



Impact of Performance Appraisal in Telecom Industry in India

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Abstract: *The paper investigates impact of Performance Appraisal in Telecom Industry in India. The research study includes importance of Performance Appraisal in Human Resource Planning, Recruitment, Training and Development, Career Planning, Compensation, Evaluating Employee's performance, Improving Interpersonal Relationship, Removing Misconception and Improving Communication and Control etc. Paper has five sessions, first Introduction second Review of Literature, third Research Methodology, fourth Assessment and last is Conclusion. Performance appraisal is a HRM Practice which is attracted by both practitioners and scholars. There is great impact of Performance appraisal to improve the quality of work, productivity, efficiency of employees and overall performance of organization.*

Keywords- *Performance Appraisal, Telecom, Impact*

I. INTRODUCTION

India is currently the second largest telecommunication market. There is great role of HRM Practices to maintain the growth of telecom companies and Performance appraisal is one of the most important HRM Practices. There are many companies like Airtel India, Vodafone India, Idea cellular, Reliance communications, Aircel limited, BSNL, Tata teleservices, Uninor, MTNL etc. Performance appraisal is a process of evaluating performance and potential of employees during a specified period of time. Performance appraisal emphasizes individual development and motivates people to increase their strengths and overcomes from weaknesses. Feedback is given to employees to enhance their future performance. After understanding his strengths and weaknesses, employee can do his career planning at right time in right direction which will be helpful to plan his career in terms of his caliber and potential within the context of organizational needs. Employees get opportunity of his career development from the point of entry in organization to his retirement. By proper performance appraisal and career planning employee can understand where he is in organization and where he will be after 2 or 5 years. HR Manager identifies employees on whom role and responsibility should be increased and which employee needs more training and development program. Employees are reviewed and assessed so that they can develop their skills and knowledge to achieve their personal goal along with organizational goal. It provides criteria to increase salary and incentives of employees according to their performance. If employee is satisfied with his appraisal, his quality of work will improve, overall production and profitability of company will also improve. Employee can recognize his contribution to company and plan out for future better performance. Manager uses performance appraisal data to counsel employee and employee also does his career planning properly after his assessment. A transparent performance appraisal changes the mindset of employees and makes them more creative at work place. Time to time feedback from management makes them more efficient and capable inside the organization. In global and competitive business environment, performance appraisal has great importance to adjust and motivate employees in different culture. Every employee wants to grow in his organization and achieve higher and more satisfying performance.

MULTIPLE PURPOSES OF PERFORMANCE APPRAISAL

General Applications	Specific Purpose
Developmental Uses	<ul style="list-style-type: none"> ✓ Identification of individual needs ✓ Performance feedback ✓ Determining transfers and job assignments ✓ Identification of individual strengths and developmental needs
Administrative Uses/Decisions	<ul style="list-style-type: none"> ✓ Salary ✓ Promotion ✓ Retention or termination ✓ Recognition of individual performance ✓ Lay-offs ✓ Identification of poor performers
Organizational Maintenance/Objectives	<ul style="list-style-type: none"> ✓ HR Planning ✓ Determining organization training needs



	<ul style="list-style-type: none">✓ Evaluation of organizational goal achievement✓ Information for goal identification✓ Evaluation of HR systems✓ Reinforcement of organizational development needs
Documentation	<ul style="list-style-type: none">✓ Criteria for validation research✓ Documentation for HR decisions✓ Helping to meet legal requirements

Source: Cynthia D. Fisher, et al., *Human Resource Management*, Houghton Mifflin, 1997, p.455

II. REVIEW OF LITERATURE

Abbas Zohaib Muhammad has written in his paper “**Effectiveness of performance appraisal on performance of employees**” about the effectiveness of performance appraisal system and its impact on performance of employees. He also identified factors which can influence performance appraisal and challenges regarding performance appraisal system. He found out that performance appraisal is linked with employee’s performance. He revealed that respondents are quite satisfied with performance appraisal system in his organization and performance appraisal outcomes are accurate and significant.

Khan Ullah Faseeh Muhammad has written in his paper “**Role of performance appraisal system on employee’s motivation**” that performance appraisal system is very important part of HR department in any organization. It is based on key result area and done yearly. After getting feedback, employees try to overcome from weaknesses and feel more motivated. According to appraisal, Training and development programmes’ are decided for employees. Performance appraisal system is very effective for better performance of employees.

Singh Punam, in his paper “**Performance Appraisal and its Effectiveness in Modern Business Scenarios**” has written that in modern and competitive environment, it is not easy to evaluate performance of employee. She evaluated twelve past oriented and four future oriented performance appraisal methods. Regular performance appraisal system creates positive environment and helpful to achieve personal goal along with organizational goal. It is useful to improve quality of work, satisfaction level, productivity and efficiency.

Dr. Quinas G.P. in his book, **Human Resource Management Principles and Practices** “ has written that appraisal of employee is useful in various ways like feedback, compensation decisions, data base, personal development, training & development programmes, promotion decisions, supervision etc. According to him there are three main purposes of performance appraisal.

1. Administrative purpose: Decision regarding pay increment, promotions, demotions, termination and transfer.
2. Employees’ development: Develop employees and provide them T & D programme.
3. Programme assessment: Performance appraisal records for many purposes like recruitment, selection and placement.

Pattanayak Biswajeet in his book “**Human Resource Management**” has written that there are many objectives of performance appraisal like providing basis for promotion, transfer and termination, enhancing employee’s effectiveness, identifying employee’s training and development needs, developing interpersonal relation and improving communication.

Mondy Wayne R. and Noe M. Robert in his book “**Human Resource Management**” has written that main goal of performance appraisal is to improve individual performance along with organizational performance. It is very effective to enhance quality of work, efficiency, productivity, customer satisfaction and overall performance of employees. Performance appraisal is useful in many purposes like human resource planning, recruitment and selection, training and development, compensation programs and internal employees’ relation.

Aswathappa, k. has written in his book “**Human Resource Management**” that Performance appraisal is an objective assessment of an individual’s performance against well-defined benchmarks. There are many steps in performance appraisal process like define appraisal objectives, establishing job expectations, designing appraisal programs, conducting performance interview and using appraisal data for different HR activities.

III. RESEARCH METHODOLOGY

Research methodology is the systematic, theoretical analysis of methods for gaining knowledge. The main objective of research is find out truth which is not discovered. It includes, defining problems, formulating hypothesis, collection of data, analysis of data and finally conclusion.

Objective of study:

To find out the impact of Performance Appraisal on employees and organizations of Telecom Industry of India.

Data collection:

The researcher has taken secondary data from following methods- books, journals, newspaper, e-journals, Ph.D. thesis, websites, research project, annual reports etc.

IV. ASSESSMENT/FINDINGS

Performance appraisal evaluates and assesses actual performance of employees at work place and his potential for future performance. After performance appraisal we can assess the need of promotion, transfer and increment in salary. A proper assessment provides a good understanding of role and responsibility of job to employee in organization. It provides a platform where employee can express his expectation from job and management can express its expectation from employee. There are some findings below

Training and Development- Performance appraisal offers an excellent opportunity to understand employees' strengths and weaknesses so that management can give them training accordingly which minimize deficiencies of employees. Training need is more precise when accurate appraisal data is available. Training improves quality of work, customer satisfaction and productivity. Performance appraisal is linked with overall performance of employee and profitability of organization.

Motivation and Satisfaction- Performance appraisal has profound effect on employee's satisfaction and motivation. Employees is rewarded and recognized after his evaluation. It enhances employee's loyalty towards organization and finally his satisfaction level.

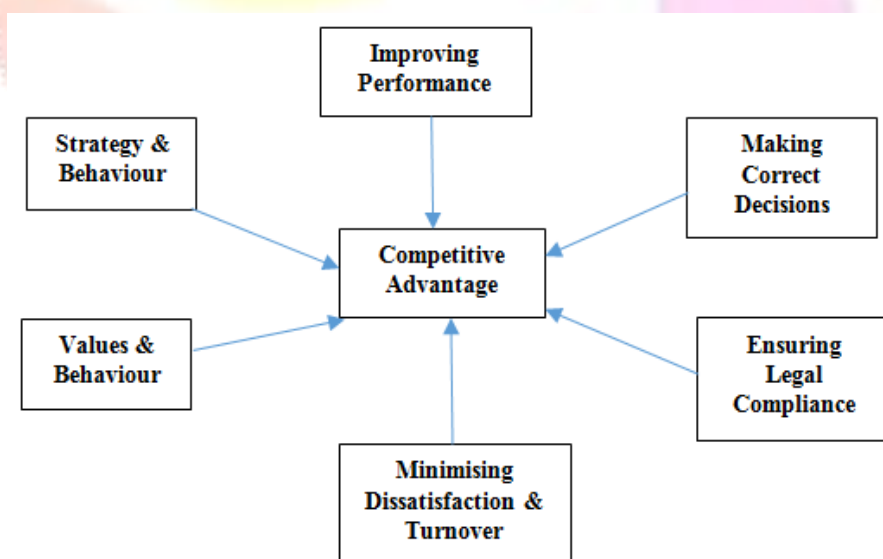
Recruitment and Selection –Recruitment plans and strategies of newcomers are made according to appraisal data. Performance appraisal data is linked with quality of new hires. It is helpful in predicting the performance of job applicants.

Employee's Performance Assessment and Career Development-Performance appraisal system offers an opportunity to management to evaluate the performance of employees which some extent indicate the future behavior of employee. Regular feedback from supervisor is very useful for career development. According to strength and weakness of employee, management can work out on his career plan. Employee can get proper counseling which can change employee's attitude and thinking towards his work. Performance appraisal is very effective for mapping out career of employees in higher skilled and better position.

Compensation– Performance appraisal offers opportunity to take best and rational decision about compensation of employee. Employees get promotion, reward and recognition according to his performance. Even the employee who did not perform well in his past, after assessment he will try to perform better in his future.

HR Planning- performance appraisal data is very useful to do HR Planning. It describes the promo ability and potential of all employees. It is also effective in successful succession planning.

Internal Employee Relations and Supervision- Performance appraisal offers opportunity to take various decision regarding promotion, demotion, termination, layoff and transfer. If employee is suitable in another job rather than this job at same level, he will be transferred from this job to that job. Time to time appraisal makes supervisor more observant. He will observe employee that what he is doing and where improvement is required. Performance appraisal is very effective in bettering employee-employer relationship.



Source: Aswathappa, K, "Human Resource Management" Fifth Edition

Performance appraisal creates positive work environment which increases productivity, efficiency and quality of work of employee. Definitely work environment becomes better when achievements are recognized and rewarded on the basis of performance measures. It enhances confidence level in employees, reduce grievances and protect management from favoritisms and discrimination. After performance appraisal management counsels employees which correct misconceptions and helps employees to internalize the norms and values of organization.



V. CONCLUSION

Telephone, Internet and Television broadcast Industry are the major sector of Indian telecommunication Industry. Telecom sector has good contribution in Indian GDP and HRM Practices play great role in growth of Telecom sector. The study may be useful for academic purpose about impact of performance appraisal in telecom sector. There is future scope of this research study in terms of attempting the same by using primary data organization wide. Performance appraisal has three purposes, Remedial, Maintenance and Development. There is great impact of performance appraisal on employee's performance and overall performance of organization in telecom sector. After performance appraisal there is clarity of role and better understanding about strength and weaknesses of employees. It is not only improving motivation, job satisfaction in employee but also improve working relationships. It is useful to identify people who are not performing and train them for better performance. It offers opportunity to prepare employees for taking higher responsibilities.

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