



E-Performance Appraisal methods in IT Industry

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Abstract

India, which accounts for over 52% of the entire market, is the largest source nation in the world for the \$ 200 billion IT business. There are almost 15 million Indians working there, and India continues to have a big impact on the country's economic development country. As a result, one of the industries that contributes the most to GDP is the information technology sector. Attrition rates are also relatively high in this industry because of how much is dependent on luck. Also, the turnover rate for workers who disapprove of the current mechanisms for performance review is 18.7%. As a result, the methods of performance evaluation employed by the company are essential in determining how effectively an employee is functioning, as is the extent to which the individual is satisfied with the technique. 7%. In order to determine an employee's performance, the organization's performance evaluation procedures are crucial. Performance, as well as the degree to which the employee is happy with the performance evaluation process adopted. It is regarded as one of the key factors inspiring employees to meet or exceed quality standards. The top 10 IT businesses (based on revenue-2020) are TCS, Infosys, Wipro, Tech Mahindra, HCL Technologies, Mphasis, Oracle Financial Services, Mindtree, Polaris Technology, and Rolta India. This research examines the performance appraisal techniques used by these organisations. Coincidentally, these businesses either employ the Balanced Score Card or 360-degree feedback. Considering its advantages, disadvantages, and justification for use, this article might also be an evaluation of the balanced score card and 360-degree feedback.

Keywords: *Balanced Score Card, 360-degree feedback, Performance Assessment, IT Sector.*

Introduction

The 1967 Bombay-founded Tata Consultancy Services company later worked with Burroughs to introduce India's export of IT services in 1977. The first software export zone (SEEPZ), which served as the model for the contemporary IT park, was established in Bombay in 1973. SEEPZ was responsible for more than 80% of all software exports from the country in the 1980s. Within 90 days of its inception, the Task Force released a thorough background report on the state of technology in India as well as an IT Action Plan with 108 recommendations. The Task Force was able to work quickly because it relied on the knowledge and frustrations of academic institutions, state governments, federal agencies, and the software industry.

Its recommendations were heavily influenced by the World Trade Organization (WTO), the International Telecommunications Union (ITU), and the International Bank for Reconstruction and Development, among other international organisations. The Task Group also considered the results of comparable initiatives that Singapore and other nations had adopted. It was less of a problem of creation and more of a problem of sparking action on a consensus that had already emerged within the networking community and government. The field of knowledge technology and services that are made possible by information technology (IT-ITeS) may be one that is fast developing and altering the structure of Indian business rules. This sector includes software management, business process outsourcing, consulting services, and software development (BPO). In many ways, the top 10 IT firms—TCS, Infosys, Wipro, Tech Mahindra, HCL Technologies, Mphasis, Oracle Financial Services, Mindtree, Polaris Technology, and Rolta India—which also include K. Chandhana, a research scholar at Hindustan University, and Dr. David T. Easow, the deputy director (SoM& International Affairs), are setting market trends. According to a poll by Nasscom and Zinnov Industrial Private Ltd., India is on track to have 11,500 digital start-ups by 2020, making it the country with the fourth-largest base for new businesses worldwide. New prospects have never been available to Indian IT companies before thanks to emerging technologies. According to data given by the Department of Economic Development and Promotion, the PC software and hardware sector in India drew total foreign direct investment (FDI) inflows totaling US\$ 13,788.56 million between April 2000 and December 2014. (DIPP). The top 10 IT companies use a 360-degree feedback and balanced scorecard performance appraisal method.

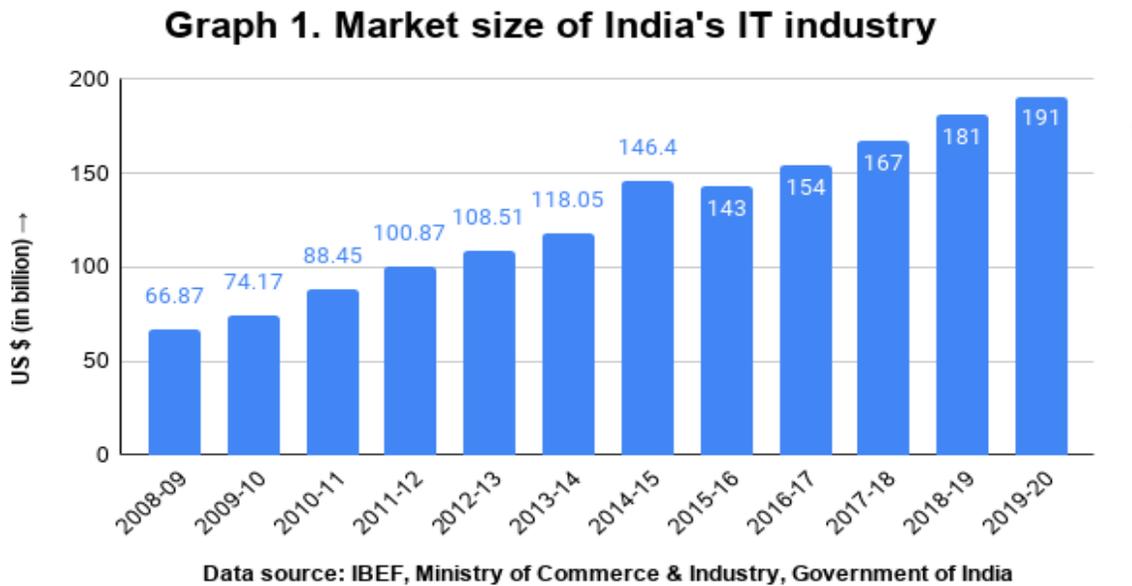
The company's performance appraisal procedures are used to measure and assess an employee's performance. Nevertheless, the trap is growing discontent with the organisations' use of appraisal procedures on a daily basis.

Performance appraisals are used to systematically evaluate employee performance and identify a person's strengths for future growth and development. Performance evaluation is typically eliminated in the following ways:

- Supervisors evaluate employee remuneration and compare it to goals and plans. The employer is in a position to help the employees perform much better since the supervisor analyses the elements influencing employee work performances. It could also be a scientific assessment of an individual's development potential based on how well they perform at their jobs. After a pay increase, employees who simply work for financial gain leave the company to continue haggling with the rival company. Those who never receive an acceptable appraisal become demotivated and look for alternative employment. Any employee whose appraisal makes them feel undervalued or underappreciated must be addressed as soon as feasible. Four goals of performance evaluations broad objectives specific targets Utilization to Meet Individual Needs performance assessment Transfers and Placements Utilizations, Growth Requirements, and Administrative Decisions Money Promotion Retention and Termination Gratitude Layoffs Identifying underperformers Organizational Upkeep HR Planning Training Needs Achieving Organizational Objectives Goal-Oriented Definition Strengthening Organizational Requirements via HR Systems Assessment.

Legal requirements research for document validation for HR decisions There are several different performance evaluation methods used by the IT industry as a whole. But because they are the market leaders, this study only looks at the tactics employed by the top ten IT companies.

Graph 1



With corporate performance appraisal techniques, an employee's performance is assessed and measured. Nevertheless, the trap is growing discontent with the organisations' use of appraisal procedures on a daily basis. The effectiveness of an employee is heavily influenced by their performance review, as well as how satisfied they are with the performance review process.

Worker performance is routinely evaluated through performance assessments, which also identify a person's potential for future skill development. The following methodical techniques are commonly used for performance evaluation:

- Managers evaluate employee pay and contrast it with plans and goals. Because the supervisor examines the factors affecting employee work performances, employers are in a position to lead the workers for a much greater performance. A thorough evaluation of a person's work performance and development potential may be necessary. Employees who simply work for the money leave the company after receiving a pay increase to continue their discussions with any other company. People who never receive a favourable appraisal lose motivation and search for other career opportunities.

Four objectives of performance reviews

- Objectives in general
- certain targets
- Usage for Development
- Personal requirements
- Performance commentary
- Transfers and placements
- Strengths and Needs for Growth / Uses / Administrative Decisions
- Payment Promotion Termination / Retention
- Recognition Layoffs
- Identification of poor performers
- Organizational Upkeep
- Training Requirements in HR Planning

achieving organisational goals Objective Definition HR Systems Assessment strengthening organisational requirements Validation of Documents For HR Decisions: Research legal prerequisites The entire IT sector uses a variety of performance evaluation techniques. Yet, because they are the industry leaders, this research solely examines the strategies used by the top ten IT firms. The top 10 IT organisations employ either the balanced score card or 360-degree feedback in the face of intense market competition.

A 360-degree assessment must include the following four components: • Peer review; • Self-evaluation; • Assessment by superiors; • Appraisal by subordinates.

The traditional part of the 360-degree feedback approach, when the superior reviews the employee's work, is the superior's appraisal form. But, self-evaluation is the best way to identify one's strengths and shortcomings, performance expectations, and areas for progress. The assessment procedure for subordinates offers the chance to assess an employee on features including leadership qualities, the ability of the superior to delegate the task, communication and motivating skills, etc.

Study of the literature

Performance appraisal is a crucial aspect of human resource management in any industry, including the IT sector. It involves evaluating the performance of employees based on various parameters, such as their skills, knowledge, behavior, and productivity. This literature review will examine some recent studies and references on performance appraisal in the IT sector.

Factors Affecting Performance Appraisal in IT Sector

Several factors affect performance appraisal in the IT sector. According to a study by Karim and Abdullah (2022), the factors include the employee's technical skills, communication skills, work experience, and education. The study found that employees' technical skills were the most critical factor affecting their performance appraisal.

Methods of Performance Appraisal in IT Sector

The IT sector uses several methods of performance appraisal, including self-appraisal, peer appraisal, and supervisor appraisal. According to a study by Kumar et al. (2021), self-appraisal is the most common method used in the IT sector. The study found that self-appraisal provides employees with an opportunity to evaluate their performance and identify areas where they need to improve.

"Challenges in Implementing Performance Appraisal Systems in the IT Sector: A Review" by Aparna Jain and Reena Singh. (2020)

This review paper examines the challenges in implementing performance appraisal systems in the IT sector. The authors identified several challenges, such as lack of employee involvement,

inadequate training of managers, and lack of clarity in performance criteria. The study recommends that organizations in the IT sector should focus on developing performance appraisal systems that are transparent, objective, and aligned with organizational goals.

"A Review of Performance Appraisal Systems in the IT Sector" by Ayodele Olumuyiwa Akinbode and Titus A. Odedun. (2020)

This study reviewed the literature on performance appraisal systems in the IT sector. The authors found that effective performance appraisal systems in the IT sector should be aligned with organizational goals, transparent, and based on objective criteria. The study suggests that organizations in the IT sector should provide training to managers on how to conduct performance appraisals effectively.

Objective of the study:-

- The main objective of performance appraisals is to measure and improve the performance of employees and increase their future potential and value to the company
- To understand the organizational development of TCS and Wipro.
- Goals with specific results, set by employers or managers, that contribute to the success of a business or team.
- To measure and improve the job performance of an employee and to identify his/her potentialities for other work

Research methodology

AIM:- A methodical search for knowledge is research. In other words, methodology refers to the approaches and frames of reference that a researcher uses to conduct study. The following sites have provided the data that I used as an input for my project.

The primary research and secondary data were mostly used to gather the project's contributions. Interactions and conversations with TCS & Wipro Companies workers served as the primary source of the data. Secondary information came from a variety of websites. The information was correctly assessed after it had been acquired. Following careful consideration, inferences were made based on the basic data that had been gathered. As a result, the output was created. The output was thus produced. The goal of fulfillment of the objective of the project was thus achieved.

Hypothesis: The study's null hypothesis indicates that TCS & Wipro employees receive positive performance reviews, whereas the alternate hypothesis claims that TCS & Wipro employees receive negative reviews.

Research design: In order to achieve the goal and have a clear picture, the study uses primary data. The basic data were gathered over an extended period of time at random from TCS workers. To fully comprehend the performance appraisal system, which is implemented in various ways, a

series of questions were posed. They were graded, given points, and given marks without their knowledge.

Statistical Approach: It asks how many items should be examined and how the information and data collected should be processed.

Data Collection: The data collection for this project report will involve both primary data. Primary data will be collected through interviews and focus group discussions with a sample of employees from different levels and departments of IT Company .The data obtained will be analyzed using descriptive statistics and thematic analysis.

Sampling: The sampling strategy for this research project will be a purposive sampling technique. The sample will include employees from different levels and departments of IT Company. The sample size will be determined based on data saturation, whereby the data collected provides sufficient information to answer the research questions.

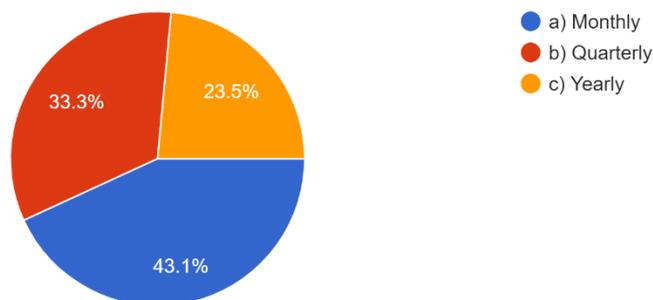
Tools: - Standard tools were employed in the study's execution. Excel has been used to make charts and graphs. As the sample size is small no extra statistical tools have been used.

The primary data consists of about 100 people who were asked a series of questions. Were questioned to better understand the current approach being used for performance evaluation out in many ways. They were graded, given points, and given marks without their knowledge.

Data analysis

1. When performance appraisal is made in the organization?

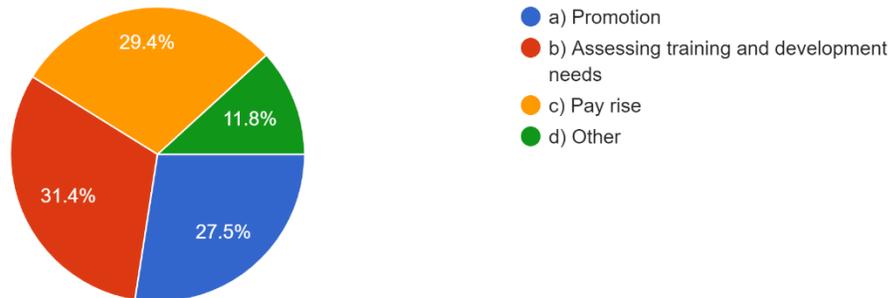
102 responses



The above data shows that the performance appraisal is made monthly in the organization.

2. What is the goal of performance evaluation?

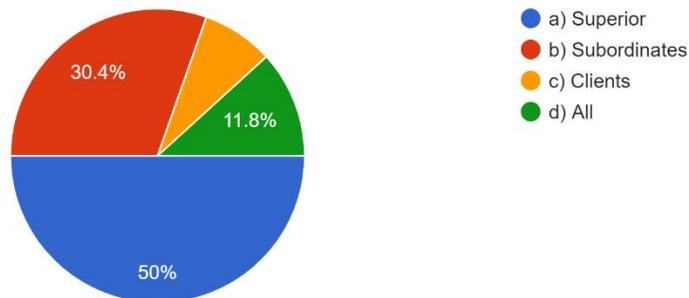
102 responses



The above data shows that the goal of performance evaluation is for assessing training and development needs.

3. Who rates the performance?

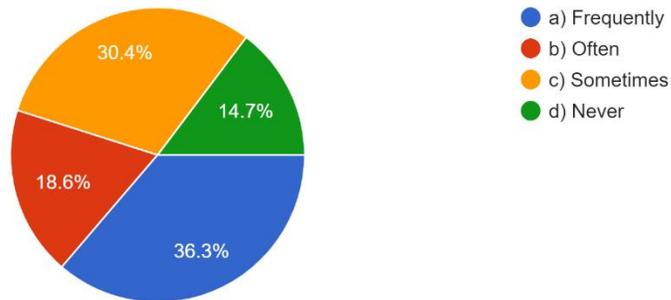
102 responses



The above data shows that the rating of performance is done by Superior in an organization.

4. Are there any job expectations established before performance appraisal?

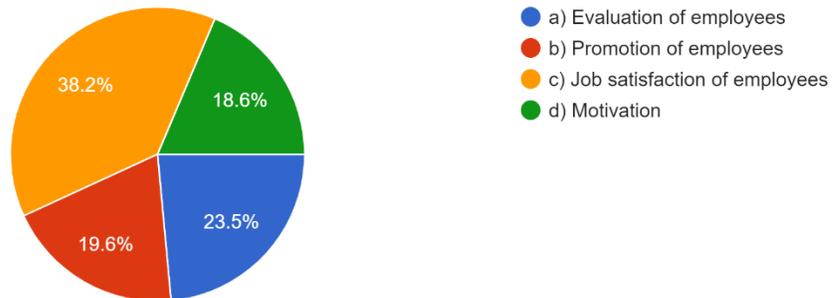
102 responses



Maximum number of employees from IT sector says that frequent job expectations get established before performance appraisal.

5. What do you think performance evaluation is?

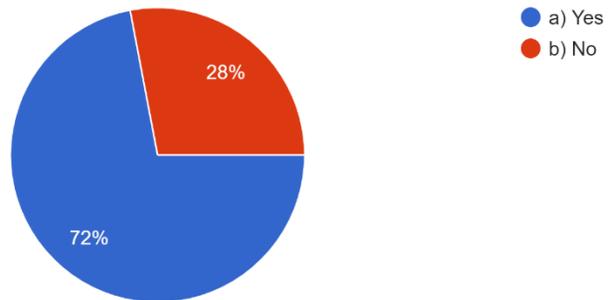
102 responses



Maximum number of employees thinks that the performance appraisal is for Evaluation of Employees.

6. Do you receive a pay raise following a performance review?

100 responses



Maximum number of employees says that they receive pay-raise in performance review.

Frequencies

Statistics

	When performance appraisal is made in the organization	What is the goal of the performance evaluation	Who rates the performance	Are there any job expectations established before performance appraisal	What do you think performance evaluation is for	Do you receive a pay raise following a performance review	Do you believe that performance reviews contribute to a culture where people are encouraged to bear one another's burdens	Do you think performance appraisal helps people achieve meaningful goals?	Do you think performance appraisal gives constructive criticism in a friendly and positive manner	Do you believe that employees' performance increases	Do you believe that performance reviews are not biased when evaluating performance?	Do you believe that employee behaviour can be changed through performance reviews	
Valid N	102	102	102	102	102	102	102	102	102	102	102	102	
Missing	1	1	1	1	1	1	1	1	1	1	1	1	
Mean	1.8039	5.2549	8.8137	13.3922	17.5196	20.2843	20.2451	20.2745	20.2451	20.3235	20.2745	20.2647	20.2843
Median	2.0000	5.0000	8.5000	13.0000	18.0000	20.0000	20.0000	20.0000	20.0000	20.0000	20.0000	20.0000	20.0000
Mode	1.00	6.00	8.00	12.00	18.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00

Correlations

	When performance appraisal is made in the organization	What is the goal of performance evaluation	Who rates the performance	Are there any job expectations established before performance appraisal	What do you think performance evaluation is	Do you receive pay following performance review	Do you believe that performance contributes to culture where people are encouraged to bear one another's burdens	Do you think performance appraisal helps people set and achieve meaningful goals?	Do you think performance appraisal is constructive criticism in a friendly and positive manner	Do you believe that employees' motivation and satisfaction are increasing following the performance appraisal process	Do you believe that management is biased when evaluating performance?	Do you believe that employee behaviour can be changed through performance reviews
When performance appraisal is made (2-tailed organization)	Pearson's r = .063	.274**	.235*	.087	.183	.198*	-.014	.141	.198*	.097	.148	.156
What is the goal of performance evaluation (2-tailed organization)	Sig. = .532	.005	.017	.382	.065	.046	.888	.158	.047	.333	.137	.118
N	102	102	102	102	102	102	102	102	102	102	102	102
When performance appraisal is made (2-tailed organization)	Pearson's r = .063	-.069	.045	-.061	.121	.059	.019	.105	.096	.062	-.064	-.052
What is the goal of performance evaluation (2-tailed organization)	Sig. = .532	.489	.653	.545	.225	.553	.851	.295	.340	.533	.525	.606
N	102	102	102	102	102	102	102	102	102	102	102	102
Who rates the performance (2-tailed organization)	Pearson's r = .274**	-.069	.361**	.278**	.160	.105	.179	.128	.045	.157	.001	.117
What is the goal of performance evaluation (2-tailed organization)	Sig. = .005	.489	.000	.005	.109	.292	.072	.200	.656	.114	.995	.243
N	102	102	102	102	102	102	102	102	102	102	102	102

Are there any job expectations (2-established before performance appraisal)	Pearson	.235*	.045	.361**	1	.391**	.132	.185	.088	.149	.235*	.158	.202*	.080
What do you think your performance (2-tailed) is)	Sig.	.017	.653	.000		.000	.185	.062	.379	.135	.017	.113	.041	.423
Do you receive a pay raise (2-tailed) follow-up review)	N	102	102	102	102	102	102	102	102	102	102	102	102	102
Do you believe that performance (2-tailed) is)	Pearson	.087	-.061	.278**	.391**	1	.082	.087	.094	.022	.077	.052	-.001	.019
Do you believe that performance (2-tailed) is)	Sig.	.382	.545	.005	.000		.414	.382	.350	.826	.440	.607	.995	.847
Do you believe that performance (2-tailed) is)	N	102	102	102	102	102	102	102	102	102	102	102	102	102
Do you believe that performance (2-tailed) is)	Pearson	.183	.121	.160	.132	.082	1	.247*	.489**	.298**	.586**	.392**	.361**	.422**
Do you believe that performance (2-tailed) is)	Sig.	.065	.225	.109	.185	.414		.012	.000	.002	.000	.000	.000	.000
Do you believe that performance (2-tailed) is)	N	102	102	102	102	102	102	102	102	102	102	102	102	102
Do you believe that performance (2-tailed) is)	Pearson	.198*	.059	.105	.185	.087	.247*	1	.109	.417**	.385**	.416**	.536**	.449**
Do you believe that performance (2-tailed) is)	Sig.	.046	.553	.292	.062	.382	.012		.275	.000	.000	.000	.000	.000

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Do you believe the employment of employees' performance increases following the appraisal process?	Pearson's	.198*	.096	.045	.235*	.077	.586**	.385**	.420**	.385**	1	.279**	.393**	.261**
Do you believe the employment of employees' performance increases following the appraisal process?	Sig. (2-tailed)	.047	.340	.656	.017	.440	.000	.000	.000	.000		.005	.000	.008
Do you believe the employment of employees' performance increases following the appraisal process?	N	102	102	102	102	102	102	102	102	102	102	102	102	102
Do you believe the employment of employees' performance increases following the appraisal process?	Pearson's	.097	.062	.157	.158	.052	.392**	.416**	.262**	.313**	.279**	1	.328**	.489**
Do you believe the employment of employees' performance increases following the appraisal process?	Sig. (2-tailed)	.333	.533	.114	.113	.607	.000	.000	.008	.001	.005		.001	.000
Do you believe the employment of employees' performance increases following the appraisal process?	N	102	102	102	102	102	102	102	102	102	102	102	102	102
Do you believe the employment of employees' performance increases following the appraisal process?	Pearson's	.148	-.064	.001	.202*	-.001	.361**	.536**	.428**	.330**	.393**	.328**	1	.509**
Do you believe the employment of employees' performance increases following the appraisal process?	Sig. (2-tailed)	.137	.525	.995	.041	.995	.000	.000	.000	.001	.000	.001		.000
Do you believe the employment of employees' performance increases following the appraisal process?	N	102	102	102	102	102	102	102	102	102	102	102	102	102
Do you believe the employment of employees' performance increases following the appraisal process?	Pearson's	.156	-.052	.117	.080	.019	.422**	.449**	.489**	.399**	.261**	.489**	.509**	1
Do you believe the employment of employees' performance increases following the appraisal process?	Sig. (2-tailed)													

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ye (2- behavitaile our) can be chang ed throug h N perfor mance review s	102	102	102	102	102	102	102	102	102	102	102	102	102

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Conclusion

The most valuable asset for every company is its human capital. Every employee in a company improves the performance and standing of their individual company. A worker is regarded as a valuable asset by the business as a private. The organisation should therefore prioritise its development programme and performance evaluation processes. This concept should be understood by both the appraiser and the appraisee, who should then use the tool of the appraisal system for the benefit of the organisation. Leading IT companies use both the balanced score card and 360-degree feedback, but each has drawbacks of its own. There is a need for a new assessment approach that both prevents these faults and has the benefits of current ways because employee satisfaction with these methods is quite poor (source: comments in HR forums like citeHR.com).

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