A Study on Potential Appraisal Metrics for Managerial Employees

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Abstract

Performance appraisal system has a dual objective - employee development for the corporates and career development for the employees. This objective is better fulfilled by a potential appraisal system, which tells about an employee's capability to successfully assume a new role demanded by the organization. Promotion is awarded on the basis of employees' present performance in their existing role; responsibilities and functions that are substantially different from those of higher responsibilities. In organizations, it is a normal practice to promote people on the basis of their past performance, and this practice is hierarchical in nature. In an organization, the functions and responsibilities given to an employee depend upon the role played by him/her in the organizational hierarchy. The capabilities required to perform one role may not be the same as those required to perform a role with higher responsibility having different functions. The major inadequacy of the present performance appraisal system for promotions is based on performance appraisals that are dependent on past performance. Hence, to promote young talent, who need to cope with the demanding needs of a liberalized business era, a potential appraisal system to appraise the employees was thought to be a fitting approach for the present study. The desired metrics to measure the same were considered and discussed in this research paper.

Keywords **: performance appraisal, responsibilities, organizational hierarchy, promotion, managers, public sector enterprises**

JEL Classification : J63, M52, M54

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Traditional performance appraisal has inherent problems, which are experienced in many big and small organizations. Poor evaluation of talents and performance bias through type I and type II errors may lead to drain of resources and poor talent management. Similarly, poor evaluation tools - appraisal forms, wrong rating scales may also mislead evaluators and show their lack of preparedness for carrying out performance appraisal. The evaluation system again becomes inept if the evaluator is not adequately trained to carry out the management activities. To overcome this deficiency, a potential appraisal system is thought off to be one that attempts to generate data about employees and their potential required for higher responsibilities from internal resources that are fit for the work and organizational culture for an effective succession planning and succession management through job rotation, on the job, and off the job training. Thus, potential appraisal is considered as a win- win strategy that associates career development for employees and acts as an effective succession management for corporates.

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Statement of the Problem

The capabilities required to perform one role may not be the same as those required to perform a role with higher responsibility having different functions. The major inadequacy of the present performance appraisal system for promotions is based on performance appraisals that are dependent on past performance. Hence, to promote young talent to cope with with the needs of a liberalized business era, there is an immediate need to construct a potential appraisal system to measure the desired metrics of each employee working in the public sector organizations. The major objective of the current research study is to identify a potential appraisal system that will help enrich the employee's capability to successfully take up a new role after being given greater responsibility (that is, after a promotion).

Review of Literature

Nelson (2005) identified that performance evaluation is an excellent motivational tool and also enhances the supervisor/ employee relationship. It does not really does make any difference what format is used. All of them have their own advantages and disadvantages. An example is MBO (management by objectives). Using this approach for performance evaluation, the supervisor and workers mutually agree on the objectives the worker will attempt to reach during the next rating period. Bache (2005) identified that managers are excellent in telling employees where they fell short of the organization's expectations. However, they are generally terrible at informing employees what is expected of them ahead in time. The author held the view that all performance appraisal systems are conceptually wrong. The author introduced a few basic steps that need to be adopted by the performance review system : (a) reassess the evaluation systems, (b) call for a discussion or review the system for effective performance appraisal.

Ferris and Gilmore (2005) identified the fact that productivity suffers when employees and managers do not share a common standard of performance. However, uncovering the underlying causes of poor performance are overlooked. The function of the performance appraisal process is making self-appraisal a component of performance appraisal. Self-appraisal process is one way of increasing employee involvement. It can give subordinates greater involvement and participation in the appraisal process. It incorporates the manager's perspective. Research has revealed that, given an opportunity, employees will evaluate themselves conscientiously and even be overly self-critical. Alewine (2005) established the fact that the supervisors appraise performance regularly, systematically, and consistently by encouraging the employees to discuss failures in order to understand their causes. The study found that the supervisors took specific steps for improving the appraisal with job assignments designed to improve performance. The appraisal is an ideal time to focus on individual rather than unit objectives.

McLean (2008) investigated employee reactions to fairness and satisfaction by considering an existing performance appraisal system (Green Berg 1993) of organizational justice as a theoretical basis. The findings of the study indicated that the respondents perceived the performance appraisal system to be fair. Rathnam Venkat, Suresh, and Sathish (2008) observed that in a continuously changing environment, it has become impossible to manage successfully without sustained personal development. The managers of organizations are faced with globalization of businesses, rapid technological changes, continual re-organizing, and competency-based competition. In the light of these dynamic changes, managers' competencies also need to be renewed on a regular basis. Agarwal (2009) investigated the role of 360 degree feedback as a tool in leadership development. One of the emerging areas within this work was studying the role of leadership in facilitating organizational performance. In the absence of leadership development, an organization faces a leadership crisis.

Typical 360 degree feedback programmes assess competencies that are not directly related to business results. Singh (2009) studied the importance of human resource accounting in her study. HRA is a management tool, which is designed to assist senior management of companies in understanding the long-term cost and benefit implications of their HR professionals and management with information for managing the human resources efficiently and effectively. Such information is essential for performing the critical HR functions of acquiring, developing, allocating, conserving, utilizing, evaluating, and rewarding in a proper way. Narender and Satyavathi (2010) evaluated the effectiveness of the performance appraisal system in State Bank of Hyderabad. The paper mainly concentrated on the methods implemented to appraise the performance of its employees. Performance appraisal is an essential function that always requires changes to motivate the employees. These changes are essential for meeting the challenges of the new business scenario.

Kumar and Kumari (2010) indicated that a number of benefits can be gained through innovative HR practices. Their study stressed the need for indenting crusting HR practices through innovation. This does not limit itself to industrial analysis, and thus provided a global picture. Hence, the study contributed to the emerging literature exploring the combined impact of innovative HR practices on business success.

Khan (2010) observed that to adopt a performance management system, it is important to adopt a strategic human resource management framework, and a higher linkage between business strategies and HR strategies is to be clearly established. Nandeshwar (2010) analyzed the role of different constituents of human resource management. The main objective of the study was to understand how human resource development is possible in a country which contributes towards the nation's progress by involving various constituents for its holistic development. The study further analyzed the role of the Government, the role of organizations, and the contribution of the HRD departments besides analyzing the role of trade unions, role of NGOs, and the role of individuals in the development of HRD.

Khandelwal (2011) observed that intangibles drive the tangibles. In response to many questions related to the HR function, the author was of the view that the HR function is not an order taker function, but 'setting an agenda' function. Similarly, HR has to ensure overall cooperated capabilities, competences, and capacities to take on the competitors. The study concluded with an observation that HR today has expanded from people to people + customers. Saha (2011) conducted performance measurement by using the balanced scorecard and analyzed recent trends, issues, and challenges in the Indian core sector management. The balanced scorecard, an insight propounded by Robert S. Kaplan and David P. Norton in 1992 has become a useful tool in the field of performance measurement. The main features of a good balanced scorecard are: It tells the story of a company's strategy, articulating a sequence of cause - effect relationships. It helps to communicate the strategy to all, thereby translating the strategy into a coherent and linked set of understandable and measurable operation targets.

Selvi and Manivannan (2011) studied the factors determining performance approach of an invariant technique. In today's era of globalization, different organizations plan different strategies to appraise the employee's performance. A successfully operated system of performance appraisal should benefit both individuals and the organization they work for. This study provided a valuable database of decisions (taken by emoloyees) concerning placement, pay, promotion, transfer, punishment, and so forth. Fernández-Aráoz, Groysberg, and Nohria (2011) identified the necessity of improving the potential of an individual as an effective weapon for the future. The authors identified several sets of activities- emerging best practices employed by the companies with strong talent programs. These included aligning the programmes with corporate strategy rather than developing cookie- cutter approaches that have worked in other organizations.

According to Sripraba and Krishnaveni (2011), the HRCAP score GRID is a tool which enables organizations to assess the effectiveness of their human resource management function periodically and thereby subsequently achieve their RM function. This study provided a methodology for evaluating the effectiveness of the HRM function. This methodology could be applied to other functions of the organization and the organization as a whole for assessing and utilizing its capacity. Sethi and Gupta (2012) examined the relationship between perceived effectiveness of the performance appraisal system in different employee cadres. This paper tried to explore what factors contributed to the effectiveness of performance appraisal efficacy, which has emerged as one of the core functionalities contributing to the efficacy of performance appraisal. According to the authors, various decisions like reward management, competency mapping potential matrix, satisfaction level measurement, commitment level measurement, and training needs identification, and so forth can be made using performance appraisal data.

Singh and Kumar (2012) analyzed the managerial perspective of performance measurement by using the CAMEL framework in the Indian banking sector. The main endeavor of the CAMEL framework is to detect problems before they manifest themselves. It is based on computation of different ratios to find out the ranking of banks according to their financial performance. The CAMEL model includes computation of various ratios such as capital adequacy, asset quality, management efficiency, earning quality, and liquidity of banks. It was observed that the public sector banks gave more significance to the CAMEL framework as compared to the private banks. Mittal, Goel, and Mohindra (2012) studied the importance of systematic performance evaluation and ranking of employees in strategic human resource management. In IT companies, it is particularly critical to evaluate candidates' job performance accurately for further promotion. There are several advantages of using the model presented in this paper as opposed to a traditional and complete quantitative technique.

Netra and Tanksale (2012) analyzed employee perceptions of performance appraisal with respect to fairness and its utility in select manufacturing companies in and around Pune. The study concluded that employees have a positive perception of performance appraisal if the same is done with fairness and clarity. However, the study emphasized the need to improve the communication between the superiors and subordinates. Seshagiri and Sharma (2012) stressed the importance of feedback in performance appraisal. Feedback provides information that helps employees to alter, change, or maintain behavior and or attitudes so that the organization continues to operate smoothly. The underlying principles in providing feedback are (a) the performance should be properly documented and conveyed at the earliest, (b) feedback is supposed to be action oriented, either positive or corrective. The findings established the fact that proper post feedback approval plays a crucial role in establishing and strengthening human relations in the organization.

Pandey (2012) analyzed the effectiveness of 360-degree performance appraisal feedback system in Ogaan Publications and Cande Nast Publications. Performance evaluation techniques are often drawn by a desire to minimize disagreements across evaluations. A key factor that caused reservations and confers in the application of 360-degree feedback was that the organizations do not have a clear sense of what they wanted to accomplish through the use of the feedback process that is initiated for certain results. Companies should train people in giving and receiving feedback. Solkhe and Chaudhary (2012) investigated the link between HRD and organizational performance, which in turn ensures sustainable competitive advantage. The study suggested the use of various HRD mechanisms like training, potential appraisal, performance management, career planning and development, employee participation, and quality work life. The study suggested that if the Indian HR managers invested in the human resources of a firm for developing the desired knowledge base, skills, attitudes, and other behaviors, this can result in higher performance of the firm.

Sivaramakrishnan and Sulaiman (2012) highlighted the success story of Malabar Cements Ltd. Malabar Cements is a dazzling performer in the public sector in Kerala ; it is a company with global standards having IS/ISO 9001:2008 certification. Malabar Cements has upgraded its standards and is maintaining excellent operating parameters at par with global standards in almost all areas of operations. The paper also discussed that Malabar Cements was the first PSU to implement the world renowned SAP- ERP system and the E-procurement system. Radha (2013) studied the innovative HR practices for retention of employees. An innovative management of human resources has an imperative role in the success of an organization. Employee engagement and retention strategies have proven that engaged employees have a high degree of productivity, motivation, job satisfaction, and loyalty.

Objectives of the Study

- To study the potential appraisal metrics for managerial employees in the selected public sector company in Kerala.
- To study the employees' perception regarding the existing performance appraisal systems prevailing in the selected public sector company in Kerala.
- To ascertain the views of the employees regarding getting a promotion and taking up greater responsibilities.

- To study the employees' satisfaction levels with the existing performance appraisal systems.
- To study the importance of feedback for having an efficient performance appraisal system.

Research Methodology

Descriptive research was adopted for the current study. A large public sector company located in Palakkad, Kerala was considered as the population universe and the managerial cadre was considered as the population for the study. Convenience sampling method was considered for the study. The demography of the population is a structured population as per the running scale prescribed by the public sector units in Kerala. The age of the respondents (who participated in the study) was between 21 years - 58 years. The income level was between ₹ 20, 000 to ₹ 50, 000 per month. Both men and women respondents participated in the study. The questionnaire was distributed to 140 managerial employees of the public sector unit in Kerala.

After eliminating the unfilled and partially filled questionnaires, the responses obtained from 120 respondents were considered for final analysis. The opinion survey method was considered for data collection and the questionnaire was used as a tool of collecting the primary data. The secondary data was mainly collected from textbooks and papers published in research journals. A preliminary select sample of 10 respondents was considered for preliminary review to harmonize the objectives, and a pilot study was conducted with 25 respondents. The reliability and validity test (Table 1) revealed that the tool could provide a reliable database for analysis to give meaningful results. The respondents were selected on the basis of their age, gender, and experience. The period of the study was from October to December 2013.

The data generated from the questionnaire were subjected to statistical analysis like *t*-test, *F*-test, chi-square, and ANOVA test.

Analysis and Results

Out of the 120 respondents, 80% of the respondents were men and the remaining 20% were women. Majority of the employees (i.e., 87.50%) were in the age group of 35 to 40 years. Thus, it could be concluded that most of the employees were well matured seniors, who in true terms understood the meaning of performance appraisal and also aimed for career development in terms of job promotion and salary hike (Table 2).

From the empirical data analysis, it can be observed that 90% of the respondents had 4 years of work experience. Furthermore, it can also be inferred that 55.83% of the employees had worked in private organizations before joining the concerned public sector enterprise, which is a fully owned Government of Kerala undertaking (Table 3).

It can be inferred from the Table 4 that 83.33% of the respondents followed a continuous performance monitoring system ; the employees were not informed that they were being monitored, but the managers noted the performance of the employees on a regular basis. Hence, the productivity of the employees and their contribution to the organization's growth were assessed continuously. Most of the sample participants opined that the performance appraisal systems adopted in their organization were both simple (40%) and objective oriented

Table 1. Reliability and Validity Test

Sl. No.	Research Objectives	Associated Variable	Reliability Coefficient	Remarks/ Interpretation
1.	Perception on existing performance appraisal system.	5	.920	Valid-Data is consistent
2.	Identification of potential of an employee for handling greater responsibility.	23	.956	Valid-Data is consistent
3.	Employees' satisfaction levels with the existing performance appraisal system.	3	.954	Valid-Data is consistent
4.	Importance of feedback for having an efficient performance appraisal system.	6	.734	Valid-Data is consistent

Table 2. Demographic Variables of the Respondents

Sl. No.	Variables		No. of Respondents	%
1.	**Gender**	Male	96	80.00
		Female	24	20.00
		Total	**120**	
2.	**Age**	21-25 years	3	2.50
		25-30 years	3	2.50
		30-35 years	9	7.50
		35 & above 40 years	105	87.50
		Total	**120**	

Table 3. Employees' Job Experience

Sl. No	Variables	No. of Respondents	%
	Years of experience in present organization		
1.	2 years	9	7.50
2.	3 years	3	2.50
3.	4 years	108	90.00
	Previous experience		
1.	Yes	67	55.83
2.	No	53	44.17

Table 4. Employees' Perception on the Performance Appraisal Model Adopted in their Organization

Sl.No	Variables		No. of Respondents	%
1.	Awareness about performance appraisal model used	Informed	20	16.67
		Not Informed	100	83.33
2.	Opinion about the performance appraisal model	Simple	48	40.00
		Complicated	6	5.00
		Objective	42	35.00
		Subjective	6	5.00
		Efficient	3	2.50
		Inefficient	15	12.50
3.	Opinion on assessment of performance	Proper	67	55.83
		Improper	53	44.17
4.	Association of individual expectation with performance assessment	Every time	8	6.67
		Often	32	26.67
		Sometimes	48	40.00
		Rarely	23	19.16
		Never	9	7.50
5.	Frequency of performance review	Once a month	9	7.50
		Every 3 months	17	14.17
		Every 6 months	25	20.83
		Once a year	69	57.50

Table 5. Employees' Level of Satisfaction with the Current Performance Appraisal Model

Sl. No	Level of Satisfaction	No. of Respondents	%
1.	Very high	3	2.50
2.	High	14	11.67
3.	Average	94	78.33
4.	Low	9	7.50
	Total	**120**	**100**

Table 6. Employees' Feedback on Performance Appraisal Model Adopted in their Organization

Sl. No.	Variables		No. of Respondents	%
1.	Areas that have to be improved	Standards	55	45.83
		Monetary incentives	36	30.00
		Frequency of appraisal	20	16.67
		Appraiser	9	7.50
2.	Necessity of performance appraisal model	Most important	18	15.00
		Very important	78	65.00
		Not important	9	7.50
		Less important	15	12.50
3.	Opinion on effectiveness of one to one sessions	Effective	85	70.83
		Not Effective	35	29.17
4.	Employees' rating on transparency of the performance appraisal model	Very low	15	12.50
		Low	6	5.00
		Moderate	46	38.33
		High	47	39.17
		Very high	6	5.00
5.	Rapport with appraiser	Comfortable	48	40.00
		Not Comfortable	72	60.00
6.	Employees' rating towards the performance appraisal model	Very bad	15	12.50
		Bad	15	12.50
		Fair	43	35.83
		Good	29	24.17
		Excellent	18	15.00

(35%). As per the opinion survey results, 55.83% of the managers expressed that their seniors conducted the performance appraisal with utmost fairness. However, only 40% of the respondents were able to associate their individual expectations with performance assessment metric scores. It is observed that 57.50% of the employees revealed that their performance was reviewed and reported once in a year.

The Table 5 reveals that 78.33% of the respondents expressed an average degree of satisfaction with the performance appraisal systems adopted in their organization.

✷ **Employees' Feedback Regarding Performance :** It can be inferred from the Table 6 that 45.83% of the employees' felt that the appraisal standards have to improve in state enterprises ; 65% of the respondents considered that conducting employee performance appraisal at regular intervals was important for their career

Table 7. Association Between Employees' Perceptions on Performance Appraisal and their Demographic and Job Profile

Perceptions	Gender		Age		Total Work Experience		Previous Work Experience	
	F	Sig	*F*	Sig	*F*	Sig	*F*	Sig
Relationship between appraiser & appraise	2.499	.116	1.488	.221	10.601	.000	6.742	.011
Employees' understanding on criterion for appraisal	11.130	.001	2.928	.037	6.724	.002	.000	1.000
Individual expectation about performance appraisal systems	.072	.789	1.268	.289	9.278	.000	2.540	.114
Participation of subordinates	22.839	.000	3.799	.012	3.323	.039	.003	.956
Continuity of the process	1.473	.227	4.088	.008	13.447	.000	2.015	.158
Information for control	19.578	.000	2.567	.058	3.542	.032	.269	.605
Identification of training needs and action taken	10.749	.001	2.298	.081	7.827	.001	.154	.695
Identification of individual's potential for growth	3.167	.078	1.896	.134	6.475	.002	.071	.790
Guidance & counseling	4.073	.066	1.597	.194	4.547	.012	1.590	.210
Monetary rewards	10.164	.002	3.116	.059	2.922	.058	.587	.445

At 5% level of significance

growth. Moreover, 70.83% of the employees' felt that one- to - one assessment systems were more effective in ironing out individual problems/differences, and at the same time, the subordinates got an opportunity to share their opinions freely with their immediate senior or with the supervisor. However, 60% of the sample employees were not comfortable with one - to - one performance assessment, and rated the transparency level of performance appraisal as moderate (38.33%). The overall performance appraisal metric was rated as 'good' by just 24.17% of the sample employees.

In general, it is believed that an individual's perception of performance appraisal varies according to his/her gender, age, and job profile, that is, years of work experience and previous work experience. Based on this concept, the following hypothesis was framed and tested :

✷ **Ho:** Employees' perceptions of performance appraisal vary according to their demographic and job profile (i.e., gender, age, and years of work experience and previous work experience).

From the ANOVA test results (Table 7), it can be inferred that the employees' perception levels about performance appraisal did not vary based on their gender, age, or previous work experience. However, their total work experience in the same organization may give them different experiences that could decide their perception levels. Thus, the hypothesis framed stands rejected, and it is concluded that employees' perception of performance appraisal did not vary according to their demographic profile and previous work experience. However, due to long term work experience in the same organization, their perception levels may change.

Based on the performance appraisal metrics results, it is hypothetically believed that the organization and the employees differed in their opinion about the opportunities available for taking up higher responsibilities and promotions in their career. Thus, the following hypothesis was framed and tested using GAP analysis paired t-test.

✷ **Ho:** There exists no difference in appraisers and employees' opinion about the opportunities available to them for taking up greater responsibilities and promotions in their career.

From the statistical data analysis (Table 8), it can be inferred that the calculated *t* - value is greater than the probability value at the 5% level of significance. Thus, the hypothesis framed stands rejected. Hence, it was concluded that there existed differences in appraisers and employees' opinion about the opportunities available to

Table 8. Gap Between Performance Appraisal and Opportunities for Taking Up Higher Responsibility & Promotion

Parameters	PPAR		PIAR		*R*	MD	*SD*	*T*	Sig
	Mean	*SD*	Mean	*SD*					
Past job performance assessment	3.93	2.070	4.20	2.077	.871	.269	1.055	-2.780	.006
Personal strength	3.80	1.598	3.92	1.783	.747	.118	1.216	-1.056	.293
Future performance levels	4.03	1.778	4.08	1.718	.660	.050	1.443	.381	.704
Salary & promotion	3.72	1.756	3.77	1.532	.736	.050	1.213	-.453	.651
Training/ learning needs fulfillment	3.17	1.664	3.24	1.751	.823	.076	1.018	.810	.419
Personal weakness	3.61	2.022	3.43	2.002	.853	.185	1.073	1.879	.063
Identification of individual problems & difficulties	3.61	2.022	3.45	2065	.563	.168	1.910	.960	.339

Level of Significance: 5%

them for taking up greater responsibilities and promotions in their career (with an exception being in the case of past work assessment). Hence, it can be rightly assessed that the employees, based on their past performance levels, always tried to improve their job potential, and they aimed to achieve good promotions with greater responsibilities. The Table 8 shows that based on the performance appraisal feedback, the employees always : (a) aimed to consolidate and further improve their strong points (both work skills and interpersonal skills), (b) planned future performance levels, (c) aimed at earning a higher salary and promotions, (d) identified their weak areas that needed to be strengthened by taking proper training, (e) aimed to overcome personal weaknesses, and (f) took proper measures to identify individual problems and difficulties.

Summary of Findings

(1) Majority of the employees were of the opinion that the performance assessment was not in association with their individual expectations. While the employees had varied responses regarding the frequency of performance review, 57.5% of the respondents felt it convenient to have an appraisal once in a year, and the remaining respondents preferred to have a quarterly appraisal.

(2) The analysis of the performance appraisal model revealed mixed responses ; 35.8% of the respondents felt it to be fair, which only reiterates the consideration for a revised - potential appraisal model.

(3) The employees' perception of performance appraisal did not vary according to their demographic profile and previous work experience. However, due to long term work experience in the same organization, their perception levels may change.

(4) The analysis of employees' understanding of the appraisal criteria is found to be insignificant with regard to age, gender, and previous work experience. However, the same are significant with respect to previous work experience. Similarly, the analysis of individuals' expectations from PAS indicates that it is significant with respect to gender, age, previous work experience, and it is insignificant with respect to previous work experience. The analysis on participation of subordinates with respect to gender, age, and total experience is significant with respect to previous work experience. The continuity of the process is found to be significant with respect to gender and previous work experience, and it is found to be insignificant with regard to age and previous work experience. There is a significant variance in age, total experience, and past experience and the same is insignificant with respect to gender. The identification of training needs and initiatives reveals that there is a significant variance with respect to age and previous work experience; whereas, it is insignificant with respect to gender and total experience.

(5) Regarding growth opportunities for individuals, there is no significant variance with respect to total work experience. However, there is a significant variance with respect to age, gender, and previous work experience. With regard to guidance and counseling, it is identified that there is a significant variance with respect to age, gender, and previous work experience, while there is no significant variance with respect to total work experience. With regard to monitory rewards, the variance is insignificant with regard to gender. However, there is a significant variance with respect to age and total experience.

Managerial Implications

A careful observation of the study indicates that the employees of the concerned organization are a high end productive force as their average age fell in the age band of 35-40 years, with an average work experience of 4 years ; 56% of the employees also had prior work experience. The employees belonging to the middle level management have high energy and are an aspiring segment as they are in the middle of their career. It was further observed that 80% of the employees were not informed, and 44% of them were improperly informed about the appraisal system. Unless a proper appraisal system is implemented in a systematic manner, it will be difficult to ascertain the performance levels of employees. Hence, proper appraisal systems need to be in place in organizations which will benefit the individual, industry, the nation, and the society at large.

Conclusion

The present study examines the existing performance appraisal system in a public sector enterprise in Kerala, assesses its shortfalls, and suggests potential appraisal metrics for managerial employees to protect the return on investment made on the individual by the organization with a view to increase productivity and organizational development.

Limitations of the Study and Scope for Further Research

The following are the limitations of the study : (a) the study focused only on a public sector organization, and hence, the results cannot be generalized for the private sector and SMEs, (b) the study is based on perceptions, which are dynamic in nature and time specific, (c) the sample size considered the employees from the managerial cadre only ; hence, the study cannot be considered as a comprehensive study for an entire organization.

The study may be extended to identify the potential appraisal metrics for all levels of employees. A general theoretical model may also be developed to suit all industrial sectors, including both private and public sector undertakings. Validation of each appropriate motive may also be studied.

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