



**PERFORMANCE APPRAISAL OF THE MANAGER'S: A FACTORIAL STUDY  
ON MEDIUM SIZE INDUSTRIES IN RAJASTHAN (SPECIAL REFERENCE TO  
ALWAR- JAIPUR DISTT.)**

**Rohit berwal**

*Lect B. Adm., Govt commerce college Sikar*



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**Scope of the Study:-**

Performance management is a strategic and integrated approach to delivering sustained success to the organization by improving the performance of people who work in them and by developing the capabilities of teams and individuals contributors.

Performance appraisal is the process of identifying, measuring and developing human performance in organizations. Performance appraisal tries to: the research focuses on the performance appraisal in medium size industry in the Rajasthan state special reference to Alwar- Jaipur NCR areas. The emphasis of the study is placed on addressing the issue of how to measure the performance of employee in medium size industry in Rajasthan, from a practical perspective

**Geographical Area**

The Factorial study of the performance appraisal of the manager's in medium size industry in Rajasthan mostly (Alwar-jaipur NCR Area). The research work would be done in the area of NCR, Alwar (Neemrana, Bhiwadi, Chopanki, Khuskhera, Behror, Sonatala, MIA area Alwar, Ghelot (Korien zone), Shahjahanpur and Tapukara) & some area of Jaipur.

The Alwar district is situated in the north east of Rajasthan between 27.4' and 28.4' north latitudes and 76'7 and 77'13 east longitude. Its greatest length from south to north is about 137k.m and greatest breadth from east to west about 110k.m. the geographical area of the alwar is 8, 38,300 Hectare.

Jaipur district is situated in the eastern part of rajas than and lies between 26'32 and 27' 51 north latitudes and 74'55 and 76'50 each longitude. It is bounded in the north by Sikar and

Alwar district of Rajasthan in south by Tonk, Ajmer and SawaiMadhopur district .the jaipur district has a geographical area of 14068 sq.km. Which is 3.23% of the total area of state?

### **Industry Type**

In Rajasthan industrial area (delhi-jaipur NCR) include the alwar, jaipur region. The types of medium size industries in these region namely Handicraft, automobile, chemical & chemical product industries, food & beverage industries, Machinery & parts except electrical , rubber & plastic product, Leather product, paper product & printing, basic metal industry etc.

In Rajasthan, the no. of the medium size industry mostly NCR area includes (alwar, jaipur) regions are:

In alwar region, the no. of registered industrial units now 551 (As on 31.10.2012) and total industrial unit is 25,465.

In Jaipur region, the no. of registered industrial units now 2369. And the total industrial units are till date 25935. And the no. of large size industrial units is 34. There are 35 industrial areas within Jaipur region.

### **Introduction**

In our newly flattened world, job functions are rapidly being redefined which means there is more job competition across the globe. Here in lies the challenge: For a company to remain competitive, it must engage their employees in developing new products and services of higher value based on innovation and creativity.

Today's business atmosphere makes it clear that both companies and its workforce must align to meet this challenge. What is needed is a new paradigm that supports a new set of criteria for rewarding employees based on their ability to continue to learn new skills and adapt to the changing economic conditions. To understand the underpinnings of the new performance appraisal system, it is critical to understand the traditional performance appraisal system and its origin.

### **I. EARLY HISTORY OF PERFORMANCE APPRISAL**

Somewhere or other, everyone had the experience of performance appraisal in some context. This can be traced back for thousands of years. As we go through the history of performance appraisal in an informal sense, performance appraisal is as old as mankind itself. Although not called performance appraisal, the Bible has many examples where the evaluation of individual performance is an important issue. "The Lord has filled him (Bezalel) with the spirit of God, in wisdom and understanding, in knowledge and all manner of workmanship to design artistic works, to work in gold and silver and bronze, in carving wood, and to work in all manner of artistic workmanship" (Exodus, 35, pp. 31-3). In this instance, Moses selected

men who were known to be most skilled craftsmen from the tribes of Israel to build and furnish the tabernacle of the Lord in about 1350 BC (Wiese and Buckley 1998). Thus, proving that individual performance and appraisal of performance are important to bring out the effectiveness of the work performed as a goal. In a formal sense, performance appraisal of an individual began in the Wei dynasty (A. D. 261-265) in China, where an Imperial Rater appraised the performance of members of the official family (Monappa and Mirza, 1997). Further, that in 1648 it was reported that the Dublin (Ireland) Evening Post evaluated legislators by using a rating scale based upon personal qualities (Hackett, 1928). In 1800s the New York City Civil Service in USA introduced a formal appraisal program shortly before First World War. However, formal appraisal of employee's performance is believed to have been started for the first time during the First World War, when at the instance of Walter Dill Scott, the US Army adopted the "Man-to-man" rating system for evaluating military personnel (Oberg, 1972). This early employee's appraisal system was called „merit rating“. From the army this concept entered the business field and was restricted to hourly-paid workers. During 1920s, relational wage structures for hourly-paid workers were adopted in industrial units and each worker was used to be rated in comparison to others for determining wage rates. In the 1940s behavioral methods were developed using a motivational approach. These included behavioral anchored rating scales (BARS), behavioral observation scales (BOS), behavioral evaluation scales (BES), critical incident, and job simulation. All these judgments were used to determine the specific

Levels of performance criteria to specific issues such as customer service and rated in factors such as "excellent", "average", "need to improve" or "poor". Post-1945 developed into the results-oriented approaches and led to the development of management by objectives (MBO) (Prowse & Prowse, 2009). In the 1960s the development of self-appraisal by discussion led to specific time and opportunity for the appraisee to evaluate their performance reflectively in the discussion and the interview developed into a conversation on a range of topics that the appraisee needed to discuss in the interview. In the 1990s 360-degree appraisal developed, where information was sought from a wider range of sources and the feedback was no longer dependent on the manager-subordinate power relationship but included groups appraising the Performance of line managers and peer feedback from peer groups on individual performance (Redman and Snape, 1992).

**(Source from: IOSR Journal of Business and Management (IOSRJBM), ISSN: 2278-487X Volume 3, Issue 5 (Sep,-Oct. 2012), PP 01-06. the article from performance appraisal to performance management)**

## **II. Traditional Performance Appraisal System**

Performance Appraisal roots in the early 20th century can be traced to Taylor's pioneering Time and Motion studies. But this is not very helpful, for the same may be said about almost everything in the field of modern human resources management.

Appraisal of performance is widely used in society. Parents evaluate their children, teachers evaluate their students and employers evaluate their employees. However, formal evaluation of employees is believed to have been adopted for the first time during the First World War. The U.S. Army adopted the 'Man to Man' rating system for evaluating military personnel. During 1920-1930, hourly paid workers in industrial units were evaluated on the basis of rating scores. This early appraisal system was called "**Merit Rating**".

The process was firmly linked to material outcomes. If an employee's performance was found to be less than ideal, a cut in pay would follow. On the other hand, if their performance was better than the supervisor expected, a pay rise was in order.

Little consideration, if any, was given to the developmental possibilities of appraisal. It was felt that a cut in pay, or a rise, should provide the only required impetus for an employee to either improve or continue to perform well.

Sometimes this basic system succeeded in getting the results that were intended; but more often than not, it failed.

For example, early motivational researchers were aware that different people with roughly equal work abilities could be paid the same amount of money and yet have quite different levels of motivation and performance.

These observations were confirmed in empirical studies. Pay rates were important, yes; but they were not the only element that had an impact on employee performance. It was found that other issues, such as morale and self-esteem, could also have a major influence.

As a result, the traditional emphasis on reward outcomes was progressively rejected. In the 1950s in the United States, the potential usefulness of appraisal as tool for motivation and development was gradually recognized. The

## **III. Modern Performance Appraisal System**

Performance appraisal may be defined as a structured formal interaction between a subordinate and supervisor, that usually takes the form of a periodic interview (annual or semi-annual), in which the work performance of the subordinate is examined and discussed, with a view to identifying weaknesses and strengths as well as opportunities for improvement and skills development.

In many organizations - but not all - appraisal results are used, either directly or indirectly, to help determine reward outcomes. That is, the appraisal results are used to identify the better performing employees who should get the majority of available merit pay increases, bonuses, and promotions.

By the same token, appraisal results are used to identify the poorer performers who may require some form of counseling, or in extreme cases, demotion, dismissal or decreases in pay. (Organizations need to be aware of laws in their country that might restrict their capacity to dismiss employees or decrease pay.)

Whether this is an appropriate use of performance appraisal - the assignment and justification of rewards and penalties - is a very uncertain and contentious matter.

Most modern organizations rely some form of performance appraisal system to provide employees with feedback about their performance and to help the organization make decision about such things as pay increase and promotions (**Cleveland, Murphy, and Williams, 1989; Landy and Farr, 1980**).research on performance appraisal dates back at least as far as the early 1920s, and has continued to the present day.

### **Literature Review:**

The history of performance appraisal is quite brief. Its roots in the early 20th century can be traced to Taylor's pioneering Time and Motion studies. But this is not very helpful, for the same may be said about almost everything in the field of modern human resources management. Literature survey includes a brief review of the work already done in the field of telecommunication and cement industry management. It would help in carrying on the research.

Since our subject of study is "Performance Appraisal" which is in a developing stage in our country. We need to study various aspects and hence we need to understand these aspects for making our study more effective and meaningful.

We will see these various aspects of our subject study, and reach on some conclusions along with our findings and suggestions.

Performance appraisal is an attempt to assess an employee's performance. The assessment may be taken into account in determining wages or salary increases. Claims are made that some schemes are objective, but most of them are based on 'subjective opinion'. Some scheme involves the employee in making an assessment. Employees know they are being evaluated and they are told the criteria that will be used in the course of the appraisal. Nothing is kept secret. The appraiser and appraisee should carry out this task jointly in a cordial atmosphere stressing on the plus point and finding out ways and means of

overcoming drawback, if any, of the appraisal. (**HRD & LABOUR Law references practical work book**).

**In a classic article, Dunnette (1963)** noted that, in some cases, the reason why organizations failed to find meaningful relationships between tests and performance was not because of faulty tests, but because of faulty performance measures. That is, if we could develop reliable, valid, and accurate measures of performance we would increase the chances of finding the significant relationships between test scores and performance. This article helped launch a drive towards increasing the reliability, validity, and ultimately the accuracy of performance appraisals.

By the late 1970s, Bernardin and his associates (**Bernardin and Buckley, 1981**; Bernardin and Pence, 1980) suggested that training raters to reduce rating errors might actually have the effect of decreasing rating accuracy. They suggested that this training simply replaced one response set with another.

Research studies show that employees are likely to feel more satisfied with their appraisal result if they have the chance to talk freely and discuss their performance. It is also more likely that such employees will be better able to meet future performance goals. (**Nemeroff & Wexley, 1979**).

As a distinct and formal management procedure used in the evaluation of work performance, appraisal really dates from the time of the Second World War - not more than 60 years ago. Yet in a broader sense, the practice of appraisal is a very ancient art. In the scale of things historical, it might well lay claim to being the world's second oldest profession!

The amount of the research regarding the topic "Performance Appraisal" is so vast. The topic is 'literally not new: it is as old as the formation of the organization. Before the early 1980's majority of the theoretical studies emphasized on revamping the rating system within the organization. The actions were a great thing to reduce the chaotic of employee's performance appraisal (**Feldman, 1981**)

According to the research of **Arvey and Murphy (1998)**, there were hundreds of thousands of researches had been taken place between the periods of 1950 to 1980, which merely focused on the different types of rating scales?

Behavioral Observation Scale (BOS) is one of the best techniques utilized by the managers to rate the employees. The dilemma was on the peak in the 1960s and 1970s. In the same period couple of new innovated rating scales were introduced, which was Behaviorally Anchored Rating Scale (BARS) and the Mixed Standard Scale (MSS). The innovations were



dominant one which condensed the errors and improved the observation skills from the performance appraisal practice.

**Landy and Farr(1980)** reviewed and researched the method of performance appraisal totally different manner, in which they understand the rater and process in an organizational context Other performance appraisal reports include rater characteristics in their report like as age ,race, gender, and likeability etc.

**After the year of 1980s** the biasness of the performance appraisal system occurred outrageously and appraisal has been granted on the favoritism or race and gender basis rather examined the knowledge, skill, quality and style of the work of the employees. The accuracy area among the performance appraisal clutched its grip in the start of the 1980s. Where the research was emphasis on common psychometric biases which include the diversified rating errors like as halo affects, central tendency and leniency, which were termed as rating errors in the appraisal technique.

**Bernardian and Beatty (1984)**, suggested in their research that the behavior and attitude kinds of measure ultimately prove to be better anticipator sas compared with the traditional psychometric variables, which we have declared earlier as well, like halo effect, leniency, central tendency and discriminate ability. A performance appraisal system is totally ineffective in practice due to the dearth of approval from the end users and employee.

**Eichel and Bender (1984)** stated that performance appraisal can also be called as the Achilles heel of management. Although leaders of many public organizations strive to be employee focused or employee centered, a lack of emphasis is given to a process intended to assist the employee in achieving both personal and organizational goals.

**In the word of John Shubin (1985)** defined the performance management system his own term is that “merit rating /performance appraisal is the evaluation of any given worker as to his fitness for given job in term of assigned factor by which he may be intelligently appraised”. It is concerned with what he is doing and what are his potential capabilities. Superior stimulates employee to analysis himself and set down goals with the help and counsel of the superior. It can be used as a springboard for coaching and for helping individual’s set goals for their own development.

**Bies and Shapiro (1987)**. It is now a widely accepted fact that perceptions of fairness influence the way people think, feel, and act on the job.

**The studies of Michael Armstrong**, “performance appraisal is systematic process for improving the organizational performance by developing the performance of the individual and team. It is means of getting better result by understanding and managing performance

within an agreed framework of planned goals, standards and competency requirements. It is focus people on doing the right things by clarifying their goals. It is own and driven by line management.”

**Fletcher and Williams states that**, “performance management is more a philosophy than a set of policy and tool. The most prevalent notion of performance management is that of creating a shared vision of the purpose aims of the organization, helping individual employee to understand and recognize their part in contributing to them and thereby managing and enhancing the performance of both individual and the organization.”

**Cleveland et al., 1989** presented a classification of the reason for conducting appraisals in organizations, and these include documentation, within-person decision (feed-back on strength and weakness) and between- person decision (who to promote).

**Meyer, Kay, and French (1965)** discussed the ‘split roles’ of performance appraisal, citing development feedback and decision making as two major purpose for conducting appraisal.

The very earliest research on performance appraisal (e.g., **Thorndike, 1920**) dealt with a proposal to change the format of rating scales to eliminate what was termed ‘constant error’. this approach characterized much of the appraisal research during the decades from the 1940s to the 1970s.there were various proposal for changing the nature or number of rating points used on rating scales, to change the nature of rating scales themselves, or to train raters to use the scales more effectively, but the primary focus was on the rating scale as a source of rating errors (**Landy,and Farr,1980**). In fact, even there was no mention of test validation or criterion development, studies proposing new rating scales formats, or comparing different scales formats, all used rating errors and indices of reliability as the basis for their analysis (cf. **Bernardin, Lasheils, Smith, and Alvares, 1976**).

**Labsbury (1988)** states about the performance appraisal-“performance assessment is the process of identifying, evaluating, and developing the work performance of employees in the organization, so that the organizational goals and objective are more effectively achieved, while at the same time benefiting employees in terms or recognition, receiving feed-back, catering for work, and offering career guidance.” (Performance management & retention strategies from payal upadhay, tulsi goswami, page no. 1.2 to 1.3).

**Murphy, Kevin R., Cleveland, Jeanette N., Williams, Richard E.** “Multiple uses of performance appraisal: prevalence and correlates” **1989**, Performance appraisal is used in organizations for a variety of purposes. However, little empirical research has been conducted to determine (a) the extent to which performance appraisal is used for each of several purposes in industry, (b) the extent to which appraisal data may be used for multiple



and possibly conflicting uses within the same organization, and (c) organizational correlates of these uses. A survey questionnaire designed to answer these questions was mailed to 243 members of Division 14 of the American Psychology Association who were employed in industry. A factor analysis of the 106 completed questionnaires indicated four general uses of information from performance appraisals. The use of performance appraisal to simultaneously make distinctions between and within individuals is common. Canonical correlation analyses indicated that organizational characteristics were significantly related to uses of performance appraisal.

According to them the biasfree appraisal was not necessarily accurate (**Murphy & Balzer, 1989**).researches which had been done in the year of 1980s were founded the dominating one which contributed the appraisal system in a great deal. The researches of the 1980 century also helped out to clarify some presumed traditional assumption regarding the appraisal system, just like as the work of(**Murphy,1982**)research has included the measure of the employee attitudes towards the system of performance appraisal and its acceptance(**Roberts,1990**).

**Roberts, 1990s** according to a number of researchers, the enhanced and upgraded performance appraisal procedure and method will enhance the higher satisfaction level of the employees & end users and definitely will improve the process of goal setting within the organization.

**According to Dale Yoder (1990)**, “personnel appraisal refers to the formal procedure used in working organization to evaluate the personalities and contribution and potential of group members.” It can be noted that the term rating represent only one form of personnel evolution. It refers to various formal systems in which the individual is compared with other and ranked or rated. Today, evaluations of potentials have become more useful then are appraisal of the performance. Hence, terminology has changed, substituting appraisal for rating.

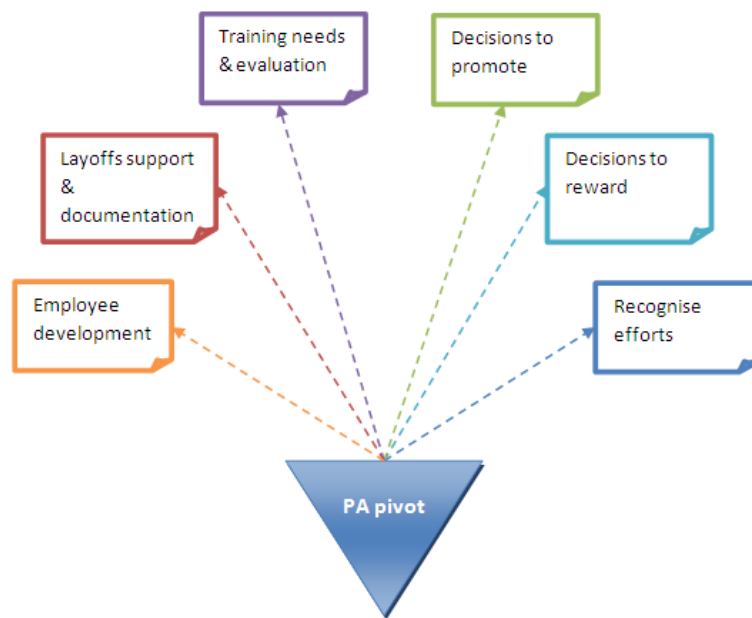
**Edwin B.Flippo (1990)** found that Performance evaluation is the systematic, periodic and so far as humanly possible, an impartial rating of an employee’s excellence in matters pertaining to his present job and to his potentialities for a better job”. Performance appraisal is a process of evaluation of the employee at higher levels by some qualified person. Thus, performance appraisal or merit rating is a systematic and orderly process to evaluate the performance of the personnel in term of the job requirement.

**Milkovich and Wigdor 1991**, the quest for precision in performance appraisal was replaced by an emphasis on how performance appraisal could be engaged to further organizational

goals. Research on the role of supervisors continued but the emphasis was on their knowledge of the performance appraisal system and the level of trust employees had in their supervisors.

Debate about the use of performance rating also commenced about this time: rating used for developmental purpose were seen to be more lenient than rating intended to determine pay outcomes (Boswell & Boudreau 2002). More recently, the emphasis has been on worker reactions to appraisal and the social context in which appraisal occur as these are seen as critical in determining the effectiveness of an appraisal system (Levy and Williams 2004).

Performance appraisal acts as a pivot that guides multiple decisions (Carson, Cardy & Dobbins 1992) in an organization as illustrated in Figure



Source: Developed for this research based on Carson, Cardy and Dobbins (1992)

**Institute of Manpower Studies Report (1992)** - performance appraisal is a system whereby the organization's targets are set and achieved by the means of process of target setting for the individuals, teams, and organization on continuous basis in line with organizational mission and targets, within the parameters of the socio legal framework of the organizational, to achieve growth and success for all stakeholders.

**Arthur, Jefferey B. (1994)**. Identify two type of HR system control, commitment and specific combinations of the policies and practices are useful in predicting difference in performance and turnover across 54 U.S steel mini mills. HR systems moderate the relationship between turnover and manufacturing performance.

**Huselid, Mark A. (1995).** Evaluated the links between systems of highly performable work practice and firm performance. Sample of nearly one thousand firms indicates that these practices have an outcome of turnover and productivity of corporate financial performance.

**Tang and Sarsfield-Baldwin (1996).** This research indicates that procedural and distributive justice factors have been consistently correlated with employee's positive affective reactions towards their performance appraisal system.

**According to IPD 1997,** "performance management is the effective way in which an organization can gear its people development strategy to the need of the business-defining the skill and competencies required for excellent performance and then creating PDP's for individuals." and it is also bridge between the strategic goals of the organizations and the day to day priorities of the team and individuals.

**According to Hendry et al 1997,** "performance management is a systematic approach to improving individual and team performance in order to achieve organizational goals."

**John P. Wilson** says that the phrase "performance management is more emotive; it has different meaning to different people. Performance appraisal is an integral part of performance management. Performance management refers to comprehensive approach to ensure a link between efforts of individual employee with vision and goal of the organization, to achieve excellence in organization on one side and satisfaction and growth of the employee on other side.

**Bethal, Atwater and Other** studied on performance appraisal, "merit rating or performance appraisal system is technique for a fair and systematic evaluation of an employee capacities and specific job." He define the performance appraisal system to identify the mutual goal setting, critical incident etc. are used. It is focusing only performance and forecasting the potential of the employee and also covers the technical and managerial executives."

**According to Scott, Clotheir and Spriegal,** "Merit rating is the process of the evaluating the employee performance on the job in term of the requirement of the job." Performance appraisal to test the effectiveness of the recruitment, selection and induction programmed. And to aids the supervisor in his conference with an employee when trying to get him to overcome weaknesses

**Kimball and Kimball,** performance appraisal or merit rating is the systematic appraisal of employees personality traits and performance on the jobs and is designed to determinate his contribution and relative worth to the firm".

**Lazear, 1998,** past theoretical work suggests that the evaluations of worker performance are used to move a worker ahead, and part of eliciting high efforts often in conjunction with pay

decision. From these basis function, one can hypothesize about the circumstances in which formal evaluations will likely generate substantial benefits, and so justify the cost of establishing and operating such a system. Finally, evaluations are more important early in a worker's tenure for purpose of determining ability (as opposed to achievement) and job assignment (Jovanovic, 1979). Thus, a workforce with many workers early in their tenure is more likely to be subject to performance appraisal, all else equal.

**Cascio (1998)** defined performance appraisal as a process to improve employee's work performance by helping them realize and use their full potential in carrying out the organization's missions and to provide information to employees and managers for use in making work related decisions. He goes on to define effective performance appraisal system as an exercise in observation and judgment, a feedback process and an organization intervention. It is a measurement process as well as an intensely emotional process. Above all, Cascio stated, it is an inexact, human process that is utilized differently in almost every organization regardless of industry.

**Amba, Rao(2000)**. Employee involvement and success experience will help reduce to employee anxiety and skepticism towards performance appraisal process in Indian firms.

**Herman, steensma and lisette, otto (2000)**. In this study 78 employees and 33 supervisors completed a questionnaire to evaluate performance appraisal system. The results demonstrate supervisors perceived that they used more participative leadership and had better conversational method than the subordinates perceived. Supervisors also had a more positive perception of the number of area that was discussed in a performance appraisal system.

**Erdogan, Berrin (2002)**. Procedural, interactional, and distributive justice perceptions are examined in term of their theoretical and measurement properties. The proposed modal identified several directions for future research in performance appraisal area. Justice perceptions will be related to organization-related, leader- related, and performance related outcomes, through improved exchange with the exchange with the organization and the leader, and through increased accountability pressures. Therefore, performance appraisal is argued to be a critical incident, which shapes future interactions between the leader and member as well as the leader and organization, and influences future attitudes and behaviors. Differential relationship is expected between difference type of justice and outcomes, but all types of justice perceptions are argued to be important for organizational effectiveness.

**Jackson & schuler 2003**, The employee monitoring through their appraisal stand at the heart of the employment relationship. Getting employees to exert efforts, setting pay,

assigning individual employee to the most appropriate jobs, deciding which workers should be retained and which should be promoted all require that management judge the performance of workers. The judgment requires learning about worker productivity, the process of monitoring. In some establishments, the process may be informal and in other it may be straightforward because of the nature of technology (individual output can be observed). Yet, the most common approach to monitoring remains a formal system of performance appraisal (Jackson & Schuler 2003). Performance appraisal usually involves 'evaluating performance based on judgments and opinions of subordinates, peers, supervisors, other managers and even workers themselves' (Jackson & Schuler 2003).

Furthermore, as reported by Pulakos (2004), a recent survey indicates that only one in ten employees believe that their firm's appraisal system helps them to improve performance. (Journal compilation, 2006 Blackwell Publishing Ltd, Garsington Road, Oxford, OX4, 2DQ, UK and Main St, Malden, MA 02148, USA).

**Cook and Crossman (2004)**. Perception of the fairness of the performance appraisal system would influence positive affective reactions like as performance appraisal satisfaction.

**Xuezhui Bai, Lynne Bennington**, "Performance appraisal in the Chinese state-owned coal industry" 2005, Performance Appraisal (PA) is a western management concept that is meant to improve individual and, concomitantly, organizational performance. Although performance appraisal systems have come under a plethora of criticisms, they continue to be a platform of human resource management systems. This study focused on the practices in state-owned coalmines in China. In contrast to the majority of previous studies on PA practices in China, and as a result of increasing pressure from intensified market competition, Chinese state-owned enterprises were found to be utilizing modern PA measures as effective tools to enhance their management efficiency and productivity. This paper describes the implementation of performance appraisal in the state-owned coal sector, indicating some interesting variations upon western practices, and provides valuable insight into the significant changes occurring in PA in China.

**Jenifer Jarriel, Mary Sloan** "Evaluating IT Professionals through Values-Based Performance Appraisal Systems", February 17, 2005 Performance evaluations are an essential management tool. An organization's standard appraisal system often does not provide the relevance and specificity needed for evaluating IT professionals. The Baylor College of Medicine IT management team revised its forms, process, and management training to provide an effective approach for conducting performance evaluations. The tool

includes both technical and values-based criteria for measurement, while the process promotes two-way dialogue and development of mutually agreed upon goals.

**Youngcourt, Satoris S. ; Leiva, Pedro I.; Jones, Robert G.** “Perceived Purposes of Performance Appraisal: Correlates of Individual- and Position-Focused Purposes on Attitudinal Outcomes. “ **2007** Performance appraisals have traditionally been directed at individuals, serving either an administrative or developmental purpose. They may serve a role definition purpose as well. This study sought to identify and more broadly define the purposes of performance appraisals to include this role definition purpose. Furthermore, this study examined purposes of performance appraisals as perceived by the role incumbent, as opposed to the stated organizational purposes. The relationships between these perceived purposes with several attitudinal outcomes, including satisfaction with the performance appraisal, job satisfaction, affective commitment, and role ambiguity, are reported. Data from 599 retail service employees were used to test the hypothesized relationships. Results suggested support for a model consisting of three performance appraisal purposes having differential relationships with the outcomes examined, suggesting the purpose of the performance appraisal may influence rates' perceptions of and attitudes toward their jobs.

**In 2008** a paper reports on a study that used focus group interviews with employee in an upscale hotel in Hong Kong, a special administrative region in China, on their view of the appraisal system that has been used. Research finding reveal that the system could be further improved

**John P. Wilson** says Performance management as a concept or Philosophy should ideally be a systematic approach that encompasses:

1. Motivation of the employees to performs;
2. Vision by the employers as to what performance standard they expect of employee;
3. Ownership of the management of performance at Varsity of levels within organizations;  
and
4. Monitoring and measurement of the performance achieved by employee.

It can be noted that the term appraisal /rating represent only one form of personnel evaluation. It refers to various formal systems in which the individual is compared with other and ranked or rated. Today, evaluation of the potential have become more useful than are appraisals of Performance. Hence, terminology has changed substituting appraisal for rating.



Performance Appraisal is the process of evaluation of the employee at higher levels some qualified persons. Thus, performance appraisal or merit rating is a systematic and orderly process to evaluate the performance of personnel in term of the requirement of the job.

**Chandra, A. & Frank Z.D.**, wrote that “performance appraisal systems are designed to objectively evaluate an employee’s performance and then outline measure to be taken for improvements, which are essential for an organization to move ahead. The evaluate purpose is intend to inform people of their performance standing. The development purpose is intended to identify problems in employee performing the assigned task. These systems are often organization specific. (**International journal of management and strategy (IJM)**, 2011 vol.no. II, issue 3 July- Dec. 2011, <http://www.facultyjournal.com/> ISSN 2231-0703).

**Prasety, Arik and Kato, masanori (2011)**. This study was conduct at PT. Telkom Kandatel Malang which is a company engaged in telecommunication services in Indonesia. The 57 respondent in the survey are permanent employee of PT. Telkom Kandatel Malang with working experience more than 03 years. This study revealed that the perceptions by the employees of PT. Telkom Kandatel Malang concluded that the majority (>50%) already know and understand well about the purpose, type, timing, methods, and related interviews conducted, although there are some employees who have different views. Regarding the salary system at PT. Telkom Kandatel Malang in terms of the level of the justice, competitativeness, and clarity, more than 50% of the employees said fair enough, quite competitive, and it was clear.

**Chompukm,Pachsiry (2012)**. In this study data were collected from 476 employees in the four largest banks in Thailand. Identified the particular modal, it would be expected that attitude towards performance appraisal would correlate with linkage between consequences and targeted performance, coaching and perceived performance management effectiveness.

**Francis O. Boachie (2012)**. The studied on polytechnic in Takoradi, Ghana where data was collected 140 employees of the institution, which included both academic and administrative staff both. The study indicates that employees of the institution perceive that the performance appraisal system of the institution is affected by some major errors.

**Akuoko, Kofi Osei (2012)**. For the study data were collected from 147 employees of six financial institutions were chosen in the Kumasi Metropolis, Ghana. The study demonstrated that the performance appraisal system can be an effective tool in employee motivate. If both the process and outcomes are fair and accurate. The study also revealed that employee

participation in the appraisal process was high and this led to employee motivation and perception of the process and outcome as fair and sure.

**Heigel** defined that-“performance appraisal is the process of evaluating the performance and the qualifications of the employees in terms of requirements of the job for which he is employed, for purpose of administration including placement, selection for promotion, providing financial rewards, and action which require differential treatment among the members of the group as distinguished from actions affecting members equally.(performance management & retention strategies from **payal upadhay, tulsi goswami, page no. 1.2 to 1.3**).

**Cumming and Schwab** wrote about the performance appraisal- “the objective of the performance appraisal schemes can be categorized as either evaluate or developmental. The evaluate purpose have a historical dimension and are concerned primarily with looking back at how employees have actually performed over given time period , compared with required standards of performance. The developmental, a future oriented performance appraisal is concerned, for example, with the identification of employees’ training and development needs and the setting of new targets”. (**Performance management & retention strategies from payal upadhay, tulsi goswami, page no. 1.2 to 1.3**).

### **Main Objectives of the Research work**

Performance appraisals have been considered to be the most significant and indispensable tool for the management. It goes right to the heart of the Human Resource function as it pays attention on the performance of the employee and reflects management’s interest in the progress of the employee.

The objective of the project is to study the Performance Appraisal Practices within the various organizations in medium sized industries in Rajasthan mostly (Delhi-Jaipur NCR area). Also to see how organizations grow along with their employees with the effective use of Performance Appraisal System with the study of the following:-

- To study various performance appraisal practices in medium size industries in Rajasthan;
- To study uses of Performance Appraisal in the medium industries ;
- To study how Performance Appraisal is linked with Organizational Performance;
- To study different parameters and techniques of PA used in medium size industries in NCR AREA;
- To study effectiveness of Performance Appraisal in Rajasthani medium size industries;
- How to improve performance by identifying strengths and weaknesses and by getting things done which will develop the former and overcome the latter?

- To identify individuals with potential for greater responsibility, now or in the future, and to provide guidance on what should be done to ensure that this potential is realized;
- To assist in deciding on pay increases which fairly equate the level of reward with the level of performance?
- To study how to make it a more effective tool of Human Resource Management;
- To suggest a culture of excellence which inspire every individual;
- To study the transformation of performance appraisal from traditional to modern;
- To get an insight into the relative importance of performance appraisal in organization;
- To study the practical application of performance appraisal;
- To compare appraisal system of different organization and find out the most common parameters for appraisal in medium size industries in Rajasthan mostly (Alwar - Jaipur NCR area);
- How can companies use performance appraisal as an effective tool to achieve organizational effectiveness and efficiency or better output/result and;
- And how to improve the supervision through a proper channel of performance appraisal ;
- To observe the work environment in organization and how to make more effective through various development technique.

People may be treated as resources available for the organization. By nature, unlike other resources are they dynamic. Unlike the physical resources, human resources have the capability of extending to unlimited extents. This is because with proper investments the human capabilities can be multiplied. When the capabilities of people in any organization are multiplied, the organization has wider choices to make for performing different functions; such an availability of resources also helps the organization in its growth in terms of diversification, vitality, dimensions, etc.

### **Research Methodology:**

#### **The Study**

By extensive literature review, it has been found that work on performance appraisal is done many countries and there is no significance work done for medium size companies in rajasthan (special reference to alwar- jaipur distt.). Performance appraisal is very important parts of Human Resource management (HRM), which play a key role in the industries for the employee performance evaluation. The present study will focus on performance appraisal of manager's in medium size industries in rajasthan.

### **The Design**

The qualitative study will be done where primary data will be collected via. Questionnaire, telephonic interview, and personal interview, annual reports of rajasthan medium size industries and government report on rajasthan industries etc.

### **The Sample**

A 300 and more samples will be taken from the different level of management (like as top management and middle management and supervisors) from the major companies like as japanies group Neemrana, Hero group, Saint Goben, Hevels, metso etc.

### **The Tools**

#### **Data Collection**

The data collection is to be often used for study are mainly for the primary data. The primary data which are collected as afresh and the first handed collected and thus happen to be original feature.

In the study, primary data collected from the administering (management level's) questionnaire from the various medium size industries in rajasthan.

#### **Data Analysis**

The data, after collection, has to processed and analyzed. The process implies editing, coding, classification, and tabulation from the collected data.

The various statistical tools are too applied for the study correlation, ANOVA test, Factor analysis, etc. in the accordance with various data.

#### **Future research**

Research can be done in the state and distt. Context of performance appraisal in various medium industries.

Research can be done in India with the context of the factor of human Resource management system in medium industries.

#### **Possible outcomes and Implications**

The outcomes of the research will identify the key performance appraisal factors in medium size industries.

The implication of this research would be beneficial for the employees, organization, departments, academicians, etc.

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