



## AN ANALYTICAL STUDY ON PERFORMANCE APPRAISAL SYSTEM IS IMPORTANT TOOL TO CREATE 'TALENT WAR' AMONG EMPLOYEES

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### ABSTRACT

*In present scenario employees are being treated as human capital, now as time has reached business institute as to maintain the human capital, in other words classical theory of labour which is based on "hire and fire" is completely converted into the theory of Human capital. It means success of every institution is dependent on the talent war among employees and talent war is dependent upon effective appraisal policies. In this research paper main focus is on modern definition of talent as well as fundamental changes in present appraisal system. So the following objectives of the study are:*

- 1. To define and find out the modern theory of talent war.*
  - 2. To find out the importance of fundamental changes in present appraisal system.*
  - 3. Is appraisal system treated as a tool of finding out talent war?*
  - 4. To find out the scope of talent war among employees.*
  - 5. Is present appraisal system sufficient to find out talent war?*
  - 6. To find out negative effects of talent war.*
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*The research paper is based on the primary data. The collected data is analyzed using mean, percentage, standard deviation and One Way Anova test.*

**Keywords:** Performance Appraisal, Talent Management, Talent for War, High potential, Human Capital, Hire and Fire.

**Introduction:-**The entire business world depends on the efficiency of the employees. The efficiency of the employees depends on the practicality of the company / institution's appraisal system. The more effective the organization's appraisal system will be, the more incentive scheme will be implemented and this incentive scheme determines the future efficiency of the employees. In other words, generally the future of the employees depends on the appraisal system of the institution. This appraisal system is theoretically useful in all institutions but there is a difference in procedural form at the practical level. The appraisal system in some institutions based on: -

- Based on Time
- Based on Period
- Based on Performance
- Based on work Efficiency

But in practice, it was found that there are some technical drawbacks in the prevailing appraisal systems, which are as follows: -

1. Present appraisal system should not be based on Talent Management.
2. Present appraisal system doesn't raise war for talent among employees.

**Talent Management:-** In practical terms, the practical use of talent management is limited to the appointment of employees but at the macro level the Talent management is a process that continues from the appointment of employees to their incentives and promotions and this process continued. This process is a tool to know the new dimensions of the employees' efficiency at the organization's workplace. Thus, talent management can be defined as follows:-

“Talent Management is a dynamic process, which has following steps:-

1. First of all select the best talent for an institution.

2. Giving the selected person the assignment in line with his talent.
3. Indirectly evaluating the quality and efficiency of the selected work from the workload.
4. Based on work-by-work, not based on quality and skill duration.
5. Providing practicality to the findings after evaluation.
6. Re-evaluate the workload.
7. Distribute the re-evaluated work according to talent in talented individuals on a specific basis.
8. Providing an opportunity for improper and unblemished person to improve their talent.
9. Organizing training programs for a less talented person.
10. To take action against removal of non-accepted persons from the institution.
11. Testing of workload changes so that multi-talented personality can be developed.
12. Announce evaluation based incentive or promotion.”

Thus, one of the basic needs of the talent management institution is for the continuous advancement of the institution but talent management is not just a search for talent, rather talent management employees should be born in a talent war.

**Talent War:** - Generally, a group of individuals from different ideologies or different talents in the organization work and it is not necessary that the right person, the right post, be appointed at the right time. Because of this, the importance of talent management in the institution is given, but in the workforce it has been found that employees compete negatively with each other. From which business institutions cannot get positive results that is why transforming negative competition into positive competition is a talent war. Talent war or talent for war is both an expression of the same word. The talent war or talent for war is made up of two words. The meaning of talent for war is used in two senses: -

1. To find out best option for each place.
2. To improve talent among employee's and find out new option and opportunities for talent.

## **Meaning of talent is used in following words:-**

**‘Talent is an art, which is shown different from universe. It means one who has talent his automatically creates a separate place for him.’**

Talent is a type of special art that separates one person from universality, and whoever has a talent, automatically becomes different from others. Thus, the meaning of talent war awakens the spirit of a focused positive competition, by which the efficacy of interaction can be reflected as a result. Therefore, talent war or talent for war is a type of review process, under which, it should work on the spirit that the specific efficiency of employees employed in the business venture is related to any area and the employees can also get the best advantage of their efficiency by giving them liability on that particular field. The main role of the appraisal system is to give birth and review of talent war in the employees.

**Appraisal system:** - performance appraisal system is a procedure; It is helpful in increasing the morale of the serving staff. Performance appraisal system enhances talent war in the organization. Performance appraisal system is an important part of talent management. Because talent management has two goals:-

1. Regulate the efficiency of employees.
2. Identify the specific efficiency.

Thus there are two tools of talent management: -

1. Performance Appraisal System
2. Talent war

Performance appraisal system is a tool for talent management through which the employees evaluate and forward to innovation by which workforce develops morale and the quality comes in efficiency, which is an absolute essential for a well-industrialized / professional institution, if the appraisal system is isolated from the talent management and then the talent management is almost finished. The performance appraisal system in terms of modulation regulates talent management as a critical tool. But there are many types of flaws in the present performance appraisal system like:-

1. Having a fixed duration interval.

2. Work-based.
3. Reporting based.
4. Adopt a similar approach.
5. Lack of separate evaluation system for specific work.

The deficiencies in the present performance appraisal system should have technical base should not be in theoretical form. By changing the process into a new form, a new perspective can be provided on scientific and technical grounds, under which specifications can be given to the following dimensions:-

1. Converting the period based evaluation into the current appraisal system to result in performance appraisal.

2. The division of tasks and results in the workforce can be done as follows:

### **Review of Literature:-**

(J.Heckman, 2006) This paper discussed on the volume of literature in the popular and practitioner press is any guide, practitioners in the field of human resources are now primarily in the business of talent management but what is talent management and what basis does it have in scientific principles of human resources and management? In this paper we address this question by reviewing problems with the definition of talent management and the lack of data supporting many practitioner claims. We then outline research that supports a systems-oriented definition of talent management that focuses on the strategic management of talent. We then outline future avenues of research to further develop the field of talent management and tie it more closely to the large volume of work in strategic human resources management.

(Mellahib, 2009) This paper discussed on Despite a significant degree of academic and practitioner interest the topic of talent management remains underdeveloped. A key limitation is the fact that talent management lacks a consistent definition and clear conceptual boundaries. The specific contribution of the current paper is in developing a clear and concise definition of strategic talent management. We also develop a theoretical model of strategic talent management. In so doing we draw insights from a number of discreet literature bases. Thus, the paper should aid future research in the area of talent management through (1) helping researchers

to clarify the conceptual boundaries of talent management and (2) providing a theoretical framework that could help researchers in framing their research efforts in the area. Additionally, it aids managers in engaging with some of the issues they face with regard to talent management.

(Randall S.Schuler, 2011)This paper discussed on the need for multinational firms to be as competitive in the global marketplace as possible has increased dramatically over the past twenty years. For international human resource management this has meant many strategic opportunities to international human resource management. An excellent example of such an opportunity is that which exists regarding the management of talent. This opportunity began to develop in the late 1990s with the advent of the challenge of “global talent management.” During the past few years this opportunity has expanded to include challenges dealing with talent shortages, talent surpluses, locating and relocating talent, and compensation levels of talent.

(Pichler, 2012)This study reviews and meta-analyzes the literature on the social context of performance appraisal. Results indicate that aspects of rater-ratee relationship quality (i.e., supervisor satisfaction, supervisor support, supervisor trust) are strongly related to ratee reactions to performance appraisals. Rater-ratee relationship quality is more strongly related to appraisal reactions than appraisal participation or performance ratings. Integrating social exchange theory with procedural justice theory, this article tested whether or not the relationship quality–appraisal reactions relationship was due to relationships between relationship quality and instrumental resources for the ratee (i.e., appraisal participation and rating favorability). When controlling for relationships between these resources and appraisal reactions, a direct path between relationship quality and reactions was significant, supporting a relational model of the exchange between appraisal partners. The relationship quality–appraisal reaction relationship was not moderated by performance rating favorability or appraisal participation. In total, these results highlight the importance of relationship quality to employee reactions to performance appraisal—and the importance of ratee reactions as an important resource in the social exchange between appraisal partners. Implications for theory, practice, and future research are discussed.

(F.González-Cruz, 2013)This paper discussed on the ongoing confusion about the meaning of ‘talent’ within the world of work is hindering the establishment of widely accepted talent management theories and practices. The aim of this paper is to contribute to the literature on talent management by offering an in-depth review of the talent concept within the specific context of the world of work, and proposing a framework for its conceptualization. We group

different theoretical approaches to talent into ‘object’ (i.e., talent as natural ability; talent as mastery; talent as commitment; talent as fit) versus ‘subject’ approaches (i.e., talent as all people; talent as some people) and identify dynamics existing within and between them, as well as implications for talent management theory and practice. Finally, we discuss different avenues for further research aimed at developing the talent—and consequently, the talent *management*—construct further.

(M. Christina Meyers, 2013) In order to contribute to the theoretical understanding of talent management, this paper aims to shed light on the meaning of the term ‘talent’ by answering the following question: Is talent predominantly an innate construct, is it mostly acquired, or does it result from the interaction between (specific levels of) nature and nurture components? Literature stemming from different disciplines has been reviewed to summarize the main arguments in support of each of the three perspectives. Subsequently, these arguments are mapped on a continuum ranging from completely innate to completely acquire. We argue that an organization's position on this continuum entails important implications for its design of talent management practices, which we discuss extensively. By providing guidelines on how an organization's talent management system can be shaped in accordance with their respective talent definition, this paper is particularly useful to HR practitioners.

(Jolyn Gelensa, 2013) This paper discussed on talent management is in need of a theoretical foundation and empirical research at the level of the individual. To address these gaps, the current paper relies on the literature on workforce differentiation and provides a research agenda by introducing perceived organizational justice as a key mediator between talent management practices and differential employee reactions. We discuss employees' varying reactions to talent management on one hand and their underlying perceptions of organizational justice, on the other hand. In particular, we propose that, amongst others, an employee's high potential status serves as an antecedent for different distributive justice perceptions, while procedural interventions and relationship building can provide organizational latitude in shaping employee reactions to talent management. Research methods, challenges, and practical implications are discussed.

**Object of the study:** -The following objectives of this research paper are:-

1. To understand the policies of organization about talent management and importance of talent for War among employees after integrating these policies to human resource management.
2. To study the performance appraisal system integrated with talent management policies has an importance of talent for War among employees of the organization.

**Key Functioning area:** -The following limitations have been kept in this research paper:-

1. The employees of various organizations working in Udaipur city have been included.
2. Educated employees of the organized sector have been included.
3. Compilation of data for the research paper was conducted by the questionnaire while adopting the survey method.

**Research Hypothesis:-**

1. H1: Talent for War among employees is increasing in organization which use talent management integration with performance appraisal system.
2. H<sub>2</sub>: Talent for War among employees varies depending on performance appraisal system in the companies which apply talent management.

**Research Methodology**

Collected data from the participants in research are analyzed with Spss 17.0 program. Data collection was accomplished through questionnaires. A total of 15 questionnaires were delivered to the potential respondents and collected data are analyzed whether they are suitable for factor analysis and Kaiser-Meyer-Olkin (KMO) and Barlett test, Mean, Standard Deviation, and One Way Anova tests applied with the aim. A questionnaire that includes many different questions was applied to 100 respondents of various organizations employees. The questionnaire was filled by the respondents in the presence of researcher.

**Research Instrument:** Questionnaire  
**Population Consist of:** Various Organization's Employees  
**Types of Sampling:** Random Sampling

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**Approach:** Descriptive

**Research Techniques:** Interview and Mail

**Sampling Unit:** Individual

**Analysis and Interpretation:**

**Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No. of Items
.874	.871	8

The data was first subject to reliability test. Reliability can check by Cronbach's Alpha, and we found that Cronbach's Alpha Values which vary between (0.80-0.89) is known as Meritorious. So, the alpha coefficient value of reliability analysis is for the eight items is .874, which indicates a high level of internal consistency for our scale with this specific sample.

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.818
Bartlett's Test of Sphericity	Approx. Chi-Square	509.373
	df	28
	Sig.	.000

Table1 is indicates the value of KMO test and Bartlett's Test of Sphericity. The value of KMO is .818 which is greater than 0.5. Therefore factor analysis can be preceded .Bartlett's test is significant ( $P < 0.05$ ) .It indicates strength of the relationship among variables. This observed significance level is .000. This means that strength of relationship among variable is strong, thus data is good fit for factor analysis

**Table2:** In the participant organizations of the survey: Arithmetic mean and Standard deviation of importance of Talent Management in Performance Appraisal system

	Mean	Std. Deviation	N
Establishing a high performance employees	1.22	.416	100
Proper time management & increase the productivity	1.21	.409	100
Developing skills & efficiencies in employees	1.31	.465	100
Developing high potential in employees	1.41	.494	100
Motive the right behavior employees	1.22	.416	100
Recruitment of adequate talented & high performing employees	1.26	.441	100
Compensation plans & policy	1.18	.386	100
Ensuring growth development & innovation in the organization	1.22	.416	100

In the present study, from table 2 can be seen that, of the respondents of “Developing High potential in employee’s” point to the important with the highest mean, the respondent of “Compensation plans & policy” with the lowest mean. According to this while talent management for hiring & selection is also common to performance appraisal system, it is continuous process that involves developing skills, retain talented and high performing employees and promoting them while meeting the organization requirements cumulatively.

**Table3:** Evaluating Talent for War among employees in the organization which use Talent Management, Integrated with Performance Appraisal System

**Correlation**

		Talent for war among employees increase with Talent Management	Performance Appraisal System works in integration with Talent Management
Talent for war among employees increase with Talent Management	Pearson Correlation	1	<b>.444**</b>
	Sig. (2-tailed)		.000
	Sum of Squares and Cross-products	23.560	10.660
	Covariance	.238	.108
	N	100	100
Performance Appraisal System works in integration with Talent Management	Pearson Correlation	<b>.444**</b>	1
	Sig. (2-tailed)	.000	
	Sum of Squares and Cross-products	10.660	24.510
	Covariance	.108	.248
	N	100	100
**. Correlation is significant at the 0.01 level (2-tailed).			

Pearson correlation analysis as in table 2 is evaluating one of our hypothesis H<sub>1</sub>. According to the Pearson correlation analysis, without appropriate limitations, correlation as poor if lower than 0.50, medium between 0.25 – 0.70 and strong if higher than 0.70. According, it is understood that in the 0.01 significance level, so that the companies which use talent management integrated with Performance Appraisal System and talent for war has moderate positive correlation.

**Table: 4 The Anova result of Performance Appraisal System according to Talent for War among employees.**

	Sum of Squares	df	Mean Square	F	Sig.
Talented	2.042	1	2.042	8.811	.000
Untalented	22.708	98	.232		
Total	24.750	99			

One way Anova analysis is done between “Talent for War among employees” and “Performance Appraisal System” to evaluate our hypothesis H<sub>2</sub>. Accordingly there is significant difference between Performance appraisal system over the effect of talent for war among employees to the talent Management (F=8.811, P<0.05) In these according with result the analysis result, H<sub>1</sub> and H<sub>2</sub> Hypothesis are both Accepted.

**Conclusion:-** Organization’s growth and development is the point is to attract talents to organization and create strategies, plans and policies to develop the necessary perceptible to retain the talents. Organizations should establishing the talents and potentials, draw the path to maximize the value that these talents can provide by planning the development of these talents, and build up attraction centers in contemporaneous with these talents developments plans, Talent management is not only to select the particular talent, but to manage existing talent effectively and efficiently, with high motivation, skills and high performance of added value. It is seen in the research paper above, talent for war and the use of talent management , integrated with performance appraisal system has a moderate positive relations in the organizations. According to this paper above while talent management for hiring and selection is also common to performance appraisal system, it is continuous process that involves developing skills, retain talented and high performing employees and promoting them while meeting the organization requirement cumulatively.

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