



# International Journal of Research Publication and Reviews

Journal homepage: [www.ijrpr.com](http://www.ijrpr.com) ISSN 2582-7421

## “A STUDY ON EFFECTIVENESS OF PERFORMANCE APPRAISAL WITH SPECIAL REFERENCE TO DACSS GRANITES PRIVATE LIMITED, AT HOSUR.

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### ABSTRACT :

This study focuses on assessing the effectiveness of the performance appraisal system at DACSS Granites Private Limited, Hosur, and its impact on employee motivation, satisfaction, and productivity. The research, based on surveys and interviews with employees from various departments, found that while a structured appraisal system exists, there are notable shortcomings in communication, fairness, and follow-up actions. Employees often see the appraisals as routine rather than constructive, which limits their impact. The study highlights the need for regular feedback, clear goal-setting, and greater employee involvement to make the appraisal process more effective. These changes are expected to improve employee engagement and organizational performance.

**Key words:** Employee motivation, satisfaction, and productivity, regular feedback, clear goal-setting, and greater employee involvement

### INTRODUCTION

Performance appraisals are a vital tool in human resource management, designed to assess employee performance, provide feedback, and drive professional growth. When implemented effectively, performance appraisals contribute to increased productivity, employee motivation, and overall organizational success. A well-structured appraisal system helps employees understand their strengths, areas for improvement, and career progression opportunities. Additionally, it enables managers to make informed decisions regarding promotions, salary adjustments, training needs, and succession planning. By aligning individual performance with organizational objectives, appraisals ensure that employees contribute effectively to business growth.

### RESEARCH BACKGROUND

The granite industry plays a vital role in the construction and infrastructure sectors, supplying high-quality natural stone for domestic and international markets. India is one of the largest producers and exporters of granite, with companies focusing on both raw and finished stone products. DACSS Granites Pvt. Ltd., a key player in this sector, is involved in the quarrying, processing, and export of granite. As the industry grows more competitive and quality-focused, evaluating performance effectiveness becomes essential for maintaining productivity, meeting customer expectations, and ensuring sustainable business practices. This study explores the performance effectiveness of DACSS Granites Pvt. Ltd. in this evolving industrial landscape.

### DACSS GRANITES PRIVATE LIMITED

Dacss Granites Private Limited, is an unlisted private company incorporated on 17 February, 2005. It is classified as a private limited company and is located in Bangalore, Karnataka. It's authorized share capital is INR 5.00 cr and the total paid-up capital is INR 4.37 cr. Dacss Granites's operating revenue range is INR 1 cr - 100 cr for the financial year ending on 31 March, 2019. It's EBITDA has increased by 34.18% over the previous year. At the same time, it's book network has increased by 1.7%.

Established in 2007 Dacss Granites Pvt. Ltd. is renowned manufacturer of quality granites backed by a strong legacy that spans over a decade. Dacss Granites is managed by entrepreneurs, who have carved a niche for themselves in the world of Granite manufacturing specialise in processing all natural stones and marketing it throughout the world. Our production plant has evolved into a "high-tech" production facility to make calibrated granite tiles & random slabs.

Dacss Granites manufacture granite slabs and tiles of different sizes on World Best Italian Machines. We offer slabs in all desired finishes.

We are known as the strong granite company with an extensive captive quarries and excellent customers list worldwide.

### IDENTIFIED PROBLEM

1. **Misalignment with Goals:** Appraisals are intended to align individual performance with organizational objectives. However, in practice, they often lack clear, measurable criteria, making it difficult to evaluate performance in a way that truly supports strategic goals.
2. **Perceived Unfairness and Bias:** Employees often view appraisals as subjective or biased. When ratings are influenced by personal opinions rather than objective evidence, it reduces the credibility of the process and undermines trust.
3. **Ineffective Feedback:** One major issue is that feedback given during appraisals is often generic or overly critical without providing clear guidance for improvement. This limits the opportunity for employees to learn and grow from the process.
4. **Lack of Follow-Up and Development:** Performance appraisals frequently fail to result in actionable development plans or meaningful changes. Without follow-through, the appraisal becomes a one-time event rather than a tool for continuous improvement.
5. **Low Employee Engagement:** When employees see no real benefits from appraisals such as recognition, rewards, or career growth they become disengaged. This lack of motivation directly impacts the effectiveness of the system.

### OBJECTIVES OF THE STUDY

1. To assess the impact of performance appraisals on employee motivation, productivity, and job satisfaction.
2. To evaluate the fairness and objectivity of different performance appraisal methods used in organizations.
3. To analyze employee perceptions regarding the effectiveness of performance appraisals.
4. To examine the role of managers in conducting appraisals and providing constructive feedback.
5. To identify challenges and limitations in the current performance appraisal system.

### REVIEW OF LITERATURE

1. Patel et al. (2025) predict future trends in performance appraisals, suggesting that real-time performance tracking, AI-driven coaching, and predictive analytics will become central to employee evaluations in the coming years.
2. Martinez & Lee (2023) examined hybrid performance appraisals, combining human judgment with AI-driven analytics. Their findings suggest that AI can enhance appraisal fairness, but human involvement is still necessary for contextual understanding.
3. Sharma & Singh (2022) investigated the shift to digital performance management in the post-pandemic era, emphasizing that remote work requires a more flexible and continuous feedback approach rather than traditional review cycles.
4. Dauda and Luki (2021) explored the association between performance appraisal practices and employee productivity, finding that recognition and feedback significantly influence performance, while training and development play a lesser role.
5. Bhawe (2020) explored the role of artificial intelligence in performance appraisals, finding that AI-driven performance management tools reduce human biases, provide data-driven insights, and offer personalized development plans.
6. Rasheed et al. (2019) conducted a study on 360-degree feedback, concluding that multi-rater feedback provides a more comprehensive evaluation of employee performance, though it requires careful implementation to avoid biases.
7. Mone & London (2018) analyzed the impact of performance appraisals on employee motivation and engagement, highlighting that organizations with well-structured appraisal systems see higher productivity and lower turnover rates.
8. DeNisi, A., and Murphy, K. R (2017) reiterated the significance of ratee reactions in assessing the long-term effectiveness of performance appraisals, emphasizing the need for ongoing evaluation.
9. Akbar, S., and Naqvi, S. W. H (2015) proposed an integrated framework for evaluating performance appraisal effectiveness, emphasizing purposefulness, fairness, and accuracy as key criteria.
10. DeNisi, A., and Murphy, K. R (2014) suggested that ratee reactions can be instrumental in determining the long-term effectiveness of performance appraisals, advocating for a focus on employee perceptions.

### RESEARCH GAP

Performance appraisals are widely used in organizations to evaluate employee productivity, provide feedback, and guide professional development. However, despite their prevalence, there are significant research gaps in assessing their true effectiveness.

One key gap lies in the *impact of performance appraisals on employee motivation and engagement*. While traditional appraisal systems aim to enhance performance, studies suggest that rigid and infrequent evaluations may lead to stress, dissatisfaction, or disengagement rather than motivation. More research is needed to explore alternative models, such as continuous feedback mechanisms, and their effectiveness in sustaining employee motivation. Another unexplored area is the *subjectivity and bias in appraisal methods*. Despite advancements like 360-degree feedback and behaviorally anchored rating scales (BARS), studies indicate that biases such as favoritism, gender bias, or cultural differences still influence performance assessments. There is a need for further empirical research to develop more objective, data-driven appraisal models that minimize biases.

Moreover, research on the *alignment between performance appraisals and organizational outcomes* remains limited. While many organizations use appraisals to enhance individual productivity, there is insufficient evidence linking appraisal effectiveness to broader business success metrics, such as profitability, innovation, or long-term employee retention. Studies that analyze how different appraisal methods directly contribute to strategic organizational goals would provide valuable insights.

## RESEARCH METHODOLOGY

This section outlines the methodology used to carry out the research on performance appraisals. It explains the systematic approach adopted to collect, analyze, and interpret data. The primary goal of this chapter is to ensure the research process is transparent, reproducible, and aligned with the study objectives. It describes the type of research, the participants involved, the tools and techniques used for data collection, and the methods applied for analyzing the responses. Performance appraisals was systematically designed and executed to meet its objectives. This section highlights the research approach, specifying whether it is qualitative, quantitative, or mixed-methods, and provides a rationale for the chosen methodology. It outlines the target population, data collection instruments, sampling techniques, and analytical methods. The purpose of this section is to ensure clarity, consistency, and reliability in how the research was conducted, enabling other researchers to replicate or validate the study if needed.

## LIMITATION OF THE STUDY

Sample bias: The sample may not fully represent all departments or employee categories within the company.

Response bias: Employees may have provided socially desirable answers instead of honest opinions.

Subjectivity: Perceptions of performance appraisal effectiveness can vary and may not be objectively measurable.

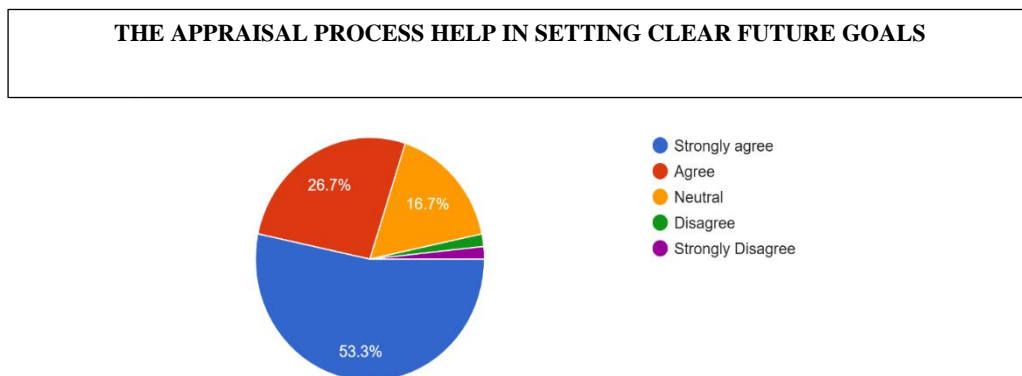
Dependence on self-reported data: The study relies heavily on questionnaires and interviews, which may be prone to inaccuracies.

## DATA ANALYSIS AND INTERPRETATION

**TABLE-1 THE APPRAISAL PROCESS HELP IN SETTING CLEAR FUTURE GOALS**

PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
STONGLY AGREE	32	53.3%
AGREE	16	26.7%
NEUTRAL	10	16.7%
DISAGREE	1	1.7%
STONGLY DISAGREE	1	1.7%
TOTAL	60	100

**CHART - 1**



## INTERPRETATION:

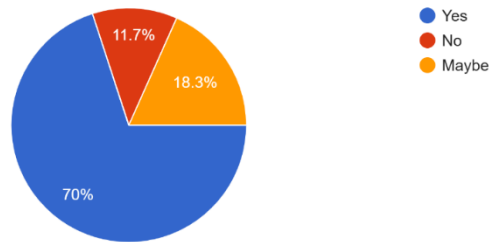
The above chart shows that 53.3% of the respondents are strongly agree, 26.7% of the respondents are agree, 16.7% of the respondents are neutral, 1.7% of the respondents are disagree, 1.7% of the respondents are strongly disagree.

Thus, majority of the respondent are strongly agree.

**TABLE – 2 THE CURRENT APPRAISAL SYSTEM MOTIVATE YOU TO PERFORM BETTER**

PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
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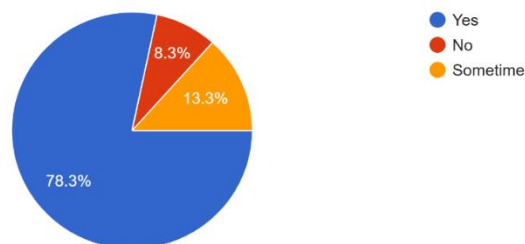
YES	42	70%
NO	7	11.7%
MAY BE	11	18.3%
TOTAL	60	100

**CHART - 2****THE CURRENT APPRAISAL SYSTEM MOTIVATE YOU TO PERFORM BETTER****INTERPRETATION:**

The above chart shows that 70% of the respondents are yes, 11.7% of the respondents are no, 18.3% of the respondents are may be. Thus, majority of the respondent are yes.

**TABLE - 3 ARE APPRAISAL RESULTS COMMUNICATED CLEARLY TO YOU**

PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
YES	47	78.3%
NO	5	8.3%
SOMETIME	8	13.3%
TOTAL	60	100

**CHART- 3****ARE APPRAISAL RESULTS COMMUNICATED CLEARLY TO YOU****INTERPRETATION:**

The above chart shows that 78.3% of the respondents are yes, 8.3% of the respondents are no, 13.3% of the respondents are sometimes. Thus, majority of the respondent are yes.

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## SUMMARY OF FINDINGS

The performance appraisal system at DACSS Granites Pvt. Ltd. has been found to be largely effective in contributing to both individual employee growth and the achievement of broader organizational objectives. Through structured evaluations, employees are able to gain a clear understanding of their performance levels, strengths, and areas needing improvement. The majority of employees perceive the appraisal process as fair and objective, which fosters trust in the system and encourages participation. The feedback provided during appraisals serves as a critical motivational tool, helping employees feel recognized for their efforts and guiding them toward better performance. Recognition and constructive feedback not only improve morale but also enhance employee engagement and productivity. Despite these positive aspects, the study identified certain gaps in the system. Specifically, there is a need to improve communication during the appraisal process, ensuring that feedback is not only delivered clearly but also discussed in a two-way manner to promote mutual understanding. Furthermore, aligning individual performance more closely with organizational goals remains a key area for refinement. Ensuring that appraisal criteria and outcomes reflect the strategic objectives of the company will increase the overall effectiveness of the system. In conclusion, while the current performance appraisal system at DACSS Granites Pvt. Ltd. is functional and beneficial, it would greatly benefit from periodic reviews and updates to ensure it remains aligned with evolving business goals and employee expectations. Such continuous improvement will help maximize the impact of appraisals on performance and growth.

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## SUGGESTION

To enhance the effectiveness of performance appraisals at DACSS Granites Pvt Ltd, it is crucial to establish clear, measurable criteria aligned with company objectives, and implement regular feedback sessions rather than just annual reviews.

Implement regular check-ins (quarterly or bi-annually) rather than relying only on annual appraisals. Continuous feedback helps employees improve continuously. Encourage open communication between managers and employees to address concerns and provide guidance before the formal appraisal. Introduce 360-degree feedback to gather input from peers, subordinates, and managers. This holistic approach will give a more complete picture of an employee's performance. Ensure that feedback is constructive and focused on improvement rather than criticism.

Train managers and supervisors on how to conduct performance appraisals effectively. This will help them give balanced feedback, avoid biases, and ensure that appraisals are fair and objective. Make sure appraisers understand the company's performance standards and are able to assess employees against them consistently.

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## CONCLUSION

The effectiveness of performance appraisals at DACSS Granites Pvt Ltd plays a critical role in the company's growth, employee development, and overall organizational success. By setting clear, measurable, and aligned performance criteria with both qualitative and quantitative benchmarks, DACSS can ensure transparency and fairness in the appraisal process. Regular feedback sessions, rather than relying on annual evaluations alone, provide continuous development opportunities, allowing employees to address performance gaps promptly.

Incorporating a 360-degree feedback system and encouraging self-assessments offers a holistic view of individual performance, fostering a culture of open communication and trust. Training managers to conduct appraisals impartially and constructively ensures that feedback is productive, leading to tangible improvements in employee performance. Linking appraisals to career development and setting clear growth paths helps employees understand their future within the company, increasing motivation and retention.

The use of technology to streamline the appraisal process ensures consistency and reduces administrative burden, allowing for easier tracking of performance over time. Furthermore, recognizing and rewarding exceptional performance during appraisals not only motivates high achievers but also sets a benchmark for others. Ensuring post-appraisal discussions allow employees to clarify feedback, voice concerns, and set actionable goals enhance overall satisfaction and engagement.

By addressing these key areas—clear performance metrics, regular feedback, 360-degree evaluations, effective manager training, career development alignment, and recognition—DACSS Granites Pvt Ltd can strengthen its performance appraisal system. This will lead to higher employee satisfaction, improved productivity, and ultimately, long-term organizational success.

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## DIRECTIONS FOR FUTURE RESEARCH

Directions for Future research on the effectiveness of performance appraisals at DACSS Granites Pvt Ltd should focus on understanding their impact on employee motivation, satisfaction, and productivity. It is important to explore the effectiveness of various appraisal methods, such as traditional reviews versus 360-degree feedback, and assess potential biases to ensure fairness. Investigating the role of technology in streamlining the appraisal process and analyzing the ideal frequency of evaluations can provide insights for improvement. Additionally, studies should examine how well appraisals align with organizational goals, support career development, and integrate with other HR functions. These insights can help enhance the overall appraisal system and contribute to sustained organizational growth.

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