

Performance appraisal and employee motivation

[Business](#), [Employee](#)



Introduction

Organization is run and steered by people. It is through people that goals are set and objectives are realized. Today's working culture demands a great deal of commitment and effort from the employees, who in turn naturally expect a great deal more from their employers. The development of much more participative style of management in many organizations is a positive step towards meeting such heightened expectations. This participative style can be expressed in a variety of practical ways. For e. g. work teams, quality circles, and of course regular performance appraisals. The performance of the organization is dependent on sum total of the performance of its employees. Thus the success of the organization will, therefore depend on its ability to measure accurately the performance of its members and use it objectively to optimize them as a vital resources. Performance can be measured by some combination of quantity, quality, time and cost. Performance thus refers to the degree of accomplishment of the tasks that make up an individual job.

It indicates how well an individual is fulfilling the job demands. And on the other hand success of any organization can almost always be tracked back to the level of motivation among its employees to whom its success can be accredited to, without a doubt. Motivation is must for the employees, because it converts ability to work into will to work or in other words contributes to high level of performance. Presence of effective motivational policies in the company leads to job satisfaction and consequent benefits of higher commitment and loyalty.

Keeping in mind the growing attrition rates and the employee dissatisfaction among the employees, the HR professionals are approaching and using the performance appraisal as a fuel to motivate employees. The latest trend being followed by the HR professionals is to use the performance appraisal and review process as a motivating mechanism. Various surveys and studies have testified the relationship between performance review, pay and motivation. Other than the traditional goal of accessing the performance of the employees,

Performance appraisals and reviews can be used as a tool to reinforce the desired behavior and competent performance of the employees. Performance appraisal can have a profound effect on levels of employee motivation and satisfaction for better as well as for worse. Performance appraisal provides employees with recognition for their work efforts. The power of social recognition as an incentive has been long noted. In fact, there is evidence that human beings will even prefer negative recognition in preference to no recognition at all.

One of the most motivating factors for the employees, in the performance appraisal processes is to receive a fair and accurate assessment of their performance. Inaccurate evaluation is one reason because of which most employees dread going through performance appraisal. An employee always expects his appraiser to recognize and appreciate his achievements, support him to overcome the problems and failures. The discrepancies and the inaccuracies in the performance review can demotivate the employees, even if there has been an increase in the salary. Such inaccuracy can kill the innovating and risk taking enthusiasm and spirit in the employees.

Similarly, inaccurate reviews with no hike in compensation can increase the attrition rate in the organization, forcing the employees to look out for other options. An employee prefers an accurate performance review with no increase in the salary over inaccurate performance review with an increase in salary. Employees, who receive both accuracy and a pay increase during their performance review, are likely to be the most motivated. Therefore, performance appraisal (review and its consequence in the form of compensation adjustments) has the potential of motivating employees and increase their job satisfaction.

Inaccurate performance review + Increase in salary Decreased Motivation
Accurate Performance Review + No Increase in salary Decreased Motivation
Accurate Performance Review + Increase in salary Increase in motivation
If nothing else, the existence of an appraisal program indicates to an employee that in the organization is genuinely interested in their individual performance and development. This alone can have a positive influence on the employee motivation, sense of worth, commitment and belonging.

The strength and prevalence of this natural human desire for individual recognition shouldn't be overlooked. Absenteeism and turnover rates in some organizations might be greatly reduced if more attention were paid to it. Regular performance appraisal, at least, is a good start. In an organization it is necessary to measure the performance of their employees and success of any organization can almost always be tracked back to the level of motivation among its employees. So the study was done to measure the impact of motivation after performance appraisal.

Need of the Study

Performance appraisal is the important aspect in the organization to evaluate the employee performance. It is needed for an organization to take decision regarding salary revision, confirmation, promotion, transfer and demotion. It gives feedback information about the level of achievement and behavior of subordinate. This information helps to review the performance of the subordinate, rectifying performance deficiencies and setting new standards of work, if necessary. It provides information which helps to counsel the subordinate. It also helps in understanding the employee work culture, involvement and satisfaction.

It helps to diagnose the deficiencies in employee regarding skill, knowledge, determine training and development needs and to prescribe the means for employee growth. It has many other uses in the human resource management, namely, determination of the training and development needs of the personnel, creating organizational effectiveness, cross functional transfers, job enrichment exercises, and so on. For all this to happen, it is essential that the performance appraisal system should suite the organizational culture and is in alignment with other human resource systems in operation in the organization.

The main purpose of conducting appraisals is to identify and removing factors responsible for employee's discontent would motivate them for better work performance. This study gives the clear picture regarding the appraisal system regarding the appraisal system and its impact on motivation.

Scope of the Study

The scope of the study is to understand that the performance appraisal system and employee motivation activities provided by the organization make any changes or improvement in the performance of employees.

Satisfied employees are the asset of the organization. This study helps the organization to understand to what extent the employees are satisfied with the present performance appraisal system and employee motivation prevailing in the organization. On the basis of that the organization makes necessary changes in the existing system. This will help the organization to improve the overall performance. This study will enable to understand the positive and negative aspects of performance appraisal system and employee motivation

Objectives of the Study

Objectives of the study have been divided into primary and secondary objectives. Primary objective: To study whether the employees are motivated with the performance appraisal system. Secondary objective:

- To know whether the employees are given proper feedback regarding their performance.
- To understand the rating methods used for performance appraisal.
- To understand the superior and employee relationship.
- To provide suggestions for improvement, if any.
- To study about performance effect on employee motivation.
- To know the factors that motivates the employees.

- To study the employees opinion about the performance appraisal system.

Research Methodology

This area deals with the research design, data collection methods, sampling techniques used; field work carried out by the researcher and also explains the tools used for the data analysis and interpretation. Research design A Research Design is a logical and systematic plan prepared for directing a research study. It specifies the objectives of the study, the methodology and the techniques adopted for achieving the objectives.

It is a planned structure and strategy of investigation conceived so as to obtain answers to research questions and constitutes the blue print for the collection, representation and analysis of data. In short, it is the logical and systematic plan prepared for directing the research study. A good research design should consist of:

- Clear statement of research design.
- Procedure and techniques to be followed for gathering information.
- Population to be studied.
- Methods to be used in processing and analyzing data.
- Type of research The type of research done is descriptive research.

Descriptive research includes surveys and fact-finding enquiries of different kinds. The major purpose of this research is description of state of affairs, as it exists at present. It is very simple and more specific. The main feature of this type of research is that the researcher has no control over the variables. He can only report what has happened or what is happening. The descriptive

research is a fact finding investigation with adequate interpretation. The descriptive study aims at identifying the various characteristics of a problem under study.