

EFFECTIVENESS OF PERFORMANCE APPRAISAL IN
HOTEL GREEN PARK, VISAKHAPATNAM:
DIMENSIONS AND DETERMINANTS

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Keywords

Performance, Appraisal, Target, Business, classification,

Abstract

Institutions and organizations with any mission, goals and vision, eventually will be act on a national and international scope and responsive to their customers. Therefore Performance Appraisal, considered as a strategic process.

In this paper, investigated the Performance Appraisal according to process approaches in order to improve resource management, customer satisfaction, contributing to national and international development, develop new features, stability and promoting world class.

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Introduction

Performance appraisal is one of the important duties of the human resource management. Performance appraisal is a continuous function and not merely an issue of formal reports at particular points in time. It is an ongoing responsibility of the supervisor to determine how effectively his subordinates are performing different tasks allotted to them in their weak points and to recommend them. On the basis of their potentialities for promotion to higher position in the organization. Performance appraisal is done by evaluating performance management in organization.

The term performance management which forms a means of getting improved results from the organization, teams and individuals. This is accomplished by understanding and managing performance with in an agreed frame work of planned goals, standards and competence requirements.

The performance appraisal was developed in the 1970's and 1980's tended to embody An uneasy mix of objective setting and rating processes which have been imposed by the Personnel management department on line managers. These were top-down activities embodying an annual appraisal meeting. This is implied by the term "Appraisal" where managers tell their subordinates what they think about them.

Once the employee has been selected, trained and motivated, he is then appraised for his performance. Performance appraisal is the step where the management finds out how effective has been at hiring and placing employees.

Most publishing employees now a day expect to be appraised as part of their job. But how can appraisals are used to add real value and meet the strategic needs of

The organization? The performance appraisal system forms an integral part of the employee development process in any organization. It reflects the ability of an organization to define goals and expectation from employees. A fair and ethical performance appraisal process is essential for the company's well-being and it plays a significant role in bringing out the best in workers. Salary revision following a performance appraisal is a great motivating factor and a fair performance appraisal process goes a long way towards reducing attrition rates.

Reviewing performance and seeking ways to improve performance is often a good starting point. However, appraisals can also be used to discover new potential, useful if preparing people for new roles or experiencing business change-whether through internal restricting or external

influences. One major publisher changed its 'appraisal' to 'development talks'. The purpose here was to move away from the concept of measurement and judgment, towards one of growth.

Meaning and Definition

The meaning of the word "appraisal" is "to fix a price or value for something". This is used in finance in terms such as project appraisal or financial appraisal where a value is attached to a project. Similarly performance appraisal is a process in which one values the employee contribution and worth to the organization.

Performance appraisal is a method of evaluating the behavior of employees in the work spot, normally including both the quantitative and qualitative aspects of job performance.

'Performance' here refers to the degree of accomplishments of the tasks that make up an individual's job. It indicates how well an individual is fulfilling the job demands.

"Definition it is a feedback process, and it is an organizational intervention. It is a measure process as well as an intensely emotional process. Above all, it is an inexact, human process. While it is fairly easy to prescribe how the process should work, descriptions of how it actually works in practice are rather discouraging"

Concept of Performance Appraisal

There is a great degree of unhappiness all around the performance appraisal. The subordinates complain their bosses try to rate their performance without really knowing what they are doing. The top management is unhappy because from filling this has become a ritual and there is no improvement in the employee performance.

An organization needs to have an appraisal system that is free from bias. Being fair and objective is of utmost importance for the integrity of the performance review process. Unfortunately, personal biases, prejudices and idiosyncrasies, occurring at the subconscious level can have a negative effect on an employee's evaluation. It has been observed that if an employee gets severely negative feedback he can have a deflated picture of his performance and development needs and might feel angry, alienated, de-motivated, and demoralized ending up suffering from a loss of confidence.

On the other hand, when an employee receives overly positive feedback, there might be ill feelings from other employees who perceive that one employee enjoys preferred status. There are also chances of clouding an employee understands of what is actually expected from him.

In view of the above situations one need to have meaningful insights on the performance appraisal system to understand, judge, frame and abide it. Hence this chapter reviews and analyses performance appraisal from the conceptual and theoretical framework, which are advocated by the pioneers in human resource development area. Satish Venkatchaliah, Head of HR with SAP Labs India adds, “Regular sharing of information through the online performance management system helps ensure that communication channels between a manager and an employee are open throughout the year. This helps avoid any difference of opinion in performance reviews. In case there is any difference, it is sorted out with mutual discussion. When a discussion does not help in sorting out a problem, the HR department mediates and things are put on track.” Therefore the mechanism serves a wide variety of purposes from recruitment to retirement and from individual development to organization development.

Evaluation process

Stolz observes that “the process of performance appraisal follows a set of pattern, viz.; a man’s performance is periodically appraised by his superiors. Questions are raised-is his potential the greatest as a manager or as a staff specialist? What are his strengths and weakness? Where can he make his great contribution? But out of the discussion and debate emerges a development plan tailored to the individual’s unique needs.

Broadly speaking, the process of evaluation process begins with:

Step1:

Establishment of performance standard- At the time of designing a job and formulating a job description, performance standards are usually developed for the position. These standards should be discussed with the supervisors to find out which different factors are to be incorporated, weights and points to be given to each factor and these then should be indicated on the appraisal form, and later on used for appraising the performance of the employee.

Step2:

Communicate performance expectations to employee- To make communication effective, ‘feedback’ is necessary from the subordinate to the manager. Satisfactory feedback ensures that

the information communicated by the manager has been received and understood in the way it was intended.

Step3:

Measure actual performance- Four sources of information are frequently used to measure actual performance: personal information, statistical reports, oral reports and written reports.

Step4:

Compare actual performance with standards- The employee is appraised and judged of his potential for growth and advancement.

Step5:

Discuss it with employee- The results of appraisal are discussed periodically with the employees, where good points, weak points, and difficulties are indicated and discussed so that performance is improved. The information that the subordinate receive about his assessment has a great impact on his self-esteem and on his subsequent performance.

Step6:

If necessary initiate corrective action- There may be two types of corrections seen. One is immediate and deals predominately with symptoms. The other is basic and delves into causes. Immediate corrective action is often described as “terminations “whereas basic corrective action gets to the source of deviation and seeks to adjust the difference permanently. Coaching and counseling may be done, person may be deputed for formal training courses and decision making responsibility and authority may be delegated to the subordinates.

Performance Appraisal System in Hotel Green Park

When an employee joins the organization that is hotel Green Park, he has undergone an induction period for a week. During this period he/she gets accustomed to the climate of the organization, He/she is sent to various departments during this period to gain knowledge of the working atmosphere in the hotel. At the end of this period evaluation is done by the HOD in regard to the organization. Once the HOD is satisfied with the training of the employee, he puts the employee under probation period for a year. During this probation period, the employee works in the department he is appointed to and tries to acquire more skills and knowledge regarding his job, quality of work, taking initiatives etc. After one year of probation, appraisal is done by the HOD regarding the performance of the employee during the said period. If the HOD

feels that the employee has successfully completed his training and probation periods, he recommends to the higher authority for employees permanent job. After the employee becomes a permanent member of the organization, regular appraisal is done in a yearly basis on his performance.

The executive and the staff employee of the hotel green park are appraised for their performance once in a year regularly.

The head of the department will appraise the performance of their subordinates in their respective departments. Since the HOD has thorough knowledge about the job contents and observes the employee while performing the job. This makes the superiors responsible for managing their subordinates continuously. The appraiser is capable of determining what is more important and what is relatively less important in the methods. This helps him to prepare reports and makes judgments about the performance appraisal of his subordinates without bias. The head of the department is accountable for the successful performance of his subordinates

There is a systematic appraisals conducted on a regular basis that is, once in every year. When an employee in the organization completes his training and is confirmed of his job, the actual work starts and the performance appraisal is done in the next year on the date he was joined in the previous year.

Where indicates the location where an employee maybe evaluated. It is usually done at the place of work or office of the supervisor. Sometimes informal appraisals may take anywhere and everywhere, both on the job in work situations and off the job.

On the basis of the comparative advantages and disadvantages it is decided which method would suit the purpose best. More often grading method is used in green park organization.

Process of Performance Appraisal in Hotel Green Park

The hotel green park conducts its appraisal once in a year. They have separate performance appraisal forms for staff and executives in addition to this the staff has a self-appraisal form. The HOD after thorough question and answer interactions with his subordinate completes the performance appraisal form by giving grades in the necessary columns and send it to manager who further forwards it to the general manager. After all the formalities being completed finally it is sent to the manager director.

The manager/HOD recommends for any training required by his employees for further improving the skills. Once the degree of points is assigned for each factor, the corresponding number of points of each is added and an overall point value is obtained. This system is possible to assign points to respective factors, which are essential for evaluating an individual's job. The sum of these points gives us an index of the relative significance of the jobs that are ranked.

This system has a detailed examination of the jobs

Step1: The jobs of the executives are determined first which are to be evaluated. The job with the similar position, the same work characteristics are placed in one section.

Step2: A pre-determined number of factors are arbitrarily selected.

Step3: The next step is to break down each factor into degrees and to assign a point value to each diagram.

Step4: The sum of all these points given in as index of the relative significance of each degree of the jobs that are rated.

Green Park follows its own Method in Evaluating the Performance of the Employee

A number of compensable factor are taken and then it determines the level of each factor giving result in the form of outstanding, good, average and below average. Mostly this organization implements the method of grading system for performance appraisal.

Outstanding refers to consistently exceptional performance

Good refers to normally meet expected level of performance

Average refers to adequate performance scope for improvement

Below average refers to clearly inadequate performance

The scoring can be generally interpreted on 500 rating scale

A – Consistently exceptional performance: scores above 400

B – Normally meets expected level of performance: scores 300 to 400

C – Adequate performance-scope of improvement: scores 150 to 300

D -- Clearly inadequate performance: scores below 150

Steps Involved in Green Park during Performance Appraisal

- The appraiser observes the employee in each and every factor and then determines the results in the form of outstanding, good, average or poor performance.
- In the appraisal itself, the appraiser reviews the achievements of the employee during the period and lists them in the format. If the performance of the employee in the organization is good then the management encourages the employee more effective and innovative by giving awards.
- The appraiser will give the information to the employee in the areas to be improved so that the effectiveness of the employee will improve in all the areas. For example, time management.

Data Analysis

1. Awareness about existing performance appraisal system

S.NO	Opinions	No Of Respondents	Percentage of Respondents
1	Strongly Agree	35	43.75
2	Agree	26	32.5
3	Disagree	8	10
4	Strongly Disagree	11	13.75
	Total respondents	80	100

Interpretation

From the above table it can be observed that 43.75% of the respondents strongly agree, 32.5% were agree, 10% were disagree, 5% were strongly disagree that they are aware about the existing performance appraisal.

2. Performance appraisal is too lengthy

S.NO	Opinions	No Of Respondents	Percentage of Respondents
1	Strongly Agree	26	32.5

2	Agree	24	30
3	Disagree	18	22.5
4	Strongly Disagree	12	15
	Total respondents	80	100

Interpretation

Most of the employees in Green Park strongly agreed that performance appraisal is too lengthy. From the above table can be observed that 32.75% were strongly agree, 30% were agree, 22.5% disagree, 15% were strongly disagree that performance appraisal is too lengthy.

3. Performance appraisal is difficult to understand the traits

S.NO	Opinions	No Respondents	Of Respondents	Percentage of Respondents
1	Strongly Agree	30		37.5
2	Agree	35		43.75
3	Disagree	10		12.5
4	Strongly Disagree	5		6.25
	Total respondents	80		100

Interpretation

From the above table it can be observed that 37.5% were strongly agree, 43.75% were agree, 12.5% were disagree and 6.25 % were strongly disagree that the traits of the performance appraisal are difficult to understand.

4. The given information in the appraisal form is sufficient enough to appraise

S.NO	Opinions	No Respondents	Of Respondents	Percentage of Respondents
1	Strongly Agree	40		50
2	Agree	20		25

3	Disagree	15	18.75
4	Strongly Disagree	5	6.25
5	Total respondents	80	100

Interpretation

From the above table it can be observed that 50% were strongly agree, 25% were agree, 18.75 % were disagree and 6.25 % were strongly disagree that the given information in the appraisal form is enough to appraisal.

5. Opportunity at the time of appraisal

S.NO	Opinions	No Of Respondents	Percentage of Respondents
1	Strongly Agree	38	47.5
2	Agree	12	15
3	Disagree	17	21.25
4	Strongly Disagree	13	16.25
	Total respondents	80	100

6. Methods used for performance appraisal

S.NO	Methods	No Of Respondents	Percentage of Respondents
1	Graphic rating scale	30	37.5
2	Ranking	24	30
3	Check list	14	17.5
4	Grading	12	15
	Total respondents	80	100

Interpretation

To appraise the performance of the employee certain methods are used by the companies. Hotel Green Park is using grading method to appraise the performance.

7. Performance appraisal is helpful to strengthen the superior – subordinates at work place

S.NO	Opinions	No Of Respondents	Percentage of Respondents
1	Strongly Agree	44	55
2	Agree	26	32.5
3	Disagree	6	7.5
4	Strongly Disagree	4	5
	Total respondents	80	100

Interpretation

From the above table it can be observed that 55% were strongly agree, 32.5% were agree, 7.5% were disagree and 5 % were strongly disagree that performance appraisal is helpful to strengthen the relationship between subordinates and the superiors is excellent.

8. Duration of performance appraisal system

S.NO	Opinions	No Of Respondents	Percentage of Respondents
1	Every month	13	16.25
2	Every 3 months	42	52.5
3	Half yearly	15	18.75
4	Once in a year	10	12.5
	Total respondents	80	100

Interpretation

As it is a service sectors once in three months the company evaluates the performance of the employees.

9. The performance linked with promotions

S.NO	Opinions	No Of Respondents	Percentage of Respondents
1	Strongly Agree	40	50
2	Agree	16	20
3	Disagree	14	17.5
4	Strongly Disagree	10	12.5
	Total respondents	80	100

Interpretation

From the above table it can be observed that 50% were strongly agree, 20% were agree, 17.5% were disagree and 12.5 % were strongly disagree that performance linked with promotions.

10. The company go for out sourcing to do performance appraisal

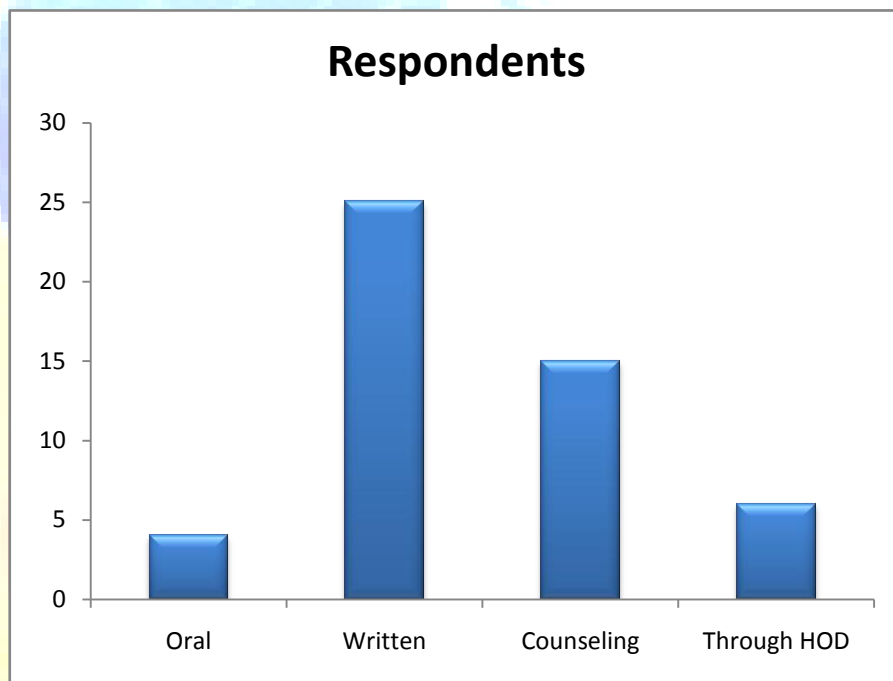
S.NO	Opinions	No Of Respondents	Percentage of Respondents
1	Strongly Agree	30	37.5
2	Agree	35	43.5
3	Disagree	8	10
4	Strongly Disagree	7	8.75
	Total respondents	80	100

Interpretation

From the above table it can be observed that 37.5% were strongly agree, 43.5% were agree, 10% were disagree and 8.75 % were strongly disagree that the company go for outsourcing to do performance appraisal.

11. Kinds of communication for performance appraisal

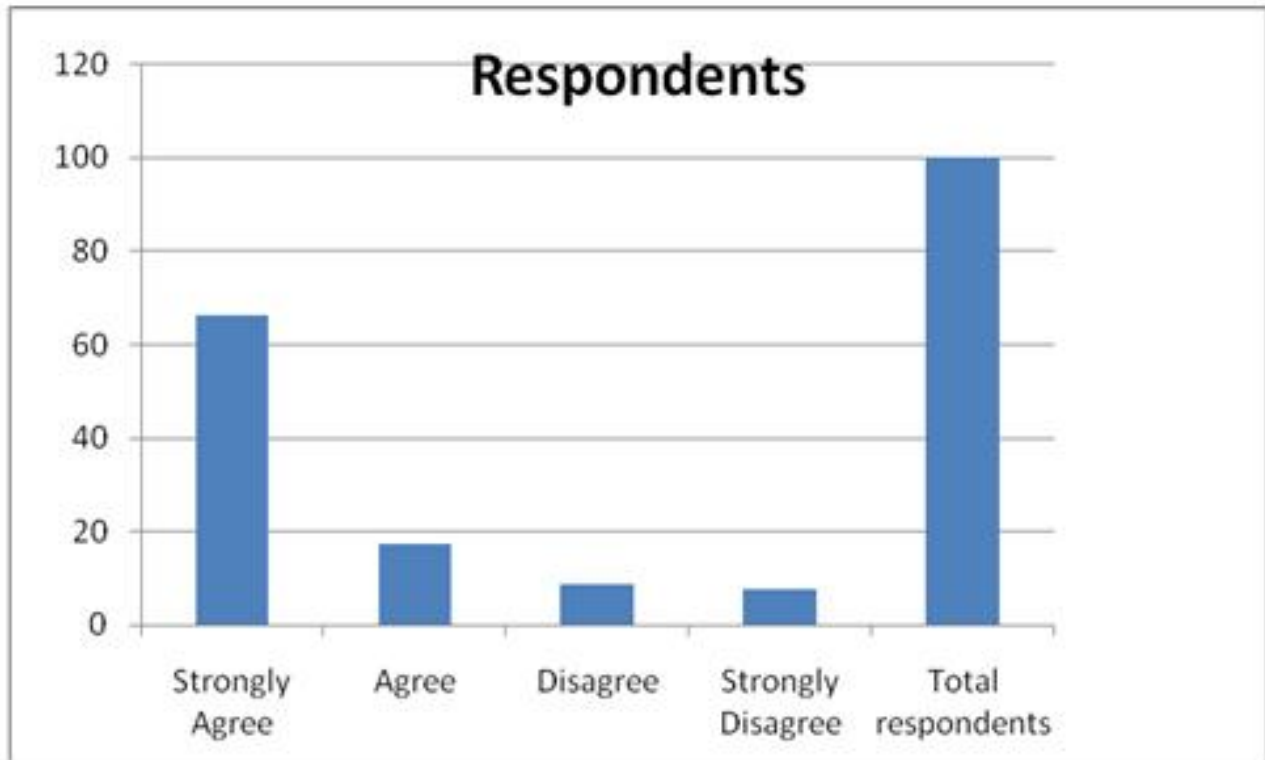
S.NO	Opinions	No Of Respondents	Percentage of Respondents
1	Oral	12	15
2	Written	30	37.5
3	Counselling	20	25
4	Through HOD	18	22.5
	Total respondents	80	100



After appraising the performance of the employee it is necessary to give feedback to the employee to know where he stands the company give the feedback in the form of written communication.

12. Experienced persons are needed to evaluate the performance of the employee

S.NO	Opinions	No Of Respondents	Percentage of Respondents
1	Strongly Agree	53	66.25
2	Agree	14	17.5
3	Disagree	7	8.75
4	Strongly Disagree	6	7.5
	Total respondents	80	100

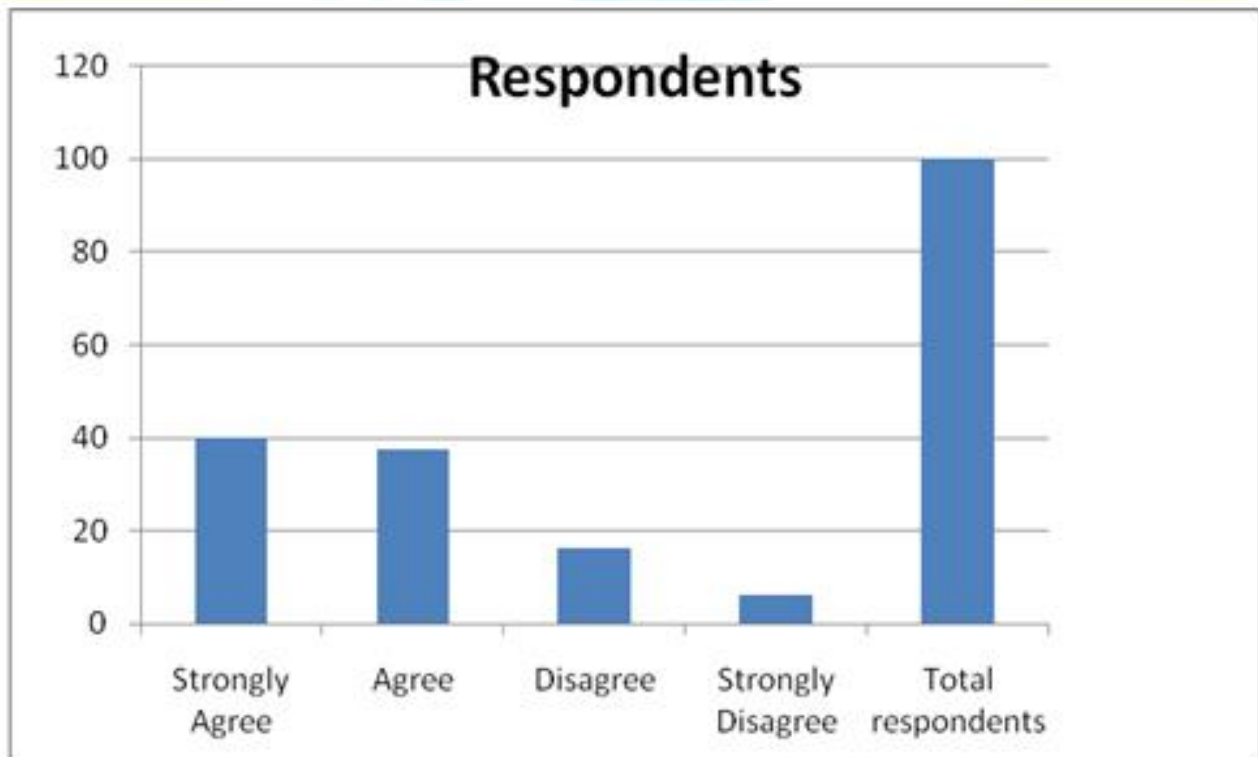


Interpretation:

From the above table it can be observed that 66.25% were strongly agree, 17.5% were agree, 8.75% were disagree and 7.5 % were strongly disagree that experience person are needed to evaluate performance appraisal.

13. There is any relationship between performance and SWOT analysis

S.NO	Opinions	No of Respondents	Percentage of Respondents
1	Strongly Agree	32	40
2	Agree	30	37.5
3	Disagree	13	16.25
4	Strongly Disagree	5	6.25
	Total respondents	80	100

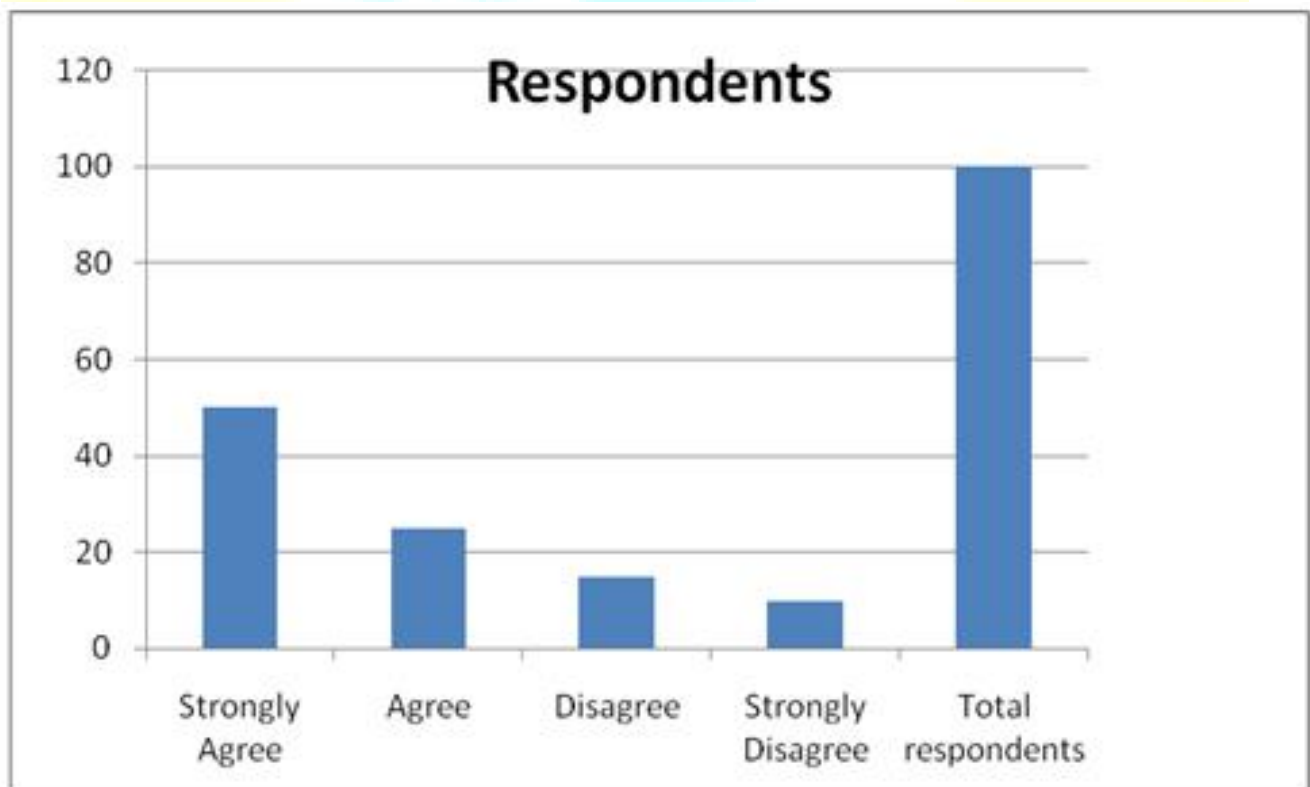


Interpretation

From the above table it can be observed that 40% were strongly agree, 37.5% were agree, 16.25% were disagree and 6.25 % were strongly disagree the relationship between performance and SWOT analysis.

14. Performance advancement leads to the career development

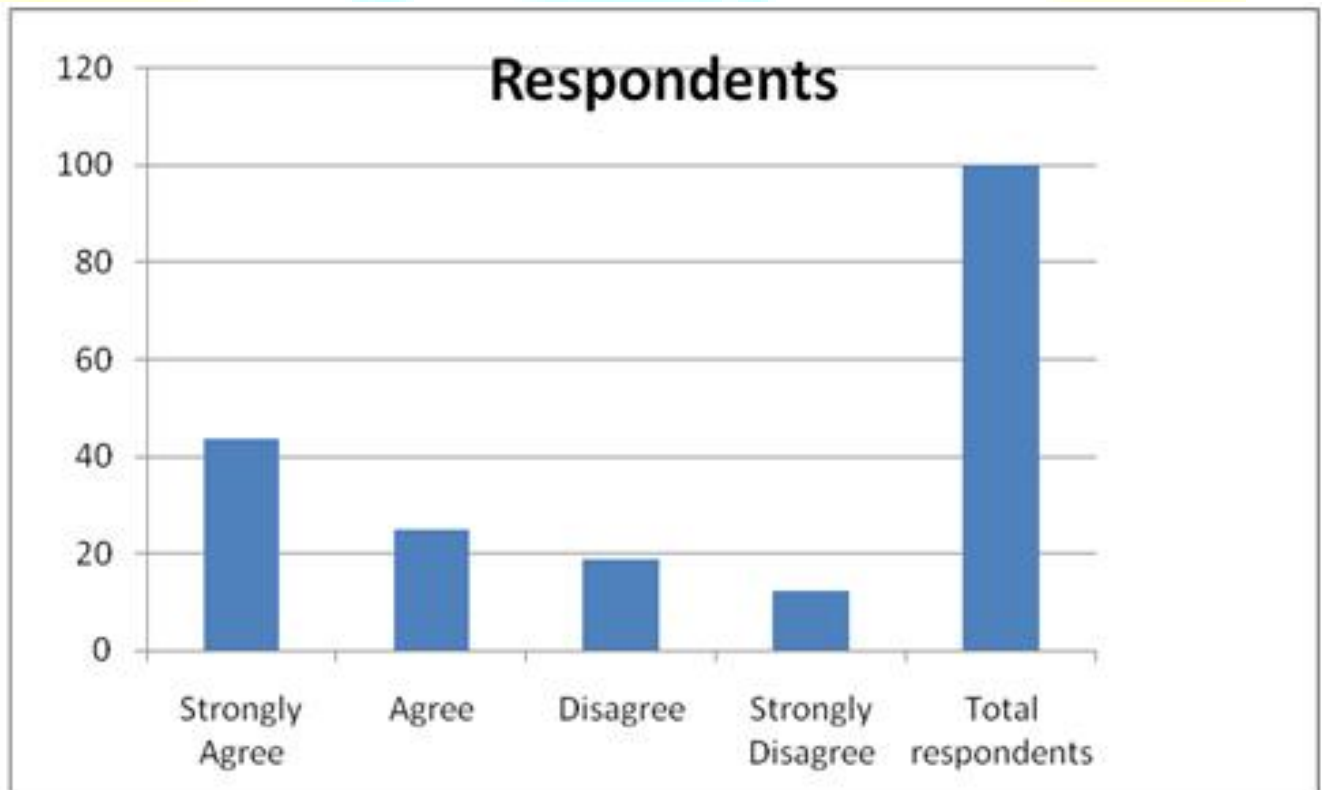
S.NO	Opinions	No of Respondents	Percentage of Respondents
1	Strongly Agree	40	50
2	Agree	20	25
3	Disagree	12	15
4	Strongly Disagree	8	10
	Total respondents	80	100



From the above table it can be observed that 50% were strongly agree, 25% were agree, 15% were disagree and 10 % were strongly disagree that performance advancement leads to career development.

15. The overall opinion about performance appraisal system is followed in your company

S.NO	Opinions	No of Respondents	Percentage of Respondents
1	Strongly Agree	35	43.75
2	Agree	20	25
3	Disagree	15	18.75
4	Strongly Disagree	10	12.5
	Total respondents	80	100



Interpretation

The majority of the employees are satisfied with the present performance appraisal system followed by the company.

Conclusion

The project lays emphasis on the viewpoint of appraiser because they are vital persons in execution of performance appraisal.

One of the conclusions based on appraisers view is that major purpose of performance appraisal is to promoting the employee and helping for their career development. The major factors considered by them in evaluating the performance are their job knowledge and performance and dedication to the organization.

With regard to training to appraises, the study found that appraises did not receive training and everyone felt that adequate training should be given to them according to performance appraisal. The study focuses on appraises viewpoint on performance appraisal because they are the direct people who effect either positively or negatively by the results of the appraisal.

The view point of them presented gives us clues to draw the conclusion that many of the employees are unaware about the performance appraisal system. And some find the trait difficult to understand. Interesting majority of the appraises stated that the present system of performance appraisal is useful for their development

On the whole, it can be stated that the performance appraisal is effectively functioning in hotel Green Park. However, there are some areas yet to be developed and improved in a more effective manner.

In Hotel Green Park (A Diana Group of Hotels Ltd), Visakhapatnam the aim of Human Resource Management is to identify the human potential of its employee and is done through Performance Appraisal where there will be comparison between the goal set and targets reached of each employee. It is done differently for management and non-management employees.

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