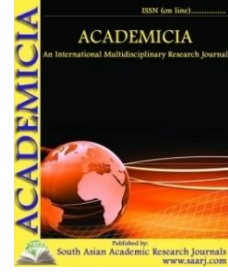




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**JOB EXPERIENCE AND PERFORMANCE APPRAISAL -
A COMPARATIVE STUDY OF IT AND NON-IT SECTOR**

DR.C SUMANGALA*; DR. LANCY D'SOUZA**

*Assistant Professor, Department of Business Management, Maharaja's College,
University of Mysore, India.

**Associate Professor, Department of Psychology, Maharaja's College,
University of Mysore, Mysore - 570006, India.

ABSTRACT

The author attempts to assess the performance appraisal system in selected Information Technology Companies and Non-Information technology companies of Mysore region. A total of 160 (58 IT and 102 non- IT) employees belonging to Information Technology and Non- Information Technology Companies who were selected through stratified random sampling technique completed modified questionnaire of Rao (2000) which was used to measure the Performance Appraisal System for Industries. Multi-variate analysis of variance technique was employed to find out the differences between sectors and experience of the respondents including interaction effects. It was found that there were no significant differences in performance appraisal between IT and NON-IT sector for all the components and total. Further, it was found that as the experience level increased, performance appraisal also increased irrespective of the sectors. The interaction effects clearly revealed that experience related increase in components of performance appraisal and total appraisal which were specific to IT sector.

KEYWORDS: Performance Appraisal, Information Technology and Non Information Technology sector, Experience.

INTRODUCTION

People differ in their abilities and their aptitudes. There is always some difference between the quality and quantity of the same work on the same job being done by two different people. Performance appraisals of employees are necessary to understand each employee's abilities,

competencies and relative merit and worth for the organization. Performance appraisal rates the employees in terms of their performance.

Heyel (1973) observes that, Performance appraisal is a process of evaluating the performance and qualifications of employees in terms of requirements of the job for which he is employed, for the purposes of administration including placement, selection for promotions, providing financial rewards and other actions which require differential treatment among the members of a group as distinguished from actions affecting all members equally.

Levinson (1976) has given three functions of performance appraisal: (i) it seeks to provide an adequate feedback to each individual for his or her performance. (ii) It purports to serve as a basis for improving or changing behavior towards some more effective working habits. (iii) It aims at providing data to managers with which they may judge future job assignments and compensation. He stresses the fact that the existing systems of performance appraisal do not serve any of these functions effectively but focus on 'outcome of behavior'.

According to Cummings (1972), "the overall objective of performance appraisal is to improve the efficiency of an enterprise by attempting to mobilize the best possible efforts from individuals employed in it. Such appraisals achieve four objectives, including salary reviews, the development and training of individuals, planning job rotation and promotions"

Whyte (1986) notes that performance appraisal has been widely practiced in both the private and public sectors in the UK and the US for 20-30 yrs. Despite this experience, there is considerable dissatisfaction with appraisal systems, reflected in a growing literature on new, improved approaches. It is concluded that, if appraisal is likely to become widespread in schools, the evaluation of appraisal provided in the management literature is relevant to teachers, advisers, and policymakers.

According to Abu-Doleh and Weir (2007) performance appraisal systems in the Jordanian private and public organizations need to better serve the four functions of performance appraisals and they are , 1. System maintenance and documentation are functions that need special attention to be integrated with performance appraisal systems. 2. Performance appraisals systems should include other than appraisee's manager in the appraisal process. Thus, by the use of multiple sources of appraisal information, more reliable/credible and valid results can be obtained. 3. Performance appraisal results should be directed at: (a) addressing performance problems of the appraisees; (b) addressing developmental needs and career aspirations of employees; (c) linking performance results with pay increase; (d) formulating more discussion and feedback between managers and Employees.

According to Roland Benjamin (Mammoria & Gaonkar 2008) "A Performance Appraisal determines who shall receive merit increases, counsels employees on their improvement, determines training needs, determines ability to get promoted and identifies those who should be relocated.

OBJECTIVE

To evaluate the qualitative and quantitative functioning of the Performance Appraisal System adopted in IT and non IT industries of Mysore District and to make an in depth analysis and understanding of performance appraisal system.

HYPOTHESES

- IT and Non- IT employees differ significantly in their performance appraisals.
- Employees having different levels of job experiences differ in their performance appraisals.

SAMPLE

Stratified Random Sampling was adopted to gather data; a total of 160 (58 IT and 102 Non IT) respondents working in Information Technology and Non- Information Technology Companies in and around Mysore region participated in the study.

INSTRUMENT

1. An interview schedule was prepared to gather the general information about employees in the organization.
2. A modified questionnaire based on Rao. T.V., (2000) Indian Institute of Management (IIM) – Ahmadabad, who developed questionnaire to measure performance appraisal system for industries.

Questionnaire by Rao (2000) aims at assessing the performance appraisal system in the organization. Based on the principles followed by Rao, the present researcher developed questionnaire to measure performance appraisal system for appraisees with some modifications. The questionnaire comprises of 33 questions and they are classified into 6 components as shown below:

Components of performance appraisal		Question Numbers	No of statements
A	Rules and regulations	1,3,4	3
B	Inter personal relations	2,6,27,28,33	5
C	Identification of training and development needs	5,14,15,16,17,18,19,20	8
D	Roles and responsibilities	8,9,10,11,22,25,26,29,30	9

E	Target and task orientation	12,13,24,31,32	5
F	Open communication	7,21,23	3
		Total	33

The answering pattern would be -1-Strongly disagree, 2-disagree, 3-Can't say, 4-Agree, and 5-Strongly agree, for positive questions and the reverse scores for negative questions. The above questionnaires are validated by the researcher and experts in the field using face and content validity. Later reliabilities for the questionnaires were established through split-half reliability technique.

METHODOLOGY

Data collection for the main study was carried out in two sessions. In the first session the participants were informed about the purpose of the study and their oral consent was obtained. In the second session questionnaire on performance appraisal was administered. An attempt was also made to maintain interest and cooperation throughout the testing session. The participants were given assurance about the confidentiality of obtained information. A consent letter was taken from each participant before the study. They were informed to cooperate throughout the study and if at all they felt discomfort during the sessions or in answering questions they had option to opt out from the investigation.

SCORING AND ANALYSIS

Sector-wise and experience wise differences in each component and total performance appraisal scores has been done through MANOVA (multivariate analysis of variance) using SPSS for Windows software (version 16.0).

RESULTS

Table 1 presents mean scores of experience of employees in IT and Non-IT sector on various components of performance appraisal and total scores and results of Multi-variate analysis of variance.

TABLE 1: MEAN SCORES OF EXPERIENCE OF EMPLOYEES IN IT AND NON-IT SECTOR ON VARIOUS COMPONENTS OF PERFORMANCE APPRAISAL AND TOTAL SCORES AND RESULTS OF MULTI-VARIATE ANALYSIS OF VARIANCE

Sector	Experience (in years)	Subscales							
		Rules and regulations		Inter personal relations		Training & development needs		Role & responsibility of employees	
		Mean	S.D	Mean	S.D	Mean	S.D	Mean	S.D
IT	Less than 5	11.57	1.99	19.90	2.34	31.33	3.58	36.03	4.31
	5 to 10	12.05	2.11	21.45	2.46	33.80	3.29	38.30	2.94
	More than 10	14.25	1.04	23.25	1.91	36.13	3.14	41.25	3.11
	Total	12.10	2.11	20.90	2.58	32.84	3.79	37.53	4.10
Non-IT	Less than 5	13.14	1.13	22.17	1.79	34.79	3.23	37.90	3.13
	5 to 10	13.40	1.24	21.80	2.21	34.60	2.97	36.73	4.68
	More than 10	13.72	1.46	21.91	2.19	34.09	5.41	37.55	4.71
	Total	13.51	1.36	21.97	2.07	34.36	4.56	37.53	4.29
Total	Less than 5	12.34	1.80	21.02	2.37	33.03	3.81	36.95	3.86
	5 to 10	12.63	1.90	21.60	2.33	34.14	3.14	37.63	3.80
	More than 10	13.79	1.42	22.08	2.19	34.33	5.22	38.00	4.69
	Total	13.00	1.79	21.58	2.32	33.81	4.35	37.53	4.21
F (Sector)		F=1.068; P=.303		F=.851; P=.358		F=2.083; P=.151		F=.280; P=.151	
F (Experience)		F=10.258; P=.000		F=4.818; P=.009		F=2.395; P=.095		F=3.362; P=.037	
F (Interaction)		F=4.426; P=.014		F=6.909;		F=4.190;		F=4.813; P=.009	

		P=. 001	P=. 017	
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TABLE 1 CONTINUED: MEAN SCORES OF EXPERIENCE OF EMPLOYEES IN IT AND NON-IT SECTOR ON VARIOUS COMPONENTS OF PERFORMANCE APPRAISAL AND TOTAL SCORES AND RESULTS OF MULTI-VARIATE ANALYSIS OF VARIANCE

Sector	Experience (in years)	Subscales				TOTAL	
		Task and target orientation		Open Communication			
		Mean	S.D	Mean	S.D	Mean	S.D
IT	Less than 5	18.50	2.13	11.77	2.10	129.10	13.37
	5 to 10	20.25	1.94	12.80	1.06	138.65	10.55
	More than 10	20.75	3.58	14.13	1.36	149.75	13.12
	Total	19.41	2.46	12.45	1.87	135.24	14.24
Non-IT	Less than 5	20.34	2.78	12.66	1.32	141.00	9.85
	5 to 10	19.93	2.40	12.80	1.82	139.27	11.93
	More than 10	20.02	2.88	12.62	2.40	139.91	13.83
	Total	20.10	2.77	12.66	2.05	140.13	12.44
Total	Less than 5	19.41	2.62	12.20	1.80	134.95	13.12
	5 to 10	20.11	2.13	12.80	1.41	138.91	11.00
	More than 10	20.11	2.95	12.80	2.34	141.11	14.02
	Total	19.85	2.67	12.58	1.98	138.36	13.29
F (Sector)		F=.280.; P=.306		F=.306; P=.581		F=.140; P=.708	
F (Experience)		F=1.504; P=.226		F=3.538; P=. 031		F=5.863; P=. 004	
F (Interaction)		F=3.078; P=. 049		F=3.604; P=. 030		F=7.541; P=. 001	

RULES AND REGULATIONS: Between IT and Non-IT sectors a non-significant difference was observed in their mean appraisal on rules and regulations ($F=1.311$; $P=.254$), however, experience wise significant differences were observed ($F=10.258$; $P=.000$), where we see an experience related increase in the performance appraisal. Further, the interaction between sector and experience, also found to be significant ($F=4.426$; $P=.014$), where we find that the experience related increase is found only in IT sector.

INTER PERSONAL RELATIONS: In interpersonal relations respondents from IT and non-IT sectors had similar scores ($F=.851$; $P=.358$), however, experience related differences existed ($F=4.818$; $P=.009$). It is clear that experience related increase in the mean inter personal relations was observed. The interaction between sector and experience was also found to be significant ($F=6.909$; $P=.001$), where we find that experience related increase is restricted to only IT sector.

TRAINING AND DEVELOPMENT NEEDS: Neither sector ($F=2.083$; $P=.151$) nor experience ($F=2.395$; $P=.095$) have significant influence over mean appraisal scores in training and development needs. However, the interaction between sector and experience was found to be significant ($F=4.190$; $P=.017$), where we see a consistent experience related increase in mean scores in IT sector, which was not so for respondents in non-IT sector.

ROLE & RESPONSIBILITY OF EMPLOYEES: The mean appraisal scores on this component was found to be similar for both IT sector and non-IT sector ($F=.280$; $P=.151$). Experience wise differences indicated that ($F=3.362$; $P=.037$), respondents in more than 10 years experience group had max appraisal scores than other two groups. Further, the interaction between sector and experience ($F=4.813$; $P=.009$), where a clear experience related increase is seen among respondents in IT sector.

TASK AND TARGET ORIENTATION: Neither sector ($F=.280$; $P=.306$) nor experience ($F=1.504$; $P=.226$) have significant influence over the mean appraisal scores in task and target orientation component. However, the interaction between sector and experience was found to be significant ($F=3.078$; $P=.049$), where we see a consistent experience related increase in mean scores in IT sector, which was not so for respondents in non-IT sector.

OPEN COMMUNICATION: In open communication, respondents from IT and non-IT sector did not differ significantly ($F=.306$; $P=.581$). Experience wise comparison revealed a related increase ($F=3.538$; $P=.031$), and this pattern of response was found only in the IT sector. Further, the interaction between sector and experience ($F=3.604$; $P=.030$), where a clear experience related increase is seen among respondents in IT sector.

TOTAL PERFORMANCE APPRAISAL SCORES: In total appraisal scores, respondents from IT and Non-IT sectors did not differ significantly ($F=.140$; $P=.708$). However, F test indicated experience related difference ($F=5.863$; $P=.004$), showing higher levels of performance appraisal among higher experience group than lower experience group. The interaction between sector and experience was also found to be significant ($F=7.541$; $P=.001$). We see a drastic experience related increase in IT sector, however this pattern is not found in non-IT sector.

DISCUSSION

The main findings of the present study are,

1. Respondents from IT and Non-IT sectors evaluated the performance appraisal equally.
2. Irrespective of the sector, as the experience increased, performance appraisal also increased for most of the components of performance appraisal including total performance appraisal.
3. On Rules and regulation, Inter personal relations, Role & responsibility of employees, Open communication and total, experience related differences existed, and it was truer for only IT sector.

In the present study hypothesis 1 that was formulated is rejected as the test statistics revealed non-significant difference between respondents from IT and non-IT sectors on performance appraisal. Further hypothesis 2 that was formulated for experience is accepted as we find that performance appraisal increased for most of its components including total performance appraisal.

The studies related to performance appraisal are very scanty in India. Some of the findings in the present study are in agreement with studies conducted elsewhere. Ali and Davis (2003) in a study on “the effects of age, sex and tenure on the job performance of rubber tappers” collected data on job performance of rubber tappers from nine different estates in Malaysia, and analyzed for age, sex and tenure differences. They found that Partial correlation analyses indicated that tenure, rather than age, was the main determinant of job performance. More experienced rubber tappers were found to perform better than less experienced rubber tappers.

Wright and Bonett (2002) studied “the moderating effects of employee tenure on the relation between organizational commitment and job performance: a meta-analysis” the authors found that tenure had a very strong nonlinear moderating effect on the commitment-performance correlation, with correlations tending to decrease exponentially with increasing tenure. These findings do not appear to be the result of differences across studies in terms of the type of performance measure (supervisory vs. self), type of tenure (job vs. organizational), or commitment measure (Organizational Commitment Questionnaire

In ‘total’ performance appraisals Non-IT sector had higher scores as compared to the IT sector. However the relationship between experience and performance appraisals showed a clear experience related increase in performance appraisals among the IT employees than among Non-IT employees. This reveals that there is a systematic appraisal process among the IT sector which gives a clear indication of an increase, in relation to experience. However, the Non-IT sector did not have a clear increase in relation to experience. It may be because the Non- IT sectors that were chosen were of different categories like K.E.B, Milk diary, J.K.Tyres, Mysore Lac and Paints, Web Peripherals etc. The performance appraisal methods vary from organization to organization and hence a clear result could not be obtained.

It is further noted that experience did not have an effect on performance appraisals on the components training and development and task and target orientation. This is because training and development programs serve as a facilitator for improved performance, as a result of which the effect of experience on performance appraisals becomes insignificant. Similarly there was no effect of experience on performance appraisal (PA) on the task and target orientation component. This is because deadlines help employees to, always put in more effort and perform better. Hence, the insignificance of experience on PA is clearly notable.

If Performance Appraisal is not properly understood by organisations, they may fail in the area of development and will be surrounded by several problems. Work threats may increase; employees may lose interest and confidence in the organisation. Poor team work, poor job knowledge, non co-operation, wrong placement, insufficient training, physical illness, family problems, and other social problem viz. drinking, indebtedness, conflicts in families are some of the problems that may arise. Therefore, many more empirical studies on Performance Appraisal System are required to throw more light on the concept, its role, functions and importance so as to benefit both employer and employees in the organization.

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