

CHAPTER 5

DISCUSSION

Performance appraisal has a very elaborate past and many changing faces. This research has helped the researcher understand performance appraisal system in a wider sense. As the study is concerned with analysis of the system, the researcher has tried to compare and contrast the prevailing systems from one organization to the another. It also helps in differentiating the same between private and public organizations. In the present discussion, an attempt will be made to cover all the possibilities thrown out by the data. It begins with comparing the private organisations and public organisations. And, lastly it assesses the effect of personality type of rater and his rating style.

Beginning with the basic thrust of the performance appraisal systems in different organizations, it was observed that the main emphasis in the appraisal system was on performance of the individuals (Table 4) followed by managerial skills and personality traits in public organisations. In private organisations, importance is given to managerial skills, followed by performance of the individual and his personality traits. The differences between these variables were not much in private organizations. This finding is against the hypothesis number one made in the beginning of the study. It was assumed that the organisations in the private sector will emphasize on performance, whereas, as observed the emphasis is on personality traits and managerial skills. However performance of the individual has been stated as second factor in private organisations.

Thrust of the performance appraisal in organization will decide the targets or objectives of the organization. Now, setting-up targets can be achieved with the help of individual managers, or it may remain in the hands of the few people to communicate down the line. It showed that there was no prescribed system in the organization for setting targets. The results obtained here showed that to some extent, fixed targets for sales personal were given (Table 5). Chi-square analysis was applied to test the significant differences in frequency of responses across all organisations and types of responses. Result yielded a significant value (39.55). Indicating that all six organisations differed among themselves in matter of provision of setting targets in their P. A. System (Table 5X). The respondents seem to be satisfied with such a practice (one that prevailed) of setting the targets or that it could be as they have been accustomed to the practice and were not aware of a better system. Though, the difference between positive and negative responses for satisfaction is very less in public organisations (Table 5.1). All the organizations report that they have the provision of setting up individual targets (Key Performance Areas) on their own (Table 6). And also, the provision of setting up departmental targets are also there (Table 7). To have a complete picture, the researcher tried to find out as to who determined the individual manager's targets or objectives. 44 per-cent of the private organisation's sample believed that appraisal is done after some discussions with the superior and subordinates. 41.2 per-cent of respondents, in public organisations, conveyed that the superiors determine the targets and objectives and just communicated to their subordinates (Table 8). Also, the results indicated that the respondents seem to be by and large satisfied with the prevailing practices, irrespective of which organisation they belonged to. It could be that they have been thinking that as they are involved in their individual target setting and, to some extent, in departmental target setting they are

satisfied. It seems that though they are not provided with a proper system of setting targets, they are provided with some decision making power. They count this as their contribution to the organization. This gives them some breathing space. In both the situations, as mentioned above, the difference, between the percentage of satisfied and dissatisfied respondents is very less (Table 8.1).

The sample was asked to respond to the question in more than one alternatives if required about the sources of information used by the appraiser for appraising. In private organizations, it was seen that the main source of information for appraising was generally the superior's memory. But, in public organizations, self-appraisal was stated as the main source (Table 9). It may be because, in the public organisation, they have fixed promotion policy. These responses were followed by the opinion that discussion with subordinates and other managers was another way for deriving information in private organisations. Depending on superior's memory was the second popular way in public organisations. That is, order of priority to get information changes in two types of organizations.

In the individual comparison of the organisations O2 and O5 differed from their own groups. O2 emphasized on discussion with subordinates and other managers as a source of information. Same was for O5 but added superior's memory to the same. The results also indicated satisfaction among respondents with the prevailing practice of deriving information for judging the performance. The respondents in the public organisation did not seem to be satisfied. Though the difference between satisfaction and unsatisfaction percentage was not much (Table 9.1).

Further it was inquired whether the personality traits and managerial skills were clearly defined in their P. A. System to ensure that all appraisers understand and interpret the factors in the same manner. The results obtained showed that it was not so in both the type of organisations. O6 and O3 had different views regarding the same. Again the difference in score between 'Yes' and 'No' response was very less in public organisations (Table 10). The appraisal system of all the organisations under study include relevant personality traits and managerial skills in their appraisal system (Table 11). Chi-square analysis applied to the same obtained significant value (47.48) depicting differences in the types of traits and skills across the organisations (Table 11X). These results reflect in brief the different aspects of P. A. System in various organisations.

Performance appraisal is a system of assessment. Methods of assessment can differ from organization to organization, often depending upon the objectives of appraisal in a particular organization.

Method of assessment also includes the judgment of personality trait and managerial skills of the employee. To start with, the respondents were asked to as 'How were traits and skills judged ?" The respondents felt that superior's judgment regarding traits of the appraisee depend on their memory (Table 12). However, some people in the private organisation said that the superior discussed it with concerned subordinates. In rest of the cases, percentages were very low. Again satisfaction is also associated with the method of judging personality and managerial skills in private sector. In public sector, though high percentage of respondents are not satisfied with the prevailing practice (Table 12 1). The difference is not significant.

To arrive at an over all rating, different dimensions required for assessment should be summated. Inquiring on this point a separate question was put up where in the respondents had to give their responses on more than one alternatives if required. The results indicated that personality traits, managerial skills and targets/objectives/tasks settings accomplished within a time period were considered for rating in private organisation (Table 13). This is in agreement with the results obtained on the basic thrust in private organizations (Table 4) . Comparison of the results of private organizations with the public organizations, for overall rating showed Targets / Objectives / Tasks accomplished as the prime factor followed by personality traits and managerial skills (Table 13). The situation is just the reverse of private organisations, but in line with its previous response of the basic thrust (Table 4). The respondents believed that enough weightage was given to the above mentioned traits (Table 13.1).

The system pertaining to the evaluation should have a uniform method and technique. On inquiring, it seems that there is no proper standardized measure to ensure uniformity of standard in different departments as the score were scattered all-over the possible alternatives. Also, the scores are very low in both the private and public organisations (Table 14) --

There are many organizations where the appraisals are jointly done. In such a situation, it is done by the reporting officer first and then by the supervisor or by the functional managers. After that the heads of department do the appraisal. In some other cases, it is done jointly or separately done by the two which are then coordinated by the reviewing officers. The responses in the present sample showed that it is generally first done by

the functional manager and then by the heads of the departments (Table 15). The respondents seem to be satisfied with this kind of practice in their organizations in both the type of organisations (Table 15.1). Two organisations held different views on this issue (Table 15). This was supported by the results of chi-square administered to see the significant differences between the organisations and variables (Table 15X).

The method of assessment is a long process encompassing various aspects. Therefore, it is important to know whether the appraisers are aware of the previous ratings. Inquiring about this aspect of the technique in appraisal process, the responses revealed that in private organisation, appraisees are generally aware of previous rating where as in public organisations, they may not be so (Table 16). Irrespective of what prevails in the organization, the investigator asked if the respondent considered the previous ratings when appraising for the current period. The answer was affirmative in private organisations and negative in public organisations (Table 18). This supports their earlier response. Researcher also inquired from the appraisers whether their previous ratings are considered in their current appraisal. This again corroborates with the earlier finding against the above two questions indicating the trend 42.9 percent respondents agreed in private organisations and 44.7 per-cent of respondents disagreed in public organisations (Table 18). Extending the same question to know whether it ever affected their (respondents') ratings, majority of the respondents affirmed it. Since, the scores for negative alternatives were nearing equal to those for positive alternatives (Table 19). It is obvious that the previous ratings and the other sources of information used for the current appraisal have far reaching effect

Talking about the present and previous ratings, the researcher questioned as to who does the appraisal as such. The results showed that it was the immediate supervisor (Table 29). The frequency of the appraisals done is generally annual, i.e. once in a year (Table 21). Lastly, it was also tried out to see what safeguards were built in the appraisal system to avoid errors / aberrations. The response yielded that the review by appraiser's superior helped in eliminating errors in both the types of organisations (Table 20).

To sum up, it can be said that the self-appraisal is not practised widely. Appraisals are held annually. Previous reports do effect the current ratings of appraisers.

Any good appraisal not only considers the functional aspect of the system but tries to cover individual's potential skills. Researcher tried to find out about the same. Identification of potentials should be a component of the appraisal system. The results of this study showed that most systems have the component which seeks to determine the potential of the appraisee (Table 22). The factors which determined the potentials were presented. In order of preference, the two factors stated were –

- (i) The performance of the individual on the present assignment.
- (ii) Personality traits and managerial skills in both types of organizations.

Thus, it can be inferred that potential of the employee is important for the organization and is taken care of (Table 23).

The results obtained from appraisals are utilized in various ways. The common uses are fixation of salary, training and development of the employees, etc. Therefore, identifying the weakness of the employees and putting them for training should be one of the impor-

tant aspect of the appraisal system. Whether this very aspect is considered at all or not is the question. The responses of the sample for the same were generally positive. A very high percentage of respondents (90.7%) in private organizations and (70.6%) in public organizations responded in affirmative (Table 24). This result supports the hypothesis of the study. Further, inquiring into the process of determining these needs, the response indicated that the superior's own judgment was one of the method for identifying the training and development needs in both type of organizations (Table 25). One organisation in private organisations had a different view. It pointed out that training and developmental needs were determined on the observation of demonstrated strengths and weaknesses of the individuals. The respondents in public organisations also reported that the method of identifying these needs was not acceptable to them (Table 25 1). They were not satisfied with it. Respondents in public organizations accepted the same and showed satisfaction. Such a finding could be because the respondents in public organizations feel that subjectivity prevails in such practices of identifying training and developmental needs. For example favouritism in selecting personnel for training. The respondents seem to be unhappy with this method of identifying training needs because according to them when the individuals are required for training the results of performance appraisals are forgotten and (hence) the people required to undergo training are missed. It was also reported that often some people are sent for training again and again, irrespective of whether they require it or not. The reason could be either they are not wanted in their department where they are working, (therefore to avoid them they are sent for training) or training is thought to be a routine matter and not so important activity. To fill up certain amount of seats, people are sent for training in a rather casual way.

In private organizations, the demonstrated strengths and weaknesses of the appraisee become the criteria for identifying training and developmental needs besides superiors' judgment. This makes the selection procedure more objective as the individual himself can perceive his weaknesses. It was also observed that for training usually it is the training course which is recommended and job rotation or job enlargement are rarely recommended (Table 26). It was observed that though training and developmental needs were identified through P. A. System its results were occasionally used (Table 27). This view differed from the view of other organisations in private sector. Chi-square applied obtained differences in the opinion between the organisations and the variables. Chi-square value was highly significant (Table 27X).

Promotions has emerged as one of the prominent factor in the uses of P.A. reports in public organizations (Table 28). Respondents in private organizations feel that P.A. is considered as one of the relevant factors for promotions. There is a contradiction in the result here. For it was assumed that the data obtained from the appraisals will be effectively used for training and promotion purpose. But the results did not withstand the assumptions completely. It suggested that the data is partly used. According to the present researcher, if the P.A. of an organization covers all the dimensions, i.e., what an ideal appraisal needs to have, it should help in deciding the promotion of the individual as well. But, in organizations where promotions are given over a period of time (i.e., time bound promotions), it stands nullified (e.g., O4). It seems that the respondents seem to be satisfied with whatever practice prevails in both the types of organizations (Table 28.1). The reason for being satisfied with the prevailing system could be that they have been accustomed to such a practice. Also, it is a human tendency that if one gets adjusted to

a new situation, he feels settled and satisfied.

It has been a general practice to review the appraisals over a period of time. This is generally done by the immediate boss and then by their seniors. It helps in eliminating the bias factor in appraisals. In the organizations under study, the immediate superior of the appraisee (Table 30) gave the ratings in both types of organizations. The common method used for reviewing was discussion (of doubts and controversial entries) with the appraiser before entering their own (superior of the immediate reporting officer) comments in private organisations except one organisation. This could be as the organisation has more open system as stated by the previous results. The practice is different in public organisations. There, the reviewing authorities enter their comments and make changes on their own without consulting the appraisee (Table 31). Ironically the sample seem to be satisfied with the prevailing practice in both the types of organisations (Table 31.1). This practice may be in use because all the public organisations have not gone for open appraisals yet. Or, appraisal are viewed as routine jobs at many places. Another reason could be that the organisations taken for study had generally greater span of control. In private organisations there were more accountability among the employees.

Reviewing of appraisals should be followed by or should include review discussion. The results of the present study showed that there is no such provision in their appraisal system (Table 32). Still, to probe it further, it was inquired as to who participates in the review discussion ? The responses indicated that the appraisee and the reporting officer in both public and private organisations participated in review discussion. The responses further indicated that often with the appraisee the reviewing officer, and the HRD manag-

ers also participated in review discussion in some private organisations. However, the percentages obtained for various alternative answers of the question were very low (Table 33). The overall picture of review discussion does not seem to be very clear. This was further complicated when the reports in private organisations reported of confidential appraisals. The respondents in public organisations reported that only adverse comments are communicated. At the same time, an equal number of respondents reported that appraisals were confidential (Table 34). Chi-square analysis was applied to test the significant differences in frequency responses among the organisations and between the variables. The result showed significant value. Indicating that all organisations differed among themselves in the matter of discussion of appraisal reports with the appraisee (Table 34X). This view of the respondents is in congruence with their previous responses where they said that there was no provision of review discussion in their appraisal systems. Performance Discussion Review, if practised, facilitates openness, enhances – beliefs in sharing various thoughts, feelings and issues. It integrates concern for the task and person and helps to build a culture of team work. Managers can foster the unique competence, creativity, aspirations and risk taking ability. It is a worthwhile process as it can make use of the P.A. system to its optimum level.

A good appraisal system should have the facility of counselling for the employees . Counselling can be done in the area where the employees need special attention. The results obtained in this study report that counselling generally does not form an essential part of the appraisal process (Table 35) and therefore, the answer to the question as to 'who gives performance counselling to the employees' is normally 'No'. Results obtained indicated that it is not largely practised in the organizations (Table 36). Some respondents

stated that it is done by the immediate superiors. As there was no clear response as to who gives performance counselling. Chi-square was administered which obtained significant value (26.93) indicating that differences prevailed on this view across organisations and variables (Table 36X). It is possible that the respondents must be indicating to the adverse remarks or negative feedback comments given to the employees after appraisals. It could be possible that the employees are not aware of counselling process practised after appraisal.

Management by objectives (MBO) is practised in many organizations . The sample used for the present study reported that MBO is not practised as a formal part of their P.A. system (Table 37) in any one of them and, also, that it is not perceived to have any linkage to performance appraisal system (Table 38). However, some respondents did not answer this question. Chi-square analysis obtained significant value (26.93) at 0.005 / 0.001 level. This shows that there is variation of views on this (Table 38X).

To accomplish a complete process of appraisal, it has to undergo different phases and involve many people at various levels. For example, the appraisee, appraiser, reviewer, issuing and collecting of forms from the personnel-department,-etc are the individuals and processes involved. Though the main role played in the P.A. process is by the personnel departments, at some places it is the HRD / Personnel department which takes the lead. The respondents of the present study were asked to enumerate the different roles played by these functionaries. The result indicated that HRD/ Personnel functionaries mainly acted to coordinate the P.A. processes. Another function of these departments was to maintain records of appraisals particularly in private organizations. The

respondents of public organisations stated that these functionaries just maintained P.A. related records. However, some respondents maintained that they also coordinated the P.A. system (Table 39). It can be observed from the table 39 that other than these two activities, the HRD/personnel functionaries do not involve themselves either in scrutinizing the reports or any other work like training of appraisers etc. It is surprising indeed, further it was inquired about the opinion of the respondents as to whether they would like these functionaries to continue to do what they were doing, the responses were in positive (Table 40). The suggestions given by private organizations were that these functionaries should scrutinize all appraisals, review the working of the system and advise the operating managers on appraisals. The suggestion from respondents of public organizations was that they wanted these functionaries (Table 41) to review the working of the system and scrutinize the reports of all appraisals as mentioned by private organizations. One thing which was different from in public organisations from the private organizations was that the public organizations wanted HRD / Personnel functionaries to assist in the training of appraisers (Table 41.1). It may be that the respondents wanted to involve these functionaries for making the appraisals more objective and effective so that they just do not remain a routine affair.

It is a general practice to appoint or at least consult an external expert for developing or revising an appraisal system. In some organizations, the appraisers are trained by the experts before appraising the employees. They are also trained in developing counselling skills. Thus, based on this view, it was inquired whether the organizations in the study took help of such kind. The results yielded that the public organizations did not have any such practice. Whereas respondents in private organizations did agree for the

same (Table 42). Though in the public organisation O4 had a similar response like O5, and O6. The variation in 'Yes' and 'No' response was very less. This is possible as some of the people in the sample must have received some kind of training in appraisal. O1, in private organizations reported that they have not used any external consultant. O1 is supposed to be one of the leading organization in HRD activities once upon a time. Though it is undergoing economical crisis at present. It has reduced HRD activities. The reason stated by private organizations for taking such a help from external consultant was the development of appraisal system or revising the present system. From table - 42.1 it can be observed that different alternatives mentioned in the study were sparingly used. It could be that those managers who were involved in the training by the consultants must have only given their opinion. This is particularly true in public organizations. This view is complementary to their previous view of not using external consultant. Further it was inquired as to whether the organizations involved in the study trained the appraisers before the actual appraisal is done. This was strongly denied by both type of organizations, i.e. private and public organisations (Table 43). However, from the present results it should be inferred that public organisations do not involve external consultants or do not train for appraisal at all. Because it is well known that place like SAIL, BHEL, SBI etc. have done both. So, the present results should be treated as specific to the organisations covered in the study.

The questionnaire used for the study also contained questions which asked the respondents to evaluate their own performance appraisal system. The respondents felt that the appraisal system had lost meaning and that there were wide variations in the standards of evaluation. At the same time, 32 per-cent of the respondents reported that there was

no serious problem with their appraisal system. This is the contradiction observed in systems operating in private organizations. Similar responses were obtained in public organizations also where 42 per-cent of the respondents reported that appraisals have lost meaning. 26.5 per-cent reported that there are no serious problems with their appraisal systems (Table 44). The reason for this kind of responses could be that either they did not want to convey the truth or that for them appraisals have become a routine affair and which they do it rather casually and, hence, do not find any problems as such. It could also be that they are happy with their appraisals and do not want any more complications added to it. It could also be perceived in this way that it is a human tendency that over the period of time when one gets used to the system, he feels he is satisfied.

Asking in the end if they (respondents) were entirely satisfied with the present appraisal system in their organizations or needed any change. The respondents are of the view that there was a scope for improvement in their appraisal system (Table 45). To cross-check their responses, the investigator indirectly inquired if the managers in their organisations were satisfied with P.A. system in general. The responses generally were in negative (Table 46). This is corresponding to the previous response of table 45. O2 and O6 differed from the rest. And, finally, all the respondents agreed that P.A. is an important aspect of development for an individual as well as for the organization (Table 47). These views were put to chi-square analysis to find out, if there is a difference of opinion at significant level. The results did indicate a difference of opinion among the variables and organisations.

Results derived from the annual appraisals are utilized for various purposes by organizations. The purpose for which the appraisal reports are used, differ from organization to organization. In the present research the researcher inquired in to as what were the different purposes for which the reports are utilized and whether they are actually being used. The purpose of P.A. system could vary from rewards, to promotions, to training and development etc. Later, taking each possible alternative, as an independent variable analysis of variance was worked out to see the satisfaction of the respondents. The results of table 48 implied that appraisals are used for the purpose of review of effectiveness of selection methods in private organisations. Whereas in public organisations appraisals are used for promotions. As the respondents were permitted to mark for more than alternative, the next alternative indicated was promotions as the purpose of P. A. System. At the same time training and development was the purpose given by public organisation. The difference between the two alternatives in public organisations was more than 50 per-cent. O2 and O4 differed from the other organisations in their respective groups.

Table 49 shows companywise average ranks of the different purposes for which appraisal reports are used.

It is generally observed that salary progression is the main purpose of P.A. system in organization. Therefore, taking this as the purpose of the P.A. system, ANOVA was worked out. The results yielded significant ($F = 23.29$) value (Table 50). Therefore, Gap Test was administered to identify the variations in different organisations (Table 50G). The highest mean value obtained was of O6 (6.28). This indicates that salary progression is consid-

ered as the major purpose of P.A. in O6 in comparison to other organisations. The result of the Gap Test showed that O1 differed from all the other organisations in this respect except O3. O3 differed from O2, O5, O6. And O4 is different from O5 and O6. This differences imply that the difference of opinion among organisations is in relation to salary progression as the purpose of P.A. system.

The next possible purpose of any P.A. system could be, utilization of its results for giving special rewards. ANOVA yielded a significant ($F = 8.86$) value again (Table 51). The result of the Gap Test produced ten significant differences (Table 51G). O1 significantly differed from all the organisations except O3. O3 differed from O2, O4, O5 and O6. Whereas O4 and O5 differed from O5 and O6 respectively. The highest mean value (6.92) was acquired by O5, denoting that O5 rates special rewards as the important purpose of P.A. system in their organisation. It shows that O1 and O2 are on the similar platform for salary progression and special rewards as the purpose of P.A. system.

Another important use of P.A reports could be for the purpose of promotions in the organization. Again ANOVA was worked out which yielded highly significant F-value (11.42) (Table 52). The Gap Test procured many pairs of organisations which significantly differed from each other. The differences were seen in O1, which was significantly different from O4, O5 and O6. O2 differed from all the organisations. Whereas O3 differed from O5 and O6. Lastly O4 differed from O5. The highest mean value (3.73) was of O2. Which was followed by O1 and O3 respectively (Table 52G). Indicating that the purpose of P.A. system in private organisations is for promotions. This supports the previous result of considering promotions as one of the relevant factor in the P.A system (Table 28).

Similar test was put up for placement and transfer accounting it as one of the purpose of P.A. system (Table 53). The results of the gap test showed that O3 was different from all the organizations. O1 significantly differed from O3 and O5. Similarly O2 significantly differed from O3 only. O4 and O5 differed from O5 and O6 respectively (Table 53G). The mean value calculated was highest for O3 followed by O6, O1, O4, O2 and O5. Thus in the order of rating it can be observed that O6 utilizes its P.A. reports maximum for the purpose of placement and transfer in comparison to other organisations.

Training and development of the employees forms the major aspect of the P.A. system. Generally the trainers are recommended for training after the appraisals are over. Hence, taking this as one of the variable, ANOVA was worked out. The F value obtained was 6.32 (Table 54) which was significant. Gap test which was administered yielded 6 pairs with significant difference (Table 54G). O2 was different from all other organizations and O5 differed from O6. The highest mean value procured was of O6 intimating training and development as the main purpose of P. A. in their organisation. The means scores of all the organisations for the present purpose were comparatively low. This result is complimentary to the previous result indicating the occasional use of P. A. reports for training and development purpose (Table 27).

Similar analysis was applied for the purpose of managerial, succession planning and career planning as a use of P. A. system in the organisations. The value ($F = 3.07$) obtained from ANOVA was comparatively lower than the values obtained on other alternatives regarding the purpose of P. A. system (Table 55). Later when put to Gap Test it

obtained only five significant differences (Table 55G). The mean values were also lower in comparison to other alternatives. The highest mean value was obtained by O1. It was also observed that O2 differed from all the other five organisations.

Performance appraisals can have a negative use in the organizations. It is possible that it could be utilized for the purpose of demotion, early retirement or even termination. Therefore to get the opinion on this and finding the differences between organizations, ANOVA was worked out initially and later gap test was administered (Table 56). The results of gap test indicated that O2, O3 differed from O4, O5 and O6. Whereas O1 differed from O6. Thus making a total of seven differences (Table 56G). As this is a negative option amongst the different options given for the purpose of P. A. in the organisations, the lowest mean value obtained should be considered. The lowest mean value obtained was of O4 and the highest was of O2.

Lastly review of effectiveness of selection procedure and review of effectiveness of training were thought to be as the uses of P.A. system. The F-values obtained after administering ANOVA were lower for both the alternatives (Table 57 and Table 58). In the first alternative O6 differed from O3 and O2, whereas in the second alternative O4 differed from O6 and O3 respectively.

The above analysis showed that O3 differed from all the other organizations in respect to the various purposes of P.A. system. Also O2 was seen to be differentiating with organizations on various purposes taken for the study. O1 showed a higher mean value for review of effectiveness of selection methods indicating that the P. A. system of O1 uti-

lizes its reports for the purpose of review of effectiveness of selection procedure. O5 being a government concern, its purpose of P.A. reports is for giving special rewards. O6 has the purpose of training and development. O2 utilizes its P.A. reports for the purpose of deciding on promotions. This could be noted from the mean values obtained by each organisation on different purposes. O2 also yielded a higher mean value for the purpose of demotion, early retirement and termination. This alternative has a negative implication on the purpose of P. A. system. However, this is in line with the basic culture of the organization, as this is one organization which has a developmental approach. Indicating that P. A. is least used for the purpose of demotion, early retirement and termination. O3 showed higher mean values for four different purposes of P.A. system. They were salary progression, placement and transfer, managerial manpower planning and review of effectiveness of training. It seems O3 utilizes its P.A. reports for various purposes at its maximum. The purposes identified in the results are more of evaluative in nature. This could be possible as O3 is a traditional organization run by a single person.

Keeping in mind the different dimensions of performance appraisal system, the present research tried to study the satisfaction level of the managers with the prevailing appraisal system in their respective organizations. The objective was to compare the satisfaction level of the managers between the public and private organizations. And to see the difference in satisfaction level within the company for different dimensions. The results indicated a mixed reaction.

The respondents in private organisations showed satisfaction over different dimensions of P. A. System compared to the results shown by the public organisations in the sample

used for the study. Also the scores obtained on satisfaction in private organisations were more than 50%, except on the dimension of method used by reviewing authorities. As mentioned before the reviewers discussed doubtful / controversial entries, this might not be acceptable to the respondents. The sample has shown high satisfaction for the dimension numbers 3, 4 and 6 (Table 59) in private organisations.

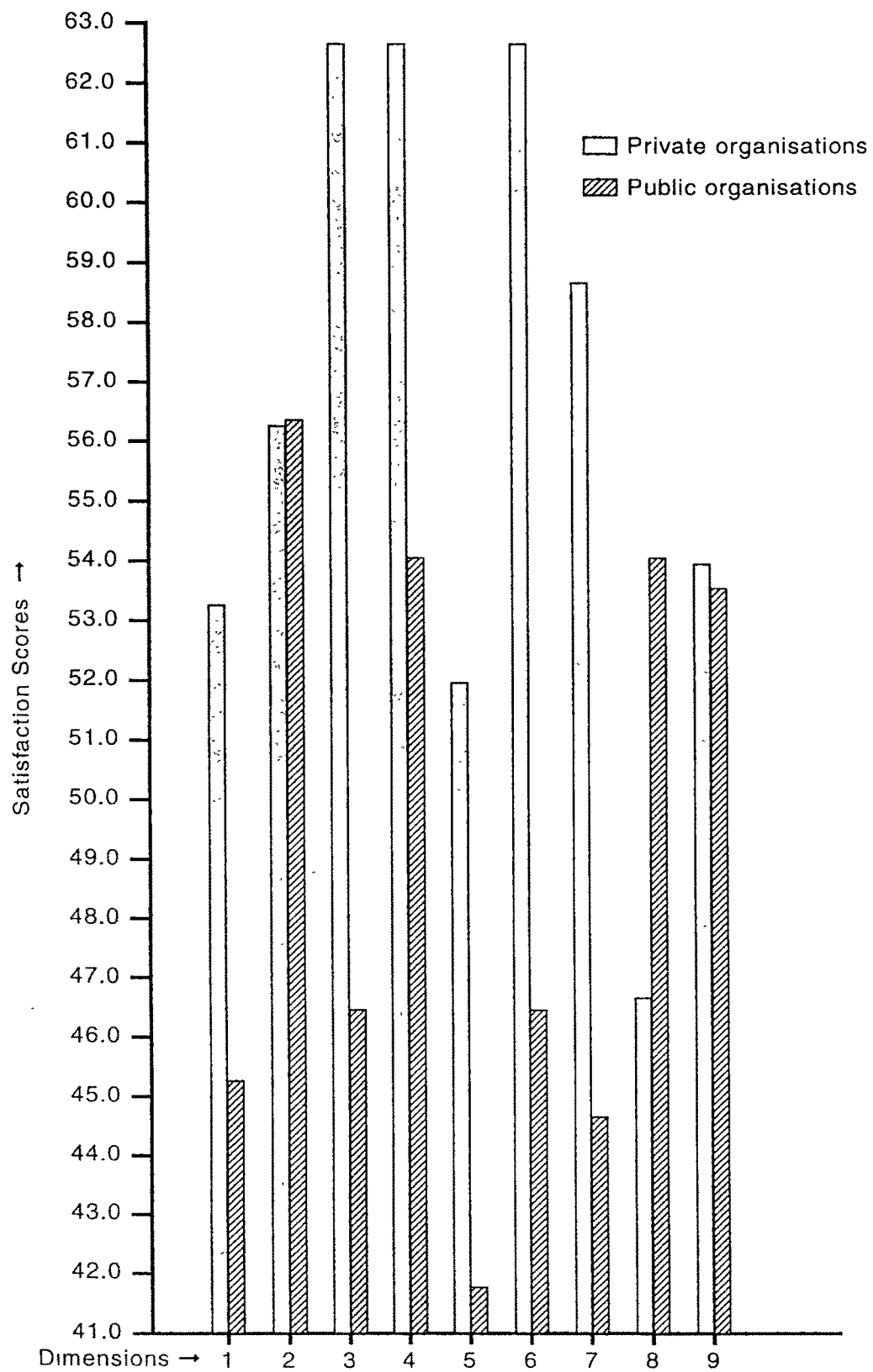
The scores in public organisations seem to be equally divided into satisfaction and unsatisfaction. Four dimensions viz. 2, 4, 8 and 9 have shown satisfaction at a higher level in comparison to other dimensions (Table 59). The sample seem to be more dissatisfied with dimension 3 and 6 (Table 59). This finding of the study supports the hypothesis that there will be more satisfaction in private organisations with the method of appraisal. Some of the previous results have also supported this view. This may be because of the kinds of organisations involved in the study. It is also possible that it may not be so with other private organisations.

The kind of disparity in the results of overall satisfaction of the employees / appraisees between the public and private organisations could be seen because of the kind of organisations (public and private) involved in the study. In fact the interaction with the people in one private organisation gave a clear feeling that the organisation was development oriented and also tried to keep up with the changing trend in management styles and systems. Another private organization in the study is a pioneer in adopting HRD systems and policies. This also has been supported in the previous results.

To check the effectiveness of the prevailing P.A. system the respondents were asked to

state their satisfaction with the P.A. system. This was later correlated with all the other dimensions of P.A. system. The result obtained was significant ($r = -0.20$) but negatively correlated at .01 level. Respondents were also asked as to whether other managers were satisfied with the prevailing practice to crosscheck their responses. This yielded negative nonsignificant correlation value ($r = -0.14$). This result contradicts the result of previous finding (Table 59). The reason for such a response could be that either the respondents have marked the statements casually or that over the period of time they get used to the system and hence feel that it is satisfying. Satisfaction / unsatisfaction counts for the people who are interested in development of the system. While for people who give importance to monetary benefits, type of P. A. System prevailing in the organisation does not matter. Lastly it could be interpreted as "interpretation bias" on the part of respondents. This result does not support the hypothesis that dimensions of P. A. System will positively correlate with the dimension of overall satisfaction.

In further analysis ANOVA was used to see the difference between the organizations for the dimension of overall satisfaction. The ($F = 1.49$) value obtained was found insignificant. The highest mean value (3.79) was obtained by O5 indicating good amount of satisfaction over the prevailing P.A system in their organisation (Table 60). Similar analysis was done to see the difference in satisfaction level for other managers in different organisations. The value ($F = 2.78$) obtained was significant at 0.05 level (Table 61). As it gave a significant value, it was put to Gap Test analysis. Five significant differences were seen. O5 differed from O1, O2, O4, and O6 and O1 differed from O3. ANOVA was administered to see the difference in satisfaction level of the respondents in respect to the type of organisation on the overall satisfaction of the respondents. The (F) value



Graphic representation of different dimensions on the satisfaction variable

obtained was nonsignificant (Table 62). This states that variation in the company type (i.e. manufacturing and service organisations) did not have its effect on the satisfaction level of the respondents used for the study. Similar procedure was used to see the difference of opinion among the respondents for other managers. It also yielded nonsignificant result (Table 63). This states that the type organisation, whether manufacturing or service organisation does not have its effect when it comes to technical aspect of the organisation like performance appraisal used in the study.

The last part of the analysis involved personality aspect of the appraisers. One of the objective of the present research was to see if any relationship existed between appraiser and his type of personality. Personality is a unique organisation in the individual encompassing many folds of individual's behaviour. The researcher in the present study tried to isolate two main type of personality characteristics - extraversion and introversion. This was done by administering Eysenck's Personality Inventory. The questionnaire was used with P. A. Evaluation Questionnaire. The results obtained identified extraversion and introversion traits of individual managers (sample). The hypothesis of the study emphasized that extravert employees will be more satisfied with the prevailing P. A. System. Hence a series of ANOVAs were worked out, taking personality type and purposes of P. A. System.

All the results indicated that the type of personality of an individual (extravert or introvert) did not seem to have its effect on the variables of P. A. System. As the results obtained were nonsignificant (Table 64 - Table 70). The results were shown significant for the variable main effects and organisation. This could be because of different types of

organisations used in the study. It could be observed that when organisation and extraversion was taken together in main effect the result was significant ($p = < 0.001$), but stated, insignificant results when extraversion was taken independently. In table 71 and table 72 it did not obtain a significant value for any variable.

Similar statistics (ANOVA) were applied for the introvert type of personality for various purposes of P. A. System. The findings indicated nonsignificant values for the variable of personality (introversion) and significant F values ($p = < 0.001$) for main effects and variable organisations (Table 73 to table 77 and table 79). Table 78, table 80 and table 81 showed insignificant F value for all the variables.

This results do not support the hypothesis stated for the study. It implies that whatever type of personality an individual possess do not effect when it comes to objective / technical aspects like, rating of performance appraisal system in the organisation. It could be that when higher order systems of an individual are involved (i.e. stylistic systems like J. Royce's Rational, Empirical and Metaphoric) , they take over the lower systems (i.e. traits, and attitudes etc.). It can be interpreted as when an individual considers a system as an independent variable his views are more rational. However, when it comes to rating of an individual it is influenced by the lower order system that is his personality traits (in other words by the experiences one has with each individual and his own perceptions of it). This is in line with the Stylistic Processing model of D. Wardell and J. Royce.

To summarize it can be said that P. A. System is undergoing a drastic change. The organisations involved were from both public and private sector organisation.

In the private organisations, O1 does not have a developmental oriented appraisal. They are more of evaluative in nature. Though O1 has been one of the pioneering organisation in HRD applications once upon time. The reason for such results could be because of financial problems prevailing in the organisation. Many of its subdivisions are being closed down and there is continuous in number of employees. This could have affected the results of the study.

O2 has been the most outstanding organisation amongst all the six organisations used for the study. O2 is a multinational, development oriented organisation. This was also observed from the results of the study.

O3 is a traditional, private, family-run organisation. There is enormous dissatisfaction amongst employees. CR system still prevails in the organisation. As inferred from the interaction with the respondents it was found out that they (O3) are in a process of change. The change is for an open system of appraisal.

- O4 is an undertaking of Gujarat Government. They practice appraisal as formality. As conveyed by the respondents, appraisals are very irregular. They have an upgradation system, hence appraisals have lost meaning. Employees are upgraded in terms of salary and position, without relating it to their performance or development needs. The present picture of this organisations is that, it has bloated from the middle (hierarchy). There are less number of people in the bottom line and upper line of hierarchy.

O5 is also a government organisation but has been trying to keep up with the changing environment. The period when the data was collected for the study, the organisation had already introduced an open appraisal system in the upper two levels of hierarchy. The organisation has plans to extend this to the lower levels of hierarchy in the subsequent years. One habit observed in the organisation was to maintain a diary to record critical events, which help during annual appraisals.

O6 is a vast service sector organisation. Which showed an enormous dissatisfaction. This could be because of its giant size. As reacted by the sample, it seems they still practice CR System. Some respondents also mentioned that they too are undergoing change in their appraisal system.

The dissatisfaction reported in the results could be because of O4 and O6. At the same time we should not overlook other variables of the organisation which can help or affect the working of complaint-free appraisals viz. the culture of the organisation, management policy, type of organisation, number of people employed. The latest stage of P. A. System is that the organisation are going for 360° appraisals. In India also, people have started talking of it. But the question is will it succeed in Indian context ?

Factors which determine P. A. effectiveness in general are -

- the characteristics that leave both appraisers and appraisee with the perception of positive outcomes from the appraisal process.
- those that merely lead appraisees to feel that their needs are met.

And the two perspectives accounted for appraising any P. A. System are -

- the effectiveness of the system as judged by the management or the appraisers.
- the effectiveness of the system as judged by the subordinate employees or the appraisees.

Findings :

- (1) Every organization has thrust areas of its own. While in some organizations, it is the managerial skills which are given importance, in some others it is the performance of the individual that is given importance. Since private organizations are more oriented towards performance, It is hypothesized that the performance of the individual will be the thrust area in private organizations. **Hypothesis is not supported.**
- (2) Since Open Appraisal System is development oriented, it is assumed that employees of the organisations practising Open Appraisal System to Confidential Report System will be more satisfied with the method of appraisal prevailing in their organisations. **Hyothesis is supported.**
- (3) Appraisals have critical role to play in identifying training and developmental needs of individual employees. Thus, it is assumed that the performance appraisal system as practised in the organizations takes care of this requirement of identifying the training and developmental needs of individual in the organizations in satisfactory ways. **Hyothesis is supported.**
- (4) The results obtained from the performance appraisal system in various organiza-

tions have different purposes. P.A. becomes an important tool in reaching those outcomes. Therefore, it is assumed that data obtained from the appraisals will be used effectively and widely by all organizations. **Hypothesis is partly supported.**

- (5) It is also hypothesized that both manufacturing organizations and service sector organisation would be managing their performance appraisal systems equally effectively. **Hypothesis is supported.**
- (6) The different dimensions of performance appraisal system should positively correlate with the dimension of overall satisfaction of the employees/appraisees. **Hypothesis is not supported.**
- (7) It is commonly believed that private organizations are more closely controlled than public organizations. This is because, as the argument goes, there is more (or better) accountability in the private organisations than in public organisations. And because of more accountability, it is assumed that the performance appraisal system would be more effective and objective in the private organisations than in public organizations. **Hypothesis is partly supported.**
- (8) It is hypothesized that all organisations under study will be able to achieve the purpose and the objectives of their appraisal systems by their annual appraisals. **Hypothesis is partly supported.**
- (9) Looking at the characteristics of extravert employees, it is quite obvious that they

carry an impression of being smart people. One associated thinking is that smart people are more intelligent and hence it has "halo effect" on the appraiser which leads to positive appraisal. So it is hypothesized that extravert employees, being positively appraised, will be more satisfied with the prevailing P.A. system in their organisation. **Hypothesis is not supported.**

In lieu of the data obtained in this research and some verbal comments made by the various respondents during data collection some suggestions are given hereunder in order to make the P. A. System stronger and more effective in different organisations.

- 1.0 The system can find a basic acceptance because of the involvement of executives at the design stage.
- 2.0 Complete education and comprehension of a system should precede its implementation for better participation of the executives.
- 3.0 Involvement of line managers in the system can show improvement in activities like target setting, review discussion and counselling of low performers.
- 4.0 Job description or specific job goal documents should be based on behavioural or job-relevant performance standards.
- 5.0 A system once introduced, has to be reviewed on a continuous basis, and modified even if it has to be done in stages.
- 6.0 Appraisals should have a problem-solving focus, as it calls for supportive organisational climate.
- 7.0 Information needed for administrative actions should be derived and effectively used from P. A. System.

- 8.0 Managers should be rewarded for developing their subordinates.
- 9.0 The role of appraisal as a judge should be clearly separated from a helper / counsellor.
- 10.0 The appraisers should form a habit of writing a diary on daily basis especially of critical incidences to help at the time of annual appraisals.