

CHAPTER 6

CONCLUSIONS AND SUGGESTIONS

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CHAPTER 6

CONCLUSION AND SUGGESTIONS

6.1 INTRODUCTION

The performance appraisal system is a common terminology in industry. It is useful in motivating the employees to perform their work effectively. It is also believed that the good criteria adopted for the appraisal must be acceptable to those individuals whose performance is being assessed.

The development of performance rating in past 70 years has been marked by changes in types of rating systems but, underlying the most popular system, graphic rating scales have been trait psychology. Dissatisfaction with the validity of these systems and increasing recognition of the value of superior and subordinate discussion centering around performance have given rise to a new emphasis. Traditional rating is now outmoded. Most of the organisations are attempting to adapt modern methods of performance appraisal system to evaluate their technical, professional and managerial manpower.

Though the developments have been made in the performance appraisal system, there are some serious unresolved problems. These include insufficient spread of rating scores ("central tendency"), halo effect - difference in standards,

communication skills and observation skills among appraisers (which are reflected largely in the leniency and severity of ratings), unreliability of ratings, and lack of validity of ratings.

The success and failure of the performance appraisal system largely depends upon how effectively the appraisal system is to be undertaken to appraise the performance of different types of employees working in different jobs.

Lastly, it can be said that properly formulated performance appraisal system makes a valuable contribution to the success of the organisation. If the scheme is poorly formulated, it can be very harmful to the organisation.

In the present study, the attempt has been made to collect the opinions of the appraisers and appraisees regarding the existing performance appraisal system in two organisations. The researcher has found that there is a difference between the appraisers' and appraisees' opinion.

Another objective of the present study was to know whether the existing performance appraisal system is acceptable to the supervisors and workers. Since the performance appraisal system is not formulated for workers in Kirloskar, there is no question of it being acceptable to workers, but majority of the supervisors have

accepted the present appraisal system. Though, the performance appraisal system has been formed for supervisors and workers in Tiwac, majority of both supervisors and workers have accepted the present performance appraisal system.

6.2 MAJOR FINDINGS

Majority of the findings of the present study in both organisations are mentioned below. The first ten findings are related to the appraisers and the latter are related to the appraisees.

[1] The first finding is related to the method followed by the organisations under study. Though, the methods differ in terms of the nomenclature, the methods essentially are based on the same dimensions like, work, behaviour, co-operation, accountability, decision making, cost consciousness, etc.

[2] In both the organisations, the performance appraisal is done only once in a year.

[3] The performance of the employee for the past year is taken into consideration while appraising him for the current year in both the organisations under study.

[4] The appraisers from both organisations stated that the present performance appraisal format may be changed by the Head Office of the company at any time to adopt new techniques in the system.

[5] In both organisations, according to the appraisers, those who show good performance in the current year get reward depending on the type and the nature of the performance.

[6] The existing performance appraisal system helps the appraisers to know the weaknesses, mis-behaviour and problems of the employees. As a result, the appraiser takes the step to solve their problems. Hence, according to them the appraisal system has been a 'problem solving' system.

[7] It has been observed that promotion decision in both organisations does not only depend on the performance mentioned in the appraisal format but also on the length of service of the concerned employee.

[8] Majority of the appraisers from both organisations have agreed that after implementation of present performance appraisal system, they did not feel it necessary to have close supervision and control. This leaves their superior to concentrate on non-programmed tasks and also keep the appraisees to work independently and self-directed.

[9] In Tiwac, the performance appraisal form is used as a means of recommendation for increment or promotion. Every year, some appraisers recommend their subordinates for special increment or promotion to the higher management. Whereas, in Kirloskar though the performance appraisal is used as the basis for promotion or additional increment, but the appraisal form is not used as the only means of decision making.

[10] The performance appraisal system is confidential in both the organisations. There is no feed back to the appraisee after the appraisal of an appraisee.

Following are the major findings related to appraisees from both organisations.

[11] All the appraisees in both organisations have not been satisfied with the existing performance appraisal system. Some of the appraisees are dissatisfied due to one reason or the other.

[12] In Tiwac, the performance appraisal system is meant for all employees in the organisation. Whereas, in Kirloskar only supervisors are covered in the performance appraisal system.

[13] Majority of the appraisees (75 percent in Tiwac and 67.86 percent in Kirloskar) have agreed that the appraisal system no doubt has been improving their performance on the job.

[14] Majority of the appraisees (57.5 percent) from Tiwac think that their behaviour outside the company is not accounted in the appraisal process. Whereas, 53.57 percent appraisees from Kirloskar feel that their behaviour outside the factory is taken into consideration while appraising their individual performance.

[15] From the study it is noticed that half of the sample selected in Tiwac is knowing and aware of the appraisal system in the organisation. Whereas, almost all the appraisees in Kirloskar being supervisors are aware of the appraisal system in the organisation.

[16] The appraisees who are supervisors in both the organisations appraise their performance in the form of submitting daily progress report about the work.

[17] By and large (82.5 percent appraisees in Tiwac and 71.43 percent from Kirloskar) the respondents feel that the present appraisal system need some or the other kind of improvement.

[18] Last but not the least, in Tiwac, half of the sample selected made some suggestions for the improvement in the appraisal system. Whereas, in Kirloskar, majority of the appraisees have made some or the other suggestions. Further, the suggestions given by them are different in one way or the other.

6.3 SUGGESTIONS

Suggestions to improve the present performance appraisal system in both the organisations under present study are mentioned below.

{1} Attitude of the employees is more important in the implementation of the performance appraisal system. Hence, the attention should be given to create favourable attitude of the employees towards the appraisal system.

{2} The appraisal system should find out the weaknesses, problems and difficulties of the appraisees and the appraiser should try to avoid the weaknesses by offering amicable solutions to solve problems. So the performance appraisal system should be treated as a "problem solving" system.

{3} In both organisations, previous performance of an employee is taken into consideration while appraising his current year performance. According to majority of the appraisees, it should be delinked with the past year performance.

{4} Sometimes, promotions are given on the basis of length of service without considering his/her performance. Hence, every promotion should be made purely on the basis of performance basis.

{5} Theoretically speaking, performance appraisal system should be job-oriented and it has also been reflected by the employees who are working in laboratory and chemical department in these organisations.

{6} Organisations must bring the participative approach of employees in the performance appraisal system. A participative performance appraisal system would be more effective and humane. Performance appraisal system in reality should be helping the employees to overcome the day-to-day problems of the employees. So, if there is no participation every employee would feel their responsibility much better than non-participative climate.

{7} There is observed to be the lack of linking between individual's skills, abilities and their jobs in both organisations. A motivating system should have a linkage between motivating aspects of individual ability and skills. Hence, the present performance appraisal system should provide the opportunity to employees to use their special skills and abilities which help to make the performance appraisal system more effective.

{8} It has been found that the appraiser is considering not only the behaviour exhibited by the employee within the organisation, but also giving weightage to his behaviour outside the factory. Possibly, this tendency would lead to a biased

response from the appraiser. The fear has been ⁱⁿ 42.5 percent and 53.57 percent of appraisees in Tiwac and Kirloskar respectively.

{9} The personal relationship between appraiser and appraisee should not be taken into consideration while appraising the performance. This gives subjectivity to the entire system and proves less worthy.

{10} Ideas and suggestions from the employees have a positive impact on the employees performance. Hence, every appraiser should encourage to receive maximum ideas through proper encouragement. The suggestions obtained from them many times are worthwhile & should be taken into cognizance.

{11} . In both the organisations, most of the appraisers and appraisees have not been aware of the performance appraisal system. Without sufficient awareness of the performance appraisal system, no one can undertake and implement the system effectively. Hence, training to the appraisers and appraisees besides the knowledge and the utility should be given about the performance appraisal system.

{12} It is observed that the review of performance appraisal of employees is only done at the head quarters of the Kirloskar. This leads to delay in taking the decisions. In view of this, any

review or modification in the existing performance system should be done at the plant level itself.

{13} In both the organisations, it has been found that the performance appraisal system is confidential and the employee does not get the feed back. For improving the job performance, every employee should know his performance and comments of the appraiser and where he stands. Performance appraisal will meet this vital need of an employee. Hence, it is necessary to install a proper feed back system so as to enable the employee to be aware of the follow-up.

{14} Good performance should be linked with special increment, promotion, and reward. This makes employee more effective and efficient in his/her job.

{15} In Kirloskar, the appraisal system is not adopted for workers. It is necessary for this company to install a suitable appraisal system for workers in this factory similar to that of Tiwac.

6.4 LIMITATION OF STUDY

In the present study attention was only given to understand the present performance appraisal system in these

organisations and analyse problems, if any. It was not possible to introduce an alternative modified performance appraisal system which can be more effective.

6.5 SCOPE FOR FUTURE STUDY

Based on the present study and experience, the researcher would like to put forward following few topics for future study.

- [1] The present study is only related to the analysing the present performance appraisal system. The findings of this study indicate that the appraisal system should be job related and not a generalised. Hence, there is ample scope to study this in more details.
- [2] In the administration of the appraisal system, it is necessary to study the behaviour of employees. The system should bring a change in the behaviour of the employee. Hence, behavioural oriented appraisal system should be studied in future.

