ORGANIZATION EFFECTIVENESS

To Examine the Effect of Software Base Performance Appraisal System on Organization Effectiveness

[Individual Analysis of Seven Telecommunication Companies]

Ume-Amen

College of Management Sciences,

PAF-KIET, Karachi

Ume-Sumayya

Business Management Department,

Iqra University, Karachi
Abstract

The main purpose of this study is to identify the best approach towards Performance Appraisal system, which leads towards achieving organizational and employees’ goals on time. To increase the effectiveness of an organization a best appraisal system should be implemented by the organization. The current performance appraisal literature is characterized by limitations in focus and methodology, and to link towards computer based performance appraisals. This study examined performance appraisal in two directions (manual with computer based). A firm’s key responsibility is to evaluate employee’s performance as it provides employees complete feedback on his performance. The system helps to determine many factors such as promotion, transfer, bonuses, pay raises and most commonly improvement in communication system between employee and supervisor. Through this employees performance appraisal is documented giving him clear picture about his career goals.

Overall it explains about the employee performance and the accountability. The objective of this study is to determine different determinants of software based performance appraisal system in evaluating employees at workplace in telecommunication industry. Whether web based system is more effective for the organizational growth and in productivity or manual based system. Now if we try to find out the solution of the problem and any of the evaluation cut short in term of cost then the work also will reduce. The result concluded shows software based appraisal system can be termed as being simple, but the simpler software based system is really successful in long run for organization as well as employees.

*Key words:* performance appraisal, software based system, organizational growth, accountability
1.0.0 Introduction

In telecommunication industry companies provide quality services and achieve organizational goals through employee’s effective work and this effective work of employee’s are judged by organizations through any performance appraisal systems whether web-based performance appraisal system or manual base performance appraisal system. Over all it explains about the employee performance and the accountability.

To achieve high performance in this global era where your competitor is looking at your each step. The organizations are working competitively. The employees need feed back on their performance to improve their overall behavior. Timely feedback would help employees to increase the productivity of the organization. Employees who are working for many years also want feed back on their performance.

Performance appraisal is one of the most critical processes of human resource management. In some cases, it becomes most critical because organizations want to achieve there objectives which depend on the employees performance. The processes that follow Performance appraisal; including goals, ongoing learning and competencies establish key goals on a regular basis is a great extent dependent upon this process. Controlling can be observed while evaluating each employee’s performance individually resulting in rewards or corrective actions.

From previous different researches we can say that measuring effectiveness of an employee is the fundamental issue for the growth and productivity of any organization. An effective employee especially in telecommunication industry must ensure the quality work in order to increase the productivity level of its organization.
1.1.0 Literature Survey

This chapter reviews findings from previous work which have contributed in understanding the determinates of software based performance appraisal system and organizational effectiveness.

**Performance Appraisal**

Result from different research paper of our study which has been done on different organizations show confirmation of increase in productivity level as from the point of view of employees and is being influenced by the type of training provided to them related to web-based appraisals.

From these researches physical aspects had the most powerful impact on employee’s performance and software based appraisal system.”Reduces paper work” was key factor in the adoption of software based performance appraisal system said by researcher.”(Dutton Gail, 2001).

The performance appraisal is a communication tool, for full-time and part-time employees, which is designed to support each individual’s contribution to the organization. It is about helping people become better at what they do. According to Maths and Jacksons performance appraisal provides a way to measure skills and accomplishments with reasonable accuracy and uniformity. The appraisal process provides the manager with a tool to help identify barriers to top performance and promotes a mechanism for dialogue. (Maths and Jackson, 2004) points out that some of the researchers have mentioned that employee performance appraisal is a subject of great interest in most organizations. To deal with this performance appraisal business process,
the authors proposed a Decision Support System (DSS) which consists of a mathematical model to evaluate the performance appraisal for individual and for departments in an organization.

**Basic Purposes of performance appraisal**

According to Cash. (1983) the basic purpose of his research paper was related to our research is to illuminate how performance appraisal system evaluates employee performance and increase productivity of the organization. In this study evaluation system is found to be affected mainly by standards set by organization, where as cultural value is influenced by tangible indication of software performance appraisal system. This system provides a new shape of “structural” relationship among five software appraisal system cues and five types of organizational effectiveness.

There are two main performance appraisal systems working together. One is an evaluation and second is feedback system. The evaluation system identifies the gap between performance and the standards set by the organization. On the other hand a feed back system is to inform the employees about the feed back on their work quality and job task.

**Human Resource Information System: HRIS**

According to Steven D. Strauss in his article related to HRIS implementation in organizations which are the basic needs in today competitor market. “One of the latest human resource technologies is the introduction of a Human Resources Information System (HRIS); this integrated system is designed to help provide information used in HR decision making such as administration, payroll, recruiting, training, and performance analysis. Human Resource Information System (HRIS) merges human resource management with information technology to
not only simplify the decision making process, but also aid in complex negotiations that fall under the human resource umbrella. The four principal areas of HR that are affected by the Human Resource Information System (HRIS) include; payroll, time and labor management, employee benefits and HR management. A Human Resources Information System (HRIS) thus permits a user to see online a chronological history of an employee from his/her position data, to personal details, payroll records, and benefits information.”

In today world both system of appraisal are being followed by the organizations for appraising and evaluating their employees. These two systems are:

*Manual based performance appraisal system: Traditional Approach*

This approach involves three steps

1. Performance appraisals.
2. Performance improvement plan/ implementation.
3. Feedback & reviews

*Web-Based performance appraisal system: Modern Approach*

This is a new breed of software supported systems that solve many of the problems of paper-based review systems, help ensure reviews are consistent and legally appropriate, and support best practices that result in greater productivity and employee satisfaction. Organizations currently using automated review systems report nearly 100% of managers complete reviews on time and correctly.
By giving managers online HR expertise and real-time tools to help them track and evaluate performance, the automated performance management system removes many of the barriers that have traditionally undermined the performance review process.

Available at: www.citehr.com

2.0.0 Research Methodology

The research is designed to know the relationship between software based performance appraisal system and effectiveness in telecommunication firms. It is also to cover all the important aspects related to the matter. This research is descriptive and quantitative. It is a correlation of two variables. Software based Performance Appraisal system is dependent and organizational effectiveness is independent variable. The method of conducting this research was based on primary as well as secondary data. This research has a sample size of 100 respondents. The respondents were chosen from different telecommunication industry on the permission of the HR managers and they were randomly selected to ensure that the study is accurate and free of biased information.

2.1.0 Sampling Methodology

This research has a sample size of 100 respondents. The respondents were chosen from different telecommunication industry on the permission of the HR managers and they were randomly selected to ensure that the study is accurate and free of biased information.

For testing the hypothesis, the following 7 Telecommunication organizations have been selected as a population.
1. **Non-Probability, based on convenience:**

The sampling method used in this research is non probability sampling method, in which chance selection procedures are not used and it is based on convenience, which allows the sampler to select, samples conveniently.

2. **Quota Sampling:**

<table>
<thead>
<tr>
<th>Organization’s Name</th>
<th>Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>World call telecommunication</td>
<td>15</td>
</tr>
<tr>
<td>Pakistan telecommunication company limited</td>
<td>15</td>
</tr>
<tr>
<td>Warid telecom</td>
<td>15</td>
</tr>
<tr>
<td>Mobilink</td>
<td>15</td>
</tr>
<tr>
<td>Telenor</td>
<td>15</td>
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<tr>
<td>Ufone</td>
<td>15</td>
</tr>
<tr>
<td>ZONG</td>
<td>15</td>
</tr>
<tr>
<td><strong>Total Population</strong></td>
<td><strong>105</strong></td>
</tr>
</tbody>
</table>
3.0.0 Conclusions

The major findings are discussed below:

- The results show that software based appraisal system is mostly preferred by Zong, Mobilink, Telenor and Warid whereas manual based system is preferred by World call, U-phone and PTCL organizations.

- The software based appraisal system is mostly preferred by middle level and first line employees whereas manual based system is applied for first line and entry level employees in some organizations.

- The result shows that 68.5% prefer Software P.A.S and 28.5% Prefer manual based P.A.S in their organizations.

4.0.0 Recommendations

A software based performance appraisal system can ensure that your organization’s performance management is built around world-class best practices, encourages management and employee participation, operates more efficiently, and brings greater consistency to the entire review process. By abandon ineffective, paper-based processes, your company can establish tighter links between employee and organizational goals and produce stronger performance evaluations that integrate more closely with compensation, employment planning, retention, and more.

Following are some recommendations which I concluded from my research work on telecommunication industry. As this sector is based on target completion work so there must be such a system developed to increase the organization effectiveness. For this purpose a better
appraisal system should be adopted by an organization. Such software based appraisal system must include following features:

1. **Online Performance Reviews.** Reduce paperwork by 90% and significantly increase employee participation and feedback quality.

2. **Anonymous 360 Reviews.** Easily request and collect anonymous feedback from anyone in the organization at any time

3. **Streamlined Goal Planning.** Establish S.M.A.R.T. goals, increase goal visibility and align employees across the company

4. **Stronger Compensation Planning.** Create a true pay-for-performance culture to motivate and reward employees

5. **Robust Reporting & Analytics.** Get a real-time, graphical representation of the performance of your company and employee with a powerful, customizable dashboard.
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