

Impact of Performance Appraisal to Improve Employees Productivity

Resource is anything which can be used again and again as factors of production . So the employees or manpower of the organization can be called as resources because their knowledge, skills, competencies etc. can be used again again for the benefit of the organization. In every business organization, the performance of the employees is important in achieving organizational goals. The success of every business organization can therefore be attributed to performance appraisal. Performance appraisal is one of the basic tools that make workers to be very effective and active at work. An analysis of selection methods in personnel psychology found that general mental ability was the best overall predictor of job performance and training performance.

The question which haunts in the minds of executives and managers is How can they motivate their employees? This question is sometimes difficult to answer. Since each employee comes from a different background and culture, they are motivated by a variety of different incentives. Research shows that people often leave an employer because they haven't received the recognition they want, or feedback on how they are doing. With this in mind, designing a positive, employee-driven motivation program works with some of the employees, but then what do you do for the others?

Keywords: Resources, Production, Performance Appraisal, Motivation

Introduction

The term Human Resource is used for the people of the organization. when we are talking about the human resources, it means we are talking about the talents of the organization the people with knowledge ,skills, capabilities, potentials, creativity etc. are referred to as Human Resources.Organisations performs its task with the help of resources as men, materials, achiness and money.

Resource is anything which can be used again and again as factors of production. So the employees or manpower of the organization can be called as resources because their knowledge, skills, competencies etc. can be used again again for the benefit of the organization. Among all the resources that is men, money, materials, machines etc. the human resources or men play very important role in an organization. All the other resources are non-living except men.The other resources cannot be converted into finished products until and unless it is touched by the human hands. No matter how advanced the technology is but to operate that technology, men will be required. So we can say that human resources play a vital role role in the organization. If manpower is not available then other resources are useless and cannot produce any thing. Manpower plays a pivotal role in the organization and is the most significant factor of production. Manpower has the highest priority bin the organization.

Ignoring the other factors of production may result in decrease in profitability but ignoring the human resources may prove to be disastrous for the organization. The success or failure of an organization depends upon the type of human resources the organization has the talented workforce can lead the organization to touch the sky. Now the organizations have understood the important role the employees play in the organization. They have understood that their workforce is the asset of the organization. Spending on the training and development of the employees is not a waste of time and money. It is the investment the organization is making on its asset i.e. their Human resources. A country which has abundant human resources but majority of them remain under-utilised is a pathetic condition.

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In every business organization, the performance of the employees is important in achieving organizational goals. The success of every business organization can therefore be attributed to performance appraisal. Performance appraisal is one of the basic tools that make workers to be very effective and active at work. A critical look out on this may bring about the need for motivation, allowances, development, training and good human relationship in an organization.

Performance appraisal is defined as "a structural formal interview between subordinate and supervisor, that usually takes the form of periodic interview (annually or semi-annually), in which the work performance of the subordinate is examined and discussed, with the view of identifying the weaknesses as strengths as well as opportunities for improvement and development" (DEcENZO and Robbins, 1995: 358).

The output of every organization depends on how well and how much the performance of the employee is appraised and evaluated. Productivity can therefore be defined as "quality or volume of the major product or services that an organization provides". In short, productivity is what comes out of production. Managers of every business organization are charged with the responsibility to motivate their employees to achieve organizational goals. Without a good product to sell, problems in an organization are bound to rise.

The annual performance appraisal is an opportunity to enhance employee performance and create greater success for the company and the individual. Coaching skills can be used in creating a good performance appraisal experience for both the employee and the supervisor which can keep good performance going throughout the year.

Aim of the Study

1. Understanding the importance of employees.
2. Using performance appraisal to improve the performance of employees.
3. It will help the supervisors to assess the training and development needs of employees.
4. To understand the attitudes of employees.
5. To judge the co-relation between performance and productivity of employees.

Understanding Vision

It's important to start with vision: the company's and the employee's. What is the company vision? The company vision should be compelling and known by staff. When staff don't know the owner's vision for the company it is hard for them to help move it forward. Having a clear and compelling vision that employees can buy into provides a foundation for success.

But what drives the individual isn't the bosses vision, the company's vision, but their own compelling vision.

1. Employees can embrace the company vision but.
2. True success comes from within and from personal vision.
3. Personal vision should be compelling and tied into the company vision.

4. Do you know your employees' dreams and visions for their lives and career?

Importance of Human Resources

Different organizations have different aims but the basic aim of every business organization is to achieve its objectives, goals or targets successfully. Goals set by organization will only be in vain if much attention is not paid to employees' effort on performance for successful accomplishment. In other to achieve set goals and objectives successfully, there is the need to focus on performance appraisal. Performance Appraisal should be linked to attractive incentive to employees, enabling workers to demonstrate higher productivity.

The success or failure of any organization depends upon the type of employees it has. Many organizations in the competitive market fail since their workers perform below standard for they are not encouraged to work harder. Managers and employees are the life blood of every business organization. If management does not invest much into the welfare of their workers, problems are bound to rise leading to industrial strike actions, low commitment to work, low morale and low productivity of goods and services.

Some business organizations establish attractive performance appraisal systems to help motivate their employees to strike hard to be recognized and rewarded. Once employees are motivated, their performance reflects their productivity. Employees strive hard by pooling together skills, knowledge and efforts to achieve maximum output.

Determinants of Performance

An analysis of selection methods in personnel psychology found that general mental ability was the best overall predictor of job performance and training performance.

Campbell (1990) also suggested determinants of performance components. Individual differences on performance are a function of four main determinants: declarative knowledge, procedural knowledge and skill, and motivation.

Declarative knowledge refers to knowledge about facts, principles, objects, etc. It represents the knowledge of a given task's requirements. For instance, declarative knowledge includes knowledge of principles, facts, ideas, etc.

If declarative knowledge is knowing what to do, procedural knowledge and skill is knowing how to do it. For example, procedural knowledge and skill includes cognitive skill, perceptual skill, interpersonal skill, etc.

The third predictor of performance is motivation, which refers to "a combined effect from three choice behaviors—choice to expend effort, choice of level of effort to expend, and choice to persist in the expenditure of that level of effort" (Campbell, 1990). It reflects the direction, intensity, and persistence of volitional behaviors. Campbell (1990) emphasized that the only way to discuss motivation as a direct determinant of behavior is as one or more of these choices.

Campbell (1990) also mentioned several performance parameters that may have important

implications for the job performance setting and should be investigated by industrial and organizational psychologists.

The first one is the distinction between speed and accuracy. This distinction is similar to the one between quantity and quality. Important questions that should be considered include: which is most valued by the organization, maximized speed, maximized accuracy, or some balance between the two? What kind of tradeoffs should an employee make? The latter question is important because speed and accuracy for the same task may be independent of one another.

Causes of Poor Performance

Absenteeism and Lateness

Absenteeism is when an employee does not come to work base on certain reasons that may be tangible or intangible whilst lateness is considered to be the rate at which an employee comes to work after the actual time schedule for reporting to work.

Lack of ability or knowledge

Employees' performance can be attributed to lack of knowledge. If employee with low knowledge is employed, it is very difficult for him or her to accomplish task that he or she does not know much about.

Alcoholism and drug abuse, medical problems and stress are some of the contributing factors to poor performance in an organization.

Steps In Appraising Performance

1. Establishing Performance Standards:
2. Communicating those standards:
3. Evaluating Performance:
4. Discussing result with employees:
5. Taking Corrective Action
6. Using the Result to Make Decision

Establishing Performance Standards

Standards must be understandable subject to measurement and be reasonable. They must be accepted by both the manager and the subordinates.

Communicating those standards

Employees must be told and precisely what the standards and expectations are and how they are to be met.

Evaluating Performance

After the first two steps are done properly, the actual performance of the employees are measured.

Discussing Result with Employees

Discussing with the employees can help the supervisor to understand the employees better and explain them how to perform better.

Taking Corrective Action

The important part of performance appraisal is improving the performance of employees i.e. taking corrective action.

Using the Result to Make Decision

A manager can take decision about promotion, compensation, additional training and firing based on performance evaluation. An effective performance appraisal system is a way of satisfying certain legal concerning such decision.

Benefits of Performance Appraisal

Performance Appraisal provides important and useful information for the assessment of employee's skill, knowledge, ability and overall job performance. The following are the points which indicate the importance of performance appraisal in an organization:

1. It helps supervisors to assess the work performance of their subordinates.
2. It helps to assess the training and development needs of employees.
3. It provides grounds for employees to correct their mistakes, and it also provides proper guidance and criticism for employee's development.
4. It provides reward for better performance.
5. It helps to improve the communication system of the organization
6. It appraisal evaluates whether human resource programs being implemented in the organization have been effective.
7. It helps to prepare pay structure for each employee working in the organization.
8. It helps to review the potentiality of employees so that their future capability is anticipated.

Using Performance Appraisal to Improve the Performance of Employees

The question which haunts in the minds of executives and managers is How can they motivate their employees? This question is sometimes difficult to answer. Since each employee comes from a different background and culture ,they are motivated by a variety of different incentives. One needs to find out what is the value of each person. Research shows that people often leave an employer because they haven't received the recognition they want, or feedback on how they are doing. With this in mind, designing a positive, employee-driven motivation program works with some of the employees, but then what about the others? Many organizations feel that if you want innovative and unique ways to boost your employees' morale, just ask them. Of course, employees may not want to tell employers face-to-face what they want and what they are thinking. So the employer can conduct an anonymous "morale audit," giving employees a survey to fill out.

Performance appraisal is said to be used in development whenever it is used to gear up towards improving employee's performance and skills. It can also be defined from the view point of self improvement. Under it, performance appraisal helps for the development of overall skills and efficiencies of the individuals. It also facilitates employee's career planning by recognizing their strength and weakness. This brings out the deficiencies and short comings of the employees, and provides a regular feedback to employees, so that the employees can improve their skills deficiencies. Training and management development programs can be organized accordind to the needs of the employees. This would lead improvement in the performance as well as productivity of the employees.

One of the ways to improve the performance and ultimately the productivity of the employees is to boost the employees morale. This can be easily done

by caring about the employees and involving them whenever setting goals for the organization. This will inculcate in them a feeling of belongingness and they will try to give their 100% to the organization.

Conclusion

When conducted in a well organized manner, employee performance evaluations are very helpful to the productivity of an organization. They provide you with the tools to gather information and communicate company and individual goals to all employees. They also provide a structure for a pay-for-performance system that rewards employees for successfully achieving those goals. These evaluations are tools that have the ability to make everyone more productive and engaged in their jobs and therefore make the company more successful

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