



A Study on Measuring the Effectiveness of Performance Appraisal System in Celebrity Fashions Limited

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ABSTRACT:

This research aimed to evaluate the influence of performance appraisal on employee satisfaction at Celebrity Fashions Limited through a descriptive approach. A survey questionnaire, specifically tailored for this study, was distributed among a selected group of participants from Celebrity Fashions Limited to gather pertinent data. Subsequently, the collected data underwent analysis using the SPSS V22 program. The study concentrated on the employees of Celebrity Fashions Limited as both the study population and the sampling unit. The findings indicated a positive balance in performance appraisal among employees, coupled with a high level of satisfaction within the organization. This underscores the significance of comprehending the concept of performance appraisal and its connection to achieving heightened employee satisfaction. Furthermore, the study suggests future research endeavors to explore the impact of performance appraisal on employee satisfaction across diverse sectors.

Keywords: Effectiveness and perception of performance appraisal system

1. Introduction:

Performance appraisal is a systematic and periodic evaluation process that assesses an individual employee's job performance and productivity in relation to predefined criteria and organizational objectives. Monitoring employee performance on a regular basis is essential for organizations striving to be effective and achieve their goals. This involves providing timely feedback, reviewing performance against predetermined standards, and recognizing accomplishments promptly to motivate employees to enhance their performance.

The effectiveness of performance appraisal lies in its ability to understand each employee's abilities, competencies, and relative merit for the organization. As people differ in their abilities and aptitudes, the appraisal process helps in rating employees based on their performance. A well-known figure in the field of Human Resources defines performance appraisal as the systematic, periodic, and impartial rating of an employee's excellence in their current role and potential for advancement.

Recognizing that encouraged individuals achieve the best results, organizations emphasize the importance of timely recognition and rewards. The appraisal process is a powerful tool for calibrating, refining, and rewarding employee performance. It allows for the analysis of achievements and evaluations of contributions toward overall organizational goals.

Performance appraisal is indispensable for measuring both employee and organizational performance, checking progress towards desired goals and objectives. This ongoing process remains a subject of considerable interest and importance to human resource specialists, garnering attention from both researchers and practitioners. In the contemporary business landscape, the prevailing focus is on "getting paid according to what you contribute," emphasizing individual performance within the broader framework of performance management.

2. Literature review:

Ayomikum Idowu O (2017), The study also shows that employees differ in their preference for rewards following performance appraisal. Organization should therefore adapt a more personal approach in linking performance appraisal results to rewards and incentives. This could contribute significantly towards boosting employee motivation as a result of improved levels of satisfaction.

M. Mohanasundari, P. Vidhya Priya, and P. Sundharesalingam (2020), this research was conducted mainly, in order to know about the existing performance appraisal system and its effect on motivation of employees in the engineering and automotive industries in and around the southern part of Karnataka. Hence we suggest the company's management to improve the promotional opportunities given to line managers. Further this study find about training and feedback are given to the employees after every appraisal which helps the employees to motivate and improve the job performance

S. Jansirani, R. Hatrkrishnan, D. Jayakani, A. Saissathya (2013), In this study the operative function in the human resource department is analyzed with the contribution of employees and their opinion about the function performed and also their opinion about by the HR Department in Wipro infrastructure Engineering pvt. Ltd., Chennai. It is suggested that the company should introduce new methods to provide good services promptly and efficiently regarding employee’s measures. Thus the study mainly focusses on performance of the employees.

Aishwarya M. Patil, S. Dalvi (2019), It states that 720-degree appraisal as twice 360-degree appraisal. As the name suggest, the 720-degree performance appraisal is one of the recently introduced concept and the evaluation of the performance from all the aspects and gives timely feedback. In this paper, we are going to analyze and study the 720-degree performance appraisal system on various aspects..and supplements developments functions in a very higher means. It helps in better examination and enhanced input from various measurements.

3. Methodology:

This research comes under the “**DESCRIPTIVE RESEARCH**” because it describes the current situation. Descriptive research design is a type of research design that focuses on describing the characteristics or behaviors of a phenomenon without manipulating or controlling it. The primary goal of descriptive research is to provide an accurate representation of the subject under investigation. This type of research is often used when the researcher aims to answer questions such as "what," "who," "where," "when," or "how" about a particular topic. Primary data was collected directly from the employees of the organization (celebrity fashions ltd) through a well-structured questionnaire. Secondary data was collect from the articles, websites and previous research papers .A Sample of 128 respondents is taken in this study and the required data has been collected. The population size is 280.

Objectives:

1. To understand the effectiveness and perception of performance appraisal system.
2. To assess the effectiveness of the performance appraisal system in promoting employee development, communication, transparency, and behavior change within the organization.
3. To know the way to improve the performance appraisal methods.
4. To identify the employee satisfaction level regarding the performance appraisal system.

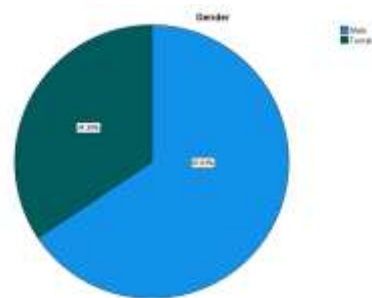
4. Data Analysis and Interpretation

Percentage analysis

Percentage analysis for Gender

TABLE 1

Gender					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	84	65.6	65.6	65.6
	Female	44	34.4	34.4	100.0
	Total	128	100.0	100.0	

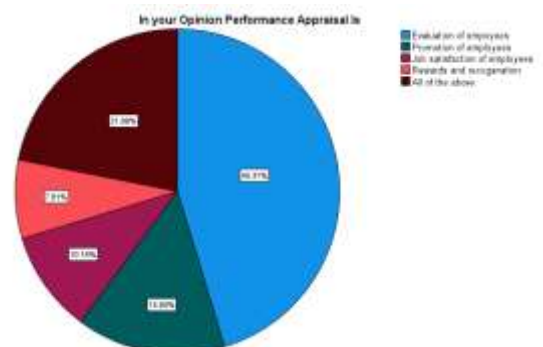


INFERENCE

As the table shows that most of the employee are Male with 65% as shown in the pie chart

TABLE 2

In your Opinion Performance Appraisal Is					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Evaluation of employees	58	45.3	45.3	45.3
	Promotion of employees	19	14.8	14.8	60.2
	Job satisfaction of employees	13	10.2	10.2	70.3
	Rewards and recognition	10	7.8	7.8	78.1
	All of the above	28	21.9	21.9	100.0
	Total	128	100.0	100.0	



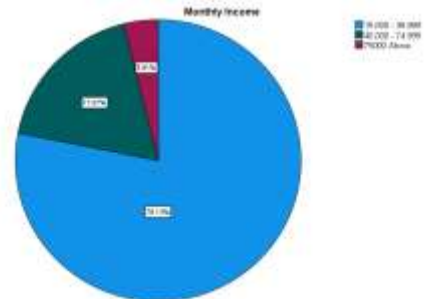
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As the Pie-chart shows that 45% of the employees opinion are evaluating the employees is known as performance appraisal.

Percentage analysis for Monthly Income

TABLE 3

Monthly Income					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	15,000 - 39,999	100	78.1	78.1	78.1
	40,000 - 74,999	23	18.0	18.0	96.1
	75000 Above	5	3.9	3.9	100.0
	Total	128	100.0	100.0	



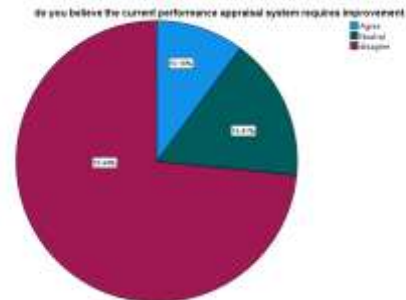
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As the pie chart shows that 78% of the employee’s income were 15,000-39,999

Percentage analysis for to what extent do you believe the current performance appraisal system requires improvement

TABLE 4

Do you believe the current performance appraisal system requires improvement					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	13	10.2	10.2	10.2
	Neutral	21	16.4	16.4	26.6
	disagree	94	73.4	73.4	100.0
	Total	128	100.0	100.0	



INFERENCE

Inference: As the Pie-chart shows that 73% of the employees have responded disagree means that they no need any improvement in the current performance appraisal system.

CORRELATION ANALYSIS

To find out the significance relation between how satisfied are you with the clarity of performance expectations set during your appraisal process and How would you rate the effectiveness of feedback provided during your performance appraisal

Null Hypothesis: There is no significance Relationship between satisfaction level with the clarity of performance expectations set during appraisal process and rating the effectiveness of feedback provided during your performance appraisal

Alternative Hypothesis: There is a significance Relationship between satisfaction level with the clarity of performance expectations set during appraisal process and rating the effectiveness of feedback provided during your performance appraisal

Correlations			
		How satisfied are you with the clarity of performance expectations set during your appraisal process	How would you rate the effectiveness of feedback provided during your performance appraisal
	Pearson Correlation	1	.619**
	Sig. (2-tailed)		.000

How satisfied are you with the clarity of performance expectations set during your appraisal process	N	128	128
How would you rate the effectiveness of feedback provided during your performance appraisal	Pearson Correlation	.619**	1
	Sig. (2-tailed)	.000	
	N	128	128
**. Correlation is significant at the 0.01 level (2-tailed).			

Inference:

From the above table, we find that the significant value is 0.619, which is greater than table value 0.05, so the Null hypothesis is accepted and Alternative hypothesis is rejected.

Therefore, there is no significant difference between How satisfied are you with the clarity of performance expectations set during your appraisal process and How would you rate the effectiveness of feedback provided during your performance appraisal.

CHI-SQUARE ANALYSIS

To find out the association between Gender and Opinion of performance appraisal

Null Hypothesis: There is no significance Association between Gender and Opinion of performance appraisal.

Alternative Hypothesis: There is a significance Association between Gender and Opinion of performance appraisal.

Test Statistics		
	Gender	In your Opinion Performance Appraisal Is
Chi-Square	12.500 ^a	58.641 ^b
Df	1	4
Asymp. Sig.	.000	.000
a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 64.0.		
b. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 25.6.		

Inference:

From the above table, we find that the significant value is .000, which is less than table value 0.05, so the Null hypothesis is rejected and Alternative hypothesis is accepted.

Therefore, there is a significance Association between Gender and Opinion of performance appraisal.

ANOVA

ANOVA, or Analysis of Variance, is a statistical method employed to determine if there are significant differences among the means of three or more groups. It helps to assess whether variations observed in the data are the result of genuine differences between the groups or if they could be attributed to random fluctuations. ANOVA is particularly useful when comparing means across multiple groups, and it aids in identifying which groups, if any, exhibit statistically significant distinctions in their average values. This method allows for a more comprehensive understanding of data by examining variance both within and between groups.

To find out the association between Monthly Income and what extent do you believe the current performance appraisal system requires improvement

ANOVA					
Monthly Income					
	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	1.909	2	.954	3.661	.029

Within Groups	32.584	125	.261		
Total	34.492	127			

Inference:

From the above table, we find that the significant value is .029, which is Greater than table value 0.05, so the Null hypothesis is accepted and Alternative hypothesis is rejected. Therefore, there is no difference between Monthly Income and what extent do you believe the current performance appraisal system requires improvement

Results

The majority of the workforce (65%) is male, as illustrated in the pie chart .A significant portion of employees falls within the age range of 29-35.64% of employees have an undergraduate educational background. A considerable 75% of the workforce is married.42% of employees have 3 dependents, indicating familial responsibilities. The majority (78%) of employees earn an income between 15,000 and 39,999.38% of employees have been with the organization for 4-6 years. A substantial majority (76%) of employees are very aware of the organization's performance appraisal system.78% of employees report that performance appraisals are conducted quarterly.45% of employees associate performance appraisal with evaluating employees.71% of employees believe the organization follows standardized criteria for evaluation. A significant majority (78%) of employees agree that evaluation criteria are clearly communicated. An overwhelming 85% of employees acknowledge that performance appraisal contributes to their development and growth.82% of employees perceive the performance appraisal process as transparent and well-understood.67% of employees rate the criteria and decision-making in performance appraisal as good.82% of employees believe performance appraisal can influence employee behavior.77% of employees express satisfaction with the current performance appraisal system.73% of employees disagree with the need for improvement in the current system.74% of employees affirm that proper feedback is provided during performance appraisals.50% of employees are extremely satisfied with the clarity of performance appraisal expectations during the process.

Conclusion

In conclusion, implementing a comprehensive performance appraisal system is crucial for fostering employee engagement, growth, and organizational success. By providing thorough training to managers and employees, establishing regular feedback mechanisms, customizing evaluation criteria, ensuring transparency throughout the process, and offering development opportunities based on outcomes, organizations can create a culture of accountability, trust, and continuous improvement. This not only enhances employee satisfaction and retention but also contributes to achieving strategic objectives and maintaining competitiveness in the market. Embracing these practices will not only optimize individual and organizational performance but also cultivate a positive work environment where employees feel valued, supported, and motivated to excel.

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