A Study on Errors in Railway Employee Appraisal

Sandhya Ghosh (Pal)

Assistant Professor, Prabhu Jagatbandhu College,
Andul-Mouri, Howrah, West Bengal

Abstract
Performance appraisal as a strategy for human resource management in public service sector organizations has attracted the attention of researchers and management of public sector units, due to the growing transition of the economy from manufacturing labor intensive model to a service-driven knowledge-centered one. Performance appraisal is frequently used by an organization for administrative decisions such as promotion, transfer, allocation of financial reward and also for employee development purposes including training, performance feedback and employee motivation practices. Thus it is essential to select a fair and satisfactory method of conducting performance appraisal with an objective to boost employee motivation and productivity but in practice Performance Appraisal Systems often fail to achieve its goal in most of the organizations. Lack of an effective appraisal methodology may raise the scope of different rating errors like halo error, central tendency error, leniency error etc in the evaluation system. This study reveals the perceptions of 35 reviewing officer and 51 reporting officers of Gr. C supervisory category of employees in the head quarter and some divisions of south eastern railways about different rating errors. It is studied that the present appraisal system followed by Indian railways is affected by different types of appraisal errors.

Keywords: Performance appraisal, Importance of appraisal, Appraisal errors.

1. Introduction
Performance appraisal is defined as a planned interaction between employees and their supervisors during which the former examine the performance of the latter to identify strengths and weaknesses with the view to improving future performance. But developing an appraisal system that accurately reflects employee performance is a
difficult task. Different rating errors often act as a hindrance to provide consistent, reliable, and valid evaluations which have a negative effect on the employees. Because of which every organization has to design a carefully structured appraisal process to optimize the benefit of a performance appraisal system.

2. Survey of Literature
Performance appraisal plays an important role in the effective management of employees in every viable organization, particularly in light of the recent economic downturn experienced around the globe that have forced governments and organizations alike to improve their performance and save resources where possible (Armstrong, 2006). Arbaiy and Suradi (2007) stated that performance appraisal systems are mainly used for judgmental and developmental purposes in order to make good administrative decisions. According to Boswell and Boudreau (2000) developmental functions of performance appraisal system include the identification of individual training needs, providing performance feedback, determining transfers and assignments, and the identification of individual strengths and weaknesses. The evaluative function performance appraisal system includes the use of performance appraisal for salary increment, promotion, retention or termination decisions, and recognition of individual performance, layoffs, and the identification of poor performers. However, many other benefits may also accrue from the information yielded by the Performance Appraisal system which include increases in knowledge regarding the effectiveness of selection and placement programs, training and development needs, budgeting; human resource planning, and reward decisions (Cocanougher & Ivancevich, 1978; Dubinsky, Skinner, & Whittler, 1989; Thomas & Bretz, 1994; Wanguri, 1995). But in most of the cases performance appraisal fails to achieve those goals due to different errors which arise at the time of evaluation like halo error, horn error, recency error, error of strictness, leniency error, central tendency error, error due to similarity effect etc. Unfortunately there is little research in this aspect of appraisal errors in public utility government organizations despite the expanded use of the practice in these entities.

3. Research Issues
Theoretically employee appraisal is an objective, rational, and systematic attempt on the part of the manager to accurately describe subordinate performance (Sherman et. al, 1988). In reality, however, managers have a variety of concerns that are clearly more pressing than simply generating brutally accurate and honest ratings (Longenecker, 1989). A number of specific ethical dilemmas such as trait oriented subjective evaluation criteria, absence of specific performance appraisal standard, use of performance appraisal feedback in the organization and different appraisal errors affect the effectiveness of an appraisal system. The unique object of this study is to highlight the perceptions of the raters of supervisory category of employees about different appraisal errors which are committed by them at the time of evaluation. To
study the perception of the raters about different appraisal errors in Indian railways this study will hypothesize

H 1: Raters think that the present appraisal system is under the influence of all the studied appraisal errors.

H 2: There is no significant difference in perception about different appraisal errors between the reporting officer and reviewing officer.

4. Research Methodology

Data are collected through questionnaire from the head quarter and some divisions of South Eastern Railway one of the zones of Indian Railways through questionnaire. 35 reviewing officers and 51 reporting officers of Gr. C supervisory category of employees were asked to share their perceptions as raters about different appraisal errors which occur at the time of evaluation. The responses were measured on a five point likert scale ‘Don’t Know ’(1), ‘none of the raters’ (2),’ some of the raters’ (3) ‘most of the raters’ (4) and ‘All the raters’ (5). Here ‘Don’t Know’ implies the appraisal system is completely free from all the subjective types of error which was mentioned in the questionnaire. The scale developed by Bıçaksız et al. (2002) has been followed with some modification as required for this study. The Cronbach’s Alpha value of the item scale is .877 reveals that the scale is highly reliable. The primary data collected are analyzed with the help of SPSS 17.

5. Survey Results

The following table shows that all the mean values are greater than 2.5 which highlights that both reporting officer and reviewing officer think that the performance appraisal system followed for evaluating the performance of the supervisory category of employees is affected by all the 7 types of errors.

<table>
<thead>
<tr>
<th>Group Statistics</th>
<th>Group</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error Mean</th>
<th>Sig.(2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Halo Error</td>
<td>Reviewing officer</td>
<td>35</td>
<td>3.06</td>
<td>.802</td>
<td>.136</td>
<td>.061</td>
</tr>
<tr>
<td></td>
<td>Reporting officer</td>
<td>51</td>
<td>2.67</td>
<td>1.108</td>
<td>.155</td>
<td></td>
</tr>
<tr>
<td>Horn Error</td>
<td>Reviewing officer</td>
<td>35</td>
<td>2.86</td>
<td>1.004</td>
<td>.170</td>
<td>.242</td>
</tr>
<tr>
<td></td>
<td>Reporting officer</td>
<td>51</td>
<td>2.59</td>
<td>1.062</td>
<td>.149</td>
<td></td>
</tr>
<tr>
<td>Recency Error</td>
<td>Reviewing officer</td>
<td>35</td>
<td>3.17</td>
<td>.696</td>
<td>.118</td>
<td>.004</td>
</tr>
<tr>
<td></td>
<td>Reporting officer</td>
<td>51</td>
<td>2.63</td>
<td>1.024</td>
<td>.143</td>
<td></td>
</tr>
<tr>
<td>Error of Strictness</td>
<td>Reviewing officer</td>
<td>35</td>
<td>2.89</td>
<td>.631</td>
<td>.107</td>
<td>.432</td>
</tr>
<tr>
<td></td>
<td>Reporting officer</td>
<td>51</td>
<td>2.75</td>
<td>1.017</td>
<td>.142</td>
<td></td>
</tr>
<tr>
<td>Leniency Error</td>
<td>Reviewing officer</td>
<td>35</td>
<td>2.89</td>
<td>.796</td>
<td>.135</td>
<td>.075</td>
</tr>
<tr>
<td></td>
<td>Reporting officer</td>
<td>51</td>
<td>2.55</td>
<td>.923</td>
<td>.129</td>
<td></td>
</tr>
<tr>
<td>Central</td>
<td>Reviewing officer</td>
<td>35</td>
<td>3.09</td>
<td>.702</td>
<td>.119</td>
<td>.035</td>
</tr>
</tbody>
</table>
The highest mean value of the reviewing officer 3.17 relates to recency error implies that the raters have tendency to put stress on the recent performance of the ratees instead of the whole year performance at the time of evaluation. But the highest mean value 3.09 for the reporting officer highlights the central tendency error which indicates that the reporting officers are of the opinion that the raters prefer to give the grade at middle point. This is also observed that the mean values of all the types of error for the reviewing officer are greater than the reporting officer. This may be due to the fact that the reporting officer is the direct officer of the supervisory category of employees and have more knowledge about the performance of the ratees. But according to the hierarchy of the management the reviewing officer have no direct contact with the ratees, they review the comments of reporting officer in the appraisal form. Such a distance often also acts as a limitation in accurate evaluation of performance.

Now to test whether there are any significant difference in the mean values between the reporting officer and the reviewing officer an independent t-test is performed at 5% level of significance. The result shows that except central tendency error and recency error error there is no significant difference in the mean values between the reporting and reviewing officer.

6. **Suggestion & Limitation**

Indian Railways follows annual performance appraisal system which creates a long gap between the performance and the evaluation. The accuracy of performance appraisal system can be ensured by maintaining proper records of performance of the employees throughout the years. The system should also ensure that the raters have sufficient knowledge about the performance of their ratees. Hence reviewing officer should gather proper information about the performance of the employees before giving any judgment. Moreover as the appraisal system is subjective, organization should arrange for raters’ training about how to evaluate, rating standard, and purpose of rating etc. to reduce the rating errors. The limitation is that the study is based on limited number of respondents and in limited area of Indian Railways, but this study will show the path of finding the errors in other organizations. Future researchers may also contribute to other types of errors which will affect the effectiveness of an appraisal system.
References

Sandhya Ghosh (Pal)

788

