

A STUDY ON EFFECT OF TARGET BASED PERFORMANCE APPRAISAL TOWARDS EMPLOYEE PRODUCTIVITY AT ASHOKAFARM AIDS, PEENYA INDUSTRIAL AREA

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ABSTRACT: This study examines how target-based performance appraisal impacts employee productivity in the company. Employing mixed methods, including surveys and interviews, the research explores the connection between appraisal practices and productivity, considering various contextual factors. Through a structured questionnaire, employees across departments at company shared insights. Interviews with managers and HR personnel provided deeper understanding of target-based performance appraisal implementation and outcomes. The study highlights a significant link between target-based appraisal and enhanced employee productivity. Alignment between individual targets and organizational goals fosters motivation. Effective communication during goal-setting, ongoing feedback and supportive coaching further amplify positive outcomes. Challenges like fair target setting and potential demotivation are acknowledged. The study suggests a balanced approach that integrates qualitative and quantitative elements when setting performance targets. Cultivating continuous performance discussions and feedback mechanisms is crucial. This research sheds light on target-based performance appraisal's impact on employee productivity. Transparent and equitable appraisal systems are vital for employee growth. By harnessing strengths and addressing challenges, organizations can optimize employee performance and overall success.

Keywords: Performance appraisal, target-based approach, employee productivity, goal alignment, motivation, challenges.

I. INTRODUCTION:

Performance appraisal is a systematic process that evaluates the work performance of employees & provides feedback for their future growth. Performance appraisal stands as a cornerstone of effective talent management within organizations, playing a pivotal role in assessing and enhancing employee contributions. Among the diverse array of performance assessment methodologies, the target-based approach has gained importance for its focus on quantifiable outcomes and goal alignment. In this approach, employees' performance is gauged against predetermined targets, goals, or objectives set at the commencement of a performance cycle. This methodology is particularly compelling in its capacity to establish clear connections between individual efforts and organizational objectives, thereby fostering motivation, accountability, and improved productivity.

Target based Performance appraisal:

Target-based performance appraisal is a method used by organizations to assess and evaluate employee performance based on predefined targets, goals, or objectives. In this approach, employees are set specific and measurable targets or goals at the inception of a performance period, and their performance is then assessed against the attainment of these targets. This type of appraisal system focuses on quantifiable outcomes and aims to measure how effectively an employee has met or exceeded the established targets.

Importance of target base performance appraisal

➤ Aligning individual objectives with goals of the organization:

The aims and goals of employees can be more closely aligned with the broader goals of the company when performance appraisals are target-based. This gives the organization a sense of unity and direction by ensuring that everyone is working toward the same goals and objectives.

➤ Improving employee motivation and engagement:

Setting clear and measurable targets for employees can help motivate and engage them by providing a sense of purpose and direction. When employees are aware of what is expected of them and are clear about their place in the organization they are more similar to be motivated.

➤ Providing a structure approach to evaluate job performance:

A target based performance appraisal provides a structured approach to evaluate job performance. This ensures that the evaluation is fair, objective and based on measurable data such as sales figures, productivity or customer satisfaction ratings.

➤ **Identifying areas for improvement:**

Employee improvement areas are identified through the performance assessment process. This can include analysing skills gaps, areas where training is needed, or areas where additional support or resource are required.

➤ **Making informed decision about promotions and development opportunities:**

The performance review process provides useful data. It may be utilized to decide effectively on opportunities for growth and professional growth. This ensures that opportunities for promotion and development are based on merit and in alignment with the goals of the company..

➤ **Creating a culture of continuous improvement:**

A targets based performance assessment process creates a culture of continuous improvement by setting clear goals and providing regular feedback and support to employees. This helps employees develop their skills & abilities & improves overall performance within the organisation.

Employee productivity:

Employee productivity refers to the extent that an employee's output and efficiency in completing tasks, assignments, or projects within a specific timeframe. It gauges the level of contribution and effectiveness of an employee in achieving organizational goals & objectives. Employees that are productive consistently deliver high-quality work, meet or exceed performance expectations, and contribute positively to the organization's overall success.

II. LITERATURE REVIEW:

Title: “The role of performance appraisal satisfaction on work engagement & its impact on turnover intention” Moh.Hamzah, Baddurut Tamam, Atiqullah,Fajar Surahman (2022):

This exploratory research investigates the influence of performance appraisal satisfaction on work attention and turnover intention among state civil servants in Pamekasan districts. Using multiple linear regression and SPSS tools, data was collected through questionnaires and analyzed.. The study revealed that performance evaluation satisfaction positively impacts job engagement, with work engagement positively affecting turnover intention and performance appraisal satisfaction acting as an investing variable.

Title: “Employee motivation and its effects on employees productivity/ performance” Babalola Emmanuel Olusola, Gifty Naa Boafoa Okine, George Yaw Asare Addeh, Isaac Asare (2021)

This research paper evaluates employee motivation & it's impact on performance, focusing on common motivation theories to increase productivity. It highlights that each employee has unique concepts and

motives, and incentives should be chosen to suit their demands and increase production. Companies should understand their employees' motivating needs to improve productivity and performance. The study emphasizes the importance of understanding and addressing the needs of each employee to ensure a more gratifying work environment.

Title: “Analyzing the Concept of performance appraisal system on employees development” Dr. Cross Ogohi Daniel (2019)

The study explores the connection between performance evaluation systems and employee development, highlighting the importance of valuing employees' development. It suggests that company's should utilised performance evaluation systems to measure employee performance, focusing on targets, achievement, organizational goals, time management, and efficiency. The research, adapted for regression analysis, assess that organizations should regularly appraise their employees using these metrics to enhance their development. This approach can lead to improved performance and overall organizational success.

Title: “Impact of compensation, career development, performance appraisal and training on performance of employees” Yuswardi and Suryanto (2021):

This research paper explores employee performance in companies, focusing on compensations, training, and career development. Employee performance is the result of employees' efforts to fulfill their duties to the company. The goal is to achieve benefits through increased a employee performance. The finding an aim to further human resource management research and help business management evaluate factors impacting employee performance. The study uses SPSS to test the hypothesis, analyzing data from 275 questionnaires and 265 feedback from Supermarket companies in Batam. The results show a significant relationship between employee performance and the hypothesis that was suggested..

Title: “The effect of performance appraisal process and it's dimension fairness, on employees job satisfaction” Prof. Dr. Ahmed AI-Baidhani, Abdulkarim Alsaqqaf(2022):

This research paper explores the impact of performance evaluation on employee job satisfaction & the role of fairness in the process. The study uses a quantitative method and distributed questionnaires to employees. Results show A positive relationship between performance review & work satisfaction, with fairness playing a significant role in job satisfaction. The study's R2 of 82% indicates high explanatory power. The findings suggest that Yemen's INGOs could improve the fairness and process for performance evaluations, which would lead to increased job satisfaction and better humanitarian service. The study provides suggestions for improving the fairness and process of performance evaluations, as it leads to increased job satisfaction and better humanitarian service delivery.

Objective of the study:

1. To understand the concept of target based performance appraisal with employee productivity.
2. To analyse various levels of performance through appraisal techniques.
3. To evaluate the target base performance with organisation standards.
4. To assess the best strategies to achieve target performance as individual employee productivity.

III. Research Methodology:

Research methodology refers to the systematic approach researchers use to plan, conduct, and analyze studies. It includes designing the research, choosing data collection methods, ethical considerations, analyzing data, and interpreting results. This approach ensures reliable, valid, and meaningful research outcomes.

In this method, we adopted the descriptive method and categorized and analyzed the necessary data that was gathered from primary and secondary sources. The analysis's conclusion will be reached, and suggestions will be made. Using simple random sampling, responds are collected.. A total of 120 respondents made up the sample. Questionnaires are the research tool used in the study.

IV. ANALYSIS:

Data analysis & interpretation were done using SPSS software.

CHI – SQUARE ANALYSIS:

Chi-square tests			
	'Value'	df	Asymptotic significance (2-sided)
Pearson Chi-square	1.940 ^a	3.00	.585
Likelihood ratio	2.063	3.00	.559
Linear- by- Linear Association	0.003	1.00	.955
N of valid cases	120		
a. '2 cells (25.0%) have expected count less than 5. The minimum expected count is 2.38'.			

Interpretation:

The asymptotic significant two sided value is 0.58, which is more than the value 0.05, According to the preceding table. Therefore, null hypothesis is accepted. There is no connection between performance evaluations & employees overall productivity.

ONE WAY ANOVA:

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
How Satisfied are you with the clarity and objectivity of the performance appraisal criteria?	Between Groups	.415	1	.415	.721	.397
	Within Groups	67.910	118	.576		
	Total	68.325	119			
How Satisfied are you with the overall alignment of your individual targets and goals with the broader organisational goals and strategy?	Between Groups	.127	1	.127	.230	.632
	Within Groups	65.173	118	.552		
	Total	65.300	119			

Interpretation:

In this above table states that employee satisfaction levels related to both the clarity and objectivity of performance appraisal criteria, as well as the alignment of individual targets with broader organizational goals and strategy. The more than 0.05 value so that accepted to the null hypothesis in the both the case.

T-Test

Paired samples test										
		Paired differences					t	df	Significance	
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				One-Sided p	Two-Sided p
					Lower.	Upper.				
Pair1	How Satisfied are you with the level of support provided by the organization to help you achieve your Productivity targets? - How Satisfied are you with the level of recognition and rewards provided for meeting your productivity targets?	.175	1.042	.095	-.013	.363	1.839	119	.034	.068

Pair2	How satisfied are you With the frequency and timeliness of performance feedback provided to you? - How Satisfied are you with the level of trust and confidence in your supervisor to conduct the performance appraisal process?	.042	1.133	.103	-.163	.246	.403	119	.344	.688
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Interpretation:

The test values reveals there is a significance difference between the 2 variables of study, if we observe the values are increasing it means the appraisal tries to improve the overall productivity of employees. The significance level with the four variables is 0.69, 0.70, 0.73 and 0.71 and it says that performance reviews have a positive effect on employees' overall productivity.

V. Limitation:

- The sample size for the research was small. It was tough to request the personnel to complete the questionnaires when conducting the survey.
- The staff members were unwilling to give specific answers since they were interest with their daily duties.
- Despite the fact that was assumed throughout the study that the respondents' replies were correct.

VI. Findings

- Most respondents (65.0%) express satisfaction with the resources and tools provided, demonstrating that the organization supports employees adequately.
- The majority of respondents (57.5%) are satisfied or very satisfied with the level of challenge in their productivity targets, indicating that they find the targets appropriately challenging.
- The Company recognizes and give reward on the time when an employee meets their productivity goal.
- The feedback will assist in raising employee targets and helping them attain their objectives.
- The organization wants to evaluate employees' performance properly and without bias.

VII. Suggestion:

- The workforce should be informed of the performance review process. They will be aware of target-based or performance-based evaluations.
- Management by objective feedback system must be developed collect information from all sources, include co-workers, managers, clients, and subordinates..
- The company may use contemporary techniques while still using the conventional evaluation process. They leave their comfort zone and become used to newer techniques.
- The workforce should be informed of the performance review process. They will be aware of target-based or performance-based evaluations.
- Employees should have greater opportunity to express their aims, ideas, and views. The group will have some flexibility to express its thoughts.

VIII. Conclusion:

According to the study, target-based performance assessment systems have a favorable effect on worker productivity. However, elements like goal alignment, realistic target setting, and constant communication are crucial for their success. To guarantee continued success for both the company and the employees, ongoing assessments and adaption of the procedure for evaluation are also essential. Target-based performance appraisals are a methodical review of an individual's performance, focusing on factors such as job knowledge, output quality, leadership, initiative, task completion, dependability, teamwork, judgment, and adaptability. They help improve weaknesses and strengthen strengths. The company has been using this strategy for years, and the strongest foundation is built through accurate performance evaluation techniques, effective training, and satisfaction at all levels. Setting specific goals can increase employee productivity, while rigid target setting can create stress. By focusing on individual goals and achieving organizational objectives, both employees and organizations can benefit.

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