

A Study on the Effectiveness of Existing Performance Appraisal System at Keerthi Agarbathi Works in Annasagaram, Tirupattur

Jaikumar

Assistant Professor, MBA Department,
Sengunthar Engineering College (Autonomous)
Kosavampalayam, Tiruchengode, Namakkal Dt., Tamil Nadu, India

Santhosh N M

Master of Business Administration Student,
Sengunthar Engineering College (Autonomous)
Kosavampalayam, Tiruchengode, Namakkal Dt., Tamil Nadu, India



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Abstract: This study aims to examine effectiveness of performance appraisal system. Performance appraisal has increasingly become part of a more strategic approach to integrating HR activities and business policies and may now be seen as a generic term covering a variety of activities through which organizations seek to assess employees and develop their competence, enhance performance and distribute rewards. The purpose of this study was to examine the performance appraisal. To obtain results, descriptive statistics and chi-square techniques are applied to data collected from 100 respondents. The result of the study shows that overall performance appraisal system is high rated by its respondent. Respondents are highly satisfied with their work. The recommendations were provided based on the research finding and analysis.

Keyword: Performance appraisal, Job satisfaction, Employee motivation, Feedback performance

INTRODUCTION

A performance appraisal is a systematic and periodic process of measuring an individual's work performance against the established requirements of the job. It's a subjective evaluation of the employee's strengths and weaknesses, relative worth to the organization, and future development potential.

REVIEW OF LITERATURE:

Edwin B. Flippo, (1984) "Performance appraisal is a systematic, periodic and so far, as humanly possible, an impartial rating of an employee's excellence in matters pertaining to his present job and to his potentialities for a better job" A performance appraisal used in the organization is a regular review of employees' performance to verify their contribution to the company. It is also known as an annual review or performance evaluation. It evaluates the skills, growth, achievement, or failure of the employees. The performance appraisal is often used to justify the decisions related to promotions, pay hikes, bonuses, and termination of the employee.

Rocio de Andres (2010) looked into Distance function approaches are used to evaluate performance. Some companies use performance appraisal to analyse their employees' efficiency and production in order to plan their promotion, wage, and layoff policies, among other things. Initially, only the executive staff carried out this procedure, but it has since grown into an evaluation process based on the opinions of many reviewers, supervisors, collaborators, consumers, and the employees themselves (360-degree method). Reviewers analyse several signs connected to an employee's performance appraisal in such a process. The authors of this research proposed an evaluation system in which diverse groups of reviewers participate in the evaluation process. Given that reviewers have varying levels of knowledge about the employee being evaluated, it appears reasonable to provide a flexible framework in which reviewers can express their opinions on multiple finite scales based on their expertise. The ultimate goal is to create a global appraisal for each employee that the management team may use to make decisions about human resources strategy.

Nathan B.R, Mohrman, M & Milliman (1991) studied that there is a considerable agreement that organizations can advantage from using performance appraisal programs. It states that both supervisors and employees have bad and optimistic reactions to the method, so without figuring out individual employees' reactions to performance appraisal method, it's much less seemingly for performance appraisal to be used for its original ambitions.

Michal Biron, Elaine Ferndale & Jape Paawwe (2011) analysed that the success of the performance appraisal method may rely on learn how to control the workers' perceptions of its fairness and no longer the fairness, so the function of performance value determinations acts as a motivational software for performance appraisal and it describes that efficiency of perceived fairness of performance appraisal programs.

David. E. Guest (2011) studied that utilization of performance appraisal applications as an administration control device for actualizing hierarchical objectives is intricate for the intent of growing performances within the corporations and it explains various forms of plans and reasons that offers with the performance appraisals.

Paul. E. Levy, Jane R. Williams (2004) analysed that very most common management device in the U.S. is the employee efficiency appraisals and so they all set various questionnaires and collected information from two significant businesses and determined that efficiency appraisals have a very large position in businesses for the future growth.

Cawley, Brian D, Lisa M, Paul E Levy (1998) analysed the relationship between participation in the efficiency appraisal tactics and various different worker reactions and this sort of relationship was once explored via meta-evaluation review of discipline investigations containing various samples.

Gary. P. Latham, Kennet.N. Wexley (1995) analysed to facilitate performance appraisal is foremost supervision tool and solitary most efficiency appraisal programs had been 1. Job Description, 2. Efficiency commentary at a period of targeted time, 3. Study about appraisal work within, 4. Seal of performance, 5. Choice making.

Wanguri.D.M. (1995) curious about problems involving employees related to efficiency appraisals, and indicates that each the staff and supervisors have a social and interpersonal issues and because of that they are maintaining an appraisal which is concerning interplay. So, the appraisal system is beyond these data.

PERFORMANCE APPRAISAL

Definition: According to Slabbert and Swanepoel – “Performance appraisal is a formal and systematic process by means of which the relevant strengths and weaknesses of the employees are identified, measured, recorded and developed.” Performance appraisal is defined as a process that systematically measures an employee's personality and performance, usually by managers or immediate supervisors, against predefined attributes like skillset, knowledge about the role, technical know-how, attitude, punctuality, and so on. Performance appraisal has many names across organizations. Some call it performance evaluation, and some prefer performance review, merit rating, annual performance review, etc. This process is carried out to identify the inherent qualities of an employee and the abilities and level of competency of an employee for their future growth and development and that of the organization they are associated with. It aims at ascertaining the value of an employee and his/her offering to the organizational performance. Performance appraisals help managers and supervisors place the right employee to do the right job, depending on the skill set they possess. Without an ounce of doubt, every organization needs a robust performance appraisal process. There are various methods that managers and supervisors use to evaluate employees based on objective and subjective factors. However, it can get a bit tricky, but to effectively evaluate an employee, both factors are essential.

Methods of Performance Appraisal

720-Degree feedback: You could say that this method doubles what you would get from the 360-degree feedback! The 720-degree feedback method collects information not only from within the organization but also from the outside, from customers, investors, suppliers, and other financial-related groups. **The Assessment Center Method:** This method consists of exercises conducted at the company's designated assessment center, including computer simulations, discussions, role-playing, and other methods. Employees are evaluated based on communication skills, confidence, emotional intelligence, mental alertness, and administrative abilities. The rater observes the proceedings and then evaluates the employee's performance at the end. **Behaviorally Anchored Rating Scale (BARS):** This appraisal measures the employee's performance by comparing it with specific established behavior examples. Each example has a rating to help collect the data. **Checklist Method:** This simple method consists of a checklist with a series of questions that have yes/no answers for different traits.

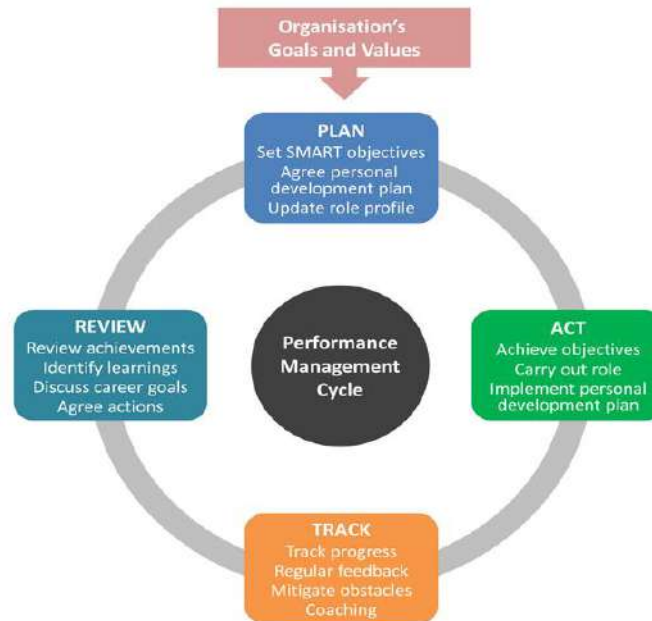
HUMAN RESOURCE DEPARTMENT

Company target is to place the right person to right job, to evaluate efficiently our human resources, to contribute to training and development, to increase loyalty and pave the way to career opportunities.

Equal opportunity policy we treat everybody equally regardless of religion, language, race, gender, age, ethnicity distinction. By providing equal opportunities to all candidates in our recruitment process, we aim to employ the right person for the right job.

Recruitment Policy: The recruitment policy is to provide equal opportunities to candidates and allow and process of the company and their process of the opportunity to accurate way to employee. Human resource management is very useful in this company of the organization.

Training and Development Policy: Education is an important element in the development of our employees and our company; we continuously invest in our human resources. Our education policy, our employees, is to support training needs to enable them to continue their task with high motivation and performance. With this approach personal development training and job.



SCOPE OF THE STUDY

The present research study has a very wide scope. It covers aspects which is useful several ways

- To understand the attitude of employee towards the job.
- To improvement the level of job satisfaction of employees.
- The scope of the study is very wide since appraisals of the performance of various employees have greater impact over the growth of the industry.
- It is to find out the opinion of respondents regarding performance appraisal system in the organization.

OBJECTIVES OF THE STUDY

- The primary objectives of the research are to identify the study on employee performance appraisal system of Keerthi Agarbathi Works.
- The study has identified the following secondary objectives.
- To identify the employee awareness of existing performance appraisal system

RESEARCH METHODOLOGY

Meaning

Research methodology is a way to systematically value the research problem. At may understood as of studying how research is scientifically done research and academic and such the term should be used in technical sense.

Research design

A research design is the arrangement of conditions for collection and analysis of data manner that aims to combine relevance purpose with economy in procedure. The archer used descriptive research for this research study. The major purpose of study is description of this study is description of the state of affairs as it exists at present.

SOURCE OF DATA

- The sources are both primary and secondary sources. Primary data were collected by means of administered questionnaire.
- A great deal to primary and secondary data was collected through direct survey.
- Secondary data were collected through internal records and internal sources.

CH-SQUARE TEST

$$\text{Chi-square test } (\chi^2) = \sum \frac{(O_i - E_i)^2}{E_i}$$

Degrees of freedom = (R-1) (C-1)

Where as,

O= observed frequency,

E= expected frequency,

R=number of rows,

C=number of columns

Null Hypothesis (Ho)

There is no significance Relationship between Work experience of the employees and Individual Goals & Organizational Goals.

Alternative Hypothesis (HI)

There is Significant relationship between Work experience of the employees and Individual Goals & Organizational Goals.

CORRELATION TEST

$$r = \frac{n(\sum xy) - (\sum x)(\sum y)}{\sqrt{[n\sum x^2 - (\sum x)^2][n\sum y^2 - (\sum y)^2]}}$$

DATA ANALYSIS AND INTERPRETATION

TABLE - I THE TABLE SHOWING WORK EXPERIENCE [IN YEARS] OF THE EMPLOYEES CALCULATION OF THE RESPONDENTS

WORK EXPERIENCE	NO OF RESPONDENTS	PERCENTAGE
0-10	20	20%
10-20	30	30%
20-30	50	50%
TOTAL	100	100%

INTERPRETATION

The above tables indicate Work experience of the employees. 20% of them are with 0-10 years work experience, 30% of them are with 10-20 years work experience and 50% of them are with 20-30 years work experience. Majority 50% of the respondents are with 20-30 years work experience

CHART-I

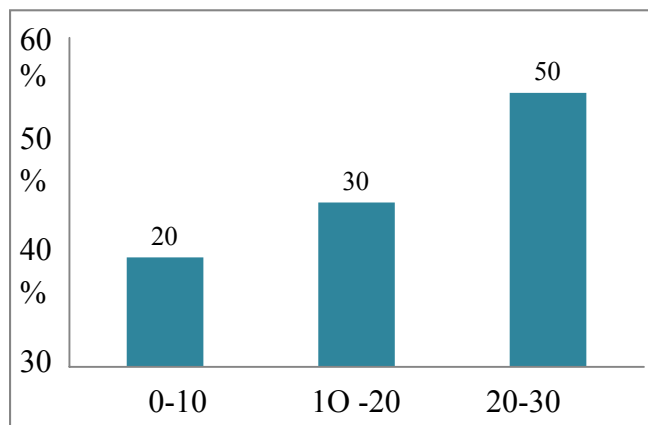


TABLE- 2: THE TABLE SHOWING APPRAISAL SYSTEM ACCURATELY EVALUATES THE PERFORMANCE CLASSIFICATION OF RESPONDENTS.

PARTICULAR	NO.OF. RESPONDENTS	PERCENTAGES (%)
Strongly agree (SA)	18	18%
Agree (A)	20	20%
Neutral (N)	56	56%
Disagree (DA)	4	4%
Strongly disagree (SD)	02	2%
Total	100	100%

INTERPRETATION

The above tables shows appraisal system accurately evaluates the performance. 18% of respondents are Strongly agree, 20% of respondents are Agree, 56% of respondents are Neutral, 4% of respondents are Disagree and 2% of respondents are Strongly disagree on appraisal system accurately evaluates the performance respectively. Majority 56% of the respondents are Neutral on appraisal system accurately evaluates the performance.

CHART-2

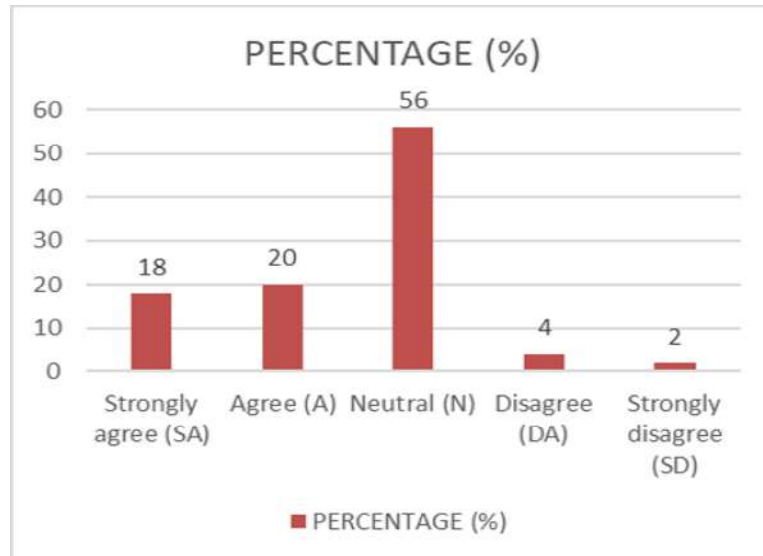


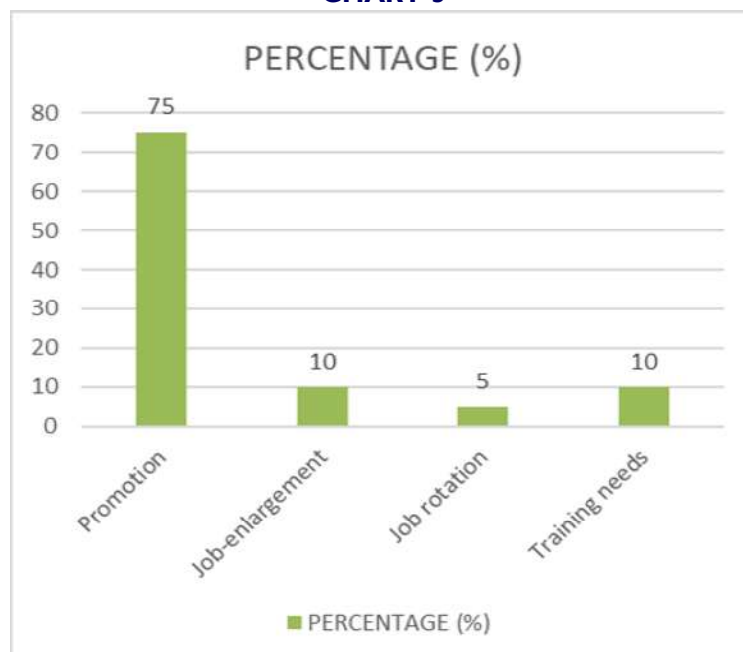
TABLE-3: THE TABLE SHOWS THE USE OF PERFORMANCE APPRAISAL.

PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
Promotion	75	75%
Job-enlargement	10	10%
Job rotation	5	5%
Training needs	10	10%
TOTAL	100	100%

INTERPRETATION

The above tables shows the use of performance appraisal. 75% of respondents says performance appraisal in company is used for Promotion, 10% of respondents says performance appraisal in company is used for Job-enlargement, 5% of respondents says performance appraisal in company is used for Job rotation and 10% of respondents says performance appraisal in company is used for Training needs. Majority 75% of the respondents says performance appraisal in company is used for Promotion.

CHART-3



FINDING

- Majority 60% of the respondents are male.
- Majority 60% of the respondents are in the age group of 45 and above.
- Majority 50% of the respondents are with 20-30 years work experience.

- Majority 90% of the respondents are responded as Yes on the awareness of workflow of performance appraisal.
- Majority 90% of the respondents are responded as Yes for the performance appraisal helps in organizing the works expected.
- Majority 80% of the respondents are responded as Yes for the appraisal system improves motivation and job satisfaction.
- Majority 56% of the respondents are Neutral on appraisal system accurately evaluates the performance

SUGGESTIONS

- I would recommend the organization that if feedbacks are offered month to month to the representatives, they would enhance their performance more adequately than giving input in once in a half year.
- The association should perceive and address the employee's needs.
- Motivation through proper advantages must be given to the employees who finish their undertakings according to plan.
- Superiors are supposed to continue a cordial relationship with workers and officers' recognition of the employee's efforts and provide guidance to workers.
- Promotions of representatives should be founded on the execution and not simply on experience.
- Employee's suggestions and recommendations should be considered during the appraisal.

CONCLUSION

In the whole company performance appraisal system framework is essential keeping in mind the end goal to know how well the representatives are been performing out their employments which is assigned to them so it is important for every one of the organizations requires to take after a viable execution examination framework. Human Resource is the central wellspring of each association. Each worker in a business expands the profitability and altruism of each organization. A representative, being an individual is dealt with as resources in the association. So, the association ought to chiefly accentuation execution examination strategies and its improvement programs. Both the appraiser and assess ought to understand the standard and utilize the apparatus of evaluation framework valuably for the thriving of the association. Workers are happy with the present performance appraisal frameworks many as new evaluation methods have developed; the association can actualize current procedure. So, by making performance and development designs the appraisers enhances the general performance of the workers and later they are given appropriate job for that specific employee to be successful. In the event that the proposed measures are taken into consideration it will expand the viability of performance appraisal system.

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