

A study on relation between Performance appraisal and Employee's behaviour in Selected Industries of Navi Mumbai

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Abstract-

The present study indicates the correlation between Performance Appraisal and Employee's behaviour and attitudes towards the organization. The study was conducted in selected Industries in Navi Mumbai, Maharashtra India, which also highlighted the job satisfaction level and affective & Normative commitments of the employees in the selected industries. Employees being major stakeholders in an Industry, play a major role in the development of the Industry by being committed, responsible, competitive, and hard-working. The researchers have tried highlighting a few organs of Industrial Relations which include fair pay, appraisals, Industrial peace and harmony, employees' commitments and behaviour towards other supervisors, managers, subordinates and departmental heads. The sample size chosen for the study is 100 from different Industries of Navi Mumbai, Maharashtra, India.

Keywords-

Industrial relations, Employees' attitude, Industrial peace, Performance appraisal, employees behaviour, Industries, Human Resources

Introduction

In recent times there has been more emphasis placed on a person's ability to work hard which determines whether he/she can sustain his/her goal and secure a permanent place in the organization. Performance appraisal is the technique that focuses on employees' strengths and weaknesses, which in turn highlights their performance in the organization. Employees' attitudes play a vital role in organizational development. An employee's attitude can only be shaped by providing him with proper training and

counselling. Positive attitude can be reinforced and negative bias can be corrected through effective leadership and communication. Human skills or interpersonal skills play an important role in industries.

Performance Appraisal is heavily influenced by a rater's bias sometimes, which is commonly known as 'Halo or Horn effect'. This cognitive bias is caused by somebody's over influential personality, trait or experience. An underperformer very well dressed is often mistaken as a good performer, whereas a good performer who lacks that personality is judged. Someone who is very well dressed does not always mean that they succeed at their jobs. (Michelle,2018). Unfair promotions and appraisals often affect industrial peace and builds hatred. Job satisfaction does not always signify strong motivation of employees, efficacy and productivity may sometimes merely pertain to accomplishment of their own individual goals rather than organizational goals (Brayfield, & Crockett, W. H. 1955).

Role of an HR manager is very crucial when it comes to appraisals. Performance Appraisal within management ranks has become a fashion in many industries, the thought process behind conventional kind of appraisal needs to be changed. Appraisals should be fair and be based on an ideology in which a subordinate himself sets his own personal short-term goals and assess his performance himself. The immediate effect of this will be seen during confrontation with his manager, where the manager will concentrate more on employees' strengths rather than his defects, and tending to deviate towards his personalities (Douglas McGregor, 1957).

Literature review

Self appraisals are the best techniques wherein employees are free to express themselves and rate their own performance. Self appraisals can improve collaborations with other subordinates, motivation, leadership and enhance work adaptability and other skills. Some of the best practices for self-assessment include being critical and honest, being proud about oneself, striving hard for growth and development, tracking accomplishments and being a professional (Adam Uzialko, 2021).

The criteria that must be met in order to make the system be perceived by ratees to be fair include having a formal system of appraisal, ratees must have a very high degree of job knowledge, the ratees must have an opportunity to appeal against their performance ratings, the dimensions of performance must be relevant, and having action plans to deal with any weaknesses. The organizational climate must be cooperative rather than competitive (Murphy & Cleveland, 1995; Landy et al, 1978)

It's not only the ratees' attitudes towards the PAS that is critical. Even the attitudes of the raters is also critical to the system (Brown et al, 2010). The attitudes and approach the raters to the process has been shown to influence the quality of the appraisals. Some raters have indicated that they are reluctant to conduct the appraisals saying that they hated conducting appraisals, "second only to firing employees".

In a performance appraisal process, employee attitudes toward the system is strongly linked to satisfaction with the system. According to Boswell and Boudreau (2000), perceptions of fairness of the system are an important aspect that contributes to its effectiveness. Understanding employee attitudes about the PAS in organizations is important as they can determine its effectiveness (McDawall & Fletcher, 2004). If the PAS is seen and believed to be biased, irrelevant or political, that may be a source of dissatisfaction with the system. Employee reaction to the PAS is a critical aspect of the acceptance and effectiveness of the system. Extreme dissatisfaction and perceptions of unfairness and inequality in the ratings may lead to the failure of the system (Cardy & Dobbins, 1994; Murphy & Cleveland, 1995).

Objectives of the Study-

1. To highlight the work satisfaction level of employees in selected industries
2. To study the relationship between Performance appraisal and employees' attitude in the selected industries
3. To give suggestions to improve the performance of employees
4. To give suggestions to improve the performance appraisal system and employees Attitude and behaviour towards the Industries

Hypotheses of the Study -

H0- There is no significant relationship between Performance Appraisal and Employee behaviour

H1- There is a significant relationship between Performance Appraisal and Employee behaviour

H0- There is no significant relationship between Employees Performance and promotion

H2- There is a significant relationship between Employees Performance and promotion

H0- There is no significant relationship between the growth potential of employees and the promises made by the Management

H3- There is a significant relationship between the growth potential of employees and promises made by the Management

H0- The is no significant relationship between fair Performance appraisals and career growth of the employees

H4- The is a significant relationship between fair Performance appraisals and career growth of the employees.

Conceptual Framework

The conceptual framework for the study includes independent variables and dependent variable. The researchers will do the analysis of that data on the basis of these following variables-

Dependent Variables	Independent Variables
<p>Trust on Management and their promises</p> <p>Fair and Objective appraisals</p> <p>Growth opportunities</p> <p>Initiative and Team work</p> <p>Performance appraisals in the company</p>	<p>Employee attitude and Behaviour</p>

Research Methodology**Data collection-****Primary sources-**

The researchers depended upon primary data collection techniques for the research. The data was collected from top and middle level of management from selected Large-scale industries of Navi Mumbai. The data was collected through Google forms as a primary source of investigation. The respondents included Male and Female employees.

Secondary sources-

The Secondary sources of data were also taken into consideration for few important aspects relating to the industries of Navi Mumbai, Raigad District of Maharashtra state. Secondary sources include already published data of International Journals, government records, newspaper, magazine, articles available on internet, etc

Sampling-

The data was collected from 150 employees from different industries on random basis. The respondents are the one who are working in middle and top levels of management.

Data interpretation and Analysis Techniques-

Statistical tools & Techniques used by the researcher are Descriptive Frequencies, Variance, Chi-Square, Regression and SEM.

Platforms used-

The Researchers have used SPSS, AMOS and MS Excel for data analysis, sorting, editing, coding, classifying and interpreting the Data.

Data Analysis-

Calculation of Frequency Table-

Graphical representation of Descriptive Frequency of Male and Female employees of the industry-

Gender				
	Frequenc y	Percent	Valid Percent	Cumulative Percent
F	11	7.0	7.0	7.0
Valid M	146	93.0	93.0	100.0
Total	157	100.0	100.0	

Fig no.1

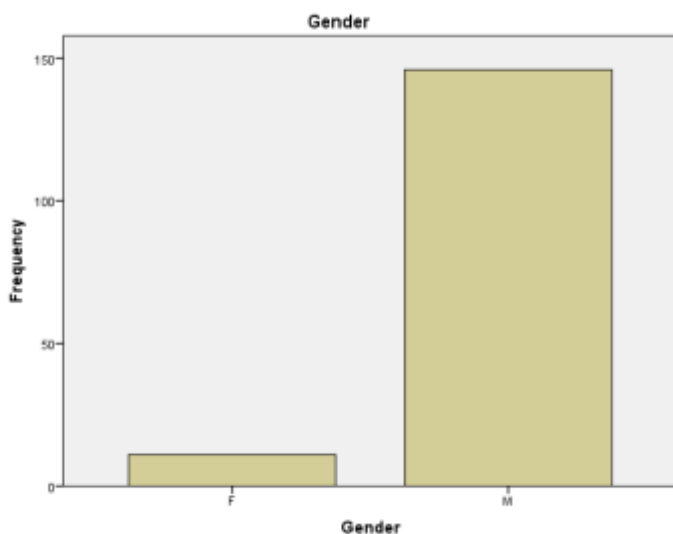


Fig no.2

The responses were given by 11 females and 146 males, which comprised of 157 total respondents.

Calculation of Variance and Mean Frequencies on the basis of different variables-

Frequencies-

		Statistics			
		We are satisfied with the benefits we receive	Rewards in our organization are strictly linked to employee per	Our performance goals are set at realistic levels	Good performers are promoted first
N	Valid	157	157	157	157
	Missing	0	0	0	0
Mean		1.52	2.13	1.78	1.88
Variance		.623	1.168	.363	.466

Fig no.3

Frequency Table

We are satisfied with the benefits we receive				
	Frequency	Percent	Valid Percent	Cumulative Percent
1	96	61.1	61.1	61.1
2	50	31.8	31.8	93.0
Valid 3	2	1.3	1.3	94.3
4	9	5.7	5.7	100.0
Total	157	100.0	100.0	

Fig no.4

Rewards in our organization are strictly linked to employee per

	Frequency	Percent	Valid Percent	Cumulative Percent
1	47	29.9	29.9	29.9
2	73	46.5	46.5	76.4
Valid 3	10	6.4	6.4	82.8
4	23	14.6	14.6	97.5
5	4	2.5	2.5	100.0
Total	157	100.0	100.0	

Fig no.5

Our performance goals are set at realistic levels

	Frequency	Percent	Valid Percent	Cumulative Percent
1	46	29.3	29.3	29.3
2	102	65.0	65.0	94.3
Valid 3	6	3.8	3.8	98.1
4	3	1.9	1.9	100.0
Total	157	100.0	100.0	

Fig no.6

Good performers are promoted first

	Frequency	Percent	Valid Percent	Cumulative Percent
1	42	26.8	26.8	26.8
2	96	61.1	61.1	87.9
Valid 3	16	10.2	10.2	98.1
4	2	1.3	1.3	99.4
5	1	.6	.6	100.0
Total	157	100.0	100.0	

Fig no.7

AMOS is a statistical software which stands for a moment structure, which is an added SPSS Module, used for Structural Equation Modelling and Path Analysis and Exploratory Factor Analysis.

SEM shows the standardised and unstandardised estimates. The researchers have shown the results for standardised estimates after running the model in AMOS.



Fig no.8

Results and Findings: -

Number of distinct sample moments:	20
Number of distinct parameters to be estimated:	18
Degrees of freedom (20 - 18):	2

Chi-square was achieved at 13.355 with 2 degrees of freedom at a P value of 0.001, which is good.

Interpretation of Model (Fig no.1) –Observed, endogenous variables

1.I have full confidence in the competencies of my co-employees

Observed, exogenous variables

- 1.Our organization appraisal in our organization aims at improving
- 2.Good performers are promoted first
- 3.Adequate career development and growth opportunities are available
- 4.We feel our performance appraisal has been fair and objective

Unobserved, exogenous variables

1. E

Testing of Hypothesis-**CMIN**

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	18	13.355	2	.001	6.677
Saturated model	20	.000	0		
Independence model	5	92.437	15	.000	6.162

Fig no.9 (Regression)

		Estimate	S.E.	C.R.	P	Label
Our_organization_appraisal_in_our_organization_aims_at_improving	<- Adequate_career_development_and_growth_opportunities_are_available ->	.112	.038	2.979	.003	
Good performers are promoted first	<- Adequate career development and growth opportunities are available ->	.108	.039	2.761	.006	
Good performers are promoted first	<- We feel our performance appraisal has been fair and objective ->	.015	.031	.480	.631	
Our organization appraisal in our organization aims at improving	<- We feel our performance appraisal has been fair and objective ->	.223	.042	5.360	<.001	*

Fig no.10 (Covariance)

1. From the above Fig.10, it can be said that the P value of the variables is 0.03, which is significant, hence the null hypothesis is rejected as it is less than the desirable value i.e. 0.05

2. From the above Fig.10, it can be said that the P value of the variables in 0.06, which is not significant, hence the null hypothesis is accepted as it is little higher than desirable value i.e 0.05
3. From the above Fig.10, it can be said that the P value of the variables in 0.631, which is not significant, hence the null hypothesis is accepted as it is higher than desirable value i.e 0.05
4. From the above Fig.10, it can be said that the P value of the variables in ***, which is significant, hence the null hypothesis is rejected as it is less than desirable value i.e 0.05

Conclusions-

From the above research, we come to a conclusion that –

There is a significant relationship between Performance Appraisal and Employee behaviour. There is no significant relationship between Employees Performance and promotion. There is no significant relationship between the growth potential of employees and the promises made by the Management. There is a significant relationship between fair Performance appraisals and career growth of the employees

It is observed that in these selected Large-Scale Industries the Performance appraisal policy is fair but needs more improvement. There is not much clarity on the part of the management making promises to the employees. There are growth opportunities but the companies lack transparency and employment retention. The role of Women in these industries is insignificant as there are not many women employed at factory level. Hence, women's participation is very less as compared to Men's participation. The relationship of employee behaviour and Performance appraisal is directly proportional to each other.

Suggestions and Recommendations-

1. Strengthening of women's role in the industries.
2. Clear statement of goals, appraisal policies and transparency.
3. Promoting good performers first.
4. Adopting best practices to strengthen the employer-employee relationship.
5. Training and development on the part of the employees.
6. Providing adequate growth opportunities to the employees.
7. Promoting Team work and team spirit.
8. Building trust and more friendly organization culture.
9. Inviting suggestions from the employees.
10. Providing equal opportunities for all the employees to prove themselves.
11. Adopting fair and objective performance appraisal policies.
12. Appointment of counsellors, who can correct negative employee behaviour.

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