Emerging Trends of Performance Appraisal Systems in Private Universities

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Abstract
In this present modern era there is a hard-bitten competition between private education organizations. Human resources are considered to be a very important resource for every private university along with that of the technical infrastructure. The success and sustainability of the education organization depends upon the performance of the human capital, hence in this fiercely competitive global market to combat the challenges, private education organization need a continuous review on the performance of their manpower. Performance management is the process of creating work environment. This paper aims at studying the trends in performance management system in private universities, for the betterment of the employee performance to achieve the organization goals as well as the individual goals and to investigate the factors that influence the effectiveness of performance appraisal, as well as barriers to the effectiveness of performance appraisal. From the present work, it is concluded that by implementing structured performance management system, there will be a high involvement and commitment of the people in the private universities.

Keywords
Performance management system, Trends, Employee satisfaction, Betterment

Introduction
Performance management is a process by which managers and employees work together to plan, monitor and review an employee’s work objectives and overall contribution to the private education organization. More than just an annual performance review, performance management is the continuous process of setting objectives, assessing progress and providing on-going coaching and feedback to ensure that employees are meeting their objectives and career goals.

Performance management is based on an established measurement system consisting of tools, indicators and procedures that have been chosen and are best suited to concrete situations and specific characteristics of concrete organization. Furthermore, the main focus of performance management is oriented at employees as pillars in creating new value in the form of goods and services in the organization. It is strongly based on the analysis of soft dimensions of the organization in the often cited McKinsey Seven S. model (Peters, 1982). Managerial style is one of the soft dimensions that relates to employees as managers and is related to the need to establish indicators related to their performance and satisfaction. Staff and skills are the two dimensions pointing to the creation of a set of indicators and measures of employee performance suited to the specific situation in concrete organization. The dimension of shared values is another domain of the organization, often referred to as organizational culture, in which the interrelatedness of employee performance and satisfaction is mostly vivid. The integrative performance management models emphasize the need to broaden the scope of measures and indicators by which the organization can continually measure and manage the basic factors of its sustainable success (Meyer, 2002). The emphasis is on creating a set of objective, feasible, sustainable and credible measurement in the organization that will enhance the expected results and the fulfillment of organizational goals. Measuring employee performance is of special relevance as it leads to employee satisfaction, which again, enables higher performances. This is true for organizations in different fields, both manufacturing and services, big and small, with private or public...
ownership. It is the continuous effort of establishing more transparent and vivid link between employee achievements and overall business results. Also, it contributes to better understanding of the common goals and shared values in the domain of organizational culture, as well as to all other aspects and organizational dimensions, resulting in employee satisfaction. These lead to employee satisfaction improvement, rise in employee work motivation, creativity and development of the knowledge and competency levels, as a key competitive advantage. Feedback to the employees about their perceived results is a necessary step towards successful management of employee performances that leads to higher levels of employee satisfaction (Greve, 2003).

The world of human resources is changing rapidly. In today’s global economy, human resource development is increasingly driven by customer demands, technology, intense competition, and employee needs. Although aspects of production technology, financing, and marketing can all be copied, the same is not true with regard to aspects of human resources, such as innovative ways to attract, retain, and motivate employees. These kinds of strategies are much harder to imitate. As the business environment becomes even more competitive and uncertain in the 21st century, private education organization need to achieve better coordination of human resources and take steps to ensure their effective use. The appropriate identification, allocation, and integration of human resources can provide a university with a competitive advantage leading to long-term success. Before a private education organization can reach this level of success, it must be able to measure how well its employees perform and then use that information to identify and reward high-performance employees and to ensure that employee performance not only meets present standards, but also will improve over time. This task requires the use of appropriate tools. Performance appraisal is one of the tools that a private education organization can consider in this regard.

In order to improve performance, employees need information or feedback about their performance, along with guidance to reach the next level of results. Without frequent feedback, employees are unlikely to know that their behavior is out of synchronization with relevant goals or what to do about the situation. It is important, therefore, to ensure that the performance appraisal measurement tool is valid, reliable, free of bias, practical, and acceptable to the user. When employees have a meaningful role in the appraisal process, their acceptance and satisfaction with that process is strongly enhanced (Roberts, 2002).

2. Employee Performance Management Systems and Processes

Performance management is defined in many ways and in literature many definitions can be found. One of the possible definitions is that performance management is a process where executives, managers and supervisors work together to combine employee performances with organizational goals (Ivancevich, 2001). Generally, the characteristics of an ideal performance management system include combination of forms, processes and procedures that are used by private education organization to evaluate their employees’ job performance. Also, it consists of several elements like job descriptions, performance expectations, appraisals, disciplinary policies and recommendations. Although supervisors and employees alike often dread annual performance evaluations and appraisals, many performance management systems function well and provide adequate support for a productive workforce. The main components of employee performance management systems and processes are as mentioned below:

2.1 Job Descriptions

An accurate job description is a fundamental characteristic of an ideal performance management system. Without a clear understanding of job duties, it's impossible to know what the employee is supposed to be doing. The job description isn't a laundry list of tasks for each title or position; however, it contains the essential functions of each job and the qualifications necessary to perform those tasks.

2.2. Training

An ideal performance management system provides training for supervisors who conduct employee evaluations. The training consists of techniques for giving complimentary as well as constructive feedback to employees, learning how to determine when disciplinary review is warranted and
how to write up employees for disciplinary action. In addition, supervisors learn how to evaluate employees objectively. Training for employees explains how their performance will be measured and evaluated, as well as what actions are subject to disciplinary review and the policies for receiving disciplinary counseling and notices.

2.3 Timeliness
Performance appraisals - the annual evaluation of employee performance - must be timely. Although supervisors and employees alike may dread the appraisal season, they may also look forward to know how well their performance ranks when compared to the employer's expectations. A timely performance appraisal works to address problems and deficiencies before they become too serious. Likewise, employee performances worthy of commendation should be immediately recognized to reinforce the positive behavior and action.

2.4 Compensation
Employees generally want to know how their performance is connected to pay. This question often comes up during the interview stage, so it's an important factor for employees, especially workers who have become accustomed to extra rewards for their efforts. An ideal performance management system has a tie-in with compensation, whether it's a certain percentage raise or wage hike based on the employee's level, effort or actual performance and productivity. Money isn't everything, but management consultant and HR expert Dick Grote recognizes the ideal performance management system as being able to "mobilize the energy of every employee in the enterprise toward the achievement of strategic goals."

3. Significance of Performance Management Systems
Most often the experience of performance management is not an amazing one. When someone else manages others or is being managed by another person, it is stressful and lengthy. Performance Management has both positive and negative aspects, and bad performance management affects both the employees and the managers. Likewise, the proper performance management is always pleasing to both the employees and the manager, the performance management system is created for appraising the competence, output and contribution of all the workers. In this way the managers can control the functioning of their organization and guide the employees to work in accordance to the demands and requirements of the organization. It helps to decide and produce a definite number of goods per unit of time; which will be most favorable to the business and growth of the company.

3.1 Advantages of Performance Management
The popular concept about performance management is lengthy, unnecessarily complex and hectic, but in reality performance management is essential for properly controlling a university. Effective and well-planned performance management is worthwhile for both the employers and the employees, as through performance management the regular small mistakes and petty negligence’s can be rectified easily. With performance management the employers take regular feedback and often have performance based interactions with the staff so that they can properly evaluate. The performance concerns are discussed between the employees and the employers, this interactions and discussions creates awareness amongst the employees about the problems faced by the university, so they try to rectify the problems and in this way the private education organization’s growth is achieved. Furthermore, the following components are advantages of Performance Management:

3.1.1. Document History of Employee Performance
It is very important that all private education organization keep a performance record of all employees by a document that should be kept in the employee’s HR file. The goal is to maintain a historical record of an employee’s performance and development journey.

3.1.2 Development of employees
All private education organizations should always try for the progress of their employees; as the employee join a private education organization to achieve development in their field of work and it is the duty of the private education organization to guide the employees and assist them in achieving efficiency and competence. This is done best when there is performance management in a private
education organization; when it is followed properly all the inefficiencies of the employees can be observed and rectified through suitable measures. Thus, performance management is a significant part of successful private education organization planning.

3.1.3 Reimbursements

The remunerations and bonuses given by the universities to the successful staff may act as effective incentives to inspire the educator for better performance. The employees will correlate their remunerations with the appreciation of the University for their Hard Work. Along with words of encouragement from managers and seniors; the monetary incentives inspire the staff to perform better.

3.1.4 The lazy and insincere staffs’ identification

There will be some staff that are insincere and lack the commitment to perform as required by the organization. Performance management helps to identify these under-performers; after a performance appraisal these under-performers can be listed and then the managers and the authority may take the decision of what to do with them. Either these employees should be asked to work following guidelines of the university and give the necessary effort or the insincere employees would be removed as they always slow down the progress of the university.

3.1.5 Helps in successful career planning

Performance Management provides both the employees and the employers with valuable career insights and real professional information which is immensely valuable when one takes career decisions or does career planning. The strong points and aspirations of employees can be clearly discerned through their performance management documents; and the employees can take future career decisions depending on this. The performance management files consist of the employees’ professional objectives, his career plans, his achievements and his weaknesses and also the manager’s opinion about him as an employee of the university. It provides both official training and progress plans based on the performance outcome of the employees.

4. Limitations of Performance Management

4.1 Lengthy and Complex

In performance management it is suggested that the superiors spend about an hour with each employee to evaluate their performance; so if the private education organization or team consists of a large number of people, the process of performance appraisal becomes extremely hectic and difficult. It will take long hours to evaluate the entire department; then there has to be hours of discussions in the meetings to get solutions for the difficulties and errors of the employee.

4.2 Risk of internal Competition

Under this system employee compete with each other for the job status, position and pay. This could amount to back stabbing, failure among team member to communicate efficiently and strong employee rivalry. It could lead to dysfunction of the department and or/teams, resulting in failure to achieve performance standards

4.3 Partialities and Favoritism

The private education organizations’ superiors are often partial and favoritism is also practiced; this hampers the process of performance management. It is difficult to keep away partialities as it is solely dependent on the senior and superiors to remain impartial and unbiased to conduct a proper performance appraisal. A faulty performance evaluation is the outcome of a manager who has preconceived notions and evaluates performance of employees based on biases.

4.4. Expensive and Time-Consuming

Performance management systems are costly, requiring a lot of administrative work, patience, and time. Usually, the areas impacted negatively include the human resources department, finance and organizational department. The performance management system demands equipping employee with “right” skill and knowledge. This means conducting extensive training, re-training and career development workshop for every division and employee level that turns out to be a costly process.

4.5 Become a hindrance in the employee’s progress

Sometimes the experience of performance management is unpleasant and stressful; it becomes an obstacle in the progress of the employee. The superiors may discourage and dissuade the employees through performance management if over emphasis is done on the errors and mistakes of the employees; and the achievements are often overlooked. Then the employees will feel that they are not given enough due for their hard work and their achievements. The
The concept of MBO as was conceived by Drucker, can be described as a “process wherein the superior and subordinate manager of an private education organization jointly identify its common goals, define each individual’s major areas of responsibility in terms of result that is expected of him and use these measures as guides for operating the unit and assessing the contribution of each its member”.

5.3 Team Performance Appraisal

According to a wall street journal headline, “Teams have become common place in U.S. universities”. Most of the performance appraisal techniques are formulated with individuals in mind i.e. to measure and rate the performance of the individual employee. Therefore, with the number of teams increasing in the private education organization, it becomes difficult to measure and appraise the performance of the team. The question is how to separate the performance of the team from the performance of the employees. A solution to this problem that is must be adopted by the private universities is to measure both the individual and the team performance. Sometimes, team based objectives are also included in the individual performance plans.

5.4 Rank and Yank strategy

Also known as the “Up or out policy”, the rank and yank strategy refers to the performance appraisal model in which best-to-worst ranking methods are used to identify and separate the poor performers from the good performers. Then the action plans and the improvement opportunities of the poor performers are discussed and they are given to improve their performance in a given time period, after which the appropriate HR decisions are taken. The Mercer research, which took in 64 organizations across 18 countries including Australia, identified eight emerging trends that employers need to understand to evolve their thinking on performance management as mentioned below:
1. Performance management will evolve – not disappear: The focus will shift away from annual performance evaluations to a continuous dialog on performance, development and coaching – more about talent management than purely management against objectives.
2. Closer link to corporate culture and values: A shift away from “fixing” performance to enabling
employees to be at their best. Embed this as an ongoing activity, rather than a once a year “event”.

3. Different approaches for different parts of the workforce: Different types of jobs (e.g. sales versus senior executives versus designers/developers) need different types of models – one size doesn’t fit all.

4. Abandon the performance rating: The rating ends up being a label but not helpful for enabling performance. If ratings aren’t eliminated altogether then they will be simplified into broader categories.

5. Separate performance from reward: Formulaic approaches to reward, based on performance ratings, are questionable particularly where the objectives are more qualitative or delivered through team collaboration.

6. Continuous feedback: The frequency, focus and quality of interactions will all change to enable a more real time conversation about feedback and more contemporary data on how the employee is tracking.

7. Technology to enable, rather than record: Mobile technology can be used to allow for more immediate and personalized feedback.

8. Enable superiors to become leaders: Development of superiors to enable them to become better coaches and mentors for their employees. Enable them to focus conversations with employees on capabilities and performance rather than what went wrong.

6. The proposed new model

The new approach is all about ability and flexibility, so there is no universal approach as universities search for solutions that work best for them. However, there are, a couple of characteristics that these new models have in common namely real-time feedback, tailored approach, team-centric goals, integration and categorization.

6.1 Real-time feedback

One of the most prominent changes across the board is the increase in feedback. This increased transparency means that employees are always aware of where they stand, and it prevents superior from delaying tough conversations with under-performers.

6.2 Tailored approach

Research has shown that setting clear goals and objectives are essential to the success of any performance management strategy; this system focuses on coaching individuals to succeed in their roles and managing to their strengths.

6.3 Team-centric goals

The new models also focus heavily on collective goals, aiming to improve collaboration and performance by setting targets that require the strength of an entire team to meet.

6.4 Integration

Technological advances mean that performance management is no longer an isolated HR initiative and can be integrated into our day-to-day lives. It allows both employees and managers to set specific goals for each fiscal year and requires review meetings at least every eight weeks. At the yearly rewards check in, superiors can assign rises and bonuses based on how well an individual has met their targets.

6.5 Categorization

The new models all acknowledge that understanding workforce is critical, and categorization goes hand-in-hand with all of the four points. If we’re regularly meeting with employees, it is that much easier to identify who the high potential individuals are. The agility of the new approach, with its real-time feedback and individual focus, enables managers to instantly identify talent. By disassociating the process from HR and managing to strengths, superiors can move these folks more quickly into situations where their skills yield the most value.

7. Conclusions

When implementing performance management system in the private education organization, the culture and structure of the university need to be considered. The success of the private education organization depends upon the committed workforce, but the techniques used must be fair and equitable for every employee. The superiors must create an environment wherein the employees should adopt the changes in the private education organization. In every activity sector new trends emerge, while old trends are left behind or remodeled into something new to fit the overall context in that specific area of activity.

8. Source of Data

This review paper purely depends upon secondary data which was collected from the websites, published literature, research papers, articles, magazines, and various other sources.
9. Acknowledgement

This review paper could not have been completed without the motivation and patience of many people. I would like to thank divine power i.e. God and my parents for the wisdom, strength, courage and good health to complete the review paper. I would like to thank my co-author Prof. Pradeep Chack and guide Dr. Soham Trivedi for sharing their knowledge and expertise with me for completing this review paper. My sincerest appreciation and gratitude is extended to my family and friends for their continued support. They encouraged me and made me believe that I would complete this review paper. I dedicate this work to my parents. Without their love, support and sacrifices, I would not have achieved anything. They were the instrument used by God to make me achieve this goal.

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