

Study of Feedback Taken by Employers on Performance Appraisal Review

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Abstract

The aim of the study was to determine whether after getting a performance appraisal review from employers, employees get the proper opportunity to give their genuine feedback and whether the feedback of the employees really matters to the manager/HR/ or boss and whether some steps were taken by employers to improve the performance of the employees.

Keywords: Human resource management, performance, performance evaluations, team communication, types of performance appraisal

INTRODUCTION

The practice of assessing and recording an employee's performance with the goal of improving work quality, output, and efficiency is known as performance appraisal. Within businesses, performance reviews serve three crucial purposes.

A performance appraisal, also known as a performance review, performance evaluation, (career) development discussion, or employee appraisal, is a routine and periodic process for recording and assessing an employee's performance on the job. Performance evaluations, which are a regular aspect of career development, focus on how well employees are performing for the company.

The immediate manager or line manager of an employee typically conducts performance reviews. Annual performance reviews, though widely used, have also come under fire for offering criticism too seldom to be helpful, and some detractors contend that performance assessments in general are more detrimental than beneficial. The relationship of information between the employer and employee, and in this case, the immediate impact and response experienced when a performance review is conducted, is described by this principal-agent framework component.

The four most crucial steps in a performance review are:

1. The standard rating scale
2. Self-assessment appraisal
3. 360-degree feedback
4. Management by objectives

Objectives of Performance Appraisal

The goals for conducting performance reviews annually are as follows (Figure 1):

- Based on performance and competency, which are both subjective and objective elements, this is a crucial first stage in the promotion of an employee.

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- To determine a worker's needs for training and growth
- To give assurance to workers who have just started their probationary period after being employed
- To make a firm choice regarding how much of a salary increase should be given to an employee based on the work they have completed
- To promote an effective feedback mechanism between the boss and the staff
- To assist employees in comprehending where they stand in the present year and what room for growth there is



Figure 1. Performance appraisal.

DATA

Data was collected by google form in which questionnaires were self-designed.

METHOD

A cross-sectional descriptive study was conducted with the employees of different organizations. The assessment instruments were

- Questionnaire that contains in-depth study of assessment of feedback form done by the organization and collection of the review of the employees. This was a small-scale research conducted to analyze that does the employees get the proper feedback questionnaire form to give their genuine feedback. The methodology that was carried out to study included questionnaires as primary and secondary data collection tool.
- The data were collected using questionnaire that were forwarded to the persons that are working as an employee in any organization.
- The questionnaire was self-made, and the questions were very simple, consisting of a few polar questions. All the questions were basically focused on the assessment of feedback forms done by managers and then shared with the HR department, and the importance of or more emphasis on opinions based on the manager's honest assessment of how well one has done the job and is uncolored by personal biases and prejudices, the manager has done the job that is expected of them.
- A questionnaire is also contained that ask if does any appraisal meetings are scheduled by the organization wherein you can give open and honest feedback.
- A questionnaire was prepared keeping in minds the problems faced by many employees at their workplace.
- Self-evaluation is done by employees of the organization as well as the employee themselves.

IMPACT OF PERFORMANCE APPRAISAL INCORPORATES BENEFITS

Performance Appraisal Creates Opportunities for Career Growth

1. Enhances employee performance
2. Increases employee engagement
3. Establish the necessary training
4. Creates expectations that are clear
5. Facilitates goal-setting
6. Improves team communication
7. Points out potential improvement areas clearly
8. States the company's vision

Psychometric indices may not be as reliable as employee responses to performance appraisals (PAs) as a measure of the long-term survival and efficacy of evaluation systems.

Performance appraisal is a methodical way to make sure superiors and their personnel frequently meet to talk about past and present performance concerns, and decide on a shared vision for the future. A clear and shared understanding of the position in issue, together with the standards and results that are a part of it, should serve as the foundation for this meeting. Employees should typically receive a one-on-one evaluation from their immediate superiors the difference between an appraiser and an appraisal. Assessment is only interested in the past and present. When staff members are encouraged to look ahead to improve effectiveness, utilize their strengths, address their weaknesses, and consider how their potential and aspirations should line up, they are being evaluated. It should be noted that pushing a pre-written report across a desk, requiring comments, and expecting the employee to neatly sign it are not appraisals; rather, they are merely a form-filling exercise that does little to positively guide or motivate staff.

Types of Performance Appraisal

Different performance evaluations are accepted and employed by various firms, depending on the needs and nature of the job, task, and company. The 360-degree assessment, peer review, self-review, essay evaluation, graphic rating scale, forced-choice evaluation, critical incident evaluation, management by objectives method, and ranking procedures are the most often used evaluation approaches. Because of this, each of these strategies has its own set of benefits and drawbacks, and none of them is able to completely accomplish the goals for which management performance appraisal systems are intended. Furthermore, no single strategy is capable of avoiding every trap. Connecting a specific performance appraisal goal with the appropriate appraisal method can increase anyone's chances of success. A new performance evaluation system should be pilot tested with a small group of users to help prevent failure. Most performance evaluations are top-down, which means that managers assess their employees without getting input from them. There are more kinds, though:

- Self-evaluation: People grade their behavior and job performance.
- Peer assessment: The evaluation of a person's performance by their coworkers or work group.
- 360-degree feedback evaluation: Input from the person, the supervisor, and the peer group.
- Negotiated evaluation
- Management with goals/management by objectives

In this more recent tendency, the subject is given the opportunity to speak first and a mediator is used to try to temper the adversarial element of performance reviews. It also emphasizes what the person is accomplishing just before any criticism is offered. Conflicts between subordinates and supervisors often benefit from using this arrangement. The following list of popular appraisal techniques is presented in no particular order of relevance.

360-degree

The 360-degree evaluation is the most thorough and expensive sort. It offers a fresh strategy by which companies can obtain more useful performance information on their employees and make them more accountable to their diverse clientele. As opposed to one judge, a jury is more like a group during a 360-degree evaluation. It solicits feedback from all parties and includes positive evaluations, peer assessments, and self-ratings. People have the chance to consider how others see them, their skills, and their own personality, which could improve interpersonal relationships. The people who deal with the employee every day build up a body of knowledge that the manager can use. In order to get a more comprehensive and accurate perspective on personnel, this offers input from both internal and external customers. The benefits of a 360-degree evaluation include a more complete picture of an employee's performance, more involvement and credibility in the performance review, a significant impact on behavior and performance, and improved self-development for employees as a result of peer input. It considerably improves cooperation and shared objectives, as well as staff responsibility to clients.

Regular performance evaluations involve both the management or supervisor and the employee. The 360-degree version additionally asks the employee's coworkers or colleagues for their opinions [1].

Management with Goals

The management by objectives (MBO) appraisal approach entails collaboration between the manager and employee to determine the employee's goals. After a goal is set, the employee's progress towards reaching it is discussed by both parties. At the conclusion of the review period, the manager evaluates whether the employee achieved their objectives and, in some cases, offers rewards for doing so.

Assessment Facility

Employees can learn how others see them by using the assessment centre method. They are better able to comprehend how their actions have an effect. The three phases of the assessment centre method are pre-assessment, assessment, and post-assessment. The manager uses role-playing games and exercises to assess the employee's performance in their current position.

Self-appraisal

Employees who evaluate their own performance do it in the form of a self-appraisal. Using this technique, they can determine their advantages and disadvantages. Additionally, they can highlight their accomplishments with the business, such as making a lot of sales in a given month. Filling out a form is typically required for this kind of appraisal, and the manager may decide to have a one-on-one meeting afterward based on the written self-assessment.

Peer Evaluations

Peer reviews employ coworkers to judge a specific employee. This style of performance assessment can assist in determining whether an individual contributes fairly to the workload and functions well in a team. The employee who reviews the person typically works closely with them and is acquainted with their skills and demeanor.

Client or Customer Testimonials

Reviews from customers or clients happen when people who use a company's goods or services offer their opinions. The company gains insight into how others view the employee and their business as a result. This kind of assessment can help to enhance customer service and employee productivity.

Rating System Based on Behavior

Behaviourally anchored rating scale (BARS) evaluations compare an employee's performance to predetermined behavioral examples to determine how well they are performing. Each example is given a score by businesses to help with the collection of qualitative and quantitative data. Managers can use this information to compare an employee's performance to benchmarks established for their role.

Accounting for Human Resources

The cost accounting approach or human resource accounting method evaluates the financial contribution that each employee makes to the business. It also takes into account the expense to the business of keeping the person on the payroll. This style of appraisal takes into account and places focus on two factors: the value of the service and interpersonal interactions [2].

METHODOLOGY

Research Objectives

1. To study practices undertaken by employers on feedback of performance appraisal review
2. To find out the opinion of the employees about the present system
3. To know the ways to improve the performance appraisal system
4. To establish critical success factors of performance appraisal system

Research Design

Descriptive Research Design

- *Sampling size:* Sampling size refers to the number of participants or observations included in a study.
- *Sampling unit:* One of the units selected for the purpose of sampling.
- *Sampling procedure:* Sampling procedure is done according to the convenience and snowball sampling method.

Data Collection

1. Data collection is done through primary data by a self-designed questionnaire in google form.
2. Data collection is also done through secondary data by referring to books, magazines, and online data.

LIMITATIONS OF THE STUDY

Talking about the limitations faced for the research on this topic, people were hesitating to share their real views on the same, and this was affecting the number of responses received. Performance appraisal is a part of performance management system, which is a vast topic itself for study [3].

CRITICISM OF PERFORMANCE APPRAISAL

Employees are encouraged to meet or surpass their goals through performance reviews. However, they are subject to a lot of criticism.

Differentiating between individual and organizational performance in performance reviews can be challenging. It can be harmful if an evaluation's design does not take the organization or company's culture into account. Employees complain that their performance review procedures are generally unsatisfactory. Other possible problems include:

- When there is a lack of confidence in the appraisal, there may be problems between subordinates and superiors, or employees may alter their responses to suit their employer.
- Performance reviews may result in the adoption of irrational objectives that demoralize employees or motivate them to participate in immoral behavior.
- According to some labor analysts, the use of merit- and performance-based pay has decreased as a result of the use of performance reviews.

- When employees are evaluated unfairly based on their likeability rather than their accomplishments, performance appraisals might result. They may also prompt managers to give competent feedback to underperforming employees in order to preserve their working relationship.
- Multiple biases introduced by unreliable raters can skew appraisal outcomes in favour of desired characteristics or ones that correspond to the rater's preferences.
- Evaluations of performance that is effective in one culture or job function might not be applicable in another.

BENEFITS OF PERFORMANCE APPRAISAL

Performance reviews are used to evaluate an employee's work performance over time. These evaluations are intended to identify both strengths and deficiencies in order to improve performance moving forward.

Performance reviews have significant financial benefits when done well. They can, among other things, increase staff morale and engagement, make expectations clear, assist in getting the most out of employees, and reward effort and dedication.

Not just businesses profit from this, though. Open channels of communication make it simpler for staff members to voice concerns, express themselves, find their true calling, feel valued, and receive praise when they perform well.

One of the many functions of performance reviews is to identify an employee's areas of strength. Communication between managers and their staff members can be improved by conducting regular evaluations of team members. As a result, plans can be made to address any area where an employee needs to improve and to give them the appropriate additional training.

Assisting with decisions on human resources, such as whether to promote a profession and whether to increase their wage, enhancing the performance and competencies of employees establishes the organization's long-term objectives, boosting staff morale, and rewarding exceptional work.

LITERATURE REVIEW

Employee satisfaction and perceptions of the process have been a prominent focus of research on the effectiveness of PA and methods for evaluation. As a result, scholars and practitioners have adopted a more thorough perspective on the effectiveness of performance appraisal systems and system evaluation. Recent studies have found that a performance appraisal system's final effectiveness is greatly influenced by the views of its users regarding the process, by the commitment of the organization and the fairness of performance evaluations [4]. Teachers, who were given questionnaires, were the primary sources from which the data was gathered. The study's objective was to determine the effects of satisfaction in these two relationships as intermediaries [5]. It has been determined that in order to increase the effectiveness of performance evaluation in influencing organizational commitment, the employee's satisfaction as well as fair performance management inside the organization should be prioritized. An examination of the impact of performance evaluation systems on employee development was conducted by giving teachers questionnaires, primary sources were used to get the data. The goal was to study the outcomes and determine how a performance review affects an employee's development. The conclusion is that it has been. According to the study's objective, businesses should regularly evaluate their personnel using specific goals, successes, organizational objectives, time management, and effectiveness for performance measurement as an increase in staff development would result from it [6]. Performance review procedures in industrial and service firms in India. Teachers who were given questionnaires were the primary sources from which the data was gathered. According to the study's objective, performance evaluation will be positively correlated with employee performance in service sector businesses. It has been determined that modern employees want to know more than just how they fit in with the goals of their employers,

the company they work for, as well as what areas of self-improvement are required in their performance. According to performance appraisal system using multifactorial evaluation model, primary sources were used to gather the data, and teachers were given questionnaires to complete [7]. The outcome of informal and arbitrary evaluations of their subordinates' work performance, especially in the absence of any evidence, was the objective of an evaluation framework. We have created a system for evaluating performance using the performance evaluation standards of a corporation based on information and communications technology.

A perceptual study of government employees in Pakistan's district of Dera Ismail Khan reveals the goals of the performance evaluation system [8]. Teachers were given surveys as the major source of the data collection. The conclusion that appraisers are not fully aware of all of PAS's aims, with the exception of one, was the objective of the study, supporting the awarding of promotions, and it has been determined that this will strengthen appraisers' beliefs that the system serves particular aims. Regardless of the concept or the precise elements covered, PA is formal and structured in the majority of businesses. The formal assessment system's performance documentation requirements as well as an interview between the rater and the ratee are often included in the process definition. Most definitions exclude the fact that participants dread performance reviews quite frequently. According to Folger and Lewis (1993), performance reviews often elicit the same level of joy as filing taxes [9]. Folger et al. (1992) claimed that the goal of PA should be guaranteeing fairness in the process, which is a more realistic goal than concentrating on accuracy. It might have negative effects if an accurate assessment system is thought to be unfair, but is it also feasible that an accurate appraisal tool that is thought to be fair would not have those effects? Not only should fairness be practiced because accuracy is unachievable, but also because it is a crucial societal value and experiencing injustice has significant negative effects on both society and the workplace. From a humanistic perspective, it is also important to pay attention to the fairness of HR and management practices [10]. Employees should want to be evaluated based on job criteria that are factual and relate to areas of their job that they have influence over; it would seem logical and vital. For instance, Boswell WR, Boudreau JW (2000) point out that a thorough performance assessment can be a significant indicator of how an employee will feel about their manager, their job, and the PA process [11].

CONCLUSION

As the study was conducted by using both primary and secondary research, secondary data was collected by reading various research articles etc., while primary data had above 30 responses in which there were various questions such as comfortness of an employee expressing their concerns about their problems to their employers, is there anything that they would like to change about their organization, induction program was held or not, training provided to employees from last performance appraisal, recognition of their work, their feedback of disagreement on performance appraisal rating was taken into consideration or not, effect of bad working environment of organization on employees work, low increment, process of sharing ideas and opinion in workplace, company culture, and scope of improvement.

In conclusion, a performance evaluation is a crucial component of any organization and an excellent instrument for tracking production. Every firm must define goals and objectives, and each employee must take part in the process. Additionally, completing a performance review will raise staff morale and productivity. A manager can inform the staff of how successfully they are carrying out their responsibilities by giving them an appraisal. We can occasionally become preoccupied with our work and fail to recognise everything that the firm does to support its employees. Your labor is being acknowledged, whether the reward is a subpar employee meal, or a straightforward thank you note. Employees should also be grateful for any jobs they may have because the corporation was under no obligation to hire anyone.

The results of this study have demonstrated the need of having a strong system for performance evaluation. To give employees the chance to get a fair evaluation, the method should be impartial. It demonstrates that if evaluations are not fair, an employee might not understand how well they actually perform. This may have an impact on their potential for potential career advancement in their current jobs. It may also have an impact on the morale of staff.

Employees are driven to work harder by results. Consequently, erroneous ratings lead to frustrated workers, improper rewards, and punitive measures. Finally, the effectiveness of a performance evaluation depends on the performance management system it is a part of. When a company simply conducts performance reviews for the sake of doing so, they are wasting their time. However, when performance management is deliberately included into a plan to achieve business goals, a method for achieving those goals is provided. It is an effective instrument for gauging, improving, and rewarding employee performance.

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