Technology in Performance Appraisal System with Specific Reference to Group of Companies HSA and its Partners in the Republic of Yemen

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ABSTRACT

Performance appraisal became more vital management tool through which companies can raise the performance levels of their employees. It is a systematic assessment process between employees and company management for the purpose of achieving organisational goals. This study aims to investigate and explore the purposes of performance appraisal and the significance of using technology in appraisal system. The researcher has been used quantitative approach to know the impact of various aspects of technology on current performance appraisal system and qualitative approach was used to study employees' perception regarding performance appraisal system. The survey was used to collect data from the respondents. The study found that, the appraisal system does not address the important purpose upon which it should. It is used only for promotion, feedback and payment purpose.The results of present study have clearly shown that majority of employees have strong wish to have effective factors of performance appraisal system. The study indicates that, online technology used in performance appraisal system.

Keywords: Factors of Effective Performance Appraisal, Performance Appraisal, Technology in Performance Appraisal

Introduction

Performance appraisal became more vital management tool through which companies can raise the performance levels of their employees. It is a systematic assessment process between employees and company management for the purpose of achieving organisational goals. It involves performance planning, measuring, providing feedback counseling and advising employees to increase their performance. It is all about aligning employee's objectives to organisational objectives. All the activities of performance management are related to organisational objectives and employees behaviour. Organisations are using different tools and methods to implement performance management system.

Impact of technology on performance appraisal in industrial organisation has particularsignificance; it determines the organisation's success or failure.Performance

appraisal and management are cornerstones of industrial-organizational psychologyand human resources, yet frequently are major sources of dissatisfaction among organizationalemployees and management (Pulakos, 2009).

Talking about the nature of the performance appraisal Wilson (2005) says it is neither atechnique nor a single step, it can be considered a continues process that includes employeemotivation to perform well, knowledge of employees about what their managers expect ofthem and evaluation of their performance aimed at identifying areas where the improvementsare needed.Davis (1995) saysPerformance management is a joint process that involves both the supervisor and theemployee, who identify common goals, which associate to the higher objectives of theinstitution.

Performance appraisal can provide the basis for key managerial decisions such as those related to the allocation of duties & responsibilities, providing feedback to the employees about their performance, needs of training and development, promotion and demotion, transfer, payment, increasing motivation and productivity, decision making and increasing commitment among the employees.

Overview of HAS Group in Yemen

The Republic of Yemen is a developing country, which is located in the Middle Eastern country in the south of the Arabian Peninsula in the south-west of the continent of Asia. It is bounded on the north by Saudi Arabia, on the south Arabian Sea and Gulf of Aden, on the east by the Sultanate of Oman and the Red Sea to the west. Sana'a is the capital of the Republic of Yemen and has the administrative division of the Republic of Yemen (20) governorates in addition to the secretariat of the capital (Ministry of Industry and Trade in Yemen-2013).From the headquarters in Taiz, the HSA group business has grown to become the most prominent and diversified private group of companies in the whole of Yemen. In terms of investment value, market position, logistics infrastructure and technological innovation, they have become a local and regional powerhouse, committed to responsible global expansion .The HSA Group currently employs more than 20,000 people directly, and support thousands more suppliers, contractors and distributors through our local operations – totaling 35,000 employees across five geographic regions .Operating an impressive portfolio of leading major brands, the Group's major business sectors include manufacturing, trading and financial services, as well as oil and gas exploration, print and packaging, agriculture, fisheries, real estate and mineral mining

The HSA group in Yemen is carrying out a variety of programs through technology to achieve organisational goals and to improve employee's performance and development. It

aims to use technology in evaluating the employees' performance and solving their problems for achieving high productivity.Likewise, there are large numbers of firms providing software systems for various aspects of performance appraisal and management. Such systems have quickly moved from ones that tended to address one or two relatively narrow functions to software suites providing a comprehensive set of tools for performance information measurement and application to cloud computing- based approaches that permit efficient world-wide centralization of HR functions.The Yemen Company for Industry & Commerce (YCIC) considered to bethe first private industrial company under the HSA Group of Companies in Yemen and is one of the largest in the Middle East for producing baked goods, confectionaries and sweets. The company was established in 1970, and the opening of the first site was in 30th/September/1971. The plant started with two production lines and 120 employees, and an annual capacity of (8500 MT). BY time YCIC has been through many development stages and it became one of largest establishment for the food industry in the region, with 2600 employee, 27 different production lines, and annual capacity of (120000 MT) (YCIC, 2014).

Literature Review

By maintaining such a database that includes performance data and prior feedback frommultiple sources (such as other past raters), much of the strain associated with providingfeedback to employees can be alleviated (Bracken, Summers, &Fleenor, 1998).

Payne et al. (2009) found that employees viewed their performance ratingsobtained from an electronic system as fair and accurate, other studies have reported inconsistentresults regarding rating accuracy. Weisband& Atwater (1999) found in a laboratory setting that

self-ratings were more inflated and less accurate when obtained electronically, although ratingsof peers were more accurate and less influenced by liking for the peer when obtainedelectronically. Kurtzberg, Naquin, & Belkin (2005) found in three empirical studies that peerswere rated more negatively when e-mail was used as the communication medium than when amore traditional paper-and-pencil medium was used. Kurtzberg et al. noted that their findingswere consistent with other research findings that individuals are more negative in an onlineenvironment than they are face-to-face.Furthermore, by providing a direct link between performance appraisal and trainingsystems (as is often the case when an online performance appraisal system is linked to anenterprise-wide HR system), it becomes easier for employees to seek out specific trainingopportunities based on their feedback (Cardy& Miller, 2005; Johnson &Gueutal, 2011), as wellas to chart their own performance improvement over time.

Implementation of Technology on Performance Appraisal System

Electronic performance appraisal systems, particularly online systems, present many potential benefits for organizations. These systems centralize numerous human resource functions, and enable easy access to a wide variety of information about employees. By making such information continuously available to employees, managers, and HR, such online systems provide a framework to enhance organizational efficiency and decision-making. Of particular interest to the organization, when used properly, such systems have the potential to increase productivity and enhance an organization's competitiveness (Johnson &Gueutal, 2011;Levensaler, 2008).Furthermore, these systems can serve as a solid backbone for multisource or 360-degree appraisal systems, allowing users to submit their ratings easily via the organization's network.The combination of multi resources feedback with HR software tools such as (ERP) Enterprises Resource Planning can make it more efficient for executives and HR professionals to know the overall personnel strengths and weaknessesand will allow them to make decisions making about employees.The implementation online performance appraisal system can record variety of information to help the top management in decision making. Creating an employee's database of performance appraisal can be used to identify high or low performance, aid in succession planning, compensation decisions and training needs.

Online performance appraisal system has a numerous benefits; reduce time spend, decrease money spending and effort. The system can provide regular and accurate feedback to the employees. It reduce the delay between employees' at work behaviour and feedback, employees are more likely to see a clear connection between their performance and their evaluation.

Objectives of the Study

1. To study the main purpose of performance appraisal in HAS group in Yemen.
2. To analyze the significance of technology in performance appraisal system and feedback in evaluating employees performance.
3. To explore factors that contributes to effective performance appraisal system.

Research Methodology

Data for present study was collected by the use of survey questionnaire.The quantitative approach was used to get the various aspects of technology on current performanceappraisal system and qualitative approach was used to study employees' perception regardingperformanceappraisal system. The sample of study contained 77 employees

currently working in HSA group with specific reference to one company of HSA group which is Yemen Company for industry and commerce.

Data Analysis, Research Findings and Discussion

Table 1: Distribution of Study Sample According to Work Experience

Work Experience	Frequency	Percent
1-5 years	15	19%
6-10years	35	45%
11-15years	17	22%
Above 15years	10	13%
Total	**77**	**100.0**

Source: Field survey

It is clear from Table No (**1**)that, the number of those whose experience between 6-10 yearsare35, representing a rate of 45% of the total sample. It is a positive indicator that themajority are highly experienced. This enhances their scientific and practical ability tocomprehend and answer the questionnaire items adequately, hence strengthening thejudgment regarding study objectives in order to come up with results that are reliable andcan be generalized.The ratioabove confirmed that, the majority group of samples was holders ofmore than 6 years of experience. They were able to give a balancedperspective to the problems in the administration of the plant.

Table 2: What is the Purpose of Performance Appraisal in Your Company?

Purpose	Frequency	Percent
Regular feedback	20	26%
Training needs	6	8%
Payment	12	16%
Promotion	33	43%
Review-discussion	6	8%
Total	**77**	**100.0**

Source: Field survey

According to the tool used in the present research the researcher identified that,43% ofrespondents approved that performance appraisal is used for promotion as one of the employees sample said that"The appraisal of employee is only reviewed at the time of selection broad conducted incompany for target employee promotion"However, Majority of

employees believe that, performance appraisal in (YCIC) is used only for promotionpurpose. This is the major shortcoming of currently using system and need is to fill the gap asaccording to the previous studies purpose of performance appraisal is to identify the trainingneeds, promotions, important decisions, salary and open and timely discussions regardingemployee performance

Table 3: Does Your Company Provide You Regular Performance Feedback?

Responses	Frequency	Percent
Yes	42	55%
No	35	45%
Total	77	100.0

Source: Field survey

It is clear from the table No **(3)** that, the majority of employees which constituted 42 with representing ratio 55% are agree that the company provide a regular performance feedback. It indicates that providing constructive feedback in the appraisal process plays a very crucial role for professional growth of an employee as well as the company.

Table 4: Does Your Company Use Technology in Performance Appraisal System?

Responses	Frequency	Percent
Yes	62	80%
No	15	20%
Total	188	100.0

Source: Field survey

It is clear from the table No (4) that, the majority of employees which formed 62 with representing ratio80% are approved that, the company is given significance to the use of technology in performance appraisal system. The company is using online performance appraisal system providing it to all employees in their companies twice a year. It indicates that, the company is looking for using more online system to achieve organisational goals with less cost.

Table 5: What is the most Important Factor for Effective Performance Appraisal?

Factors	Frequency	Percent
Feedback	13	17%
Multiple sources for evaluation	35	45%
Payment	5	6%
Promotion	8	10%
Open Communication	7	9%
Rater-ratee participation	9	12%
Total	77	100.0

Source: Field survey

For the transparency of appraisal system it is very effective to use the multiple sources ofevaluation for each target ratee. The Current study shows 35% of employees are agree with the most effective factors of performance appraisal is multiple sources for evaluation. So use of multiple sources for evaluation, adequate training of rater and ratee, adequate feedback, review discussion and open communication play important role in the successful implementation of appraisalsystem.

Conclusion

The results of the present study have shown that 80% of the respondents agreed with thestatement that company use technology in performance appraisal systemwhereas, only 20% ofrespondents disagreed with the statement above.Another positive aspect of performance appraisal is the recognition of employeeachievements.So results of present study have clearly shown that majority of employees have strong wish to have effective factors of performance appraisal system. In short on the basis of these findings, itseems important for each company to check regularly if their performanceappraisal is perceived as intended and if appraises still support system and process.

It has been found that, the appraisal system does not address the important purposeupon which it should. It is used only for promotion, feedback and paymentpurpose. Technology in performance appraisal system is used.Review discussions are not conducted in (YCIC). Employees are not given enough participation in the appraisal planning process system.In order to increase the credibility of performance appraisal system there should beparticipation and ownership by the employees and they should use technology in appraisal system. In addition, 360-degree appraisal, adequatetraining, procedural justice, goal-setting and

performance Feedback are the most importantfactor in determining the success of appraisal system in any organisation is ignored.

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