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Performance Appraisal System and its Effectiveness with Reference to a Select Automobile Firm

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A B S T R A C T

A performance appraisal is continuous process and done annually as a formal exercise before completion of the final year. A performance appraisal is known by other terms like employee appraisal, performance review. Performance appraisal is study of present achievements, and failures, personal strengths and weaknesses, growth opportunities, overall effectiveness, satisfaction level of employee's rewards and recognition, increased pay scale, promotion or further training. Finally it shows the suitability of the person at present job to the organization. The study is conducted by survey method using structured questionnaire with five point rating scale. The study will be helpful for the HR people to have a better understanding of the concept and the effective method to conduct it. This project explains performance appraisal system and tries to find out how efficiently performance appraisal is conducted.

Keywords: Performance Appraisal, Appraisal Results, Training Needs

1. INTRODUCTION

Performance Appraisal is defined as the process of assessing the Performance and progress of an employee or a group of employees on a given job and his potential for future development. It consists of all formal procedures used in working organizations and potential of employees. According to "Performance Appraisal is the systematic, periodic and an important rating of an employee's excellence in matters pertaining to his present hob and his potential for a better job". Performance Appraisal is as process. It is the systematic examination of the strength and weakness of an employee in terms of his Job. It is scientific and objective study. Formal procedures are used in the study. It is an ongoing and continuous process wherein the evaluations are arranged periodically according to a definite plain. The main purpose of Performance Appraisal is to secure information necessary for making objective and correct decision an employee. To avoid, or to deal with, the feeling that they are being judged by unfairly high standards, employees in some organizations are being their own performance goals.

2. LITERATURE REVIEW

ChandhanaK(2015) in their article titled 'Performance Appraisal Method Used in IT Companies – 360 Degree Feedback & Balanced Score Card: A Review' has found that the both 360degree feedback and balanced score card has its own loopholes, through these methods are being used by top IT companies. The satisfaction levels of employees towards these appraisal methods are very low and there is a need of a new appraisal method which prevents these errors and has the advantages of these methods.

JawadAbdas (2014) 'Impact of Technology on Performance of Employees found that the investment of organizations in new technology has good impact on the performance of employees; it increases their efficiency and productivity. It also makes the organizations more competitive regarding customer services like in the case of Allied Bank, it become more customers focused and services oriented.

Rajput Veena (2015) in their article titled 'Performance Appraisal System' explain that performance appraisal is conducted on an annual basis for existing employees whereas for trainee and new recruits it is done on quarterly basis in many organizations. Here author studies about the multidimensional nature of job where the nurse manager gives rating to different job of nursing process. Thus, Employees who have relatively less competition or lenient appraisers have higher appraisal than to equally competent employee.

Sujith A.S. (2017) Performance Management has remained a static process that consisted primarily an annual appraisal. Line management viewed the process as something which the HR department required managers to deliver and complied accordingly. Today, Performance Management is one of the principle tools executives, line managers, and employees are able to use to achieve their collective goals. The change in application of Performance

Management has been enabled by software that provides management with a way to achieve its operational and strategic goals. This article reviews the current trends in performance management in the global scenario

Tanveer M (2018) Performance management system in present competitive environment has given a way to Higher education institutions to align their resources, processes, policies, systems and employees to strategic objectives and priorities. The present paper studies the performance management with reference to its development, application and applicability of performance management in Higher education institutions by literature review and developing a model. The review of literature reveals the applicability of Performance management in Higher education institutions, it needs to be redefined and adapted to the needs and standards of the institutions.

3. NEED & RELEVANCE

Performance appraisal followed in the organization is tedious leading to lower operational efficiency. There is little dissatisfaction among the employees. Hence, the study is conducted to address the pitfalls in the existing performance appraisal system so as to enhance the employees' satisfaction for the betterment of current and future job performance. Performance appraisal evaluation helps in designing the reward system. It is a systematic and objective way of evaluating both work-related behavior and potential of employees. It clarifies the employee's roles and status in the organization. It helps the management to place the right employees for the perfect jobs depending on their skills in specific areas. The performance appraisal is helps employees to identify the areas in which they need to improve.

4. OBJECTIVES OF THE STUDY

- To study the overall effectiveness of existing performance appraisal system
- To ascertain the satisfaction level of employees towards appraisal.

5. METHODOLOGY

The current study is descriptive in nature. Wherein both primary and secondary data were used for the study. Primary data is collected through Questionnaire from various departments and employees. Secondary Data Secondary data was collected from Websites and Books. The sudy was adopted simple random sampling technique to collect data's from the respondents, which covered the nine departments with a sample size of 90.

RELATIONSHIP BETWEEN BOSS DISCUSSED THE CRITERIONS BEFORE APPRAISAL AND APPRAISAL RESULTS ARE DISCUSSES AFTER APPRAISAL

Null Hypothesis H0: There is no significant difference between boss discussed the criterions before appraisal and appraisal results are discusses after appraisal

Alternative Hypothesis H1: There is significant difference between boss discussed the criterions before appraisal and appraisal results are discusses after appraisal

CORRELATIONS ANALYSIS		BOSS DISCUSSED THE CRITERIONS STANDARDS BEFORE APPRAISAL OF RESPONDENTS	APPRAISAL RESULTS ARE DISCUSSES AFTER APPRAISAL OF RESPONDENTS
BOSS DISCUSSED THE CRITERIONS STANDARDS BEFORE APPRAISAL OF RESPONDENTS	Pearson Correlation	1	.338**
	Sig. (2-tailed)		.001
	N	90	90
APPRAISAL RESULTS ARE DISCUSSES AFTER APPRAISAL OF RESPONDENTS	Pearson Correlation	.338**	1
	Sig. (2-tailed)	.001	
	N	90	90

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

INTERPRETATION:

The significant value .001<0.01, Therefore H0 is rejected and H1 is accepted. Hence there is significant difference between bosses discussed the criterions before appraisal and appraisal results are discusses after appraisal.

RELATIONSHIP BETWEEN ON OBJECTIVE BASIS OF RESPONDENTS AND PROMOTION AND SALARY HIKE OF RESPONDENTS

Null Hypothesis H0: There is no significant difference between objective basis of respondents and promotion and salary hike of respondents

Alternative Hypothesis H1: There is significant difference between objective basis of respondents and promotion and salary hike of respondents

CORRELATIONS ANALYSIS		ON OBJECTIVE BASIS OF RESPONDENTS	PROMOTION AND SALARY HIKE OF RESPONDENTS
ON OBJECTIVE BASIS OF RESPONDENTS	Pearson Correlation	1	.157
	Sig. (2-tailed)		.140
	N	90	90
PROMOTION AND SALARY HIKE OF RESPONDENTS	Pearson Correlation	.157	1
	Sig. (2-tailed)	.140	
	N	90	90

INTERPRETATION:

The significant value .140 >0.05, Therefore H0 is accepted and H1 is rejected. Hence there is no significant difference between objective basis of respondents and promotion and salary hike of respondents

RELATIONSHIP BETWEEN ON INDENTIFYING TRANING NEEDS OF RESPONDENTS AND APPRAISAL IS HELPFUL FOR IMPROVING PERSONNEL SKILLS OF RESPONDENTS

Null Hypothesis H0: There is no significant difference between indentifying training needs of respondents and appraisal is helpful for improving personnel skills of respondents

Alternative Hypothesis H1: There is significant difference between indentifying training needs of respondents and appraisal is helpful for improving personnel skills of respondents

CORRELATIONS ANALYSIS		INDENTIFYING TRANING NEEDS OF RESPONDENTS	APPRAISAL IS HELPFUL FOR IMPROVING PERSONNEL SKILLS OF RESPONDENTS
INDENTIFYING TRANING NEEDS OF RESPONDENTS	Pearson Correlation	1	.303[**]
	Sig. (2-tailed)		.004
	N	90	90
APPRAISAL IS HELPFUL FOR IMPROVING PERSONNEL SKILLS OF RESPONDENTS	Pearson Correlation	.303[**]	1
	Sig. (2-tailed)	.004	
	N	90	90

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

INTERPRETATION:

The significant value .004 <0.01, Therefore H0 is rejected and H1 is accepted. Hence there is significant difference between indentifying training needs of respondents and appraisal is helpful for improving personnel skills of respondents

RELATIONSHIP BETWEEN ON APPRAISAL RESULTS ARE DISCUSSES AFTER APPRAISAL OF RESPONDENTS AND APPRAISAL IS HELPFUL FOR IMPROVING PERSONNEL SKILLS OF RESPONDENTS

Null Hypothesis H0: There is no significant difference between appraisal results are discusses after appraisal of respondents and appraisal is helpful for improving personnel skills of respondents

Alternative Hypothesis H1: There is significant difference between appraisal results are discusses after appraisal of respondents and appraisal is helpful for improving personnel skills of respondents

CORRELATIONS ANALYSIS		APPRAISAL RESULTS ARE DISCUSSES AFTER APPRAISAL OF RESPONDENTS	APPRAISAL IS HELPFUL FOR IMPROVING PERSONNEL SKILLS OF RESPONDENTS
APPRAISAL RESULTS ARE DISCUSSES AFTER APPRAISAL OF RESPONDENTS	Pearson Correlation	1	.240*
	Sig. (2-tailed)		.023
	N	90	90
APPRAISAL IS HELPFUL FOR IMPROVING PERSONNEL SKILLS OF RESPONDENTS	Pearson Correlation	.240*	1
	Sig. (2-tailed)	.023	
	N	90	90

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

INTERPRETATION:

The significant value .023<0.05, Therefore H0 is rejected and H1 is accepted. Hence there is significant difference between appraisals results are discusses after appraisal of respondents and appraisal is helpful for improving personnel skills of respondents

RELATIONSHIP BETWEEN ON EXISTING PERFORMANCE APPRAISAL SYSTEM OF RESPONDENTS AND ADVISES AND SUGGESTIONS OF RESPONDENTS

Null Hypothesis H0: There is no significant difference between existing performance appraisal system of respondents and advises and suggestions of respondents

Alternative Hypothesis H1: There is significant difference between existing performance appraisal system of respondents and advises and suggestions of respondents

CORRELATIONS ANALYSIS		EXISTING PERFORMANCE APPRAISAL SYSTEM OF RESPONDENTS	ADVISES AND SUGGESTIONS OF RESPONDENTS
EXISTING PERFORMANCE APPRAISAL SYSTEM OF RESPONDENTS	Pearson Correlation	1	.139
	Sig. (2-tailed)		.190
	N	90	90
ADVISES AND SUGGESTIONS OF RESPONDENTS	Pearson Correlation	.139	1
	Sig. (2-tailed)	.190	
	N	90	90

INTERPRETATION:

The significant value .190>0.05, Therefore H0 is accepted and H1 is rejected. Hence there is no significant difference between existing performance appraisal system of respondents and advises and suggestions of respondents.

6. RESULTS AND DISCUSSION

The demographic profiles of the respondents are majority of the respondents are male 61%, majority of age group of the respondents belong to 21 – 31 years i. In the category of educational qualifications, 28% of respondents belong to B.E. In departments 27% are under 4W-Service and in designation 23% belong to Tele-Caller. In working experience 63 percent of the respondents are having 2-4 Years of experience. 67% of respondents Strongly Agree with existing performance appraisal system. 64% of respondents Agree with boss discussed the criterions standards before appraisal. 43% of respondents Strongly Agree that appraisal results are discussed after appraisal.39% of respondents Agree performance appraisal is made on objective basis.41% of respondents Agree appraisal system helps to identify strength and weakness.46% of respondents Agree appraisal system reducing grievances among employees.62% of respondents Strongly Agree appraisal is done for salary hike, promotion.57% of respondents Agree with appraisal helps in identifying training needs.34% of respondents Strongly Agree with growth opportunities provided in the company.39% of respondents Agree with separate committee to review the performance appraisal system.32% of respondents Agree with appraisal is helpful for improving their personnel skills. 33% of respondents Agree that appraisal is helpful for management to provide employee counseling.34% of respondents Strongly Agree that advises and suggestions are given to the employees during appraisal process.36% of respondents Agree with difficulties in achieving the targets set by the boss in their job.34% of respondents Strongly Agree that key results area clearly communicated to the employees before the start of the appraisal year.39% of respondents Agree organization follows a formal performance appraisal system

7. CONCLUSION

As the study revealed that on the whole the appraisal system carried in the organizations is satisfactory. The criterion standards, key results areas and discussion of appraisal results with the employees is helping a lot in identifying the training needs. Performance appraisal form for each job position should be different as each job has different knowledge and skill requirements. It is was also found that the increase salary for all employees as per economic conditions. Effective training and development programs should be held. The company should take concentrate on employee's development. The appraisal results need to discuss after appraisal is done. Get the suggestions from the employees before the appraisal is taken.The performance appraisal may be understood as the assessment of an individual's performance in a systematic way. Performance evaluation is an important issue both for company and employees. The performance appraisal conducted more efficiently by using the right tools. Suggestion from employees can make further enhance and make the performance ideal evaluation system.

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