

A STUDY ON PERFORMANCE APPRAISAL MEASURE OF HOME FIRST FINANCE COMPANY INDIA LIMITED, RAJAHMUNDY -AP)

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ABSTRACT

The performance review is an important tool for enhancing the competence of both individuals and the Company as a whole. Performance assessment has been applied in businesses to keep an eye on team Dynamics, employee advancement and organizational change for the sake of better productivity and Development of all staff members. keeping employees, especially those who are valuable assets like Those with skills and experience, has become more difficult. An individual's goal-directed actions are initiated, Directed, and maintained by their level of motivation. Motivation is the single most important factor in Whether or not an organization is successful at keeping its employees. Performance assessment Standards are used to evaluate workers, cultivate their competence, enhance their performance, and reward Personnel in order to motivate and keep them. This study focuses on the requirement for training and an Assessment of several performance evaluation techniques already in use inside organization. They examine the Research done on performance appraisal methodologies and outcomes.

Key word: performance appraisal system, performance effectiveness, performance evaluation, promotion, Career advancement

1. INTRODUCTION

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.

Non-Banking Financial Company (NBFC):

A Non-Banking Financial Company (NBFC) is a company registered under the Companies Act, 1956 engaged in the business of loans and advances, acquisition of shares/stocks/bonds/debentures/securities issued by Government or local authority or other marketable securities of a like nature, leasing, hire- purchase, insurance business, chit business but does not include any institution whose principal business is that of agriculture activity, industrial activity, purchase or sale of any goods (other than securities) or providing any services and sale/purchase/construction of immovable property. A non-banking institution which is a company and has principal business of receiving deposits under any scheme or arrangement in one lump sum or in installments by way of contributions or in any other manner, is also a non-banking financial company (Residuary non-banking company).

conducting financial activity as "principal business"

Financial activity as principal business is when a company's financial assets constitute more than 50 per cent of the total assets and income from financial assets constitute more than 50 per cent of the gross income. A company which fulfils both these criteria will be registered as NBFC by RBI. The term 'principal business' is not defined by the Reserve Bank of India Act.

Profile of Home First Finance Company India Limited

Home First Finance Company India Limited is an Indian housing finance company in the affordable housing segment based in Mumbai and founded in 2010. It provides home loans, mortgage loans and home construction

loans. Its equity shares are listed on Bombay Stock Exchange and National Stock Exchange. Home First Finance was founded in 2010 by former chairman and co-founder of Mphasis, Jerry Rao; former CEO and MD of Bank of Baroda, PS Jayakumar; and Manoj Viswanathan, who previously worked with Citigroup India. It commenced operations in August 2010 after registering with the National Housing Bank, the regulatory and licensing body for housing finance companies in India. In 2011, Bessemer Venture Partners bought a minority stake in the company for an undisclosed sum. In 2013, Tata Capital Growth Fund picked up a minority stake in the company. Home First Finance turned profitable in 2014. In February 2017, private equity firm True North acquired a majority stake in Home First Finance for over ₹600 crore. A co-investor in this round, Aether (Mauritius) Limited, an affiliate of the Singaporean sovereign wealth fund GIC, also became part of the company's promoter group with True North. In October 2020, Warburg Pincus acquired a 25per- cent stake in Home First Finance for ₹700 crore. In January 2021, Warburg Pincus increased its stake to 30.62per- cent ahead of Home First Finance's initial public offering.

In January 2021, Home First Finance launched its initial public offering (IPO) of ₹1,154 crore; the IPO was subscribed over 26 times. Equity shares of the company began trading on Bombay Stock Exchange and National Stock Exchange on 3 February 2021.

In December 2021, Union Bank of India (UBI) and Home First Finance entered into a strategic co-lending partnership. Home First Finance signed a similar partnership with Central Bank of India in September 20202.

In December 2022, Home First Finance raised ₹280 crore from International Finance Corporation to provide financing for green affordable housing customers.

In May 2024, the company's assets under management crossed ₹10,000 crore.

In 2008-09, a future entrepreneur was given the responsibility of selling apartments in an affordable housing project in Bengaluru. In the process of selling these apartments, he discovered that it was not easy to arrange housing finance for potential customers. Most existing housing finance providers were skeptical about approving loans for “informal” customers who did not have “salary slips” Gradually it became clear that most of the customers had the capacity to repay the loan, however only a small portion of them managed to fulfil the stringent documentation requirements of large banks and lenders. Many credit worthy customers gave up the effort midway because they were too overwhelmed by the elaborate procedures of most lenders. This was how the idea for Home First was born. Home First Finance Company was set up in 2010. We assess the creditworthiness of ordinary Indian home buyers in a simple and customer friendly manner to deliver an affordable home loan bundled with extraordinary customer service across pan India. Home First built on a single premise, we believe everyone should own their dream home. We blend technology and personalization, so the loan process is easy and hassle-free.

2. LITERATURE REVIEW

- Employees and managers collaboratively set specific performance goals. This method emphasizes outcomes and is known to increase motivation and clarity but may neglect other important non-goal-related aspects of performance (Drucker, 1954).
- Research has highlighted that demographic factors such as gender, ethnicity, and cultural background can influence the evaluation process, leading to unfair or discriminatory outcomes (Madera, 2012).
- When PA is conducted transparently and fairly, it can significantly boost employee motivation and job performance. Clear feedback, combined with rewards and recognition, encourages employees to perform at their best (Locke & Latham, 2002).
- Employees who perceive the appraisal process as fair are more likely to report higher job satisfaction and greater commitment to the organization (Greenberg, 1990). Conversely, perceptions of unfairness can lead to job dissatisfaction, reduced motivation, and even turnover (Roberson, 2006).

3. SCOPE OF STUDY

- Ensure that workers have a clearer understanding of their duties and obligations.
- Gain self-assurance by acknowledging your strengths and pinpointing areas where you need training to address your inadequacies.
- Foster better communication and working relationships between superiors and subordinates.
- Raise dedication to company objectives; cultivate workers into potential managers in the future.
- Help with personnel choices like award distribution or promotion decisions.

NEED OF THE STUDY

Organizational objectives may be advanced with the aid of this research.

- ❖ To ensure that the supervisor has accurate information on their employees.
- ❖ To make sure the organization runs well by advising workers on how to adjust their behavior and helping them achieve better performance.
- ❖ It gives you data on how well you did.
- ❖ Giving subordinates this knowledge helps with counselling.
- ❖ To remove obstacles to equitable and fair performance-based remuneration.

OBJECTIVES OF THE STUDY

- ❖ To find the attitude of workers towards the ways adopted to appraise them.
- ❖ To find the various strategies adopted by human resource management and its performance appraisal system.
- ❖ To find the level of satisfaction of the workers
- ❖ To find the performance appraisal is done in **Home First Finance Company India Limited** concerns.
- ❖ To find the methods or trends adopted by organization to evaluate their employees in every year.

4. METHODOLOGY OF THE STUDY

The data proposed study on 'Performance Appraisal' of '**Home First Finance Company India Limited**' is obtained from two sources

1. Primary source/ Primary data
2. Secondary source/ Secondary data

PRIMARY DATA:

The data that are deemed primary are those that have been obtained recently and are thus unique.

It is obtained through direct communication with the managers. It includes of data from **Home First Finance Company India Limited** tariff and information.

SECONDARY DATA:

When people talk about using secondary data, it usually indicates that the data is already out there, gathered and analyzed by someone else.

It includes periodicals, magazines, newspapers, company newsletter, reports, brochures etc., and through libraries and previous projects for guidance.

Annual reports of **Home First Finance Company India Limited**, Policy guidelines, Journals and books etc.

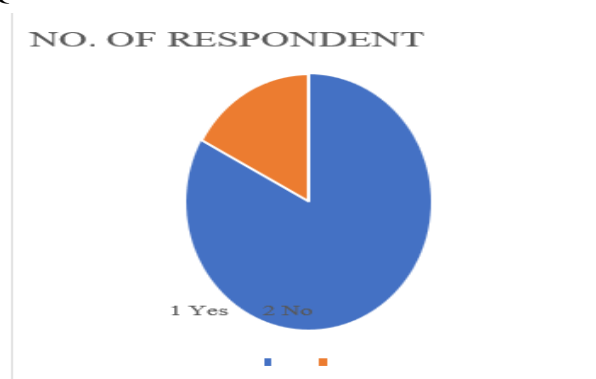
5. RESULTS DISCUSSION

TABLE: 5.1

Employees opinion on appraisal on basis of performance every time.

SL. No	PARTICULARS	NO. OF RESPONDENT	% OF RESPOND
1	Yes	83	83%
2	No	17	17%
	Total	100	100%

Source: Data Compiled from Questionnaire



GRAPH: 5.1

SOURCE TABLE: 5.1

From the above graph 83 per cent of respondents responded that they receive the appraisal for yearly performance remaining 17per cent responded that they do not receive any appraisal for yearly performance from the organization.

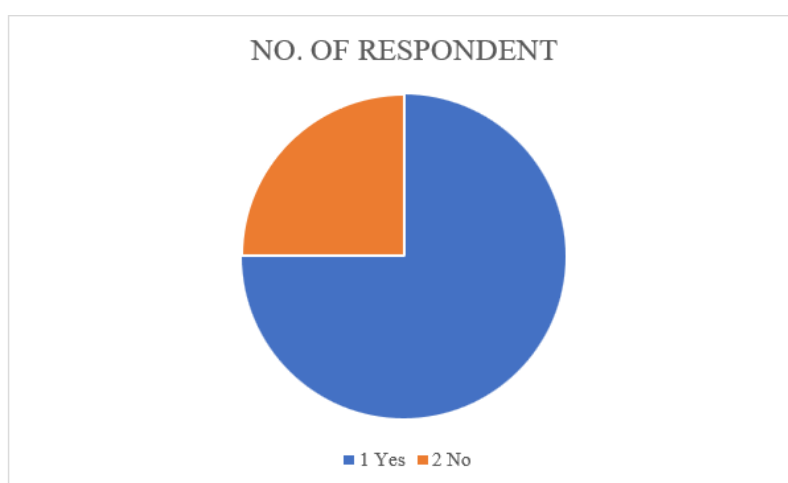
TABLE: 5.2

Employees opinion on perfectness of performance appraisal goals:

SL. No	PARTICULARS	NO. OF RESPONDENT	% OF RESPOND
1	Yes	75	75%
2	No	25	25%
	Total	100	100%

source: Data Compiled from Questionnaire

GRAPH: 5.2



SOURCETABLE: 5.2

From the above graph 75 per cent of the respondents responded that performance appraisal goals set for realistic and remaining, 25 per cent of respondents said performance appraisal goals set will not be not realistic.

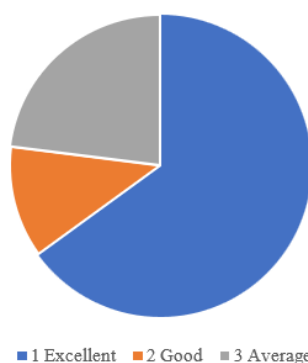
TABLE: 5.3

Employees opinions on rate of performance appraisal technicians adopted by the Management:

SL. No	PARTICULARS	NO. OF RESPONDENT	% OF RESPOND
1	Excellent	65	65%
2	Good	12	12%
3	Average	23	23%
	TOTAL	100	100%

Source: Data Compiled from Questionnaire

NO. OF RESPONDENT



GRAPH: 5.3

SOURCETABLE: 5.3

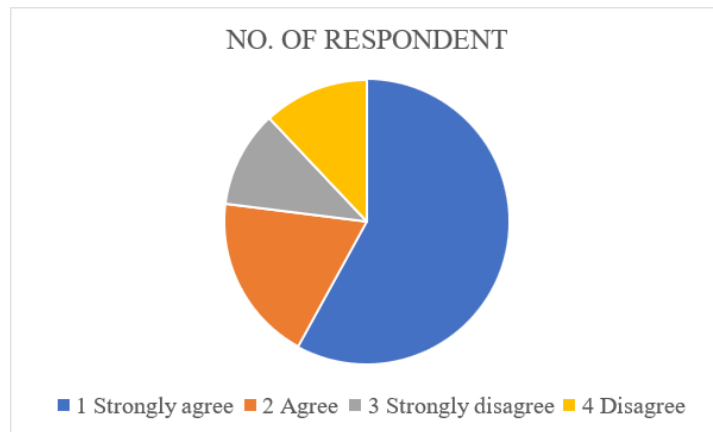
From the above graph 45 per cent of the employees rated excellent about performance appraisal techniques adopted by their company and 22.5 per cent of the respondents rated good and 32.5 per cent of the respondents rated as average.

TABLE: 5.4

Employees opinions on sustainability of promotion to next grade by performance appraisal.

SL. No	PARTICULARS	NO. OF RESPONDENT	% OF RESPOND
1	Strongly agree	58	58%
2	Agree	19	19%
3	Strongly disagree	11	11%
4	Disagree	12	12%
	Total	100	100%

Source: Data Compiled from Questionnaire



GRAPH:5.4

SOURCE TABLE: 5.4

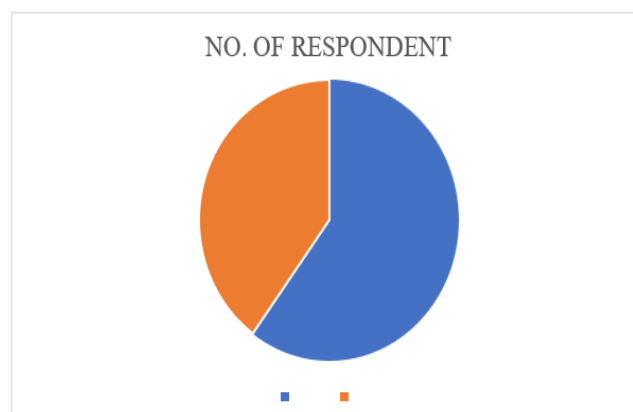
From the above graph 40 per cent agreed, that performance appraisal system determine their sustainability of promotion to the next grade is 32.50 per cent strongly agreed and 12.50 per cent disagreed and 15 per cent strongly disagreed about the promotion to the next grad

TABLE: 5.5

Employees opinion on scope of performance appraisal to receive any increments

SL. No	PARTICULARS	NO. OF RESPONDENT	% OF RESPOND
1	Yes	60	60%
2	No	40	40%
	Total	100	100%

Source: Data Compiled from Questionnaire



GRAPH :5.5

SOURCE TABLE: 5.5

From the above graph 60 per cent of the respondent agreed they get increments in their salary after performance appraisal and 40 per cent disagreed about the increments.

6. FINDINGS

- ❖ In that employee's opinion 83 per cent of respondents responded that they receive, the appraisal for yearly performance. remaining 17 per cent responded that they Don't receive any appraisal for yearly performance from the organization.
- ❖ In that organization 75 per cent of the respondents responded that performance appraisal goals set for realistic and remaining 25 per cent appraisal goals set will not be not realistic.
- ❖ In the performance appraisal technical, 45 per cent of the employees rated excellent about performance appraisal Techniques, 22.5 per cent rated good, 32.5 are rated as average
- ❖ On sustainability of promotion, 40 per cent determine their sustainability of promotion to the next grade is 32.50 per cent strongly agreed and 12.50 per cent disagreed and 15 per cent strongly disagreed.
- ❖ In that scope of performance appraisal 60 per cent agreed they get increments in their salary and 40 per cent disagreed 82 per cent agreed that they have atmosphere like sharing each other burdens in work and unity remaining 18 per cent Disagreed about sharing burdens in work.

7. SUGGESTIONS

- ❖ Organization has to change their performances appraisal to improve the performance in the organization.
- ❖ It is common to find that the workers are unfamiliar with the company's performance assessment system; as a result, the company must take steps to inform workers of the system's advantages.
- ❖ The majority of employee's honesty and commitment depend on the annual performance review, thus it's important to eliminate any possibility of prejudice.
- ❖ Third, ensuring that workers have everything they need to do their jobs well before making any evaluations of their performance is essential.
- ❖ For transparency s's sake, it's important that performance reviews continue to be handled in an open manner.

8. CONCLUSION

One definition of performance appraisal is a methodical evaluation of an employee's work. Employees' strengths and areas for improvement may be identified via performance reviews that include topics like work knowledge, output quality and quantity, initiative, health, and similar topics. " **Home First Finance Company India Limited**" has been in business for a while now, and it has a solid reputation among both consumers and the general public. The company helps people from low-income backgrounds by providing them with work opportunities and training. The performance evaluation process may be enhanced by using appropriate tools and regularly assessing and upgrading the program. It is possible to make the performance assessment even better with the help of suggestions from both new and seasoned staff members.

9. REFERENCES

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