

# Role of Hr in the Expansion Process of an Organisation: A Case Study of Foodservice Industry

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## INTRODUCTION:

The food service industry comprises of the services, activities and business functions involved in cooking and serving food to the individuals eating away from home. This may include all restaurants starting from fine dining to fast food to even mobile food vans. Restaurant chains is now a trend as soon as a brand gains popularity. Usually, the marketing and promotion team or the strategic decision makers are the key decision makers for the expansion process. This is true in case of the external customers. But when internal customers are to be considered then HR plays a pivotal role. So, expansion is a complex process. To tackle the issues by using strategic HRM technique, a performance appraisal system needs to be developed to manage the performance management process.

### Designing a performance appraisal system –

Performance appraisals are generally commenced to bring in the knowledge of an employee the manager's expectations and to ascertain areas that necessitate training or development. For Moksha gaining competitive advantage through an effective performance appraisal system is essential.

- 1. Tailored appraisal system according to organization needs:** The performance appraisal system should be tailored to fit the precise organization requirements. This system may vary from organisation to organisation. So how much ever tempting it may be to adopt other's model, it best to understand organization's specific needs and then modify it accordingly.
- 2. Objective and concrete rating factors:** Performance appraisal cannot be completely objective. Some degree of judgment is essential. Employers should disregard the usage of subjective factors, such as traits that

are regarded as undependable for evaluation. Measures like initiative, trustworthiness and cooperativeness are considered less desirable than performance measures such as costs and output.

- 3. Un-biased appraisals:** Race, Sex age or other irrelevant factors should not influence performance ratings. Managers' appraisals may get affected by unconscious or conscious prejudices toward juniors. In either way, biases are damaging and costly, both to the employee and the employer.
- 4. Uniform procedures and administration:** A firm's procedures and its administration should be standardized and uniform in their application. Especially when such information generated by the appraisals is to be used to compare employees. The system must still be applied homogeneously to all, even if the information is not used for employee comparisons. Otherwise, the system would appear unfair, giving favoured treatment to some employees and not to others. Whether actual or perceived, favouritism will lead to employee pessimism about the system.
- 5. Easy to operate system and user's acceptability:** Managers should be able to use and administer the system without issues. Too many form or difficulty to fill forms may cause acceptability issue. One technique to surge acceptance is to include users in developing the system.
- 6. A review or appeals process:** A review and/or appeal mechanism should be there, to help ensure justice in appraisal. Providing such mechanism may reduce grievances and reinforce employee confidence in the system.

In-turn enhancing public image of organization.

**7. Economical to operate the system:** Costs such as –

- ✓ **Costs of developing system-** time and salaries of HRD staff, managers.
- ✓ **Costs of installation-** orientation and training program salaries of system administrators.
- ✓ **Costs of operating system-** processing and maintaining records by HRD staff.

Therefore, cautious preparation of the system and monitoring of expenditures will help avert costs from getting out of control.

**8. Documenting performance ratings:** The ratings given must be put in writing and substantiated by. The explanations for appraisals and specific instances of poor performance should be documented in writing.

**9. Management support for the system:** Top management must not only strongly support the performance appraisal system but also be firmly committed for its success. Without their backing, the system, no matter how well planned, is not succeed.

**Performance Management Process (PMP) for FOOD SERVICE INDUSTRYT:**



**b) Challenges in performance appraisal process**  
 There are several challenges which may arise in the practice of performance appraisal activities in the case of food service industry. They are as follows:

**1.** The foremost issue in the practice and implementation of performance appraisal activity is the neutrality of the appraisal decision. Manager / Raters have problems evaluating the performance appraisal in an

appropriate way. Performance of different employees that is not evaluated accurately can cause lots of dissatisfaction with the system. This may cause attrition and low employee morale.

2. Rater's knowledge and required skill of the system is also one factor. In case rater doesn't have them, it contributes to employee's dissatisfaction. This will further affect the process of evaluation because prejudice, injustice and unreliability can arise. Although there is official evaluation form and a set of principles to be followed, employees seem not to trust the tools of evaluation.
3. In the public and private sector, there can be an issue of subjectivity in the performance evaluation. Even if it is mentioned in black and white to be as objective as possible, however, during the application of performance appraisal, the evaluation becomes subjective. Employees may be discouraged towards supporting the measurement of performance appraisal if there is subjectivity in evaluation. Therefore, the objective of the performance appraisal will not be achieved.
4. One more challenge can be that there is quota system practiced in certain organisation. It creates lots dissatisfaction among employees. Only a certain portion of the employees will get increment in salary either vertically or diagonally. So, even if the employees may achieve well, they might not get a reward / recognition because it hinges on the quota system. This will further lead to a reduction in work performance, self-respect, and trustworthiness to the organisation.
5. The appraisal pronouncement these days are challenged with a great deal of disapprovals and explanations from the employees and their unions. The issues that are being put forward by them are - such as the raters' skill, system accuracy, equality, discrimination, quota system and other aspects.
6. Performance appraisal should suit the organisation's culture. Research strongly suggests that managers of MNCs should sensibly design the suitable system for their foreign operation based on varied cultural factors of the country.

which have been typically attributed in setting up new retail outlets as per the expansion process. A performance appraisal system caters to the above requirements and manages the performance management process.

### **CONCLUSION:**

It is clear, HR will play a pivotal role for the successful roll-out of the strategy for expansion of the food service industry. A HR manager is expected to the tackle issues of attrition, absenteeism, equity, and low employee morale