maintain a smoother relationship with their employers.
Performance appraisals should focus on improving employees' training and knowledge, helping them develop better skills and feel more satisfied with their jobs.
The system should also encourage employees and help them perform better in their roles.
Employees need proper training to perform well, and the appraisal process should help identify their strengths and areas where they need to improve.
By focusing on strengths and addressing weaknesses, the appraisal system can help employees grow.
Appraisals also offer opportunities for employees to enhance their personal skills through training and regular feedback from their supervisors.
Overall, performance appraisals play an important role in helping individuals improve their skills and abilities.

CONCULSION

The study concludes that the performance appraisal system in the company is effective.
However, there are certain factors, such as seniority and merits, that are not fully considered when evaluating employees' potential for effective performance.
Based on the study's findings, some useful suggestions have been made.

It is hoped that these findings and recommendations will help improve the current annual employee performance appraisal system.

REFERENCE

1. Dr. V. Antony Joe Raja. A Study on Consumer Perception in Facilities Management among the Middle Income Public in India for Various Analytical Factors Applied In the Strategic Management. International Journal of Management, 5(1), 2014, pp. 01-17.
2. Dr. V. Antony Joe Raja. A Study on Occupational Stress of Employees In Information Technology. International Journal of Management, 6(7), 2015, pp. 11-17.
3. Dr. V. Antony Joe Raja. Marketing Mix Strategies Using Methods of 4ps, 7ps, 4cs and Indian Cement Sector Statistical Model. International Journal of Advanced Research in Management, 4(3), 2013, pp. 34-42.
4. Dr. V. Antony Joe Raja. Entrepreneurial Behavior Activity and Entrepreneurs Motivation Achievements for Different Industries in India. International Journal of Management, 6(9), 2015, pp. 01-05.
   Dr. V. Antony Joe Raja. A Study about Work Place Stress in Food Industries in Various Level of Employees in India. International Journal of Management, 6(9), 2015, pp. 01-05.
5. Axson, D. A. J. 2010. Best Practices in Planning and Performance Management: Radically Rethinking Management for a Volatile World, 3rd edition. Wiley.
6. Bento, A. and L. F. White. 2006. Budgeting, performance evaluation, and compensation: A performance management model. Advances in Management Accounting (15): 51-79.
7. Bolt-Lee, C. E. and M. Swain. 2016. Highlights of management accounting research. Journal of Accountancy (December): 50-54.
8. Bremser, W. G. and W. P. Wagner. 2013. Developing dashboards for performance management. The CPA Journal (July): 62-67.
9. The Effect Of Performance Appraisal On Employee Motivation: A Survey Of Slum Based Non-Governmental Organizations In Nairobi By Natalie Chimwemwe Chaponda
10. Impact Of Performance Appraisal On Employee's Performance Involving the Moderating Role Of Motivation By Nadeem Iqbal
11. Impact Of Performance Appraisal On Employee Productivity In Private And Public Hospitals In Tigray,Ethiopia By Dr. Atakilt Halifom Siyum
12. Effectiveness Of Performance Appraisal System And Its Effect On Employee Motivation By AyomikunIdowu
13. The Impact of Employee Motivation on Organizational Commitment by Dia Zeglat