



IMPACT OF INFORMATION TECHNOLOGY ON PERFORMANCE APPRAISAL

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ABSTRACT

Performance Appraisal is the systematic evaluation of performance of employees and to understand the abilities of a person for further improvement. Performance appraisal is generally required to maintain records in order to determine compensation packages, identify the strength and weakness of employee to place right men on right job, proper feedback from employee regarding their performance etc. The proper performance appraisal is highly recommended to retain effective employee. IT has a very high impact on every area of Human Resource Management.

To automate the processes of Performance Appraisal, organisations are increasingly taking the help of IT, which help to systematically record all the data necessary for Performance Appraisal.

This paper aims to investigate and explore the effectiveness of and significance of using technology in appraisal system. The study is based on secondary data from published journals and articles. The paper concludes that although IT can be a best tool to automate the process, but human interaction cannot be ignored, as it is required with the same priority. Otherwise we are not able to retain the effective employees who are the valuable assets for every organisation.

KEY WORDS: Hris, Human Resource Management, Ict In Performance Appraisal, Information Technology, Performance Appraisal

1. INTRODUCTION

Information Technology (IT) play a vital role to bring fundamental changes in the world's economies and societies by creating more revenues to earn, allows access to information, enhances the world of efficiency and makes the world a global village . The IT industry has multiplied the activities of electronics and print media, computers, human resources management, telecommunications and e-business by many folds. It has become the structural factors for an organization and business.

According to Valverde et al. (2006), HR function is “all managerial action carried out at any level related to organization of work and the entry, development and exit of people in the organization so that their competencies are used at their best in order to achieve corporate objectives”. Day by day HR managers are facing lots of challenges in present business, like globalization, technological advances, workforce diversity and also changes in political and legal environment. All these challenges increase the pressure on HR managers to retain, nurture and boost talented employees. HR professional can't ignore these challenges rather they ought to be line to design and execute innovative idea of developing skills and competencies of human resources to prepare them to accept the emerging challenges.

Behind the production of every product or service there is a human mind. No products or services can be produced without the help of human being. Today many experts claim that machines and technology are replacing human resources and minimising their roles or efforts. However, machines and technology are also built by those humans; they need to be operated or monitored by humans. Maybe because of this reason, companies have continuously been searching for talented, skilled and qualified professionals for further development or add more features on those latest machines and technology, which again have to be controlled or monitored by humans to bring out products.

There are different functions in Human Resource Management, like Selection, Recruitment, Training, Employee Appraisal etc. Performance appraisal of employees is a vital function in every origination. The performance appraisal is the process of assessing employee performance by way of comparing present performance with already established standards

which have been already informed to employees, subsequently providing feedback to employees about their performance level for the purpose of improving their performance as needed by the organisation.

As said above the very purpose of performance uprising is to know performance of employee, subsequently to decide whether training is needed to particular employee or to give promotion with additional pay hike. Performance appraisal is the tool for employee development not the fault finding mechanism. Now a day's organization are taking help of different application for making appraisal of a particular employee which may be time saving, may be cost effective but how much efficient to use those tools for making those appraisal. System always behaves as per the instruction provided by the developer based on organisation need. Systems are not able to change their views on different situation.

This paper did a comparison study on published research papers and articles from different journals available both online and offline to find out to what extend Information Technology will have an impact on performance appraisal.

2. LITERATURE STUDY

Literatures in this area are mainly focusing on usefulness of Information technology on performance appraisal. Hamed Mahmoud Shamsaan Ahmed (2016) in their paper titled Technology in Performance Appraisal System with Specific Reference to Group of Companies HSA and its Partners in the Republic of Yemen stated that Impact of technology on performance appraisal in industrial organisation has particular significance; it determines the organisation's success or failure. Arvinder Kour Mehta (2014) stated Performance Appraisal is directly related to the job performance of the employees. If there are no appraisals of performance employee will not work again. Nasud (1999). believes that the assessment structure is a first-class tool to recover the worth and magnitude of the manpower's performance. At the present time, performance assessment is well thought-out as an imperative feature in human capital administration and an element of the control process in management Aharon Tziner, Kevin R. Murphy (1999) observed the attitudinal influences in performance appraisal from their analysis they found that raters' who were high on instrumental commitment were more likely to give high ratings than raters lower on instrumental commitment. They also suggested that perceptions of performance appraisal systems can affect the quality and usefulness of the ratings obtained. One way of improving

ratings may be to increase perceptions that ratings are done honestly, ratings are used fairly by organizations, and that raters are rewarded for providing useful performance feedback to their subordinates. Lee,(2009) in his study called "Effects of HRM practices on IT usage" shows that organizations are using technologies for HR field such as employee participation, clearly defined jobs and extensive formal training. IT is enabling organizations to deliver state-of-the-art HR services, and reduced costs regardless of the firm size. Ball, (2001) in his study commented that the wide reach of the Internet and other ITs can help SMEs overcome their size disadvantage. Oviatt & McDougall, (1995) also made a study on SMEs and commented that SMEs are less inclined towards adopting modern methods of hiring, which is why candidates have less information about the available job opportunities across the board. Kishore (2012) Human Resource Information Systems (HRIS) refers to the systems and processes at the intersection between human resource management (HRM) and information technology (Kovach & Cathcart, 1999). In its most elementary form HRIS is a system used to acquire, store, manipulate, analyze, retrieve and distribute pertinent information about an organization's human resources. Lengnick-Hall and Moritz propose, along with others (Walker, 2001), that HRIS will create informational efficiencies and cost savings in such a manner that HR departments can turn their attention to providing better analysis of current data. The current generation of HRIS automates and devolves routine administrative and compliance functions traditionally performed by corporate HR departments (Barron et al.,2004).

3. THEORETICAL FRAMEWORK

3.1 Definition of HRIS

According to Kettley P & Reilly (2003), a computerized Human Resource Information System (CHRIS) consist of "a fully integrated, organization wide network of Human Resource related data, information services, databases, tools and transactions".

Similarly, Chamaru De Alwis (2010) defined Human Resource Information System (HRIS) as a computerized system used to collect, record, and store, analyze and retrieve data pertaining to an organization's human resources.

Kavanagh et al., (1990) defined it as a system used to acquire, store, manipulate, analyze, retrieve, and distribute information regarding an organization's human resources.

3.2 Definition of Performance Appraisal

According to K Aswathapa, Performance appraisal involves assessment of the actual performance of an employee against what is expected of him/her. Such assessment is the basis for awarding promotions, effecting transfers, or assessing training needs.

C. D. Fisher L. F. Schoenfeldt and J. B. Shaw have defined as: The process by which an employee's contribution to the organization during specified period of time is assessed.

Gary Dessler defined "Performance appraisal as means of evaluating aim employee's current and or past performance relative to his or he performance standards"

Bellows said: "Performance appraisal is defined as a systematic periodic evaluation of the worth of an individual of an organization, usually mad by a superior or someone in position to observe his performance".

William B. Weather and Keith Davis said: "Performance appraisal is the process by which organization evaluate individual job performance"

John Douglas, Stuart Klein and David Hunt defined: "Performance appraisal as a systematic evaluation review of employees meaningful job behavior with respect to their effectiveness in meeting their job requirements and responsibilities"

Leon C. Megginson has defined: Performance appraisal is the process an employer uses to determine whether an employee is performing the job as intended. (Merit rating, efficiency rating, service rating and employee appraisal arc' others frequently used terms for performance appraisal)

Wayne F. Cascio: "Performance appraisal as the systematic description of an employee's job-relevant strengths and weaknesses"

3.3 The Objectives of Using IT in Performance Appraisal

Technology helps to measure and manage the employee performance. It helps to automate the processes of HR and save time and cost and reduce the efforts required and the paperwork. Maximum organisations are already using and rest are planning to buy software for the performance management in the organisation.

To help and automate the processes of Performance appraisal management, organisations are increasingly taking the help of various performance management software's like Workforce Performance Management (WPM) suite systems and Talent Management Software which help to systematically record all the data about the employee performance, pre-determined targets and the results achieved, compensation, succession planning and other related HR systems. The various forms can be filled online and can be submitted to the HR.

The information is systematically stored in metrics where the current employee performance can be compared with the targets and the standards. These systems also help to analyze the training needs of the employees, systematically monitor their progress and their review and feedback and the improvement in the performances.

Such software systems are provided by IT companies which they help to implement and integrate in the processes of the organisations.

The organisations today have the choice of buying a ready to use licensed software package or can get a customized software system prepared according to its own needs and requirements.

3.4 Scope of IT in Performance Appraisal System

IT is used for identifying the parameters of performance and stating them very clearly. By the implementation the performance standard can be set for performance management. I.T helps for identifying competencies and competency gaps that contribute/hinder to performance and recognizing and promoting performance culture.

4. METHODOLOGY

The methodology used for this paper is descriptive research. Data are collected from published research papers, articles and other materials from different journals available both online and offline. EBSCO database is also used for data collection.

5. RESEARCH OBJECTIVE

Does Information Technology only have the positive impact or it has the negative impact on performance appraisal

6. ANALYSIS & CONCLUSION

After going through the various articles and research papers it is being observed that information communication and technology (ICT) plays a vital role in all HR functions including performance appraisal. Performance appraisal is one of crucial and critical functions of HR. Every years HR managers and other reviewer/ appraiser has to face challenges in reviewing the performance of employees. This function of HR require in depth understanding of human beings and their mind set as employees or job holders, as because lot of decisions such as promotion, increment etc. has to be taken based on performance review. Recently many HR managers are formulating employee engagement strategies based on performance appraisal.

Though the HR managers are making an effort to make appraisal process easy and transparent but still there is a phobia in employees mind related to appraisal as they perceive appraisal as a fault finding mechanism rather than a technique of improvement.

This paper study that ICT has got enormous impact on all HR functions including performance appraisal, but impact of ICT is more on training and employees' performance rather than appraisal of performance as because appraisal required human touch. Without performance review discussion any appraisal process doesn't come to an end. Information technology can only give support to those discussions but cannot substitute human being from discussion. More over where still a fear is associated with appraisal in employees mind in Indian corporate, the use of IT will not able to remove those fear rather they will increase the phobia as because authenticity of use of IT in performance appraisal is still questionable since in IT everything are programmed based on previous situation, but in reality situation might change so in those condition IT cannot able to give proper support. But if it is done by human being the decision can be changed as per the situation.

So to conclude use of IT is definitely a boon in the field of performance appraisal because of huge support in maintaining data, but it cannot replace the emotion, feelings and sentiment of appraiser in judging somebody's performance.

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