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Exploring the shift from traditional performance appraisals to more dynamic and continuous feedback models and their benefits

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Abstract

Improvement in the performance appraisal of the employees at the workplace has seen a transformation, where a shift in the paradigm has been noted from the traditional to the dynamic one. The study has aimed to examine such an approach through the performance of primary quantitative data analysis by inculcating responses from 66 participants. Through SPSS inspection, the main subject matter has been elaborated, with tests such as reliability and correlation.

Keywords: Performance appraisal, HRM, competitive edge, employee recognition, employee benefits, feedback

Introduction

Background of study

Performance appraisal has been a tool for increasing the performance management of the workforce of an organisation with recognition of their output and increasing transparency within the work culture.



(Source: Curzi *et al.* 2019) ^[3]

Fig 1: Benefits of performance appraisal

According to the workings of Al-Jedaia & Mehrez (2020) ^[1], in the case of a traditional performance appraisal, the performance of the worker was developed by the superior based on examples and evidence regarding their performance on the jobs. On the other hand, as per the statements by Curzi *et al.* (2019) ^[3], the dynamic performance appraisal takes into consideration the recreation of continuous feedback models where KPI integration occurs to assess the ebb and flow of performance of the employees.

Problem statement

The transition from a traditional to dynamic performance appraisal creates a barrier in terms of change management and inculcating digital ways within the workers at the top levels of the hierarchy (Sektiaji, Pandjaitan & Purnaningsih, 2021) ^[13].

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Significance of study

The study has helped in the identification of the transition seen in the case of performance appraisals from a traditional form to a more dynamic and continuous form.

Aim and objectives

The study aims to examine the transition of traditional performance appraisal methods to dynamic measures with continuous feedback frameworks.

The objectives of the study are

RO1: To inspect the factors related to performance appraisals in an organisation

RO2: To assess the aspects of traditional performance appraisals in a company

RO3: To scrutinise the dynamic approach of performance appraisal in a company background

RO4: To examine the shift from a traditional to dynamic performance appraisal through feedback models

Literature Review

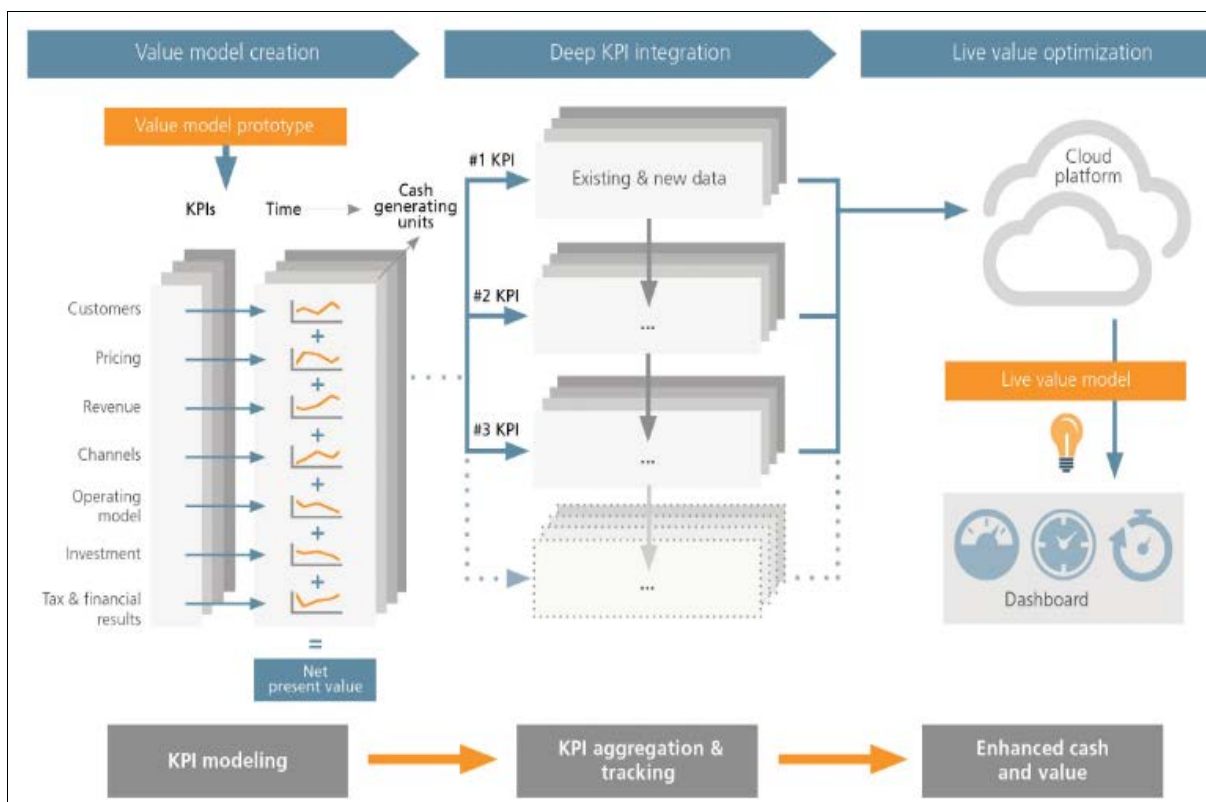
Inspection of the elements associated with performance appraisal in a firm

Performance appraisal is the exchange of information

between an employee and the manager to gain a greater insight into the performance of the worker and raise the transparency of work management. As per the depictions by Ma (2020) [9], the provision of feedback to the employees for understanding the plans and developing the structure of task handling is a significant element associated with performance appraisal. On the other hand, according to the thoughts by Memon *et al.* (2019) [10], increasing employee engagement through the rise of transparency within the workforce is also enabled by the growth of effective performance appraisal by managers. Thus, the integration of improved control over the performance criteria and the behaviour of the employees can be managed with the help of height and communication, and feedback.

Analysis of the different notions of traditional and dynamic performance appraisals

Two major forms of performance appraisals have been identified to impact organisations and their workforce management. According to the opinions of Murphy (2020) [11], the examination of a periodic assessment by the supervisor in a manual manner has been seen to be the basis of traditional performance appraisal.



(Source: Speer, Tenbrink & Schwendeman, 2020) [14]

Fig 2: Process of Continuous feedback process in digitised performance appraisal

On the other hand, in the thoughts and beliefs by Speer, Tenbrink & Schwendeman, 2020) [14], in the case of the continuous feedback model of a dynamic appraisal, the cash generated by the performance of every employee is inculcated and examined through a computerised manner for being released onto the live dashboard. In such an aspect the employees have the capacity of keeping a digital track of their performance and inculcating measures to see an improvement in their work performance.

Inspection of the change management regarding methods of traditional to dynamic performance appraisal

In terms of change management within the organisational background, the sorting of the measures for reaching the output needs to be taken into consideration. According to the suggestions of Iqbal *et al.* (2019) [7], the issues linked to the traditional performance appraisal have been the presence of partiality and favouritism from the managers towards

specific employees. However, as opined by Harsch & Festing (2020) ^[6], as digitised measures are taken for recording the performance traits in the employees in the case of the dynamic feedback method, personal experiences, and partiality is greatly reduced. Thus, the inculcation of a more liberal and unbiased form of performance appraisal is necessary for bringing in a greater workplace culture and association.

Methodology

The identification of the steps in the research for the collection of data and interpretation of the information falls under the notion of research methodology (Pandey & Pandey, 2021) ^[12]. The deductive research approach had been applied, where the identification of the relationship between the elements had been located. The collection of primary quantitative data has been enabled by the conduction of an online survey of 66 participants. The chosen participants were seen to be directly or indirectly related to human resource management of organisations such as their employees and the managers. Inspection of the responses has been achieved through the tests of reliability validity demographic analysis correlation multiple regression and descriptive statistics through the software of SPSS.

Findings and Analysis

Hypothesis development

H1: There is a link between employee satisfaction and improved performance appraisal by companies

H2: There is an association between dynamic performance appraisal and greater performance appraisal by companies

H3: There is a connection between employee management and improved performance appraisal by companies

H4: There is a linkage between organisational efficiency and improved performance appraisal by companies

Demographic analysis

Table 1: Age of participants

		What is your age?			
Valid		Frequency	Percent	Valid percent	Cumulative percent
		1	40	60.6	60.6
	2	18	27.3	27.3	87.9
	3	7	10.6	10.6	98.5
	4	1	1.5	1.5	100.0
	Total	66	100.0	100.0	

As identified from the above table, the majority of the participants had chosen the first category of 18 to 25 years and captured a total of 60.6% of the total responses. This was followed by the group of participants belonging from 26 to 45 years of age, and 27.3% of the pollees were under such a group. Hence, the survey was completed by employees and managers who have a wide range of experience in HRM and performance management.

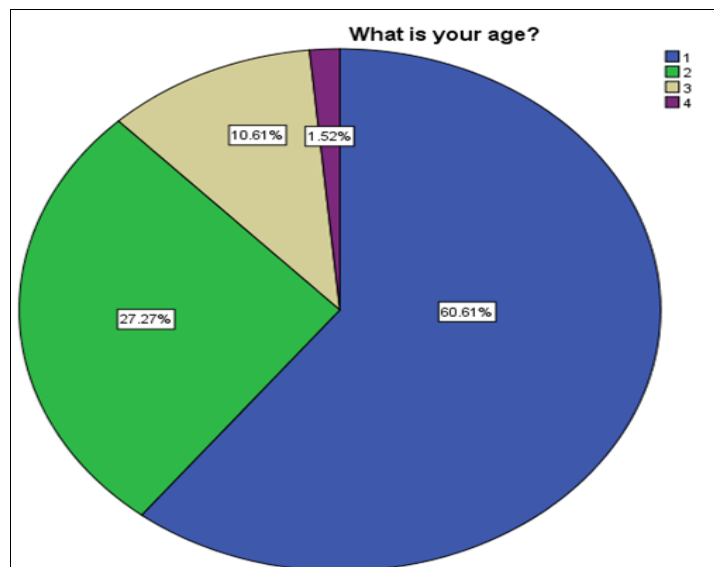


Fig 3: Age of participants

As seen from the above diagram, the greatest amount of area responses were obtained from employees choosing option 1. is covered in blue, indicating the greatest number of

Table 2: Gender of participants

		What is your Gender?			
Valid		Frequency	Percent	Valid percent	Cumulative percent
		1	30	45.5	45.5
	2	33	50.0	50.0	95.5
	3	3	4.5	4.5	100.0
	Total	66	100.0	100.0	

Observed from table 2, the majority of the respondents for the survey were females, as 50% of the total participants chose the second option. 45.5% of males took part in the

survey, and 4.5% did not want to reveal their genders.

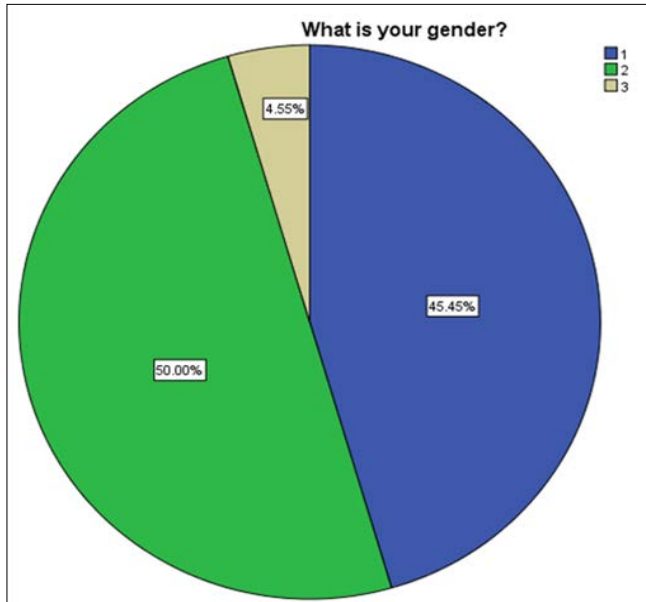


Fig 4: Gender of participants

As noted in figure 4, green hue has covered the largest area, which aligns with the second division of the question. Hence, the female participants have been noted to be the majority.

Table 3: Educational experience of participants

What is your education qualification?					
		Frequency	Percent	Valid percent	Cumulative percent
Valid	1	7	10.6	10.6	10.6
	2	26	39.4	39.4	50.0
	3	23	34.8	34.8	84.8
	4	10	15.2	15.2	100.0
	Total	66	100.0	100.0	

Table 3 focuses on the educational qualification of the respondents, where the majority have chosen the second option of graduates. 39.4% of the total number of participants have seen to finish off their education as a graduate, and hence, sufficient knowledge regarding the working measures of a company is present in them.

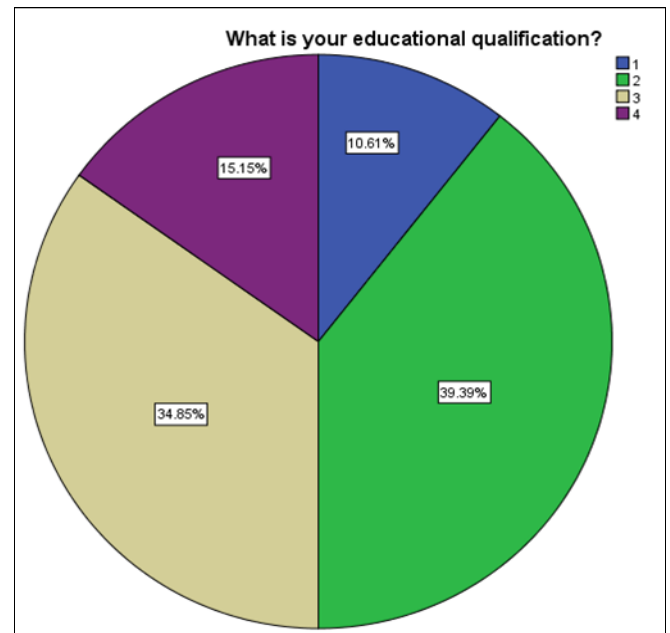


Fig 5: Educational experience of participants

Focusing on the green hue, 39.4% of 66 participants have seen to select the second category, and thus, have seen to contain the majority of the pie chart. Based on such, the employees have been seen to contain a basic amount of knowledge and information in the determination of numerous aspects of HRM.

Variable related analysis
Descriptive statistics

Table 4: Descriptive statistics

Descriptive Statistics											
	N	Range	Minimum,	Mean	Std. Deviation	Variance	Skewness		Kurtosis		
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error	
1V1	66	7.00	3.00	7.4545	1.65652	2.744	-.535	.295	.180	.582	
1V2	66	8.00	2.00	7.1667	1.90209	3.618	-.454	.29	-.353	.582	
1V3	66	8.00	2.00	7.2121	1.85236	3.431	-.471	.295	-.166	.582	
1V4	66	8.00	2.00	6.8636	1.99913	3.997	-.474	.295	-.349	.582	
Valid N listwise	66										

As mentioned by Kaliyadan & Kulkarni (2019) [8], the test of descriptive statistics helps in providing an overview of the different variables of the study, and focuses on the functions of their frequency in terms of maximum, minimum, mean, median, and mode values. Based on the variance from the chart, the difference between the greatest

number of 3.99 and smallest of 2.744 is 1.2. Hence, it can be concluded that an extensive spreading out of the variables has not been seen in the data set.

Test of Correlation

Table 5: Correlation

Correlations					
1V1	Pearson Correlations	1	.322	.119	.131
	Sig. (2- tailed)		.008	.343	.296
	N	66	66	66	66
1V2	Pearson Correlations	.322	1	.592	.471
	Sig. (2- tailed)	.008		.000	.000
	N	66	66	66	66
1V3	Pearson Correlations	.119	.592	1	.448
	Sig. (2- tailed)	.343	.000		.000
	N	66	66	66	66
1V4	Pearson Correlations	.131	.471	.448	1
	Sig. (2- tailed)	.296	.000	.000	
	N	66	66	66	66

Based on table 4, each of the elements of the study, namely employee satisfaction, dynamic performance appraisal, employee management, and organisational efficiency, have been seen to produce a positive valuation. From such an aspect, it can be determined that the elements are directly proportional to each other and the rise in one value shows an increase of the other, and vice versa.

Reliability test

The assurance of the accuracy of the data and variables of the study is linked with the test of reliability (Sürücü & Maslakci, 2020) [15]. Greater amount of reliability in the results reflects the decrease in the assumptions made for the performance of the study, again.

Table 6: Reliability test

Reliability statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized items	N of items
.875	.748	5

Once the value of Cronbach's Alpha is greater than 8.0, the reliability of the variables is effectively large. Because the result of the test was noted to be 0.875, it can be deduced that the inspection of the identified variables was highly relatable to the study.

Test of validity

With the test of validity, the assumptions made on the elements towards their need and requirements in the study can be made (Daryanto, 2020) [4].

Table 7: Test of validity

KMO and Bartlett's Test	
Kaiser-Mayer-Olkin Measure of Sampling Adequacy.	.759
Bartlett's test of Sphericity	Approx. Chi-square
	Df
	Sig.

From table 7, the value of df or degree of freedom is 10. Such an aspect deduces that 10 independently occurring situations can be constructed from the given dataset.

Multiple regression

Table 8: Model summary

Model Summary					
Model	R	R Square	Adjusted R. Square	Std. Error of the Estimate	Durbin Watson
1	.580 ^a	.337	.293	1.63879	2.284

The result of Durbin-Watson shows the degree of autocorrelation in the study, and Adjusted R square relates to the percentage of variance in the study.

Table 9: ANOVA

ANOVA						
	Model	Sum of Squares	df	Mean square	f	Sig.
1	Regression	83.207	4	20.802	7.746	.000 ^b
	Residual	163.823	61	2.686		
	Total	247.030	65			

As noted from the overhead table, the value of df is 65, in terms of the total number of independent situations which can occur in the dataset.

On the other hand, the overall value of Sig. is noted to be 0.000, which relates to the fact that the variables have been statistically significant for the study.

Table 10: Coefficients

Coefficients ^a								
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		
	B	Std. Error	Beta			Lower Bound	Upper Bound	
1	(Constant)	1.073	1.204		.891	.376	-1.334	3.480
	IV1	.141	.130	.120	1.087	.028	-.119	.402
	IV2	.198	.145	.193	1.360	.018	-.093	.488
	IV3	.220	.141	.209	1.562	.012	-.062	.502

1V4	.255	.119	.261	2.146	.036	.017	.492
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The table of Coefficients shows that the value of Significance for each of the elements is less than 0.05. According to the comments by de Mesquita & Kosteljik (2021)^[5], for proving a hypothesis, the result of the value of Significance needs to be less than 0.05. Because each of the variables had produced a value of 0.028, 0.018, 0.012, and 0.036 as their value of Significance, H1 to H4 have been proven for the study.

Discussion

The generation of greater organisational efficiency can be established once the employees of a firm can keep a track of their daily performance. According to the findings by Memon *et al.* (2019)^[10], with the establishment of the continuous feedback system through the dynamic appraisal model, the rise and fall in the performance output from the employees can be checked by both the hierarchy and the workers. In such an aspect, as per the point of view of Bayo-Moriones, Galdon-Sanchez & Martinez-de-Morentin (2020)^[2], the rise in working transparency in the dynamic appraisal model can be noted as the personal approaches of the superiors are not included into the data of examination. As noted from the results, a rise in the operational efficiency and employee satisfaction can be noted with the aid of the improved measure of dynamic appraisal tool.

Conclusion

Hence, the study has assessed the importance of the transition related to the traditional to the dynamic approach in performance appraisal. The inclusion of an effective digital measure for developing transparency within the performance and appraisal management in the firms has been taken into consideration. The benefits of such an alteration have been associated with the growth of employee management and the rise in the organisational efficiency. Such an aspect has been noted to be accomplished with the help of increased performance output from the ends of the employees, as a continuous observation of their working measures has been identified with the aid of the dynamic performance tool.

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