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PERFORMANCE APPRAISAL: AN INDISPENSABLE TOOL FOR EMPLOYEE
RETENTION

Dr. PRIYANKA SHARMA

Associate Professor, Department of HS&S, KIET Group of Institutions Delhi-NCR



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ABSTRACT

Performance appraisal has become a very important tool of HR in current scenario One of the best way to appreciate the purposes of performance appraisal is to look at it from the different viewpoints, from the employee and from the organization From the employee viewpoint, the purpose of performance appraisal is four-fold: Tell me what you want me to do, tell me how well I have done it, Help me improve my performance, Reward me for doing well. It is so true to state that the Employees are one of the most significant assets for an organization. Knowing how employees are executing their tasks, what challenges they might have, and of course what and where their strengths are, is a better way to keep the organization aligned with its mission and goals.

Keywords: Employees' Retention, Job satisfaction, Growth, Performance.

INTRODUCTION

As the time is changing, the methods and practices are also changing used in the performance appraisal. It will not be wrong to write that a good performance management process involves not just rewarding the employees for good work, but also retaining them by strategically planning for their development and career growth. The management can map the required level of skill set along with the set of competencies required to perform to the actual level and bridge the gap through a set of training/ developmental activities. Somewhere or the other this practice helps the employees is not only performing better but also in growing professionally in the organization.

It is rightly state in one of the articles titled Performance Management published under the banner of the office of United states -Personnel Management that a reactive performance management should include a logical and reasonable investigation, should plan a formal meeting that provides an employee the opportunity to ameliorate within a set on period, review process and determine the alternative strategies. A performance appraisal is indeed a tool by which the job performance of an employer is evaluated typically which directly and indirectly affects the productivity of an organization. Earlier Performance appraisal systems were considered to be a simple method of income justification which used to decide whether or not the salary or wage of an individual employee was justified. In the absence of a carefully structured system of appraisal, people will tend to judge the work performance of others, including subordinates, naturally, informally and arbitrarily. The latest mantra being followed by organizations across the world being regarding performance appraisal is "get paid

according to what you contribute" of the organizations is turning to performance management and specifically to individual performance.

Herzberg's two factor theory classifies job factors into two categories, i.e., hygiene factor and motivational factor (Herzberg, 1987). This theory on Hygiene factor includes the factors related to job which are extrinsic to work and would derive motivation at workplace and appease the employees, but this theory is having one loop and that is that they do not lead to positive satisfaction for long term. But if we see the motivational factors, it will be notice that these are inherent to work and yield positive satisfaction along with motivation for performance. The motivators signify the psychological needs that were perceived as an additional benefit. These factors are intrinsically rewarding and include recognition, sense of achievement, growth and promotional opportunities, responsibility and meaningfulness of the work. Herzberg's hygiene and motivational factors suggest the importance of effective human resource practices in creating a satisfied workplace. Performance appraisal system is used either directly or indirectly, to help determine reward outcomes. The appraisal results are used to identify the better performing employees who should get the majority of available merit pay increases, bonuses, and promotions.

In the year 2014 the educationist Bekele identifies a significant and negative relationship between employees' perception of performance appraisal and turnover intention. According to them this could not avoid performance issues rather in a long run these would decrease morale, decrease credibility of management, decrease the organization's overall effectiveness and wastes more of management's time to do what isn't being done properly.

Point would not be ignored if it is considered to be an imperative to state that along with evaluating, monitoring, training and mentoring in this workforce, the organization must come up with customized and elaborate retention strategies to keep the employees satisfied, contented and of course happy. A sound performance appraisal system is not only good for employees but it also proves to be beneficial for the organization. Every employee want to grow in his or her career, if an organization his having good appraisal system then the employees will be motivated to attain promotion, rewards, recognition that leads to organizational success. Another educationist Mr. Schulan in the year 1987 differentiated performance appraisal into two different orientations, i.e., behavioural and result factors. The behavioural factors refer to individual's attitudes at the workplace while result factors concentrate on individual's accomplishment and place little importance on personal behaviour towards work. The potential usefulness of appraisal as a tool for motivation in addition to the employee's development was gradually recognized in late 1950s by United States of America. There, the performance reviews aids supervisors feel more connected and true in their relationships with their subordinates and feel better about themselves in their supervisory roles. It is not hyperbole that a supervisor should have a clear understanding of what's expected from the subordinates as it is pivotal for staff motivation, attitude and behaviour development, communicating organizational aims, and fostering positive relationships. Hence it is important for HR manager (while deciding components on Performance appraisal) to choose the appropriate for assessment like formal annual performance appraisals, Probationary techniques for a reviews, Informal one-to-one review discussions, Counselling meetings, Observation on the job, Skill-or job-related tests, assignment or task followed by review, Assessment centres, including observed group exercises, tests presentations, etc., survey of opinion of others who have dealings with the individual, Psychometric tests and other behavioural assessments. Employees are the greatest asset of an organization, and managing them in the organizations is a challenging task which requires both strategies and human touch. Dysfunctional management would surely lead to disruptive and problematic problems such as employees' turnover and losing talented employees (Holtom 2004).

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