

Role Of Performance Appraisal On Employee Performance

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Citation: Mathew Thomas, et. al (2024), Role Of Performance Appraisal On Employee Performance, Educational Administration: Theory And Practice, 30(5), 10076-10079, Doi 10.53555/kuey.v30i5.4338

ARTICLE INFO

ABSTRACT

Performance appraisal is a structured formal interaction between a subordinate and supervisor. It usually takes the form of a periodic interview, in which the work performance of the subordinate is assessed to provide recognition for the work efforts and to identify weaknesses and strengths as well as opportunities for improvement, performance maximization, skills development and career perspective. The main aim of this study is to find the reasons to evaluate the performance appraisal in Deemed Universities and to analyse the impact of performance appraisal on Employee Performance. Performance appraisal evaluated by the deemed universities for employee's promotion, pay rises, valuable feedback, career progression, incentives and motivate employees to achieve high. This leads to the great impact on employee's performance

Keywords: Performance appraisal, Career Progression, Pay rise

INTRODUCTION

Human Resources function has been evolving throughout the years to reach more effectiveness in the corporate world. Today human resources focus on five major components: recruitment and selection, training and development, pay and benefit, performance appraisal and labor relation. It is worthwhile to mention that Human Resources department works best in a dynamic economy.

Monetary incentives or financial rewards for employee performance lead a crucial role to motivate employees toward their work in a competitive work environment. As per the economic report, monetary incentive is a very common way to enhance employee performance in an organization or company through using financial rewards. Monetary reward is important to increase employee performance due to various reasons.

Performance appraisal is a structured formal interaction between a subordinate and supervisor. It usually takes the form of a periodic interview, in which the work performance of the subordinate is assessed to provide recognition for the work efforts and to identify weaknesses and strengths as well as opportunities for improvement, performance maximization, skills development and career perspective.

After employee selection, probably the most powerful tool managers have to examine employee's performance and getting results is the performance appraisal. (Todd Grubb, 2007). Performance appraisal involves an employee knowing what is expected of him and remain focused with the help of the supervisor, tells them how well they have done that motivates the employees toward the good performance.

Performance appraisal is considered to be valuable for organisations. It is useful for promotion as it helps the supervisors to come up with the promotion programmes for efficient employees. It is also used for compensation as and it helps in the development of employees as the systematic procedure of performance appraisal helps the supervisors to frame training policies and programmes. It helps to analyse strengths and weaknesses of employees and it also plays a vital role in help frame the future development programmes.

REVIEW OF LITERATURE

Nadeem Iqbal (2013) Employee's performance is the major issue in an organization. Our study focuses on to find out the impact of performance appraisal on employee's performance and also analyses that motivation affects the relationship of performance appraisal and employee's performance. Results presented there is

positive relationship between performance appraisal and employee's performance. Motivation as a moderator positively affected the relationship between performance appraisal and employee's performance. Divisional banks can use appraisal system as a strategic approach by integrate it with business policies and HR practices and can improve the performance standers of its employees.

Raghunathan and Subbu Krishna Sastry (2018) The Employee performance is the strength of organization and Employee performance has traditionally been accorded prime focus by human resource managers. As a result, a number of performance appraisal techniques have over time been devised to help establish employees performance. In the contemporary times, the use of performance appraisals has been extended beyond the rating of the employee's performance to aspects such as motivation. Accordingly, by the sought to investigate effectiveness of performance appraisal systems and its effect on employee motivation.

Udhaya Kumar Aishwarya(2020) This paper studies the trends in performance appraisal in banking sector in India and understands the effectiveness of appraisal systems on lower level to top level management in banking sectors in India. A Google form survey was circulated among employees working in banks. It was found out that performance appraisals are implemented and are efficient to a large extent on lower level to top level management in banking sectors in India.

Asha Rani (2021) The main objective of this research paper is to find out the relationship between performance appraisal and job satisfaction among the employees in Coca-Cola beverage industry, the study is Visakhapatnam as study area and 212 data samples were considered. In processing of data SPSS software has been adopted, and statistics like percentage analysis, rank analysis and correlation analysis were considered. The results of this study reveals that where the performance appraisal is more in with individuals in the organization lead to better working conditions, pay and promotion potential, work relationships, use of skills and abilities, work activities and management policies.

Kavitha M (2022) The main aim of this study is to find the factors determining employee and to analyse impact of employee Morale on Employee retention. There is a positive relationship between Employee Morale and Employee retention. Employee retention motivated the employees to be productive and its reflect the impact on organizational profitability.

Jacques(2022) This article tackles the performance appraisal part and its effectiveness when it comes to compensation. It starts by focusing on the importance of having a clear job description, evaluating employees according to job description using effective job evaluation method and performance appraisal selective methods according to the structure and the field of the company. Linking these tools to different ways of compensating employees and the effectiveness of such actions, problems, diagnostic approach and recommendation of Performance Appraisal (PA) process are covered in this study

Kavitha M (2022) Performance appraisal has increasingly become part of a more strategic approach to integrating HR activities and business policies and may now be seen as a generic term covering a variety of activities through which organizations seek to assess employees and develop their competence, enhance performance and distribute rewards. The main aim of this study is to find the employee's perception towards performance appraisal and to analyze the impact on performance appraisal on staff productivity. Employees are having various perceptions about performance appraisal. There are develop skill, career growth, determine goal, determine growth, identify weakness, self-appraisal, evaluate strength of the employees. Finally, it concludes that performance appraisal shows the positive impact staff productivity.

Rajesh (2022) This report clarifies the aim of this research paper to understand about monetary incentive system in the area of the competitive business market, the major responsibilities of the incentive process enhancing the power of employee performance, the process to increase business productivity through financial rewards, and important tool or process to analysis positive effect of employee incentive method in the business market, authentic data and information to relate with business improvement through the effect of monetary incentive process and finding future scope or more opportunities to provide a safe platform for the employee.

Intend of the study

1. To find the reasons to evaluate the performance appraisal in Deemed Universities
2. To analyse the impact of performance appraisal on Employee Performance

Hypotheses of the study

1. There is no adequate reasons to evaluate the performance appraisal in Deemed Universities
3. There is no adequate impact of performance appraisal on Employee Performance

REASONS TO EVALUATE THE PERFORMANCE APPRAISAL IN DEEMED UNIVERSITIES

The performance appraisals of employees are one of the most important human resource management practices and have been widely researched. Performance appraisals are used for a variety of reasons such as promotions, pay rises, detailed and valuable feedback, and career progression. Furthermore, performance appraisals are well suited to detect strengths and weaknesses of employees, and help to set objectives and to improve employee performance.

The factor analysis like principle component methods is applied are six variables of performance appraisals of employees and the following research are obtained. The researcher appropriately applied Factor Analysis by principal component method to find the variables into predominant factor. The application of Factor Analysis brought the following results:

Table – 1 KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.770
Bartlett's Test of Sphericity	Approx. Chi-Square	1419.554
	Df	15
	Sig.	.000

Source-computed data

From the above table is formed by the KMO measure the sampling adequacy is 0.770. Bartlett's test of sphericity with approximate chi-square value =1419.554 are statistically significant at 5%. This leads to verification of interrelationship among the variables in the following communalities scale.

Table – 2 Communalities		
	Initial	Extraction
Promotion	1.000	.614
Pay rises	1.000	.802
Valuable feedback	1.000	.738
Career Progression	1.000	.807
Incentives	1.000	.813
Motivate Employees	1.000	.803
Extraction Method: Principal Component Analysis.		

Source-computed data

From the above table it is formed that the six variables possess the variance ranging above 0.75. The following total variance table indicates the total variance executed by these variables

Table – 3 Total Variance Explained						
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
Promotion	3.175	52.911	52.911	3.175	52.911	52.911
Pay rises	1.403	23.388	76.299	1.403	23.388	76.299
Valuable feedback	.583	9.716	86.016			
Career Progression	.298	4.963	90.979			
Incentives	.282	4.696	95.675			
Motivate Employees	.259	4.325	100.000			
Extraction Method: Principal Component Analysis.						

Source-computed data

From the above table it is formed that the seven variables with cumulative variance 76.299%, which is statistically significant and gives the existence of 6 meaningful factors. The factors are enumerated as follows.

Table – 4 Component Matrix^a		
	Component	
	1	2
Promotion	.535	.572
Pay rises	.728	.522
Valuable feedback	.713	.480
Career Progression	.792	-.425
Incentives	.799	-.418
Motivate Employees	.765	-.468
Extraction Method: Principal Component Analysis.		
a. 2 components extracted.		

Source-computed data

The above table shows that Performance appraisal evaluated by the deemed universities for employee's promotion, pay rises, valuable feedback, career progression, incentives and motivate employees to achieve high. This leads to the great impact on employee's performance

FINDINGS AND CONCLUSIONS

Performance appraisal aims at improving an employee's performance. It's easier for an employee to identify areas of improvement. Due to identifying these areas, an employee can set goals that will lead to promotions and career advancement. Performance appraisal evaluated by the deemed universities for employee's promotion, pay rises, valuable feedback, career progression, incentives and motivate employees to achieve high. This leads to the great impact on employee's performance

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