

Reengineering The Process of Performance Evaluation towards the Employee's Development – Need of the Time in IT Industry

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ABSTRACT

Performance Evaluation and performance management systems aren't one size fits all. Based on the organization and its functions, size of the organization and the type of work, organizational environment and leadership, performance evaluations and performance appraisals must coincide with the goals of employees to accomplish. In IT industry, due to quickly changing corporate world, the organizations are noteworthy to offer safe employment and that is why the attitudes and values of people in work are also changing. This is the reason that the employees are showing less commitment towards their job and organization. Hence measuring the performance of employees is very much essential in this era. This study aims to examine performance evaluation practices in IT sector companies in India.

KEY WORDS: Performance evaluation; IT industry; performance appraisal; level of employment

1. INTRODUCTION

Corporate companies are now outsourcing its employees from the labour market in order to reduce its cost. Thus the labour market is competitive day by day. As a result, the employees are working hard through long working hours to meet the expectations of the employers. Thus the long working hours has changed the 24/7 life style in the corporate sector. This has controlled the life style of educated professionals and managerial person's life. A few years ago, it is expected that the improved technology will shrunken the workload and working hours of employees. But the increased technology increased the workload and working hours of employees. This leads to less leisure time for employees. New technology has separated the office and home. Also it separated the employees from the work. They are ready to work even while they are in home. Due to the facilities and advanced technologies, the employees can work in their home also.

Information Technology is one of the fast growing industries in India. Indian IT industry consists of IT services and Business Process Outsourcing (BPO). In 2012, this sector has contributed 7.5% of country's GDP. Employment opportunities also increased in the past years. When compared to other industries, IT generated 2,30,000 jobs in 2012. In which, it includes 2.8 million direct employment opportunities and 8.9 million indirect employment opportunities. Also this sector has lot of challenges in this highly competitive and globalized economy.

The Indian software industry's success is due to a combination of resource endowments, and dynamic support from a usually intrusive government and good timing. India has knowledge based economy where the English speaking professionals are high in number when compared to other nations. India occupies the second place next to US for English known professionals in the world. Every year the educated professionals are out going in huge numbers. Computer software professionals, technical workers, engineering graduates and other degree holders are passing out in large number. Indian governments as well as the private institutions are having excellent coaching and training facilities to take the advantage of HR professionals.

Performance Evaluation is a multi-use technique which is used to assess the difference between the actual performance and expected performance. It will actually take place with the help of an employee and his supervisor. The employee will get an opportunity to discuss with his supervisor regarding his performances in work. This discussion will help to identify the training needs of the employee. It also helps to identify the career planning and career growth of the employee. The actual reason for this evaluation is to make a smooth communication between the supervisor and the employee in their work. This will enhance the expectation of the organization and give feedback of employees work. Feedback system help the employee to improve their work, to know about the expectations of employer and it also helps to improve one's personal fulfillment. But this feedback should be given timely and it should not be a threatening one. Also the performance should be assessed in a balanced manner.

Performance Evaluation system are almost common in many IT organizations. IT sector has the same practices in performance evaluation and performance appraisal. The general method to assess the performance is the evaluation done by the immediate supervisor. The employee should inform to his/her supervisor. Each and every movement of all the employees will be clearly watched by the supervisors. Then the marks or scores are given to the middle managers and then to the senior managers. Some of the terms related to performance is discussed below.

Performance Evaluation: Performance of employees will be evaluated on regular basis in every organization to assess the level of employees. This will helps to find out the expected level and the actual level of performance of employees in their work. It can be done on regular basis in terms of weekly evaluation or monthly evaluation or quarterly or half yearly and so on. Performance evaluation will increase the performances at work which shows a

positive improvement in work. Bad performance or negative performance will affect the productivity of the employee as well as the organization. Each organization has different types of evaluation practices.

E- Performance: Performance of employees can be evaluated with the help of electronic basis. With the help of internet the employee's performances can be evaluated. Since the world is electronic based Directors and staff members are capable to give performance related information instantly to human resources department by means of electronic forms. This process will reduce the use of papers, reduce the time and cost of human resource management department. Employee's performance appraisal, performance goals, and performance planning makes the managers to actively participate in the self service applications.

Performance Management: Performance management is a system to manage the performances of employees. It decides the way of motivation given to the employees. It will improve the efficiency of employees in work. It forms the basis of giving bonus, reward, promotion or depromotion. It's a measure to find out the actual performance of employees in workplace. There is also a link between job satisfaction and performance.

Green Performance Management: Green performance management is the Performance management system is normally related to the environmental policies of the company. It also based on the environmental liability of the company. Epstein and Roy (1997) if HR managers incorporate performance management with environmental performance, then they will protect the environment from any sort of damage. Green information system and audits will be useful for the environmental performance of the company.

Performance Appraisals: It is one of the method to analyze the performance of employees in organization. It's a method in human resource development practices of organization. In appraisal, the employer will value the performance, efficiency and their valuable work at the organization. In order to maintain the quality of employees, their work and target achievement are measured in appraisals. There are various methods to value the performance of employees. Performance appraisals are used to find out the training needs of employees in workplace.

Statement of the problem: Corporate sector is booming in a high speed that the people have to work for long hours to maintain the standard of living and to achieve their essential needs. In spite of the modern technologies and services, people are feeling themselves to be work loaded and stressed. In this occasion their performance evaluated in a correct way is a question mark. Since there wasn't really any specific research found on this topic, this study will be probably quite useful to IT companies, especially in the success of their overall development. So, this study is a needed one and expected that it will be helpful to the IT employees.

Objectives: This study aims to probe whether the level of employment and gender affects the performance evaluation practices in IT industry Kerala.

2. METHODOLOGY

In this research, the researcher followed descriptive type research. The researcher used Stratified random sampling for collecting data. Various books, journals and websites were referred for this study. 382 samples are selected from Top level, Middle level and Low level employees of Technopark Trivandrum and Infopark Kochin.

3. ANALYSIS

The collected data are summarized by using statistical measures. Statistical tool chi-square test is applied with the help of SPSS 20.0 versions. In order to test whether there is any relationship between gender of the employees and their opinion on performance evaluation practices of IT industry, the following hypothesis was formulated.

H_0 : There is no significant relationship between the performance evaluation practices and the gender of the employees

H_1 : There is significant relationship between the performance evaluation practices and the gender of the employees.

The outcome of the Chi-square test applied on the various performance evaluation practices statements are presented in table 1.

From the Table, Since the 'p' value is less than 0.05 in case of the gender of the employees and the performance evaluation practices statement "The present performance appraisal system is fair, formal and written performance appraisal system, the appraisal system is clear to all the employees, employees appraisal system has a strong power on individual and team behavior, employees are afforded by performance based feedback and counseling, performance appraisal is used for making decisions on job rotation, performance appraisal is used for making decisions on training, performance appraisal is used for making decisions on compensation and appraisal system is my organization is growth and development oriented", the null hypothesis is rejected and it is concluded that there is a significant relationship between gender of the employees and performance evaluation practices of IT industry that "The present performance appraisal system is fair, formal and written performance appraisal system, the appraisal system is clear to all the employees, employees appraisal system has a strong power on individual and team behavior, employees are afforded by performance based feedback and counseling, performance appraisal is used for making decisions on job rotation, performance appraisal is used for making decisions on training,

performance appraisal is used for making decisions on compensation and appraisal system is my organization is growth and development oriented”.

Table.1.Performance Evaluation Practices VsGender of employees

Performance Evaluation Practices	Chi-square Value	p Value
The present performance appraisal system is fair	26.280	0.000
Formal and written performance appraisal system	9.715	0.046
The appraisal system is clear to all the employees	18.381	0.001
Employees appraisal system has a strong power on individual and team behavior	18.740	0.001
Employees are afforded d by performance based feedback and counseling	20.769	0.000
Performance appraisal is used for making decisions on job rotation	13.647	0.009
Performance appraisal is used for making decisions on training	11.327	0.023
Performance appraisal is used for making decisions on compensation	19.144	0.001
I receive feedback of performance evaluation results about myself from employees.	9.486	0.050
Appraisal system is my organization is growth and development oriented.	13.710	0.008

Source: Computed Data

Performance Evaluation Practices Vs Designation of employees: In order to test whether there is any relationship between designation of the employees and their opinion on performance evaluation practices of IT industry, the following hypothesis was formulated.

H_0 : There is no significant relationship between the performance evaluation practices and the designation of the employees.

H_1 : There is significant relationship between the performance evaluation practices and the designation of the employees.

The outcome of the Chi-square test applied on the various performance evaluation practices statements are presented in table 2.

Table. 2. Performance Evaluation Practices Vs Designation of employees

Performance Evaluation Practices	Chi-square Value	p Value
The present performance appraisal system is fair	40.463	0.000
Formal and written performance appraisal system	41.367	0.000
The appraisal system is clear to all the employees	45.220	0.000
Employees appraisal system has a strong power on individual and team behavior	43.732	0.000
Employees are afforded by performance based feedback and counseling	28.165	0.000
Performance appraisal is used for making decisions on job rotation	25.756	0.001
Performance appraisal is used for making decisions on training	48.285	0.000
Performance appraisal is used for making decisions on compensation	49.625	0.000
I receive feedback of performance evaluation results about myself from employees.	54.801	0.000
Appraisal system is my organization is growth and development oriented.	124.232	0.000

Source: Computed Data

Table 2 shows the following results: Since the ‘p’ value is less than 0.05 in case of the designation of the employees and the performance evaluation practices statement “The present performance appraisal system is fair, formal and written performance appraisal system, the appraisal system is clear to all the employees, employees appraisal system has a strong power on individual and team behavior, employees are afforded by performance based feedback and

counseling, performance appraisal is used for making decisions on job rotation, performance appraisal is used for making decisions on training, performance appraisal is used for making decisions on compensation, I receive feedback of performance evaluation results about myself from employees and appraisal system is my organization is growth and development oriented”, the null hypothesis is rejected and it is concluded that there is a significant relationship between designation of the employees and performance evaluation practices of IT industry that “The present performance appraisal system is fair, formal and written performance appraisal system ,the appraisal system is clear to all the employees, employees appraisal system has a strong power on individual and team behavior, employees are afforded by performance based feedback and counseling, performance appraisal is used for making decisions on job rotation, performance appraisal is used for making decisions on training, performance appraisal is used for making decisions on compensation, I receive feedback of performance evaluation results about myself from employees and appraisal system is my organization is growth and development oriented”.

4. RECOMMENDATION AND CONCLUSION

Each and every organization has different performance evaluation practices. These practices are not appreciated by its employees. But it's very essential to execute and follow inside the organization. All the employees should be aware of such practices, rules and process inside the organization. Hence the employees should accept whatever in the employer's decision and their effective criticism to develop the performance of employees.

Organization having interest in its employee's growth as well as the growth of the organization should have an eye on the practices following in the organization such as training, compensation, etc. Drawing from the study, it emerges that though the people factor has always been important, its importance will grow in the future. This is because the changes are occurring today in the business environment, changes that require the personnel function to play an even more crucial role in organizations. The developmental aspect needs to be given importance in the management of human resources for the enhancement of the effectiveness of the organization and specially Employee Performance. It becomes imperative to modify various routine activities and mould them to serve the employees' development.

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