Effectiveness of performance appraisal system prevailing in automotive industries in india

Prem Kumar .S[1],Dr .R. Priyadharshini[2]

Assistant professor, School of Management Studies, VISTAS,INDIA Corresponding Author: rpriyadharshini.sms@velsuniv.ac.in

ABSTRACT:

This study aims to effectiveness of performance appraisal system prevailing in the organization. Examine the impact of performance appraisal in career advancement. Evaluate performance appraisal impact on the employee growth and development and investigated of adequate incentives & development was analysed. Descriptive Statistics, ANOVA, Correlation and Linear Regression, was used in SPSS 28 & E Venue 7.this study used to find out how performance appraisal help to increases employee performance.

Keywords: effectiveness of performance appraisal, career advancement, employee growth and development, adequate incentives & rewards and performance appraisal.

INTRODUCTION:

The performance appraisal is a systematic and process that assesses on the individual employees job performance .Effectiveness of performance appraisal that motives the employees to perform better each and every day in organization. Career advancement improve the quality employees of work life, increase the skils of employess   Incentives and rewards considered one of the most important factors that encourage workers to put great efforts and work more efficiently. It is because incentives and reward system systems help employees perform their jobs more effectively.

OBJECTIVES OF THE STUDY:

➢ To know the effectiveness of performance appraisal system prevailing in the organization.
➢ To know the attitude of employees in the organization towards the performance appraisal system .
➢ To study about career advancement.
➢ To evaluate performance appraisal impact on the employee growth and development.
➢ To evaluate performance system and offer suggestions for effective implementation.
➢ To provide adequate incentives & rewards for the performance.

REVIEW OF LITERATURE

Omorogieva Agbonmwanre Anthony (2024). Performance Appraisal Systems and Employee Effectiveness. International Journal of Agribusiness and Sustainable Development Research his paper assesses the interconnectivity between performance appraisal and employee effectiveness. The objective of the study was to empirically ascertain the extent to which 360-degree feedback (3DF) and critical incidence in performance appraisal relates with organsational success in terms of profitability, employee efficiency and job satisfaction.

Almulaiki, W. A. (2023) "The impact of performance management on employee performance" In order to discuss the most significant findings of those studies in four main axes the impact of PMS on employee performance, the components of the PMS, and the literature review this paper reviews the literature on the impact of performance management practices on employee performance during the period (2015–2020).

Bangun, Y. R. (2023) "Enhancing fairness in performance appraisals: This study aims to comprehensively explore the complex landscape of performance appraisals and, as a result, construct a coherent conceptual framework that enhances the efficacy and fairness of performance evaluation processes. To do this, a systematic literature review will be conducted.

Maharvi, M. W. (2023) "How leader member exchange affects effectiveness of performance appraisal system: A chain of reactions model" The current study's primary goal was to assess the efficacy of a performance appraisal method that emphasizes the significance of performance appraisal replies (i.e. performance appraisal fairness and performance appraisal satisfaction) in the relationship between leader-member exchange and effectiveness of performance appraisal.

Salloum, S. A. (2021) "Performance appraisal on employees' motivation: A comprehensive analysis" Several analysis studies have been carried out with a view to providing valuable knowledge into the existing research outline of the performance appraisal and employee motivation. The current study

systematically reviews and synthesizes the performance appraisal and employee motivation aiming to provide a comprehensive analysis of 27 articles from 2015 to 2020.

Martinez-de-Morentin, S. (2020) "Performance appraisal: dimensions and determinants" This study uses a sample of Spanish industrial firms to investigate the factors that affect the dimensions of performance rating. The dimensions that are looked at are performance metrics, frequency, and who evaluates performance. The results show that the degree of worker autonomy positively affects the use of subjective standards. There's also a higher likelihood that the manager would evaluate the employee's work in front of teams and during internal promotions.

Schleicher. D. J. (2019) "Evaluating the effectiveness of performance management: A 30-year integrative conceptual review. Journal of Applied Psychology" The need for this integrative conceptual study stems from the fact that there are still significant unsolved questions regarding the efficacy of performance management (PM), which have an impact on both research and practice.

Kellough, J. E. (2019) "Performance Appraisal Problems in the Public Sector: Examining Supervisors' Perceptions. Public Personnel Management" The public management literature has given a great deal of attention to employee perceptions of performance appraisal systems, but supervisors' perspectives—who carry out the appraisals themselves—have been given comparatively little attention.

Omer Farooq Malik. 2018. "'Perceptions of Performance Appraisal Quality' and Employee Innovative Behavior: Do Psychological Empowerment and 'Perceptions of HRM System Strength' Matter?" Organizations need to be innovative for their long-term survival and this can be achieved when their employees demonstrate innovative behaviors at the workplace.

RESEARCH METHODOLOGY:

Research Methodology is the process of gathering data for research undertakings, data can be gathered for theoretical or applied research purpose.

DISCUSSIONS AND FINDINGS
DEMOGRAPHIC PROFILE OF THE RESPONDENTS

No.	description	frequency	percentage
	Age		
1	Below 20	3	4.4
	20 – 25	25	84.1
	30 – 40	4	9.7
	Above 50	1	1.8
	Gender		
2	Male	19	58.4
	Female	14	41.6
	Monthly Income		
3	Below 10000	4	4.4
	10000 – 20000	22	84.1
	20000 – 30000	6	9.7
	Above 30000	1	1.8
	Experience		
4	1 – 2 years	18	56.6
	2 – 5 years	10	26.5
	Move than 5 years	5	16.8
	Marital status		
5	married	12	4.4
	unmarried	21	84.1

INTERPRETATION:

The largest age group is 20 – 25 constituting 84.1%, indicating a youthful demographic. Followed by Small proportions are below 20 (4.4%), between 30-40 (9.7%), and above 50 (1.8%). Male comprises a majority at 58.4%, whiles females account for 41.6% of the respondents, indicating a gender imbalance in sample. In monthly income majority of the respondent fall within the 10000 to 20000 incomes 84.1%, followed by 20000 to 30000 incomes 9.7%, indicating a diverse incomes distribution within the surveyed population. Experience majority of the respondents fall between the 1 to 2 years 56.6%, followed by 2 to 5 years with 26.5%.martial status unmarried individuals represent the majority 84.1 % while 4.4% are married suggesting a higher proportion of single respondents. overall the sample appears to be diverse in terms of age, gender, monthly income ,experience ,marital status providing a comprehensive representation of different demographics within study population.

DATA ANALYSIS

Correlations

A statistical measure know a correlation shows how much two or more variables fluctuate in connection to one another.

H1: There is a positive relationship among effectiveness of performance appraisal ,career advancement, employee growth and development and adequate incentives and rewards towards performance appraisal

INTERPRETATION

Strong positive correlations exist between effectiveness of performance appraisal and career advancement (r=0.776), as well as with adequate incentives and rewards (r=0.782), highlighting the importance of appraisal systems in fostering employee progression and motivation. Career advancement demonstrates significant associations with both employee growth (r=0.667) and incentives (r=0.762), emphasizing the interconnectedness of these factors in driving professional development. Employee growth and development exhibit a moderate correlation with adequate incentives and rewards (r=0.584), underlining the role of rewards in supporting and reinforcing employee learning and skill development.

Hence the alternate hypothesis to accepted.

REGRESSION:

H1: There is a significant positive relationship between the career advancement and adequate incentives and rewards and employees growth and development in the test.

INTERPRETATION

The regression model reveals that career advancement and adequate incentives and rewards have significant positive impacts on the outcome, with standardized coefficients of 0.433 and 0.254 respectively (both $p < 0.001$). This suggests that improvements in these factors are associated with higher levels of the outcome. However, the coefficient for employee growth and development is positive but not statistically significant ($\beta = 0.004$, $p = 0.977$), indicating a weaker relationship compared to the other predictors in explaining the variation in the outcome variable.

ANOVA

H1: The alternate hypothesis would be that at least one if the independent variables has a significant relationship with the dependent variables.

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	433.781	3	144.594	21.370	.000
	Residual	196.219	29	6.766		
	Total	630.000	32			

INTERPRETATION

The ANOVA results indicate a significant regression model ($F_{(3, 29)} = 21.370$, $p < 0.001$), suggesting that the predictor variables collectively explain a substantial proportion of the variance in the outcome. The model's high F-value and low p-value affirm its statistical significance, implying reliable predictive power for the given data.

Hence the alternate hypothesis is accepted

COEFFICIENT

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.303	2.935		.785	.439
	Career advancement	.594	.242	.433	2.453	.020
	Employee growth and development	.013	.460	.004	.028	.977
	Adequate incentives and rewards	.712	.254	.454	2.804	.009

INTERPRETATION

The regression model reveals that career advancement and adequate incentives and rewards have significant positive impacts on the outcome, with standardized coefficients of 0.433 and 0.254 respectively (both $p < 0.001$). This suggests that improvements in these factors are associated with higher levels of the outcome. However, the coefficient for employee growth and development is positive but not statistically significant ($\beta = 0.004$, $p = 0.977$), indicating a weaker relationship compared to the other predictors in explaining the variation in the outcomevariable

CONCLUSION :

In conclusion, The data analysis highlights a consistent trend of majority agreement or satisfaction across various demographic and opinion-based categories, indicating a generally positive sentiment among respondents. both the correlation matrix and regression analysis provide evidence supporting the hypothesis of a significant positive relationship between effectiveness of performance appraisal ,career advancement, employees growth and development and adequate incentives and rewards Overall, the findings suggest a understanding of respondent sentiments and emphasize the importance of addressing diverse perspectives to drive organizational success effectively.

REFERENCES :

1. Omorogieva Agbonmwanre Anthony. (2024). Performance Appraisal Systems and Employee Effectiveness. International Journal of Agribusiness and Sustainable Development Research.

2. Almulaiki, W. A. (2023). The impact of performance management on employee performance. Saudi Journal of Business and Management Studies.

3. Tarigan, A., Gustomo, A., & Bangun, Y. R. (2023). Enhancing fairness in performance appraisals: A conceptual framework through a systematic literature review. Journal of Advances in Humanities Research.

4. Maharvi, M. W., Kumar, A., Channa, K. A., & Mahmood, A. (2023). How leader member exchange affects effectiveness of performance appraisal system: A chain of reactions model. Cogent Business & Management.

5. Alsuwaidi, M., Alshurideh, M., Al Kurdi, B., & Salloum, S. A. (2021). Performance appraisal on employees' motivation: A comprehensive analysis. In Proceedings of the International Conference on Advanced Intelligent Systems and Informatics 2020 (pp. 681-693). Springer International Publishing.

6. Bayo-Moriones, A., Galdon-Sanchez, J. E., & Martinez-de-Morentin, S. (2020). Performance appraisal: dimensions and determinants. The International Journal of Human Resource Management.

7. Schleicher, D. J., Baumann, H. M., Sullivan, D. W., & Yim, J. (2019). Evaluating the effectiveness of performance management: A 30-year integrative conceptual review. Journal of Applied Psychology.

8. Lin, Y.-C., & Kellough, J. E. (2019). Performance Appraisal Problems in the Public Sector: Examining Supervisors' Perceptions. Public Personnel Management.

9. Omer Farooq Malik. 2018. "'Perceptions of Performance Appraisal Quality' and Employee Innovative Behavior: Do Psychological Empowerment and 'Perceptions of HRM System Strength' Matter?" Behavioral Sciences.