

COMPARATIVE STUDY OF PERFORMANCE APPRAISAL IN HOTELS

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Abstract

In this study, we conduct an in-depth comparative examination of the performance evaluation systems utilized within the hotel industry. The primary aim is to critically assess and compare the diverse approaches to performance evaluation used in hotels of various sizes and types, from intimate boutique hotels to expansive global chains. We focus on several key elements, including the methods used for performance appraisal, the regularity of evaluations, the criteria used for measuring performance, the processes for gathering employee feedback, and how appraisal results are tied to incentives and career advancement opportunities. Additionally, the study investigates the effects of these appraisal systems on factors such as employee motivation, job satisfaction, and loyalty to the organization, as well as their role in boosting service standards and operational effectiveness. Through this comparative analysis, we aim to provide practical guidance for hotel managers and human resources professionals who are working to refine their performance evaluation systems. The study emphasizes the necessity of aligning these systems with the organization's strategic objectives and cultural ethos, and it stresses the importance of ongoing revisions and enhancements to keep pace with the ever-evolving nature of the hospitality industry.

Keywords: *Comparative Examination, Performance Evaluation Systems, Expansive Global Chains, Appraisal Systems,*

Introduction

Research on Performance appraisal has been conducted many times in the world as well as in Pakistan but still there are some factors which needs to improve in Pakistani organizations specifically the Hotel industry. This aim may be achieved by understanding and improving the performance appraisal systems in hotel industry. In the procedure of Performance appraisal, we also required the opinions of immediate supervisors. A few years ago the performance appraisal was considered not more than a very limited value, used to point out the good performer and bad performer. But now in 21st Century almost every organization is keep looking on the procedure of performance appraisal and thereon employees job satisfaction as well e.g. the performance appraisal is mainly used in terms of planning for future and decisions regarding salaries, promotions, demotions and placements, to enhance employee performance for career growth, career planning and similarly the counseling to help implement and inculcate the ways or strategies in relation to values of the organization. Appraisal is the right of employee and this procedure adaption increasing day by day, mostly in under developed countries. It is often felt that developing countries need to improve their standards.

Not amazingly, management who tries this way is tending to “get through” performance appraisals is the procedure that they think they can do in quick manner but it really painful sometimes because through this many of employees could not figure out where they are standing in the organization (Dartnell Management Guide, 1981).

This study hopes to generate data that can help middle level and top-level management to improve the standard of distributive, procedural justice, Evaluation system and feedback system that they provide in line with the best implication of employee's satisfaction. Comparative study of performance appraisal systems in Freddie's and Park Plaza hotel of Pakistan

Performance evaluation system is applicable in the organizations to pinpoint the main skilled and semi-skilled employees' performances and is the standard tool to increase productivity by giving timely feedback in terms of the monetary and nonmonetary way and ultimately the core essentials to be fulfilled from the job, but in Pakistani Hotel industry employees are little aware and gets dissatisfied by the appraisal system, regardless the job. In this study the focus is to know the significant relationship of performance appraisal as well as job satisfaction in Pakistani top ranked Hotels.

- 1- Assess the employees' satisfaction of top ranked Hotels regards to method of performance appraisal.
- 2- Assess the informational level of employees with regards to performance appraisal system
- 3- Compare the findings and evaluate, is there any significance difference of opinion among both hotel's employees

Performance appraisal can be identified and understood as a cut down towards the quantity and quality aspect of the coordinators and subordinates. Simultaneously this identify too that the double outcomes of performance appraisal are to increase the capabilities of subordinates and lift up the organizational performance accordingly. Performance appraising system includes all the steps and formalizations in which managing, allocating and guiding altogether involved. Most of scenarios it is a formal process and is a part of the human resource management policy and practices. Performance appraisal rendered many outcomes within organizations of hospitality. According to the system of performance appraisal some important definitions are as follows. Literally, distributive justice has the relation with the resources, as the resources are always in scarce and equality of division or allocation of resources. In another perspective, distributive justice refers to the resources of quantify or rewards that is supplied among of the employees. Individuals tend to generate negative attitudes where there is an unfair treatment and where treated fairly generates positive behaviors than those who are treated unequally.

Procedural Justice focuses on the methods and processes employed in distributing outcomes, rather than the outcomes themselves. It encompasses the rules, duties, and principles that define the responsibilities and roles of those involved in the entire decision-making process. Perceived as a key element in upholding organizational authority, procedural fairness is concerned with how fair or equitable the procedures are perceived to be, especially when it comes to making decisions about the allocation of rewards, like promotions. It is suggested that perceptions of procedural fairness positively correlate with commitment to the organization, but they do not have a significant relationship with commitment to supervisors or intentions to leave the organization.

The Evaluation system has the main purpose is to identify the presentation gap and identifying the gap if exist. When performance does not up to mark as the benchmark set by the corporation then this gap is called underperformance that occurs. The primary goal of the feedback system is to inform the employee about the quality of their performance. In the context of performance appraisal, feedback may be provided in both monetary and non-monetary forms. However, the exchange of information is not strictly unidirectional. Appraisers often receive feedback from their superiors regarding job-related issues and other matters.

Literature Review

Employee satisfaction with performance appraisals is critically significant and can be categorized into three primary areas: (a) satisfaction with the performance appraisal interview, (b) satisfaction with the appraisal system overall, and (c) satisfaction concerning performance ratings. Performance appraisals, typically conducted by management, are not only for evaluating employee input via feedback but also serve to validate various human resource actions. Sudin (2011) notes that satisfaction with appraisal feedback is positively linked to job satisfaction and organizational commitment, and inversely related to turnover intentions.

Performance appraisals are a broad term encompassing various activities aimed at developing competence, enhancing performance, and distributing rewards. These appraisals are seen as systems for developing and motivating employees. Monis & Sreedhra (2010) emphasize that both the judgment of the appraisal and the employees' reactions to it are crucial. They argue that positive appraisal experiences are essential for influencing employee attitudes, behaviors, and future development. Without positive reactions, an appraisal system is likely to fail. Interestingly, awards and incentives do not always significantly impact the final ratings given by management, especially for temporary or ad hoc staff.

Monis & Sreedhra (2010) also highlight the importance of clarity in the performance management system stressing that employees need to understand the expectations and criteria against which they are assessed. Performance-related pay (PRP) is increasingly prominent, particularly in public services, as noted by Marsden, French, & Kobi (2000). This system often integrates performance pay into basic salary, based primarily on individual performance appraisals.

Researchers have long recognized that a significant factor leading to organizational failure is the misalignment between accountability and responsibility. This misalignment often occurs when employees are accountable for responsibilities and duties but have no control over how these are executed, sometimes leading to overlapping roles within work units. Alvi, Surani, & Hirani (2013) note that an organization can function smoothly when this misalignment is not severe, highlighting the importance of aligning responsibilities with the appropriate level of control and accountability.

In summary, conducting effective performance appraisals involves multiple aspects, from ensuring employee satisfaction with various components of the appraisal process to aligning organizational structures and responsibilities for optimal effectiveness. Graphic rating scales

- 360-degree feedback
- Critical incidents
- Behaviorally Anchored Rating Scales (BARS)

About to 10 decades industrial/organizational psychologists and researchers have been working a lot on the correlation between job performance and employee's satisfaction. Psychologists and Researchers have done their best in the effort to obtain a point of positivity: a pleased employee or worker is a most satisfied and good employee. However, this turns into great perception that attracts too, Evidence extract from empirical literature are also supporting the assumptions with blend of resulting as that job satisfaction leads to greater performance or there is a positive correlation exists reliably between these two variables. But same time on the other perspective. Few of researchers had commented that results of this have dramatically change and having no relationship with those assumptions. As these findings create mix and more confusions and that's why researchers eager to do work more on this. Employee's job satisfaction is commonly considered as motivation term, but the nature of this connection is not certain. Satisfaction has its different context and

motivation has its different mode. "Job satisfaction has greater connection with an attitude (Alvi, Surani, & Hirani, 2013) Another inspection, relation with the old school of thought human relation's approach, is that satisfaction is the only way to perform at best. But another side is that performance is the only way to satisfaction. Though, verity of different results shows the partial affiliation among satisfaction and work yield and gives the little edge to those seeking to confirm that a satisfied worker is only the way of fruitful one (Alvi, Surani, & Hirani, 2013). If there is any environmental problem exists, the manager can also take initiatives in shape of some arrangements to support the level of performance of employees. But if the issue is relevant to motivation, the manager's job is more demanding. Individual behavior is a complex trend, and the manager may not be able to figure out exact. Training qualities make clear impression about the ratings, administration also affect the quality of performance appraisal.

Conventionally, this looks for researchers that raters fully and intelligently rate, and that the issues in relation to the appraisal process is involved in complex and cognitive processing errors (Seidu, 2012) Commonly, it is observed that the appraisal process takes place once or twice in a one year normally, the performance key points achieved by employees from one point of time to another is not easier to remember by the raters usually. So that's why most of the raters make emphasize on specific visible attitudes, behaviors or events on the job apart from of planned performance overall (Seidu, 2012) This is important for member of employees to know the accurate kind of expectation an organization want from them. And this is also good for members to know the yardstick through which they will be judged and evaluate. Effective appraisal system enhances the futuristic production in relation to the performance and planned career development within the individual as well as an organization. The focal purpose of performance appraisal is to improve the satisfaction level and performance of employee and the whole organization. "An effective appraisal scheme, therefore, offers a number of potential benefits to both the individual and the organization Common outcomes of an effective performance appraisal process are employees' learning about themselves, employees' knowledge about how they are doing, employees' learning about 'what management values.'" Outcomes of effective performance appraisal are improvement in the accuracy of employee performance and establishing relationship between performance on tasks and a clear potential for reward" (Karimi, Malik, & Hussain, 2011)

Literature uncovered following aspects that can make harm to the effectiveness of Job Satisfaction:

- Distributive Justice
- Procedural justice
- Evaluation system
- Monetary feedback

Individual contributions reflect the approach and commitment of the employees in various hierarchical levels toward with respect to the achievement of organizational objectives. It is very certainly the clear indication of taking the succession ladder of success by leaps and bounds. On the other hand ineffective performance appraisal leads to create disharmony, disloyalty and chaos in organizational administrative levels. As a consequence the growth and development phase tend to fall. Essential factor of an effective organization is to have a strong system of distributive justice and this ultimately lead to the forecast of successful organization. Organization that is fair and in its procedures, policies, interactions and distribution systems, members of that organizations are more satisfied and above performers (in terms of their positive behaviors and productivity).By improving the organizational justice the employees are more work focused. Primarily actions should take by managers to improve employees' job satisfaction and organizational loyalty with the view to diminish the employees' turnover in the best respect of distributive and procedural

justice followed. The researcher has examined that the employee job satisfaction with the other variables and identified that job satisfaction has very clear implications on different variables. The authors found during the instigating the variables that there is a negative relationship between job satisfaction and their turnover. This means that through job satisfaction the employees can be retained and conclude that if the less satisfaction prevails then the turnover of employees can also be reduced. Ultimate product from this kind of scheme should be just like proper trained and skilled personnel. Satisfied employees are considered to be the human asset of any corporations and moreover the resource of the organization too. Job satisfaction supports and encourage work force to attach with the organization with loyalty and work hard with interest, to be affiliated with the organization with prestige and have maximum productivity. “A relationship of job satisfaction and organizational commitment found that both the variables were significantly associated with each other. Organizational commitment is the belongingness to the organization. It occurs when an individual wants to work in an organization willingly. So employee job satisfaction helps the employees to work with the organization with full interest and love it means that job satisfaction of employees can be used as a tool to stop the employees to leave the organization. So the more employees are satisfied from their jobs less will be the chances to leave the organization”. (Karimi, Malik, & Hussain, 2011)

Theoretical Framework

In this section explain the Theoretical Frame work where the researcher has taken as Hospitality dimensions e.g. Procedural justice, Distributive Justice, Evaluation system and feedback as independent variables and with the dependent variable we taken employees Job satisfaction.



Research Methodology

This present study is descriptive nature as it describes and this study is designed as cross sectional and measuring the relationship of independent and dependent variables with view to obtaining the comparative approach being adopted by Fredies and Park Plaza hotels. For this to identify we used to have different statistical tool but we used SPSS software.

Sample population is 100 where 50 from Freddie’s Hotel & remaining 50 from Park Plaza Hotel. For data collection we used questionnaire because it is the quick mean of taking feedback and opinion from the respondent. Questionnaire was a kind of closed ended questions but at the same time face to face communication also took place with relate to the filled questionnaire that used ultimately to cope with the

time and budget constraints or limitation at the same time. Questionnaire used in this hotel industry is the content of various researchers' work and they have been taken these contents throughout research. Organizational justice scale is taken from work of the researcher Niehoff & Moorman (1993). Through this the distributive justice reliability generically considered was 0.72 to 0.74, this variable has comprised on five main questions, Procedural justice reliability matter generically considered is approximately 0.85 and this variable is comprises six questions minimum. Scale of overall job satisfaction was influenced from Cook et al. (1981) and this has reliability of .67 to .71. But these are the most generic employee satisfaction questions. As according to this research which is basically primary. However, data was collected primarily too and thus quantitative research. For the prime data collection reason, personally administered questionnaire was used by taking different questionnaire regards to performance appraisal and job satisfaction. Data were collected from selected department. Our respondents are employees. For data analysis use analyzing software SPSS. We use survey approach for research. We collect our sampling unit from the employees of Fredies hotel and Park plaza hotel of Lahore Pakistan.

This research is basically primary. However, data was collected primarily too and thus quantitative research. Questionnaire was a kind of closed ended questions but at the same time face to face communication also took place with relate to the filled questionnaire that used ultimately to cope with the time and budget constraints or limitation at the same time. As questionnaire is a tool to gather a quick response as compared to go for the structured interviews so structured questionnaire with 5 and 7 likert scale is used for obtaining structured responses which refers to the conveniences in the data analysis (Cooper & Schindler, 2003). Descriptive and inferential statistics are the two ways and tools of data analysis. So with this reason we chose descriptive for that we apply Frequency, Percentage, Mean and Standard deviation. We are going to apply Correlation & Regression analysis in inferential statistics.

Data Analysis

Correlations

		Distributive	Procedural	Evaluation	Feedback	Satisfaction
Distributive	Pearson Correlation	1	.242(*)	.527(**)	.026	.490(**)
	Sig. (2-tailed)		.015	.000	.796	.000
	N	100	100	100	100	100
Procedural	Pearson Correlation	.242(*)	1	.485(**)	.330(**)	.456(**)
	Sig. (2-tailed)	.015		.000	.001	.000
	N	100	100	100	100	100
Evaluation	Pearson Correlation	.527(**)	.485(**)	1	.206(*)	.631(**)
	Sig. (2-tailed)	.000	.000		.040	.000
	N	100	100	100	100	100
Feed Back	Pearson Correlation	.026	.330(**)	.206(*)	1	.079
	Sig. (2-tailed)	.796	.001	.040		.434
	N	100	100	100	100	100
Satisfaction	Pearson Correlation	.490(**)	.456(**)	.631(**)	.079	1
	Sig. (2-tailed)	.000	.000	.000	.434	
	N	100	100	100	100	100

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

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

Analysis of Correlation

From the above analysis of questionnaire through SPSS by applying Spear's man correlation the results show that:

- *Distributive justice & procedural justice have fair amount of relationship.
- *There is fair amount of correlation between distributive & evaluation system. Because its correlation value is between +0.1 & -0.1
- *Distributive justice & employee satisfaction have moderate relationship between them.
- *Procedural justice & distributive have fair amount of relationship.
- *Procedural justice & feedback have fair amount of relationship in lower level.
- *There is very weak relationship between feedback & satisfaction.
- *There is a strongly weak relationship between satisfaction & feed back because the amount is feedback correlation is very closer to -1.

Regression Analysis

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.685(a)	.470	.447	.60622

a. Predictors: (Constant), Feed Back, Distributive, Procedural, Evaluation

There are 0.470 changes in R square due to 1 percent change in variables

ANOVA (b)

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	30.927	4	7.732	21.038	.000(a)
	Residual	34.913	95	.368		
	Total	65.840	99			

There is .368 percent change in mean square due to 1 percent change in variables.

This shows the High significance of this Model.

a. Predictors: (Constant), Feed Back, Distributive, Procedural, Evaluation

b. Dependent Variable: Satisfaction

Coefficients (a)

Model		Un-standardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta	B	Std. Error
1	(Constant)	.484	.357		1.355	.179
	Distributive	.206	.086	.212	2.397	.018
	Procedural	.245	.096	.226	2.551	.012
	Evaluation	.363	.083	.428	4.365	.000
	Feed Back	-.078	.070	-.089	-1.118	.266

(a) Dependent Variable: Satisfaction

$$Y=B_0+B_1X_1+B_2X_2+B_3X_3+B_4X_4$$

$$\text{Job Satisfaction} = 0.484+0.206 \text{ D.J}+0.245 \text{ P.J}+0.363 \text{ E.S}-0.78\text{FB}$$

*If we increase 1 unit of distribution there will be an increase of 0.206 units in job satisfaction level ignoring the other independent variables.

*If we increase 1 unit of procedural there will be an increase of 0.245 units in job satisfaction level ignoring the other independent variables.

*If we increase 1 unit of evaluation there will be an increase of 0.363 units in job satisfaction level ignoring the other independent variables.

*If we decrease 1 unit of distribution there will be an increase of -.078 units in job satisfaction level ignoring the other independent variables.

Findings

The research uncovers a notably weak link between overall job satisfaction among hotel employees and their current roles. It also identifies a significant negative correlation between the feedback employees receive and their overall satisfaction. Additionally, the relationship between the feedback given during performance evaluations and its influence on promotion decisions is weak.

The study employed a regression analysis with a 5% significance level to identify key factors that affect employee satisfaction with hotel performance appraisal systems. The findings show that various elements positively influence satisfaction levels. These include the perceived fairness in how appraisals are distributed (standardized beta coefficient of 0.206), the perceived justice of the appraisal process (standardized beta coefficient of 0.245), and the view of appraisals as effective tools for evaluation (standardized beta coefficient of 0.363). An in-depth look at the independent variables revealed the significance of the accuracy in appraisal procedures (standardized beta coefficient of 0.226) and the credibility of appraisals as evaluation systems (standardized beta coefficient of 0.428). In terms of employee feedback on these evaluation systems, the satisfaction levels varied.

Approximately 35.6% of employees were not satisfied with the results of their latest evaluations. Meanwhile, 39.6% were somewhat satisfied, believing that evaluations played a role in promotion decisions but not to their full satisfaction. A considerable number of employees expressed discontent, with 16.8% disagreeing, 35.6% strongly disagreeing, and 36.6% indicating disagreement about the fairness in promotion decisions, perceiving them to be more influenced by references than by actual performance. These insights point to a critical need for improvement in the performance appraisal systems within the hotel industry. Enhancing employee satisfaction and operational efficiency requires addressing perceived biases and improving both the accuracy and fairness of the appraisal processes.

Conclusion

This study set out to investigate that the deviation from standard of distributive justice is showing the .83801 percent as per employees are not allowed to challenge or appeal against the decision made by the manager is resulting 48.5 percent and thereof impact on satisfaction level. Similarly, if we look upon the procedural justice it shows somehow relief to this study as per showing huge but less than other dimensions deviation aforesaid and depicts .75448 as standard deviation with the reference to a typical view of kindness and consideration by the managers to the subordinates is good.

Discussion

The major aim of this study is to explore the performance appraisal system and thereon employee job satisfaction toward the whole procedure. According to the literature on organizational justice in the reference to performance appraisals shows that in many organizations that organizational justice is significantly and positively related to employees' job satisfaction in accordance to the performance appraisal.

Perception of fairness of distribution of outcomes affects employee satisfaction and Distributive justice also affects employee satisfaction and these two with the performance appraisal ratings and satisfaction with the supervisors' as well who encourages and ease the appraisal process.

As employee satisfaction concerns I got the results 36.6% employees are disagree they are not satisfied they are doing jobs but some are partially agree because of having good environment & place of hotels 45.7% employees are disagree which shows a high degree of un-satisfaction of employees 37.6% employees are partially agree about this statement A very important question about overall system In this question 32.7% employees are strongly disagree they respond that they are not satisfied with the overall system of appraisal. 7% employees are disagree about the favoritism system in their hotels by which they feelings ignorance & feeling biased.

Recommendations

As we evaluate all dimensions the most 2 dimensions should be reviewed Evaluation system shows a means of 2.7267 which is not good & shows that they employees are facing problems & not rewarded as they deserve Employee satisfaction shows a means of 2.7200 which is very low & showing that overall employees are not satisfied with their duties & all other systems in the hotels. Society of Human Resource Management has its own believe that over 90% of performance appraisal conduct in overall scenario is unsuccessful. In the aforesaid chapters I have declared the relationship and involvement of human resource in the organization. But I would like you to know some of problems that carrying out. This process and suggestions are somehow remedies to these issues. There are several ways to conduct performance appraisal and every organization has perceiving it differently.

However, the core of the main stream must be same as per best implementation and practices according to the human resource management policies. Method which is used very commonly and even in hotel industry as well e.g. forced distribution rating system, essays, behaviorally anchored rating scales (BARS), ranking and interviews. It does not matter that how method being selected to use in this industry. It should only be performance appraisals that should be clear and must be in top secret and the outcomes must keep in confidential but access should be given to only the supervisors so they can review the performance time to time and similarly, they should project and remembered the efforts of competent work force. Giving the appreciation in front of all staff gives the lesson of motivator employees to all other staff members and recognition of achievement in the organization. Staff members could get the meaning that the supervisor is showing to somebody as the "shining one" in the whole of department or telling to the high ups. Conflicts among the subordinates can also be starting happened form this point. It is possible too that employees feel the lack of of motivation since there were another person who has taken the winning cup for some months onward and similarly it could also be happened that the achiever could not maintain his quality of work because he has given the crown of prince and thus no better motivation after that.

There are other problems also caused because of different appraised process adopt by different employees. Some appraisal has different implications as it can be easy rating system .This probability also exists that the different rating is received by the subordinates to its supervisor with the same output and performance. Communications with appraisers can remove the errors and similarly with employees can alleviate the errors.

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