Analysis of Performance Appraisal Systems in Education Sector

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Abstract
Performance Appraisal is one the most widely accepted HR tool to assess the employee and organization performance. Selection of an appropriate performance appraisal technique has always been a point of apprehension for most of academicians as well as managers in each and every organization. The primary idea behind this study is to find out the most helpful and appropriate performance appraisal technique in education sector. The focus on this sector is primarily due to interest as well as prime occupational area of the researcher. To conduct and understand the concept and idea behind the appraisal system across various sectors several literatures were explored and reviewed. Evidences from majority of these literatures explain that the employees are more inclined towards online performance appraisal system than manual appraisal system. Moreover, the study also emphasizes on the fact that employee satisfaction can be improved through right kind of appraisal method. The present study analyses the appraisal system in education sector and tried to derive factors from the current appraisal system that can tighten the linkage between the current practices and the evolved practices. This will lead to strengthening of performance of employee and organization, reducing bias and creating positive work culture thus increasing organizational productivity.

Key Words: Performance Appraisal Technique, Organizational Productivity.

Introduction
The most controversial but an essential HR tool that has drawn the awareness and interest of many researchers across the world is undeniably ‘Performance Appraisal’. Despite of its’ broad and contradictory usages (Cleveland, Murphy, & William, 1989), performance appraisal is the only tool that has been used across many sectors to gauge and supervise employee performance in various types of organization (Locker & Teel, 1988; Murphy & Cleveland, 1991). Despite of continuous criticism on this tool in many studies it is the primarily used tool by HR professional for taking promotional decisions, salary administration and also for inducting training and development programmes in organization (Cleveland, Murphy, & William, 1989). The performance appraisal system has always been the criticized not because, the system is not good or efficient but due to the ways it has been used. The process and the way of administering the same has always been referred as it render biasness and hence there occurs huge disagreement on the usage of performance appraisal. All these controversies generated a quest among the researchers to understand the system and look into the areas where the biasness can be reduced as well as the tool can be improvised. Various researchers through their studies attempted it through innumerable process, some of which are

a. Developing a construct for rating and form a rating scale in the appraisal process to reduce bias.

b. Component of various psychometric nature of appraisal are to be considered for an efficient appraisal system.

c. Including the component of individual attitude, team performance and liking the same with organization performance, as how these components influence the organization performance.

The existence of performance appraisal as a tool roots from early 20th century when it seems to be predictable and present universally. It was also considered to be an important management tool to scrutinize employees’ performance and efficiency in the workplace. If the performance of an individual employee is little less than the ideal that would lead to cut in salary which will further follow till accounting of the employees’ developmental possibilities. This general model of appraisal is followed from then to now. But with the advent of technology the appraisal system has now revolutionized from manual system to online software based appraisal techniques. Various Decision Support Systems (DSS) which include mathematical model were inducted to keep track on the performance of employee which eliminated the manual intervention of anyone. Thus with the advent of technology performance appraisal system completely transformed into technologically assisted system to evaluate employee as well as various departments in an organization. Performance appraisal is a process which ensures that an organization is competent enough to provide high quality services and also meet the service requirements of the customers. The prime goal of appraisal is to ensure that all employee of an organization new or old are competent enough to perform the basic responsibilities of the job and continue to learn and develop new skills. If the employee performance linked with the appraisal system are up to the set standards then that will...

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incur positive attitude towards the organization or else it will generate negativity and may impact organization productivity.

**Rationale of Performance Appraisal**

Over many preceding years, there are nothing innovative experiments which have been carried out to understand the change or innovation in appraisal system. The mass research on performance appraisal function has focused on the various rating measures and some work has also been done on its effects (Boswell & Boudreau, 2000, 2002). Few of these were accepted as in-appropriate in some cases. But these researches leads to an understanding that effective appraisal techniques were those which address ease, reliability, fairness, identifies efficiency through rewards and evaluate the process and rater fixed by management from time to time. The researcher through this study attempted to understand how various appraisal system helps in evaluating employees’ performance and to how it influences the organizational productivity.

The foremost aim of the appraisal system is to identify the performance gap. This gap arises when performance does not meet the standard set by the organization. The appraisal system updates the employee about the quality of his or her performance. However, this is a two way process where the appraisers also receive feedback from the employee about job problems, etc. Thus the present study offers a valuable insight to the appraisal system of education sector and how these practices influence organizational performance.

**Outline of Performance Appraisal System in Education Sector**

Performance appraisal being a significant tool for assessment of employees across various organizations has also found place in education sector to track the performance and progress of the employees in this sector. Once an employee has been inducted into the organization and given the necessary orientation in this field, the next immediate step is to assess his/her performance periodically. After that “Performance Appraisal Report” is generated for each employee based on various factors. This report and review is done annually before the closure of an academic year. The factors that were being considered in evaluating the performance and progress of an employee are listed below.

- In depth knowledge of subject
- Quality of delivery.
- Innovative approaches in pedagogy.
- Innovative approaches of assessment
- Quality of assessment.
- Extent of co-operation with colleagues and superiors.
- Punctuality
- Honesty
- Discipline
- Timeliness
- Crisis Management

**Analysis**

This study comprises of 100 respondents from various educational institutes across Pune, Maharashtra who had undergone at least one periodical appraisal session. A five point Likert scale is used where 5= strongly agree, 1 = strongly disagree. The reliability test is performed with Cronbach Alpha which is turned up to 0.842 for 20 items. The factor analysis technique is used to determine the factors grouped from 20 variables using SPSS. The output of the analysis is shown in the table below. The table indicates Communalities, Total Variance explained and the Rotated Component Matrix table which will help to understand or extract the major components from the 20 variables considered for the study. A total of eight factors are extracted from the factor analysis. Eigen values below one were ignored and the rotation widely used for this analysis is Varimax rotation. The eight factors extracted together account for 93.328% of the total variance (i.e. information enclosed in the 20 original variables).
Table 1: Commonalities

| Sl No | Initial | Extraction | Sl No | Initial | Extraction |
|-------|---------|------------|-------|---------|------------|
| 1     | 1.000   | .647       | 11    | 1.000   | .631       |
| 2     | 1.000   | .698       | 12    | 1.000   | .886       |
| 3     | 1.000   | .566       | 13    | 1.000   | .697       |
| 4     | 1.000   | .691       | 14    | 1.000   | .522       |
| 5     | 1.000   | .698       | 15    | 1.000   | .728       |
| 6     | 1.000   | .724       | 16    | 1.000   | .657       |
| 7     | 1.000   | .298       | 17    | 1.000   | .524       |
| 8     | 1.000   | .594       | 18    | 1.000   | .868       |
| 9     | 1.000   | .589       | 19    | 1.000   | .712       |
| 10    | 1.000   | .664       | 20    | 1.000   | .770       |

Interpretation:

The communalities indicate the amount of variance in each variable that is accounted for by the factors. Likewise, the “Initial” (communalities) column lists the estimates of the variance in each variable accounted for by all components or factors. In this table, the Principal Component communalities as seen in the third column under “Extraction” range from .298 to .868. A smaller value indicates a variable that does not fit well with the factor solution.

Table 2: Total Variance Explained

| Component | Initial Eigenvalues | Rotation Sums of Squared Loadings |
|-----------|---------------------|-----------------------------------|
|           | Total               | % of Variance | Cumulative % | Total | % of Variance | Cumulative % |
| 1         | 4.674               | 23.369        | 23.369       | 2.885 | 14.425        | 14.425       |
| 2         | 3.468               | 17.341        | 40.710       | 2.759 | 13.797        | 28.222       |
| 3         | 3.003               | 15.014        | 55.724       | 2.336 | 11.678        | 39.899       |
| 4         | 2.163               | 10.814        | 66.539       | 2.246 | 11.232        | 51.131       |
| 5         | 1.721               | 8.607         | 75.145       | 2.127 | 10.636        | 61.767       |
| 6         | 1.531               | 7.654         | 82.800       | 2.115 | 10.574        | 72.341       |
| 7         | 1.059               | 5.295         | 88.094       | 2.103 | 10.515        | 82.855       |
| 8         | 1.046               | 5.232         | 93.327       | 2.094 | 10.471        | 93.327       |

Interpretation

The table above presents the factors that were extracted from the analysis. Under the column labelled “Rotation Sums of Squared Loadings,” only those factors that met the cut-off of the chosen extraction method are shown. Here, since we had kept the default eigen value at 1, eight factors are shown with eigen values greater than 1.
The column labelled “% of variance” column explains how much of the total variability in all the variables can be accounted for the factors. Here, Factor 1 accounts for 14.425 percent of the variability in all 20 variables, Factor 2 accounts for 13.797 percent, Factor 3 for 11.678 percent and likewise. Thus, eight factors together accounts for 93.328 percent of total variance.

**Table 3: Rotated Component Matrix**

| Rotated Component Matrixa | 1   | 2   | 3   | 4   | 5   | 6   | 7   | 8   |
|---------------------------|-----|-----|-----|-----|-----|-----|-----|-----|
| Formal feedback system    | .182| .787| -.265| -.168| .001| -.154| -.184| .256|
| Sufficient time           | .135| -.071| .139| -.072| .960| -.071| .090| -.081|
| provided for feedback used for appraisal |     |     |     |     |     |     |     |     |
| Insights into strengths and weakness | -.137| -.045| .004| .200| -.092| .158| .159| .894|
| Encouragement for open communication | .038| .014| .039| .031| -.072| .966| .158| .134|
| Accountability of performance improvement | .127| -.097| .059| -.040| .088| .167| .939| .149|
| Accountability of improvement in task related to specialized areas | .123| .834| .237| .079| -.091| .153| .023| -.301|
| Identification of competencies set of employees | -.066| -.034| .030| .961| -.067| .027| -.042| .167|
| Identification of training need | .043| .003| .957| .023| .134| .038| .055| .002|
| Mentoring and guidance for regular improvement | .724| .159| .304| -.337| .298| -.090| -.137| -.047|
| PA helps in long term development | .899| .149| -.089| .064| .021| .097| .232| -.124|
| PA acts as fast track promotion schemes | .182| .787| -.265| -.168| .001| -.154| -.184| .256|
| Helps in salary increment decisions | .135| -.071| .139| -.072| .960| -.071| .090| -.081|
| Sound reward and recognition policies | -.137| -.045| .004| .200| -.092| .158| .159| .894|
| Good work encouraged | .038| .014| .039| .031| -.072| .966| .158| .134|

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Interpretation
The Rotated Component Matrix above displays the factor loadings for each variable. The factor that each variable loaded most strongly on has been highlighted for quick reference. Based on these factor loadings, we figure out what could the factors potentially stand for;

| Component 1: Mentoring and guidance for regular improvement. | Component 2: Formal feedback system | Component 3: Identification of training need | Component 4: Identification of competencies set of employees | Component 5: Sufficient time provided for feedback used for appraisal | Component 6: Encourage ment for open communication | Component 7: Accountability of performance improvement | Component 8: Insights into strengths and weakness |
|---|---|---|---|---|---|---|---|
| Performance Appraisal helps in long term development | Accountability of improvement in task related to specialized areas | Participation in decision making | Autonomy in work | Helps in salary increment decisions | Good work encouraged | Provides growth and career opportunity | Sound reward and recognition policies |
| Opportunity for self evaluation | Positive rating for innovation | Regular review of performance. | Provides growth and career opportunity | Sound reward and recognition policies |

Thus from the analysis it can be clearly visualized that the performance appraisal in education sector is largely governed by performance indicators, recognition, motivation, developmental scope, task derivates, empowerment in accepting cultures and feedback process.

Conclusion
The present study explores the “Performance Appraisal system” in education sector. The appraisal system inducted periodically in various education institutes in an academic year helps to understand the performance of employees in
respective organizations. From this study it is quite evident that the variables ascertained for appraisal are somewhat similar across various educational institutes. But the expectations of respondents from appraisals are the key findings towards analyzing the current “Performance Appraisal system”. The annual appraisal system includes many key parameters that revolve around the development and sustainability of organizations as well as employees. Further to this the current research derives some key factors that should truly govern the appraisal which could lead to organizational productivity. These factors were performance indicators, recognition, motivation, developmental scope, task derivates, empowerment in accepting cultures and feedback process. The appraisal programs were induced by individual organization classifying the organizational objectives. A linkage between the organizational objectives and the emerged factors will lead to incomparable value addition in services that will offer bias free structure and processes which will increase the productivity as well as render positive culture in workplace.

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