A STUDY ON EFFECTIVENESS OF PERFORMANCE APPRAISAL SYSTEM AT RK METALS, TRICHY

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ABSTRACT

The performance appraisal system is the vital and imperative tool for an organization, the information it provides is highly beneficial in making decisions concerning different personnel aspects. In this study the operative function in human resource department are examined with the contribution of the employees and their opinion about their function performed by the HR department. The assessment of how employees are meeting their   individual goals comes a critical part of human resource management. It enables management to make effective decisions. This study will concentrate on examine the effect of the performance appraisal on an individual as well as organization in RK METALS, Trichy. The sample size of 125 has been chosen from the total population of 253 employees. The data used for this study is primary data and it is collected by questionnaire filled by the samples and secondary data and also by company records and websites. The statistical tool like percentage analysis and chi square test were used to analyze the data. The findings of the study show that there is a notable effect of the performance appraisal on the organization as well as on the individual

 Key words: Effectiveness, Performance appraisal, factors influencing, job satisfaction .

I.   INTRODUCTION

Performance appraisal information in the process of analyzing training needs. The model identifies performance discrepancies, determines causes, and chooses interventions based on internal and external factors. A performance evaluation is a systematic and periodic process that assesses an individual employee job performance and productivity. It also based on relation to certain established criteria and organisational objectives.

PERFORMANCE APPRAISAL CONCEPT

Performance appraisal is the methodical assessment of employees with respect to their performance on their job and their potential for development. A performance appraisal is an assessment done on an employee job performance over a specific period of time. The focus of the performance appraisal is measuring and improving the actual performance of a employee and also the future potential of the employee. The works performed by different employee differ in many aspects due to the difference in their background, experience, knowledge, skills, abilities, and aptitudes. Such differences determine the need for training and development activities. It is powerful tool to caliberate, refine and reward the performance of the employee. It helps to analyse his achievements and evaluate his contribution towards the achievements of the overall organisational goals.

FACTORS INFLUENCING PERFORMANCE APPRAISAL

- ➢   Technology
- ➢   Manager's management style
- ➢   Situational effects
- ➢   Organisational culture and climate
- ➢   Employee input

COMPANY PROFILE

Rk Metal Roofings Private Limited is a Private incorporated on 24 February 2016. It is classified as Non-govt company and is registered at Registrar of Companies, Chennai. Its authorized share capital is Rs. 30,000,000 and its paid up capital is Rs. 26,556,000. It is inolved in Manufacture of structural metal products, tanks, reservoirs and steam generators

Rk Metal Roofings Private Limited's Annual General Meeting (AGM) was last held on 30 September 2019 and as per records from Ministry of Corporate Affairs (MCA), its balance sheet was last filed on 31 March 2019.

Directors of Rk Metal Roofings Private Limited are Krishnan Ravikumar, Raakrishnan, Krishnan Archunan and Karthick Venkatachalam.

RK Metal Roofings Private Limited from 2014 are famous amongst the esteemed manufacturer and wholesaler of an exceptional quality assortment of Roofing and Galvanized Steel Sheet. Offered products range consists of MS Roofing Sheet, Galvanized Steel Roofing Sheet, Bare Galvalume Roofing Sheet, Polycarbonate Roofing Sheet, MS Tube, Rolling Shutter, Rolling Shutter Spring and much more. All are designed sheet in-house utilizing the best available resources. Apart from this, these products are known for their strong construction, corrosion resistance, lightweight, and easy usability.

II. OBJECTIVE OF THE STUDY

➢ To study the performance appraisal management system at a concern in Trichy.

III. SCOPE OF THE STUDY

1. The main aim of the study is to find out the effectiveness of the performance appraisal system at RK METALS, Trichy.
2. This study helps to know the level of importance of appraisal system.
3. This study provides appraisal feedback to employee and management
4. This study helps to improve employee work performace.
5. This study helps in payroll and compensation decision, promotions, demotions, training and development.

IV. NEED OF THE STUDY

1. This study helps building process towards organisational goal
2. To help the top management to have a proper understanding about their employee.
3. To assure organisational effectiveness by standard and improved performance.
4. To facilitate fair and equitable compensation based on performance.

V. RESEARCH METHODOLOGY

Research methodology is the systematic way to reversed problem. It may be understand as a

science of studying how much is done scientifically.

RESEARCH DESIGN

The research design used in this study is descriptive analysis. Descriptive research, also known as statistical research, describes data and characteristics about the population or phenomenon being studied. It constitutes the blueprint for the collection, measurement and analysis of data.

The research design is the conceptual structure within which research is conducted, it constitutes the blueprint for collection, measurement and analysis of data.

It is a plan that specifies the sources and types of information relevant to the research problem.

TYPE OF STUDY

Descriptive Method

This study is to access the reality of human resource practice. Descriptive research design is used. TheS main aim of this type of research is to describe the data and characteristics about what is being studied. Descriptive research is mainly done when research is mainly done when a research wants to gain a better understanding of a topic. Descriptive research answer the questions who, what, where and how.

SAMPLING DESIGN

Random sampling method has been used. This is the method by which each population element has an equal chance of being selected into sample. Therefore a sample of 125 employees out of 253 was randomly selected.

RESEARCH INSTRUMENT

The research instrument used is the questionnaire. The data were collected from the respondents with a well structured questionnaire. The scaling techniques of the questionnaire in five point Likert scale of 1= strongly agree to 5= stongly disgree

SOURCES OF DATA COLLECTION

- Primary Data
- Secondary Data

STATISTICAL RESEARCH TOOL

The research instrument adopted was structured questionnaire. The questionnaire used in this consists of questions indicating the various dimensions of opinion of employee regarding their HR practices in their organisation

The statistical tools applied for the study include the following are

- ➤ Percentage method
- ➤ Chi – square test

SAMPLE PERCENTAGE

The collected data is analysed by using simple percentage method. Under this method percentage is used to compare the data collected.

No. of respondents

Percentage   =   ------------------------------ X 100

Total respondents

CHI –SQUARE TEST

The chi – square test, written as Ψ^2-test, is a useful measure of comparing experimentally obtained results with those expected theoretically and based on the hypothesis. It is used as a test statistics in testing a hypothesis that provides a set of theoretical frequencies with which observed frequencies are compared. In general chi – square test is applied to those problems in which we study whether the frequency with which a given event has occurred , is significantly different from the one expected theoretically.
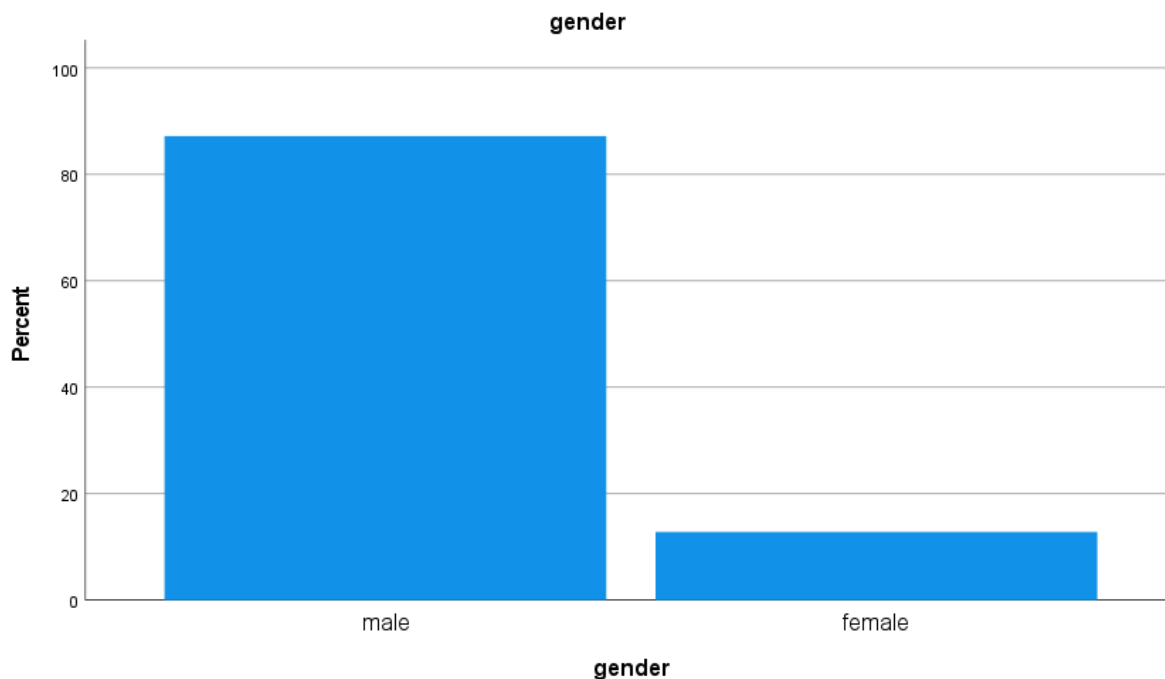
$$\chi^2 = \Sigma \frac{(\text{observed value} - \text{expected value})^2}{\text{Expected value}}$$

VI.   DATA ANALYSIS AND INTERPRETATION

PERCENTAGE ANALYSIS

EMPLOYEE GENDER

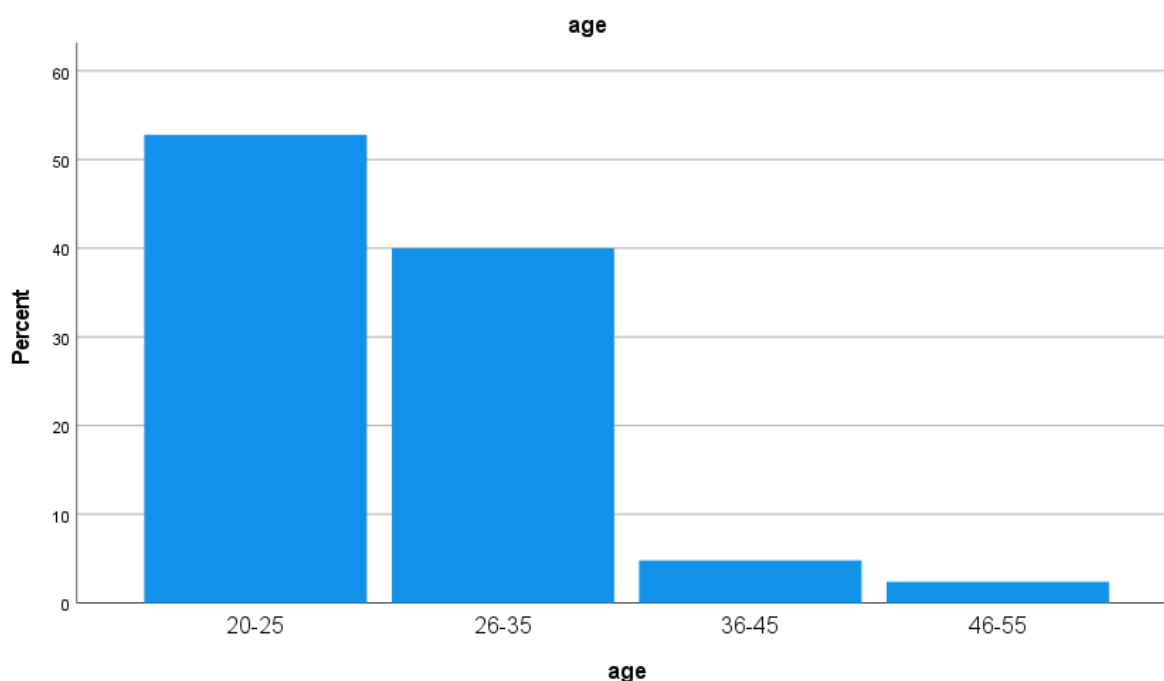|		Frequency	Percent	Valid Percent
Valid	male	109	87.2	87.2
	female	16	12.8	12.8
	Total	125	100.0	100.0

Interpretation: The above table shows that , 87.2 % of the respondents are male, and 12.8 % of respondents are female.

Inference: The majority 87.2% of the respondents are males.

EMPLOYEE AGE

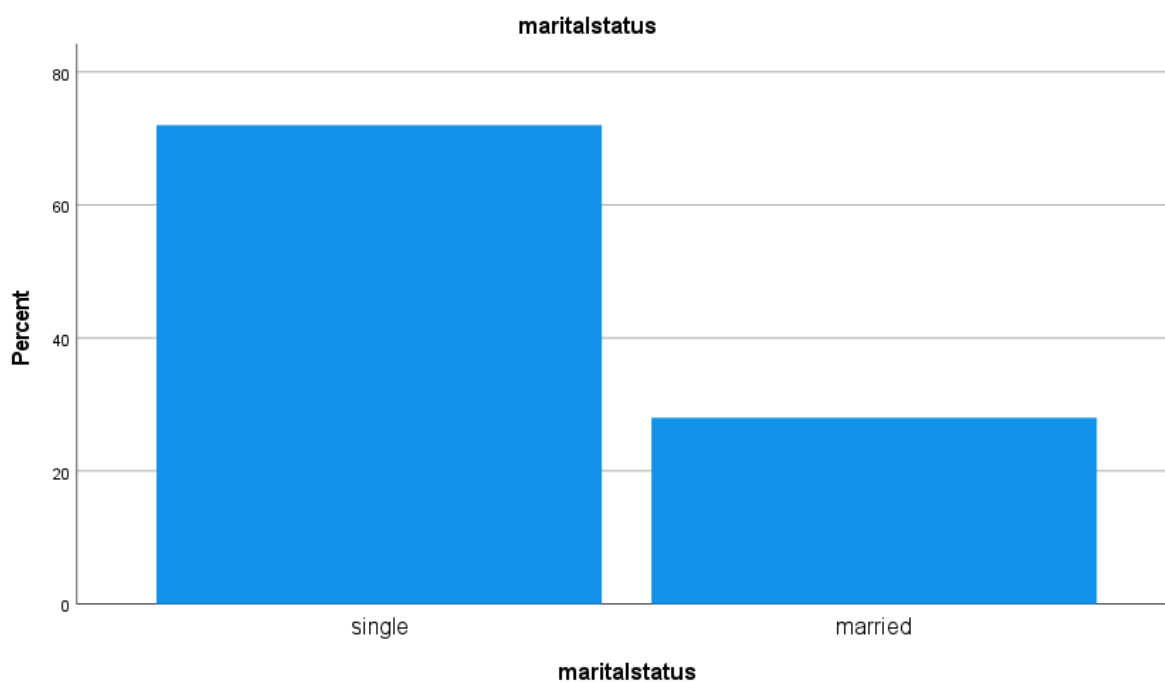|		Frequency	Percent	Valid Percent
Valid	20-25	66	52.8	52.8
	26-35	50	40.0	40.0
	36-45	6	4.8	4.8
	46-55	3	2.4	2.4
	Total	125	100.0	100.0

Interpretation: The above table shows that , 52.8% of the respondents belong to the age group of 20-25 years, 40% of the respondents belong to the age group of 26-35 years, 4.8% of the respondents belong to the age group of 36-45 years, 2.4% of the respondents belong to the age group of 46-55years.

Inference: The majority 52.8% of the respondents belong to age group of   20-25 years.

EMPLOYEE MARITAL STATUS

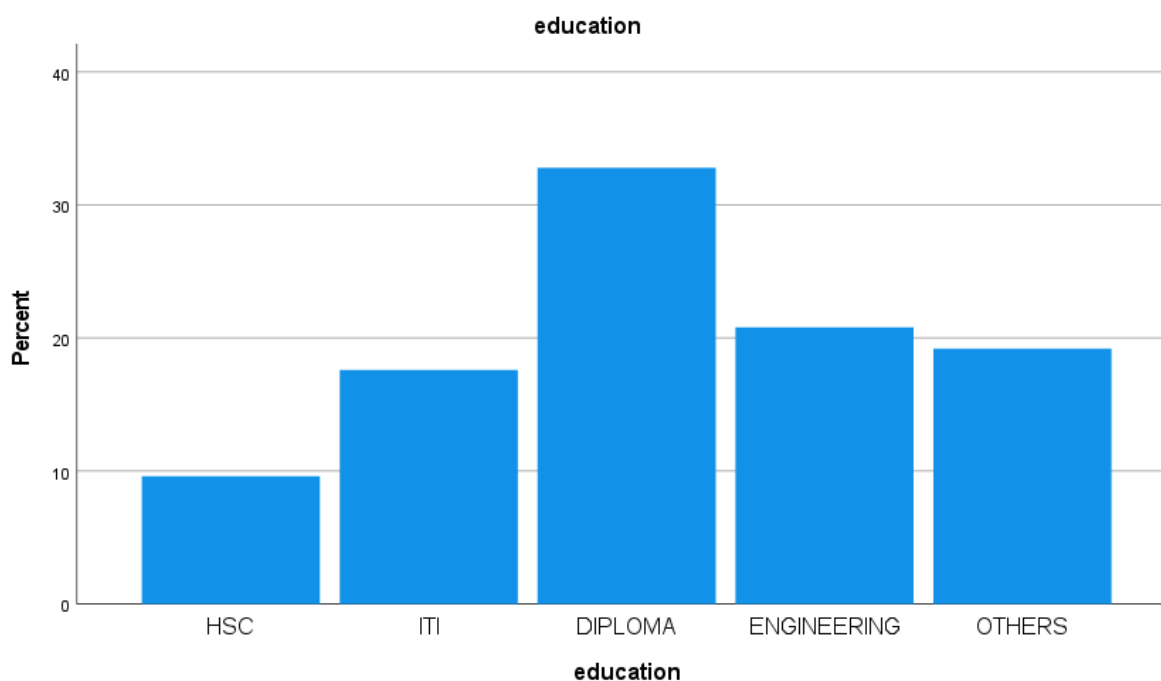|		Frequency	Percent	Valid Percent
Valid	single	90	72.0	72.0
	married	35	28.0	28.0
	Total	125	100.0	100.0

Interpretation: The above table shows that , 72% of the respondents are single, and 28% of respondents are married.

Inference: The majority 72% of the respondents are single.

EMPLOYEE EDUCATIONAL QUALIFICATION

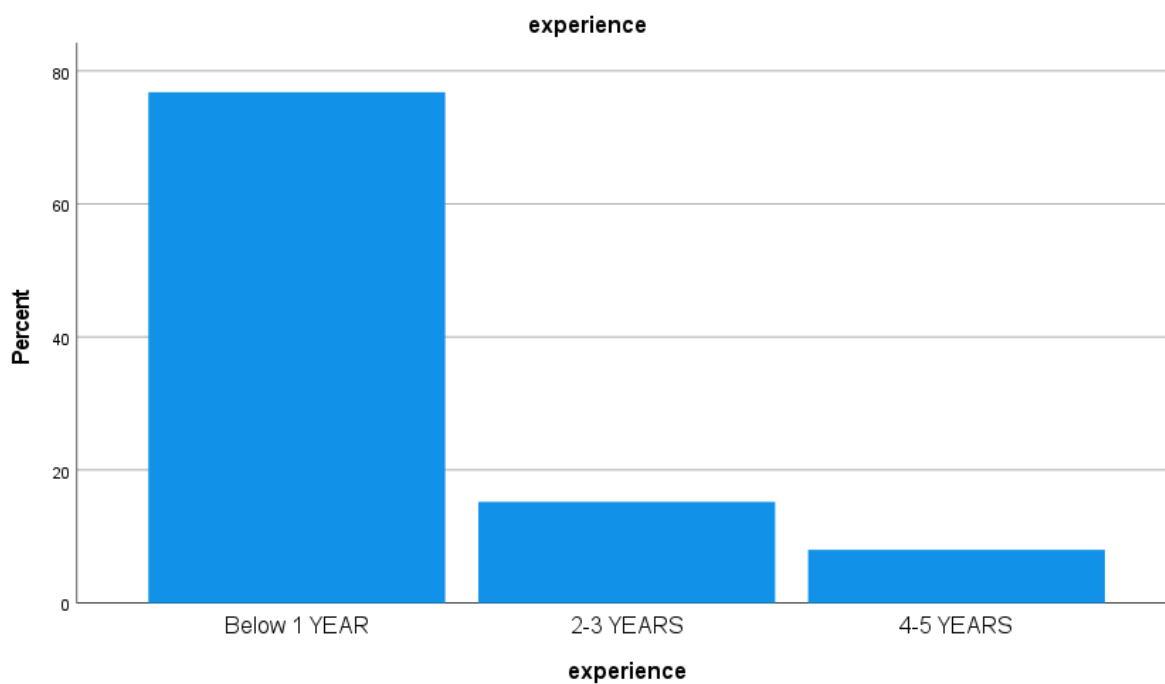|		Frequency	Percent	Valid Percent
Valid	HSC	12	9.6	9.6
	ITI	22	17.6	17.6
	DIPLOMA	41	32.8	32.8
	ENGINEERING	26	20.8	20.8
	OTHERS	24	19.2	19.2
	Total	125	100.0	100.0

Interpretation: The above table shows that , 9.6% of the respondents completed HSC, 17.6% of the respondents completed ITI, 32.8% of the respondents completed Diploma, 20.8% of the respondents completed Engineering, 19.2% of the respondents completed other educational qualification.

Inference: The majority 32.8% of the respondents completed diploma.

EMPLOYEE EXPERIENCE

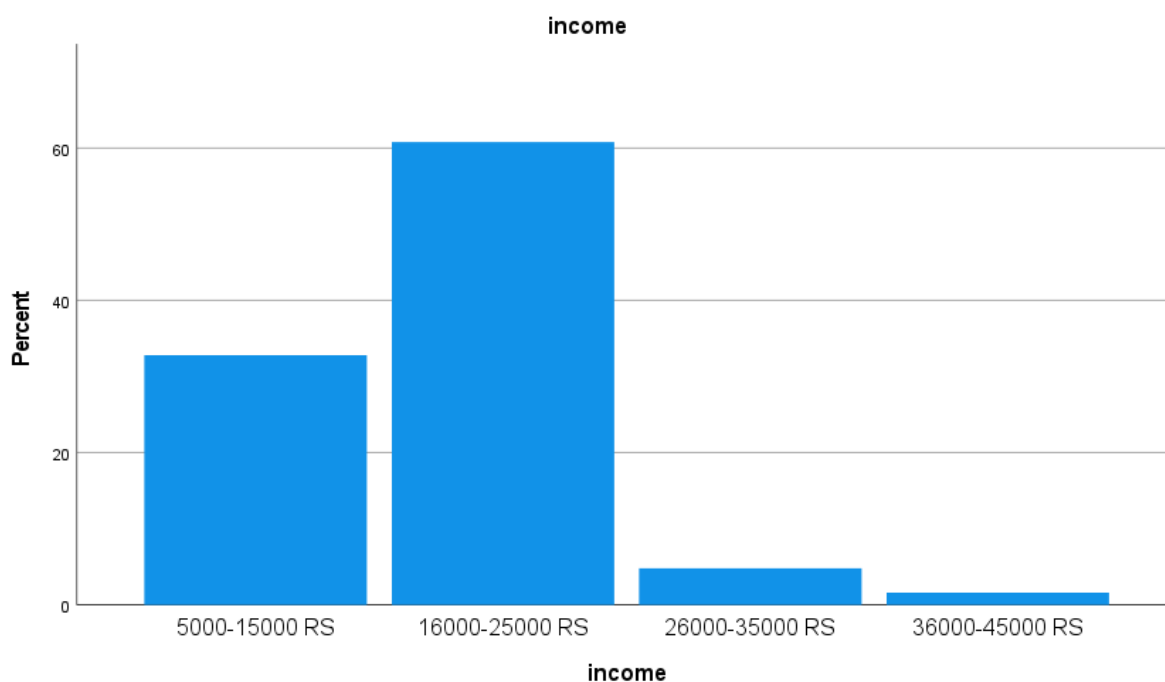|		Frequency	Percent	Valid Percent
Valid	Below 1 YEAR	96	76.8	76.8
	2-3 YEARS	19	15.2	15.2
	4-5 YEARS	10	8.0	8.0
	Total	125	100.0	100.0

Interpretation: The above table shows that , 76.8% of the respondents have experience is below 1 year, 15.2% of the respondents have experience between 2-3 years, 8% of the respondents have experience between 4-5 years.

Inference: The majority 76.8% of the respondents have experience is below 1 year.

EMPLOYEE INCOME

		Frequency	Percent	Valid Percent
Valid	5000-15000 RS	41	32.8	32.8
	16000-25000 RS	76	60.8	60.8
	26000-35000 RS	6	4.8	4.8
	36000-45000 RS	2	1.6	1.6
	Total	125	100.0	100.0

income

Interpretation: The above table shows that , 32.8% of the respondents get salary between 5000-15000 rupees, 60.8% of the respondents get salary between 16000-25000 rupees, 4.8% of the respondents get salary between 26000-35000 rupees, 1.6% of the respondents get salary between 36000-45000.

Inference: The majority 60.8% of the respondents get salary between 16000-25000 rupees.

CHI SQUARE ANALYSIS

HYPOTHESIS TEST 1

Checking relationship between education and team work relation.

Null hypothesis (H0) - there is no significant association between education and team work relation.
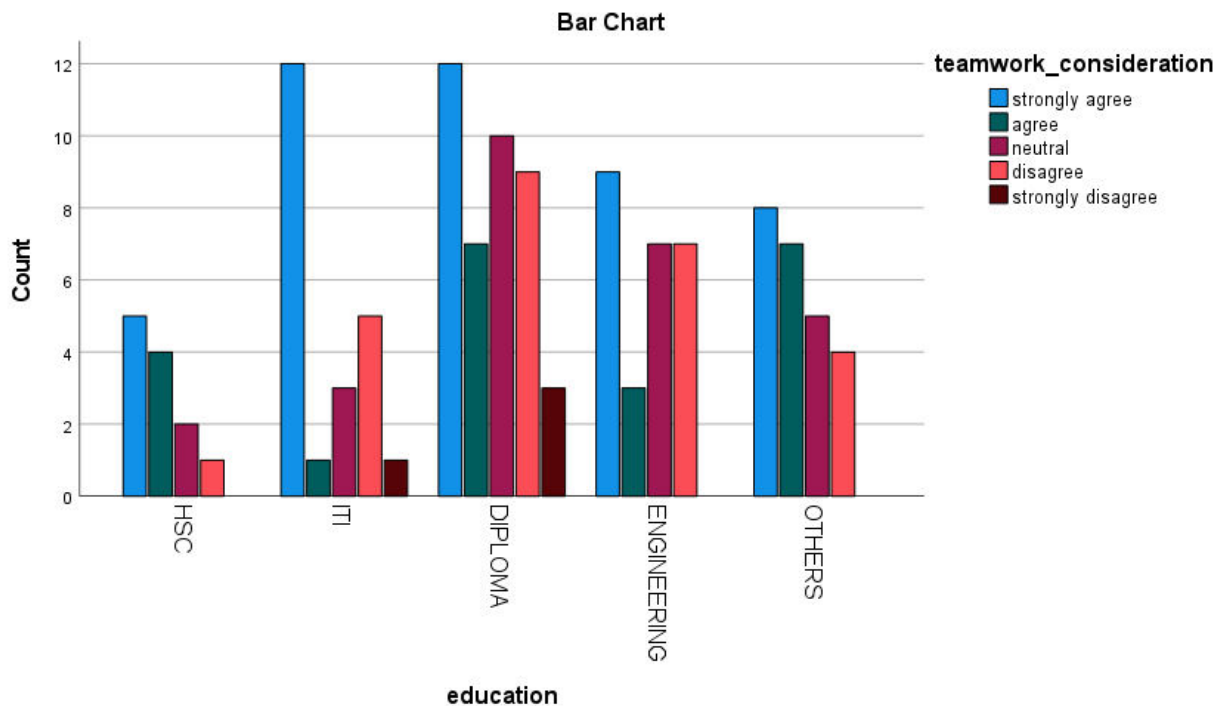
Alternative hypothesis (H1)-there is a significant association between education and team work relation.

Count							
		Teamwork consideration					Total
		strongly agree	agree	neutral	disagree	strongly disagree	
education	HSC	5	4	2	1	0	12
	ITI	12	1	3	5	1	22
	DIPLOMA	12	7	10	9	3	41
	ENGINEERING	9	3	7	7	0	26
	OTHERS	8	7	5	4	0	24
Total		46	22	27	26	4	125

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	16.080[a]	16	.447
Likelihood Ratio	17.908	16	.329
Linear-by-Linear Association	.334	1	.563
N of Valid Cases	125		

a. 15 cells (60.0%) have expected count less than 5. The minimum expected count is .38.

Chi square test result

- Calculated value: 16.080

- Degree of freedom: 16

- Table value: 24.716

- Significant level: 5%

- Comparison:24.716> 16.080

Interpretation:

Calculated chi square value is greater than the table value. Therefore, alternative hypothesis (H1) is accepted .This shows that there is relationship between education and team work relation.

 HYPOTHESIS TEST 2

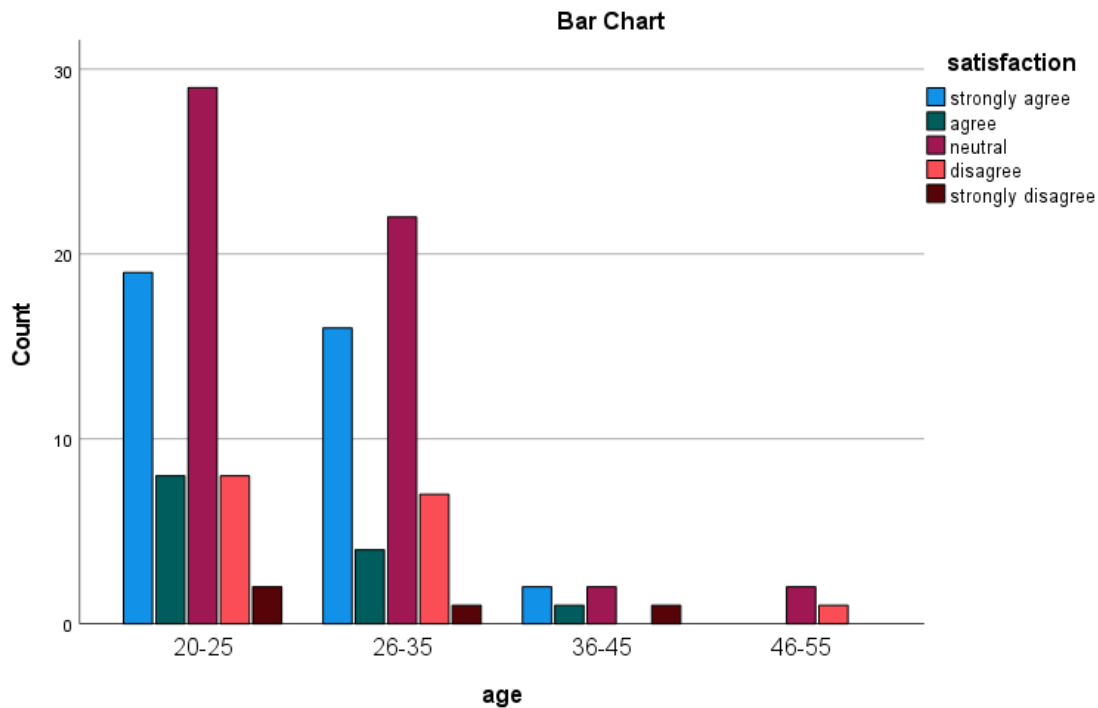Checking relationship between. age and satisfaction

Null hypothesis (H0) - there is no significant association between age and satisfaction **Alternative hypothesis (H1)**-there is a significant association between age and satisfaction

Count						
		satisfaction					Total
		strongly agree	agree	neutral	disagree	strongly disagree	
age	20-25	19	8	29	8	2	66
	26-35	16	4	22	7	1	50
	36-45	2	1	2	0	1	6
	46-55	0	0	2	1	0	3
Total		37	13	55	16	4	125

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	8.101[a]	12	.777
Likelihood Ratio	8.119	12	.776
Linear-by-Linear Association	.424	1	.515
N of Valid Cases	125		
a. 12 cells (60.0%) have expected count less than 5. The minimum expected count is .10.			

Chi square test result

- Calculated value: 8.101

- Degree of freedom: 12

- Table value: 21.026

- Significant level: 5%

- Comparison:21.026 > 8.101

Bar Chart

Interpretation:

Calculated chi square value is greater than the table value. Therefore, alternative hypothesis (H1) is accepted .This shows that there is relationship between education and team work relation.

HYPOTHESIS TEST 3

Checking relationship between. Experience and rewards

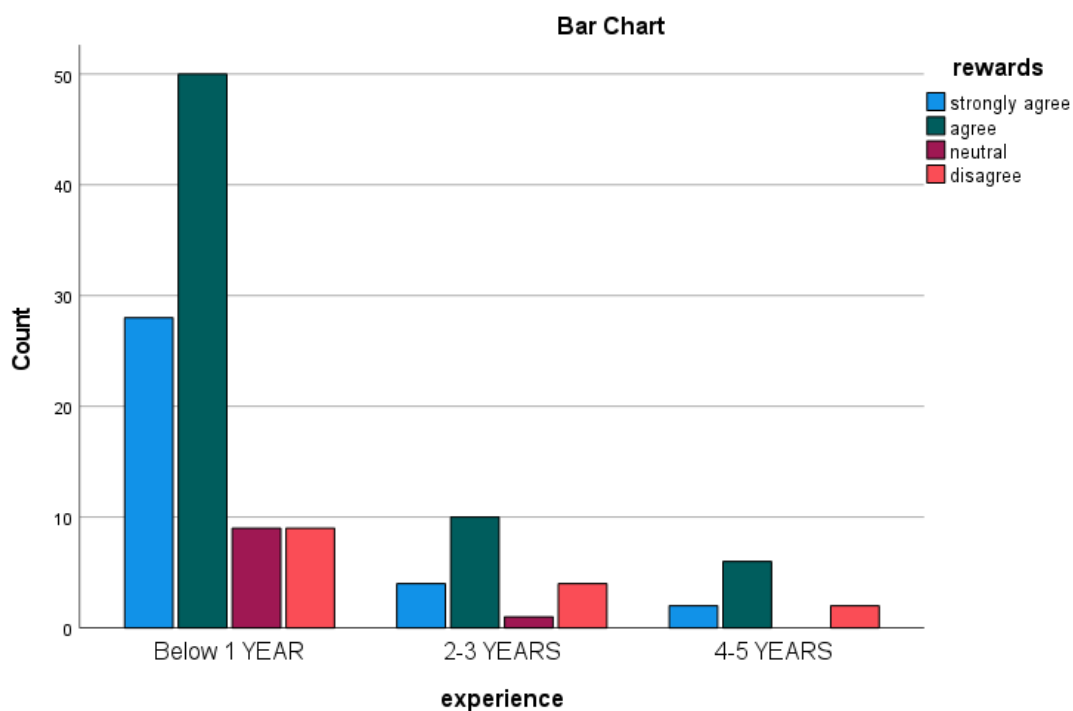**Null hypothesis (H0)** - there is no significant association between Experience and rewards **Alternative hypothesis (H1)**-there is a significant association between Experience and rewards

Count						
		rewards				Total
		strongly agree	agree	neutral	disagree	
experience	Below 1 YEAR	28	50	9	9	96
	2-3 YEARS	4	10	1	4	19
	4-5 YEARS	2	6	0	2	10
Total		34	66	10	15	125

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	4.286[a]	6	.638
Likelihood Ratio	4.848	6	.564
Linear-by-Linear Association	1.297	1	.255
N of Valid Cases	125		
a. 5 cells (41.7%) have expected count less than 5. The minimum expected count is .80.			

Chi square test result

- Calculated value: 4.286
- Degree of freedom: 6
- Table value: 11.070
- Significant level: 5%
- Comparison:11.070 > 4.286

Bar Chart

Interpretation:

Calculated chi square value is greater than the table value. Therefore, alternative hypothesis (H1) is accepted .This shows that there is relationship between education and team work relation.

VII.   CONCLUSION

Performance appraisal system is considered as standard activity in several organizations but its importance should be recognized and communicated to all employees. This will help them to enhance their weak areas. Human resources practice also includes performance appraisal which will motivates the employee to perform better to attain the organizational goal. From this   study it is identified that the effectiveness of performance appraisal system in the organization which will reduces controversy and grievances that may take place in organization. Hence this performance appraisal practices in the organization improves organization's standard and improves the employee standard.

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