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DIMENSIONAL ANALYSIS OF PERFORMANCE FEEDBACK AND SIGNIFICANCE

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The importance of HR performance evaluation systems to organizations in general (Boice and Kleiner, 1997, Longenecker and Fink, 1999) and TQM-based companies (Bowman, 1994; Ghorpade et al., 1995; Waldman, 1994) in particular, has been highlighted by many Quality and HR researchers. Storey (1995) argues that in comparison to other HRM functions, there have been more systematic, longitudinal surveys on its use. Even though the role of evaluation may be uncomfortable for many, Cardy (1998) asserts that judgments of performance are needed if performance contingent decisions, ranging from termination to pay increase and promotion, are to have any sort of rational basis. Similarly, in a detailed examination of the performance management issue in quality-focused organizations, Sinclair and Zairi (1995) found that an inappropriate performance measurement could be a major cause of failure in the implementation of TQM. Further, in a recent study of high performance organization by Longenecker and Fink (1999), the practice of employing a value-added performance evaluation process was cited as one of top ten vehicles for creative competitive advantage. In a similar vein, Baird and Meshoulam (1988) suggest that "a firm's HRM activities must fit with each other and support other management programmers if peak organizational performance is to be achieved." Supporting the HR practices and internal fit viewpoints, Arthur (1994) came to the conclusion that HR practices focused on enhancing employee commitment were related to higher performance. As Cardy (1998: 132) puts it, "there is no doubt that the appraisal and HR performance measurement can be difficult and error-ridden. However, it is important to both the organizational and individual perspectives that the task still be done as effectively as possible". Perhaps the best that can be stated is that, in Bowman's (1994) words, "a growing number of organizations are adopting TQM, but

most, instead of eliminating performance appraisal, have attempted to make it more compatible with quality management (e.g. Carson et al., 1991).

To gather information about the current state of performance management effectiveness and outcomes, World at Work and Sibson Consulting collected feedback from a sample of World at Work members through participation in a confidential online survey. In May and June 2010,750 individuals, primarily senior-level human resources (HR) professionals, responded.

This report presents the results of the Worldat Work/Sibson 2010 Study on The State of Performance Management, which indicate mixed reviews concerning the state of performance management. While organizations still consider performance management as a means to achieve business objectives and differentiate high performers from low performers, there seem to be many challenges that impede an organization's ability to achieve effective performance management.

Worldat Work and Sibson Consulting surveyed more than 550 HR professionals. The study found that Performance management techniques for both the effective and less effective organizations are not very different. The greatest difference is the level of active leadership support and championing of the process.

The study revealed that "The organizations getting the most impact from performance management are those that have strong leadership support and that execute well in differentiating performance and giving performance messages."

Another study, the 2007 Towers Perrin Reward Challenges and Changes Survey which collected data from over 600 companies in 21 countries, reports that effective performance management is fully aligned with business strategy. Although this was reported, as many as 43% of respondents stated their performance management systems did not effectively link to business needs the study cautioned that "these are critical strategic gaps that will ultimately derail the very purpose of performance management." Best in class companies are paying attention to this critical linkage.

Research by Hay Group Reports that the "Most Admired Companies" have created performance management systems that take a well rounded approach to measuring performance. Such measurements include teamwork, long-term thinking, building human capital, developing and managing talent, and customer loyalty. This is compared to Average Companies which have performance management systems focusing on easily quantifiable measures that impact the bottom line: profits, growth and operational excellence. Additionally, the Most Admired Companies have an approach to managing performance that:

- Excels at driving accountability right through their organizations – they are clear about an individual's accountabilities for a particular role and they consistently hold people accountable for the delivery of these Ensures the functions required to execute the strategy are in place – their organization design is fit for purpose and employees at all levels, understand the three of four key priorities the organization has to get right and their contribution towards these;
- Aligns pay to performance, and in turn performance to strategy – they encourage executives to maximize their personal pay packets by delivering on activities that are of strategic importance to the organization, reinforcing the message that delivering what we believe is important will lead to the largest compensation;
- Prioritizes people development as core accountability for line managers with greater use of planned career assignments, one-to-one coaching and competency models.

The research above is clear. It provides a comprehensive snapshot of performance management trends underway in thousands of "high performing," "most admired," and "best in class" companies around the world.

The process and purpose of performance appraisal

The appraisal process has been categorised into: (1) Establishing job criteria and appraisal standards; (2) Timing of appraisal; (3) Selection of appraisers and (4) Providing feedback (Scullen et al., 2003). Early PA processes

were fairly simple, and involved ranking and comparing individuals with other people (Milkovich & Boudreau1997). However, these early person-based appraisal systems were fraught with problems. As a result, a transition

to job-related performance assessments continues to occur. Thus, PA is being modified from being person-focused to behavior-oriented, with emphasis on those tasks or behaviors associated with the performance of a particular job (Wellbourne etb al., 1998).

Regarding the purpose of PA, Cleveland et al. (1989) describe four types of uses of performance appraisal: between person, within person, system maintenance and documentation. Between person uses are what have been referred to as administrative purposes, consisting of recognition of individuals' performance to make decisions regarding salary administration, promotions, retention, termination, layoffs and so forth. Within person uses are those identified in Management by Objectives (MBO), such as feedback on performance strengths and weaknesses to identify training needs and determine assignments

and transfers. PA also helps in organizational goals, which are referred to as system maintenance uses. Finally, documentation purposes are to meet the legal requirements by documenting HR decisions and conducting validation research on the PA tools. Some organizations are attempting to meet all of these goals simultaneously while they continue to use tools that were designed for one type of purpose (Wiese & Buckley, 1998).

Jawahar and Williams's (1997) findings suggest that ratings collected for administrative purposes are more lenient than ratings for research or developmental purposes. Although rating scale formats, training and other technical qualities of PA influence the quality of ratings, the quality of PA is also strongly affected by the administrative context in which they are used (Murphy & Cleveland, 1995). Effective managers recognize PAS as a tool for managing, rather than a tool for measuring subordinates. Such managers use PA to motivate, direct and develop subordinates, and to maximize access to important resources in the organization to improve productivity.

Bowles and Coates (1993) conducted a postal survey of 250 West Midland companies in June 1992, where organizations were asked questions pertaining to the use of Performance management in the organization. These questions included the apparent purpose of PA in the management of work, its strengths and weaknesses. Through their survey they found out that PA was beneficial in the following ways:

- PA was favorable in developing the communication between employer and employee
- It was useful in defining performance expectations
- It helped identified training needs.

Studies show that there are many approaches for evaluating employee behavior and performance with respect to job tasks and/or organizational culture. As a result, various applications of PA have left many managers in a state of confusion and frustration with the employee evaluation process (Gurbuz & Dikmenli, 2007). This situation seems to negatively impact the popularity of appraisal systems in many organizations. Most people support the concept and purpose of PA, in spite of their concerns about the process and application of appraisal outcomes by managers (Grote, 1996).

The biggest complaint from managers is that they are not given sufficient guidelines to assess people; and the biggest complaint from employees is that the process is not equitable and fair. PA concentrates much in assessing past behaviors of employees, a situation some managers exploit to victimize un-favored employees (Bersin, 2008).

An article by K Pradeep Kumar(2005) entitled "Effective performance measurement in organizations" explains the need for effective Performance Management in organizations. - Performance Management process is one that entails a constant day to day feedback to employees regarding their performance rather than annual formality. However, in many organizations performance measurement is little more than human resource bureaucracies with form files and review layers Sihneier, et al . Many have dilated the inadequacies of performance management system Schneier, Carrol and Schneier , Benarden and Beatly, Mohrman et al. It is also reported that Performance measurement in organizations remain difficult to achieve.

Jinsoo Kim and Jongtae Rhee in research article entitled 'An empirical study on the impact of critical success factors on the balanced scorecard performance in Korean green supply chain management enterprises Magazine International Journal of Production Research in the issue May 2012 issn number 0020-7543 State that, In the non-finance performance, planning and implementation was a dominant antecedent factor in the causal relation between GSCM CSFs and BSC performance, followed by collaboration with partners and integration of infrastructure. Mutual trust was also significant in the performance But, activation of supporting was not significant due to the increase of costs.In the finance performance, non-finance performance being integrated five factors of GSCM CSFs was, a dominant antecedent element to the finance performance, followed by planning and implementation to the finance performance. But activation of supporting had a negative effect on the finance performance. Overall, this study provided additional insight into the growing field of the relationships between environmental and operational practices and performance. Clearly, the field has ample space to grow in terms of research and practice. In arriving at these overall results, we must mention the limitations of this study. First, in this survey study, only governmentally supported enterprises were investigated and analyzed, so it is possible that the study results cannot represent the GSCM characteristics on the whole.

Ulrich & Simon (2013) in their research article ' Impact of Performance Management in Public and Private Organizations' focused on the kind of management that is inspired by the private sector. More classic public sector management efforts aimed at stabilizing the organization and buffering it from negative external shocks may produce better results for public than for private organizations. Given the finding that management indeed matters differently in public and private organizations. In contrast, new theories of public and private management suggest that management matters differently in the two sectors because of their

fundamental differences. Managers in private organizations are often found to have a greater variety of internal organizational actions, more autonomy for using them, and better options for exploiting the environment. As the outcome of performance management ultimately hinges upon managers' use of performance information when they take action, these differences suggest that performance management would be less effective in public organization.

David Rock, et al in research article 'One Simple Idea That Can Transform Performance Management' People & Strategy in the issue February 2013 State that, every company would like their employees to learn from feedback, benefit from stretch goals, be intrinsically motivated to master their work, value effort and model other people's success. It is often said that if HR manager want to be great something, HR manager must love to do it. A person who loves a process is likely to put in the time to get good. We need to educate people to set goals that are growth-mindset driven. Shift goals from "I will show everyone I am the best at customer service" to "I will study the art and thus gain mastery with serving customers." This is a subtle, but important, distinction that primes people's unconscious the right way.

Kari Aherne in an article High-performance environments Magazine Gen Y State that, Success is all about creating the right environment to drive performance. Creating a high-performance environment is crucial, with near-endless choices and decisions. Above all, high performance is about outcomes, not output. If HR manager don't have a measurable outcome then HR manager doing something wrong. An entrepreneur HR manager should test HR manager level of innovation (and get some talented critical friends to do it with HR manager). First, check whether HR manager product is "going with the flow". Figure out what the ideal final result is for HR manager customer. That usually means a product that is available whenever it is needed does the perfect job and has no cost.

Steven et al in their research article An Examination of the Effect of Positive and Negative Performance on the Relative Weighting of Strategically and Non-Strategically Linked Balanced Scorecard Measures, Magazine Behavioral Research In Accounting in the issue March 2012 State that, The better employees understand firm strategy, the better they will be able to use strategically linked performance measures to guide their decisions and actions. Employee provide initial evidence on evaluators' weighting of SL and NSL linked measures when evaluating managerial performance in settings in which the actual performance exceeded the target level of performance on every performance measure. This study makes two important contributions. First, our results indicate that in settings involving both positive

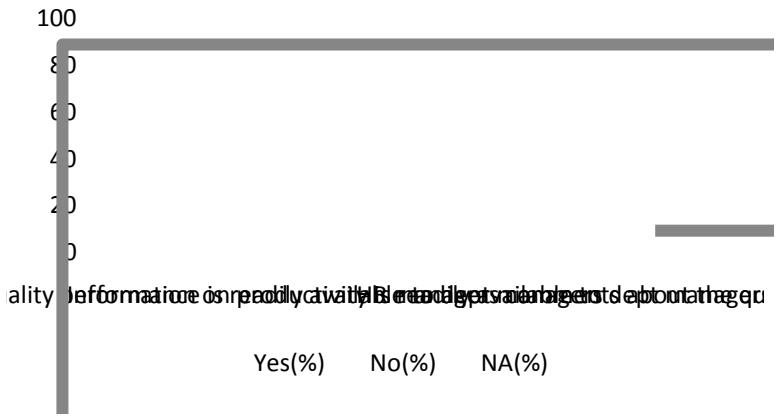
and negative performance differences, evaluators weight measures with negative performance differences more than positive performance differences, regardless of the strategic importance of the measures.

Michel Biron, et alElaine Farndale & Jaap Paavwe in their research article Performance Management Effectiveness The International Journal of Human Resource Management in the issue March 2011 State that, Performance management enhance the performance of individual and units with ultimate purpose of improving organizational effectiveness. It is a continuous process of identifying, measuring and developing the performance of organization members and aligning performance with the strategic goals of the organization. Performance management system are designed to help management to achieve strategic business objectives and to furnish valid and useful information for making HR related decisions, including salary adjustment, promotion etc. Employees need to have adequate and unambiguous information regarding performance expectations as they are required to infer cause-effect attributes on the basis of this communication and management does this work properl

Table 29 - Table showing the parameters used in taking feedback on Performance:

Sr. No.	Parameters	Yes	No	NA	Total
1	Information on quality performance is readily available to dept managers	11 (55 %)	4 (20 %)	5 (25 %)	20 (100 %)
2	Information on productivity is readily available to dept managers	16 (80 %)	3 (15 %)	1 (0.5 %)	20 (100 %)
3	HR managers comments about the quality of work	15 (75 %)	2 (10 %)	3 (15 %)	20 (100 %)

Graph No. 29 - Graph showing the parameters used in taking feedback on Performance



Description of the parameters used in taking feedback on Performance:

The above table shows respondents opinion on various parameters of Feedback on performance.

From the table it is clear that more than half i.e. 55% of the respondents agree that Information on quality performance is readily available to dept managers while 20% of the respondents gave negative opinion.

Further the data reveals that 80% of the respondents agree that Information on productivity is readily available to dept managers while 15% of the respondents do not agree the same.

It is also evident that three-fourths of the respondents agree with the fact that Dept. managers comments about the quality of work while a few, 10% of the respondents disagreed.

Table No. 72 - Correlation of Demographic & PAS

PAS Demographics	IV	DJ	PJ	GS	PF	PBP	EP	360DA	RT	RA	TR
Gender	-.107	-.001	-.032	-.020	.126	.040	.034	-.078	.020	.044	.023
Age	.108	.018	-.008	-.077	-.003	.016	-.005	.146*	-.052	-.116	-.101
Experience	.046	.058	-.058	.062	.029	.073	.018	-.136	-.008	.043	-.005
Geographical Orientation	-.015	-.017	.025	.069	-.037	.037	.084	-.156*	-.064	.097	.125

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

The above table shows that the highest correlation is found between age & 360 Appraisal. Regarding gender the Performance Feedback projected a high correlation whereas instrument validity is negatively related to the same.

Regarding experience 360 degree appraisal showed a negative relationship while all other dimension showed weak positive correlation.

Similarly geographical orientation showed a negative correlation with 360 degree appraisal system.

Table No. 73 - Correlation of Demographics & Organizational Climate

Org. Climate -> Demographics	IH	ORT	APP	CEN	PART	FOS
Gender	-.019	-.055	.025	-.023	-.099	.131
Age	-.054	.040	.122	.049	-.019	-.091
Experience	-.036	-.068	.003	.001	-.024	-.127
Geographical Orientation	.081	.043	.087	.187**	-.058	.083

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

The table above shows that gender is negatively related with all the dimensions except Autonomy & Pressure for performance.

Age is negatively related with the employee participation and orientation and interpersonal help.

Experience is positively related with Autonomy and pressure for performance and centralization.

Regarding geographical orientation except participation all other dimensions correlated positively.

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