

Performance
appraisal and
organizational
commitment business
essay



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A large amount of information is gathered from Internet, whereas associated books of human Resource, Marketing books and banking employees who can provide better information and insights that is difficult to find for a outsider is also a part of the entire research. The research is specific to a single branch of Faysal bank to focus an in-depth perception of the employees of the system as well as strategic importance of training and development.

Company literature:

Faysal Bank Limited one of the top ten banks in Pakistan is undertaken for my research work. However its banking network is spread over 260 branches in 70 cities which is difficult to approach that's why korangi branch was selected for research. The bank is symbol of its solidarity in terms of its financial investment in corporate, commercial, retail, and Islamic banking activities. The Pakistan Credit Rating Agency Limited (PACRA) and JCR-VIS Credit Rating Company Limited have determined the Bank's long-term rating as ' AA' and short term rating as ' A1 +' with " Stable" outlook. the major reason for selecting Faysal Bank is its foreign investment is the country. As the local banking sector still follows the traditional HR system or Seth culture where employees performance are not fairly assessed and evaluated. To analyze the PAS in multinational bank its specific branch has been selected which may be ideal for local banks.

Local literature:

To make research more result oriented I thoroughly read the local articles which are related to my topic. These articles help me to explain appraisal system in the local companies.

The research on Employees' perception about performance appraisal effectiveness in case of Pakistan by Muhammad Kashif Saeed and Nosheen Shahbaz indicates that employees are aware of the useful outcomes of the performance appraisal but they lack knowledge in implementing an effective performance appraisal system. The sample of 120 employees at managerial level was selected on the basis of simple random sampling technique from the plastic furniture manufacturing organizations located in the province of Punjab in Pakistan. To test the relationships between those variables by means of a quantitative approach. To this end, data were collected through a questionnaire.

The Nature of Performance Appraisal

Performance appraisal aims at clarifying the employees' work expectations, improving employee development, linking pay with performance and assessing workforce development (Mathis and Jackson, 1998). Appraisals which create feelings of justice and trust among employees result in increased employee motivation.

Performance Appraisal and Organizational Commitment

The relationship of employee and manager is strengthened the exchange of ideas while evaluating the performance of employees (Walsh and Fisher., 2005). In the study of Kuvaas (2010), the perceived effectiveness of performance appraisal is found to have a positive relationship with work performance and organizational commitment.

The article on Fairness Perceptions of Performance Appraisal System by Malik Ikramullah, Bahadar Shah, Faqir Sajjad ul Hassan, Tariq Zaman, Hamad

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Khan is to examine the value of performance appraisal system on Civil Servants in District Dera ismail Khan. They determined appraisees' fairness perceptions of PAS by applying four factor of organizational justice namely; procedural, distributive, interpersonal and informational. Data was collected from the civil servants working in two departments in far flung district Dera Ismail Khan, Khyber Pakhtunkhwa. For the study, data was collected with the questionnaire distributed among the employees working in two public sector organizations in District Dera Ismail Khan, Khyber Pakhtunkhwa, Pakistan. The Respondents were gazetted employees (civil servants) working in the Basic Pay Scale (BPS) 16 to 19, whose performance needs to be appraised annually by their superiors .

The results show that appraisees' perceive the system fair as diagnosed by four factors of justice. According to Rizzo, House, and Lirtzman (1970, p. 152), " if an employee does not know what he has the authority to decide, what he is expected to accomplish, and how he will be judged, he will hesitate to make decisions and will have to rely on a trial and error approach in meeting the expectations of his superior".

Fairness of Performance Appraisal System

If employees have an opportunity to change their ratings (Gabris & Ihrke, 2001; Taylor et al., 1995) or have given simply right to raise their voice against ratings which they perceive unfair (Cawley, Keeping, & Levy, 1998; Gabris & Ihrke, 2001; Taylor et al., 1995) then this will result in fair perceptions of PAS. Similarly, Blau (1999) also argued that employees' satisfaction with various aspects of PAS, like, performance targets setting and performance feedback are related to fairness of appraisal system.
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Likewise, Gilliland and Langdon (1998) claimed that employees' fairness perceptions of PAS have significant effect on the performance appraisal rating's acceptance, rates ' satisfaction with performance appraisal process and organizational commitment.

Foreign literature:

A large amount of data and information on employees perception about performance appraisal effectiveness gathered from internet and how other multinationals use this HR tool to keep employees happy and loyal to the organization. In this context, I have gone through some research papers of international writers and great amount of emphasis is also given to some multinational banks operating in Karachi to witness the impact of effective appraisal system. The following sources used for literature review:

A research was conducted in the form of case study by Francis o. Boachie-Mensah, university of cape coast Ghana. The whole research is based on employees perception on performance appraisal effectiveness. For this purpose an educational institute in Takoradi, Ghana has been selected. The overall focus on appraisal biasness and errors and employees perception about that. data was collected from 140 employees of the institution which include both academic and administrative staff who had worked in the organization for atleast 2 consecutive years. a content-validated semi-structured interview schedule was used to interview the respondents. The data collected was analyzed, using using descriptive statistics, in order to address research question.

The results of the study indicate that employees of the institution perceive that the performance appraisal system of the institution is affected by subjectivity, and is influenced by some major errors. The findings have serious managerial implications for training, motivation and provision of resources for effective performance appraisal. A major limitation of the study is that, due to financial constraints, it was conducted in only one institution. Therefore, the findings may not be described as a reflection of the general state of affairs in the other educational institutions in the country.

Studies show that there are many approaches for evaluating employee behaviour and performance with respect to job tasks and/or organisational culture. As a result, various applications of PA have left many managers in a state of confusion and frustration with the employee evaluation process (Gurbuz & Dikmenli, 2007). This situation seems to negatively impact the popularity of appraisal systems in many organisations. Most people support the concept and purpose of PA, in spite of their concerns about the process and application of appraisal outcomes by managers (Grote, 1996). The biggest complaint from managers is that they are not given sufficient guidelines to assess people; and the biggest complaint from employees is that the process is not equitable and fair. PA concentrates much in assessing past behaviours of employees, a situation some managers exploit to victimise unfavoured employees (Bersin, 2008).

The research on factors affecting employee's perceptions of the performance appraisal process by Anton Beletskiy on middle and lower level managers to examine the importance of effective performance appraisal system. The findings of the research is to revealed a number of patterns concerning the <https://assignbuster.com/performance-appraisal-and-organizational-commitment-business-essay/>

roles of the design characteristics of the PA process, supervisor, HR managers, and general manager of a unit, and associate factors, in influencing employees perception of the performance appraisal features. The factors which influence perceptions of HRM process were discussed in this literature is the PA process itself, role of the supervisor, role of general manager of the unit, role of HR manager of the unit, employee colleagues, work situation.

The research by Rosena binti Mohd Ali in university Putra Malaysia, indicates that In today's dynamic workforce, enlightened companies recognize that employees want an environment that encourages constant dialogue between the employer and employee. Employees want to be recognized, rewarded for their accomplishments and need continuous performance feedback. Most employees want frequent

feedback and just annually if their performance is missing the mark so they can make appropriate changes. The research suggest that To be truly successful, a performance appraisal system should involve their

employees in the design and later - required revisions of their performance appraisal. Feedback must be clear, objective and constructive by telling both sides of the performance story - the positive and negative which will make the feedback to be more credible, palatable and useful.

Future prospects/Areas for further studies:

Zero error Performance Appraisal System in future? How raters could be unbiased?