

A STUDY ON PERFORMANCE APPRAISAL

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ABSTRACT

A performance appraisal is known by other terms like employee appraisal, performance review. A performance appraisal is a measuring, comparing, controlling, finding, guiding managing career development of an employee. It is a method by which critically analysing information about the relative importance of gathering, recording and critically analysing information about the relative importance of employee to the organization. It is measured in terms of quality, quantity, cost, behaviour and time, it is conducted by peers, supervisors, Hr manager, self. But generally in formal method it is conducted by the immediate manager or supervisor under whom the person is directly working. Performance appraisal is study of present achievements, and failures, personal strengths and weakness, and suitability for incentives, rewards and recognition, increased pay scale, promotion or further training. Finally it shows the suitability of person at present job to the organisation. This study has been done to analyse the concept of performance appraisal, its objectives and process to carry out of the performance appraisal. Execution examination is a proper framework that assesses the nature of a labourer's exhibition. The examination estimates abilities and achievements with sensible precision and consistency. It gives an approach to assist with recognizing regions for execution upgrade and to assist with advancing proficient development. It ought not, notwithstanding, be viewed as the administrator's just specialized apparatus. Open lines of correspondence over time help to make successful working connections. Execution evaluation is the cycle which surveying the presentation and progress of a representative on a given occupation for his future turn of events, and it fundamentally comprises formal systems. Every worker is qualified for an insightful and cautious evaluation. The achievement of the cycle relies upon the chief's ability to finish a valuable and target examination and on the worker's eagerness to react to productive ideas and to work with the administrator to arrive at future objectives.

Keywords: performance appraisal, evaluation is the cycle. Employee execution evaluation, organization execution, Employee effectiveness, association development.

1. INTRODUCTION

Performance appraisal is "the process of evaluating the performance and qualification of the employees in terms of the administration including for promotion, providing financial rewards and other placement, selection actions which require differential treatment among the members of the group as distinguished from actions affecting all members equally".

Performance Appraisal is a formal, structured system that compares employee performance to established standards. Assessment of job performance is shared with employees being appraised through one of several primary methods of performance appraisals. Elements in performance appraisal methods are tailored to the organization's employees, jobs, and structure.

Performance appraisals, also known as employee appraisal are essential for the effective management and evaluation of staff. Appraisals help develop individuals, improve organizational performance, and feed into business planning. Each staff member is appraised by their line manager. Directors are appraised by the CEO, who is appraised by the chairman or company owners, depending on the size and structure of the organization.

Performance appraisal is a part of career development and regular review of employee performance within organizations. Annual performance appraisals enable management and monitoring of standards, agreeing expectations and objectives, and delegation of responsibilities and tasks. Staff performance appraisals also establish individual training needs and enable organizational training needs analysis and planning.

Performance appraisal is arranged periodically according to a definite plan. Performance appraisal is not job evaluation. It refers to how well someone is doing the assigned job. Once the employee has been selected, trained and motivated, he is then appraised for his performance. Initially the appraisal system was started for the purpose of making administrative decisions relating to promotions transfers and salary increments, however over the years the performance appraisal system has been upon to serve a variety of purposes. They are,

- Administrative purpose
- Motivational purpose
- Development purpose
- Performance Improvement

Importance of performance appraisal:

Performance appraisal is an essential and inescapable managerial activity. Appraisal is necessary for all important decisions relating to people, such as placement and promotion, remuneration and reward, training and development, as well as long-term manpower planning and organization development. In recent years, efforts have been made to use appraisal systems for motivation, for more effective communication, for strengthening superior-subordinate relationships, for goal setting and work planning and for improving the total performance of the organization. But in spite of its importance and uneasiness about appraisal has been a longstanding feature of management. There is no doubt during the past three decades, many developments have taken place and many innovations have been made in the managerial appraisal system. Still, many issues remain unresolved. In this present situation performance appraisal becomes an important aspect for the growth and development of the organization.

2. REVIEW OF LITERATURE

Title: Analysing the Concept of Performance Appraisal System on Employees Development

Author: Cross Ogohi Daniel

Source: American Journal of Humanities and Social Sciences Research

Abstract

Globally, governments and companies spend billions of naira yearly on employee performance evaluation. This study sought to establish the analysis of the concept of performance appraisal system on employee's development focusing on a case study of Oasis Management Company, Abuja. The main objective of this study was to find out the significant relationship between performance appraisal system and employees' development and to identify the impacts of performance appraisal on employee's development. Regression analysis was done to establish the concept of performance appraisal system on employee development. From the findings, the study concluded that organizations should appraise their employees often through utilized targets, accomplishments, organization goals, time management and efficiency for performance measure purposes as it would lead to increase in employee's development.

ARTICLE: 2

Title: Effectiveness of Performance Appraisal System and its Effect on Employee Motivation

Source: Nile Journal of Business and Economics

Author: Ayomikun Idowu

Employee performance has traditionally been accorded prime focus by human resource managers. As a result, a number of performance appraisal techniques have over time been devised to help establish employee's performance. In the contemporary times, the use of performance appraisals has been extended beyond the rating of the employee's performance to aspects such as motivation. Accordingly, this study sought to investigate effectiveness of performance appraisal systems and its effect on employee motivation. The study's main objectives pertained to establishing the moderating role of performance appraisal as a motivation tool as well as potential challenges. The study findings show the presence of significant positive outcomes when the organisation uses performance appraisal as a motivation tool. Further, the study finds that the use of more than one appraisal techniques helps yield greater satisfaction and consequently higher motivational levels. The specific aspects of performance appraisal systems (PAS) that help improve motivation include the linking of performance to rewards; using the PAS to help set objectives and benchmarks; as well as the use of PA to help identify employee's strength and weaknesses

OBJECTIVES:

The main objective of performance appraisals is to measure and improve the performance of employees and increase their future potential and value to the company.

- To study and analyze different performance appraisal schemes provided by the company.
- To analyze the employee attitude towards the present appraisal system.
- Give feedback on performance to employees.

3. RESEARCH METHODOLOGY

RESEARCH GAP ANALYSIS

This study sought to establish the analysis of the concept of performance appraisal system on employee's development focusing on a case study of V Dream Technology. The main objective of this study was to find out the significant relationship between performance appraisal system and employees' development and to identify the impacts of performance appraisal on employee's development

Need For The Study

The need of the study of performance appraisal is to determine what aspects of performance are required to be evaluated.

- To identify those who are performing their assigned task well and those who are not and the reason for such performance.
- To provide information about the performance ranks basing on which decisions regarded salary fixation, conformation, promotion, demotion and transfer are taken.
- To provide feedback information about the level of achievements and behavior of an employee.
- To provide information and counsel the employee.
- To create and maintain satisfactory level of performance.
- To facilitate fair and equitable compensation.

Scope Of The Study:

In the present study an attempt has been made to know the actual implementation of performance appraisal techniques in general and some other aspects such as awareness of the workers, effectiveness of the performance appraisal system in particular.

A thorough analysis of the performance appraisal system will help the management to know the short comings, if any. It also help the company in knowing whether the performance appraisal techniques are used to full extent or not, there by the researcher can understand the effective implement of the performance appraisal system.

Methodology

SOURCES OF DATA: The present study is based on both Primary as well as Secondary data. However primary data will be used extensively for analysis.

Primary Research: Data collected from first- hand sources is called primary research. For this study, the survey will consist of using structured questions by taking the responses personally which allowed for collection of responses quantitatively, in a limited time frame and satisfied the purpose of the study.

Secondary data: secondary data is collected through the documents provided by the personal department of the company. The documents include personnel manuals, books, reports, etc.

STUDY AREA: The study of research is limited to V Dream Technology & Communication Private Limited in Hyderabad city, Telangana State.

PERIOD OF STUDY: The period of study for the research will be for 45 days, during which the survey questionnaire will be developed. The responses of the target population will be collected through direct communication, which constitutes the primary data for the research.

SAMPLING METHOD: The samples will be selected using the Convenient Sampling method.

Size of sample survey: A sample size of 100 respondents will be considered for this study.

Sampling plan: The data will be collected from their office situated in Hyderabad city, Telangana State.

Questionnaire design: The questionnaire will consist of both open ended and close ended questions.

Statistical tools used

Percentage method:

Percentage method is used in making comparison between two or more series of data. This is used to describe relationship.

Percentage of respondents = $\frac{\text{No of respondents}}{\text{Total respondents}} \times 100$

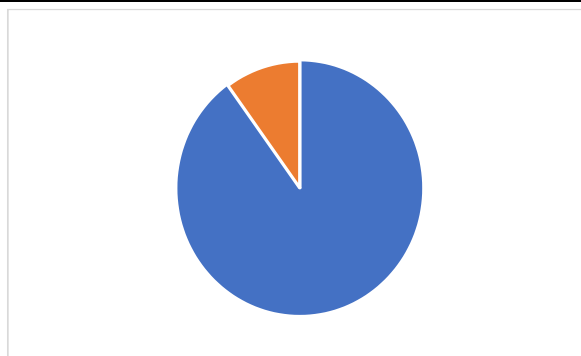
Total respondents The method of study followed in this project (in brief):

Sample size: 100

4. DATA ANALYSIS & INTERPRETATION

- 1) Do you believe that a Performance Management System can assist you in setting and achieving relevant objectives?

S.NO.	OPTIONS	NO.OF RESPONSES	PERCENTAGE
1	YES	90	90
2	NO	10	10
	TOTAL	100	100

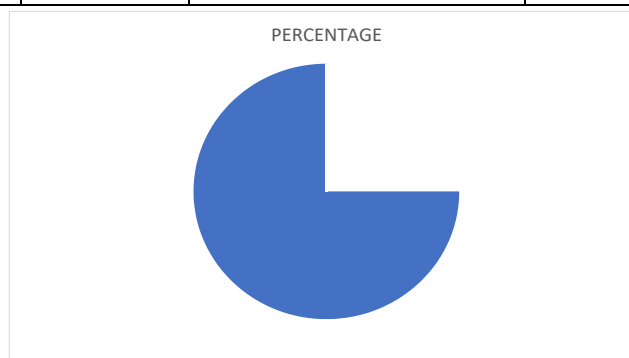


Interpretation:

To above question, almost 90% of the employees thought that a Performance Management System can assist you in setting and achieving relevant objectives and 10% of employees are not satisfied with above.

- 2) Do you think your leadership and interpersonal skills are developed during the Performance Management System?

S.NO	OPTIONS	NO.OF RESPONSES	PERCENTAGE
1	YES	100	100
2	NO	0	0
	TOTAL	100	100

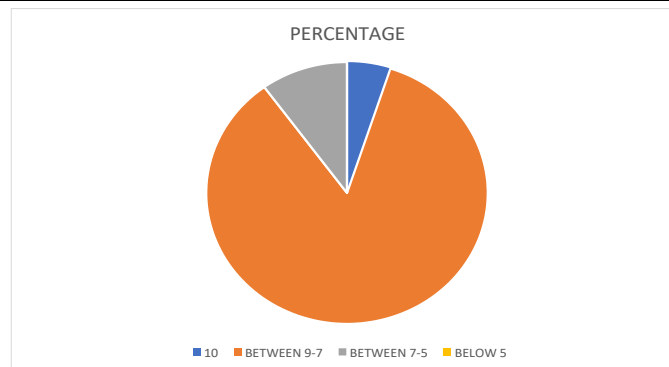


Interpretation:

To above question, almost 100% of the employees agreed that leadership and interpersonal skills are developed during the Performance Management System.

3. On a scale of 1-10, how much would you rate the company?

S.NO	OPTIONS	NO.OF RESPONSES	PERCENTAGE
1	10	5	5
2	BETWEEN 9-7	85	85
3	BETWEEN 7-5	10	10
4	BELOW 5	0	0
	TOTAL	100	100

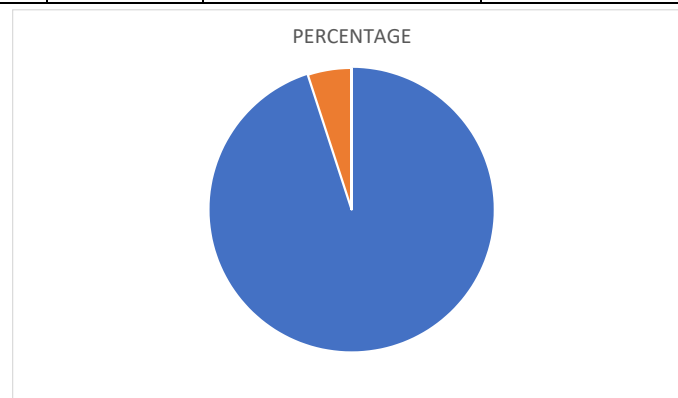


Interpretation:

To the above question, about 05% of the employee rated 10 and 85% of them rated between 9-7 and the rest rated between 7-5.

4. Do you think that the performance of employees improves after the process of performance appraisal?

S.NO	OPTIONS	NO.OF RESPONSES	PERCENTAGE
1	YES	95	95
2	NO	5	5
	TOTAL	100	100

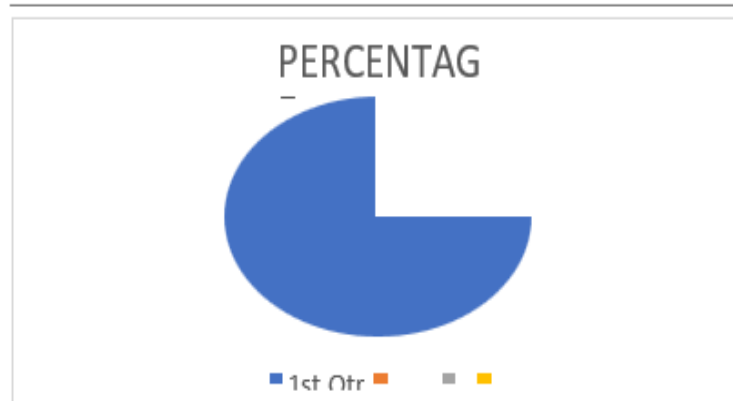


Interpretation:

To above question, almost 95% of the employees think that the performance of employees improves after the process of performance appraisal and the rest 05% don't feel the same.

5. Do you have good relationship with appraiser after Performance appraisal?

S.NO	OPTIONS	NO.OF RESPONSES	PERCENTAGE
1	YES	100	100
2	NO	00	00
	TOTAL	100	100



Interpretation:

Majority 100% of employees have good relationship with appraiser after Performance appraisal.

5. CONCLUSION

- Because of lack of communication, employees may not know how they are rated. The standards by which employees think they are being judged are sometimes different from those their superiors actually use.
- Proper communication of these ratings can help the employers achieve the level of acceptability and commitment which is required from the employ.
- From the survey we can also derive that the appraiser's expect a post appraisal interview to be conducted wherein they are given a proper feedback on their performance.
- The appraisal should also be followed up with a session of counselling which is often neglected in many organizations.

6. REFERENCES

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