

A STUDY ON EFFECTIVENESS OF EMPLOYEE PERFORMANCE APPRAISAL WITH REFERENCE TO VIRIKSHA HR SOLUTIONS PRIVATE LIMITED

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INTRODUCTION

A performance appraisal is a systematic and periodic process that assess an individual employee's job performance and productivity in relation to certain pre-established criteria and organizational objectives. All organizations aim at being effective and achieving their goals, in order to do this, it is important to monitor or measure the performance of the employees on a regular basis. Effective monitoring also includes giving timely feedback, reviewing the performance according to pre-determined standards and timely recognition of the accomplishments, that motivates the employee to perform better each day. It is rightly said that, "Encourage people achieve the best; dominated people achieve second best; neglected people achieve the least" as recognition and reward at the right time is the best encouragement. Appraising the performance of individuals, groups and organizations is a common practice of all societies. While in some instances these appraisals processes are structured and formally sanctioned, in other instances they are an informal and integral part of daily activities.

Performance Appraisal is a process of evaluating an employee's performance in terms of its requirements. It is also defined as the process of evaluating the performance and qualifications of the employees in terms of the requirements of the job for which he is employed, for purposes of administration including placement, selection for promotions, providing financial rewards and other actions which require differential treatment among the members of a group as distinguished from actions affecting all members equally.

ADVANTAGES OF PERFORMANCE APPRAISAL

It is said that performance appraisal is an investment for the company which can be justified by following advantages:

1. **Promotion:** Performance Appraisal helps the supervisors to chalk out the promotion programs for efficient employees. In this regards, inefficient workers can be dismissed or demoted in case.
2. **Compensation:** Performance Appraisal helps in chalking out compensation packages for employees. Merit rating is possible through performance appraisal. Performance Appraisal tries to give worth to a performance. Compensation packages which include bonus, high salary rates, extra benefits, allowances and pre-requisites are dependent on performance appraisal. The criteria should be merit rather than seniority.
3. **Employees Development:** The systematic procedure of performance appraisal helps the supervisors to frame training policies and programs. It helps to analyze strengths and weaknesses of employees so that new jobs can be designed for efficient employees. It also helps in framing future development programs.
4. **Selection Validation:** Performance Appraisal helps the supervisors to understand the validity and importance of the selection procedure. The supervisors come to know the validity and thereby the strengths and weaknesses of selection procedure. Future changes in selection methods can be made in this regard.
5. **Communication:** For an organization, effective communication between employees and employers is very important.

OBJECTIVE OF THE STUDY PRIMARY

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- To examine employee's perception towards performance appraisal system

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SECONDARY OBJECTIVE

- To examine the effect of performance appraisal in organizational productivity and measure the performance appraisal of human resource management in an organization.
- To analyze the employee's satisfaction towards last performance review system.
- The study aims at finding out the effectiveness of Performance appraisal methods and suggests some measures to improve the Performance appraisal system.
- The study aims in identify employees training needs, motivates employees and help in their promotion and demotion.
- the relationship between fairness of performance appraisal, last performance review and employees work attitude and skill improvement.

SCOPE OF THE STUDY

- The main aim of the study is to find out the effectiveness of performance appraisal
- The study has been conducted with respect to performance appraisal system existing in the organization which is useful to know the strength and weakness of the employees.
- This study helps to know the level of importance of appraisal system.
- Therefore there is scope for the difference in the factors when the number of respondents increase.
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LIMITATION OF STUDY

- Some of the respondents can hide the real information.
- Some of the respondents could not give their proper response due to lack of time.
- Time is one major constraint, which limits the effective data collection.

- The information provided by the respondents is spontaneous and they may not be consistent.
- The sample size is only 108 so the sample may not be truly representative of the total population
- Reliability and accuracy of the analysis depends on the respondents' openness and trueness towards each question in the questionnaire.

REVIEW OF LITERATURE

Karunakaran and Kathiresan (2017) This research further examine how fairness of performance appraisal influences on employee works attitude. Hence, the study uses a descriptive research approach. Here, fairness about information justice, interpersonal justice and configural justice are analyzed in the research.

Karunakaran and Kathiresan (2016) analyzed the impact of performance appraisal of employee's performance. This study results shows the job satisfaction has positive and direct impact on performance of employees. In the present scenario the drives of performance are involvement and loyalty of employees in organization. Performance appraisal is playing vital role in achieving the work goals, stimulate the personal growth, learning and development.

Maria Hermel-Stanescu (2015) stated that the performance management is a complex concept that integrates all business activities and creates a continuous system for improvement. One of the key ingredients in an efficient performance management system is a well-designed performance appraisal that integrates the individual goals with the team and organization goals. When designing a performance appraisal system one has to consider many existing techniques, tools and sources of error. Also, when defining the expected results and KPI's for measurement, it is important to know the difference between output and outcome.

Venclová Kateřina, et.al., (2013) focused on methods of employee performance appraisal in agricultural organizations in the Czech Republic. The first part of the article deals with the theoretical background of the term formal appraisal and employee

performance appraisal methods as defined by Czech and foreign specialists. Further, the article describes, based on a questionnaire survey, employee performance appraisal methods that are considered important for the agricultural organizations in the Czech Republic.

Samaduz Zaman (2013) discussed that is an effective performance evaluation method to measure the efficiency of a person. The feedback helps in removing the misconceptions or wrong perceptions.

Michael Alex, (2013) stated that performance appraisal policy has been viewed by organizations and human resources practitioners as an effective tool for human resources management. However, effective performance appraisal policy remains a practical challenge to managers and employees because of cognitive, motivational and behavioral factors. At an organizational level, the performance appraisal policy impacts other human resources policies as well as organizational strategy. The effectiveness of an organization's performance appraisal policy is a prerequisite for ensuring the success of its selection, training and employee performance

RESEARCH METHODOLOGY

DATA COLLECTION METHOD

The data collection method used in this research is questionnaire method. Here the data are systematically recorded from the respondents.

- **PRIMARY DATA**

The primary data is defined as the data, which is collected for the first time and fresh in nature, and happen to be original in character through field survey.

- **SECONDARY DATA**

The secondary data are those which have already been collected by someone else and have been passed through statistical process.

SAMPLING TECHNIQUE

Sampling is that part of statistical practice concerned with the selection of individual observations intended to yield some knowledge about a population of concern, especially for the purposes of inference

SAMPLING METHOD

In this study simple random sampling method is used in selecting the samples

TOOLS OF ANALYSIS

The collected data was analysed using tools like:

- Chi square
- Correlation

Chi-Square Tests

	Value	df	Asymp. Sig. (2- sided)
Pearson Chi-Square	147.643 ^a	16	.010
Likelihood Ratio	146.386	16	.020
Linear-by-Linear Association	58.862	1	.030
N of Valid Cases	108		

INTERPRETATION:

Since the calculated value is greater than the tabulated value, we accept the alternate hypothesis and hence there is a relationship between the communicating the plans of the top management and appraisal system.

Correlation

Correlation			
Particulars	Particulars	The appraisal helps in achieving individual goals and organizational goals.	Performance appraisal system is accurately evaluating your performance
The appraisal helps in achieving individual goals and organizational goals.	Pearson Correlation	1	.975**
	Sig. (2-tailed)		.000
	N	50	50
Performance appraisal system is accurately evaluating your performance	Pearson Correlation	.975**	1
	Sig. (2-tailed)	.000	
	N	108	108
**. Correlation is significant at the 0.01 level (2-tailed).			

INTERPRETATION: The above correlation chart shows that relationship between the Performances is accurately evaluated and helps in achieving Individual and organizational goals with the significant value of 0.00 which is less than 0.05. It means, the performance is accurately measured and this Performance Appraisal System is helping employees to achieve Individual and Organizational goals. The Alternative Hypothesis (Ha) is accepted

FINDINGS

Performance Appraisal System is not transparent.

- Appraisers are usually unbiased
- Relations with the superior affect the evaluation.
- Greater weightage is given to the recent performances.
- There are fixed standards to evaluate the performance but those are not clear due to the subjectivity of the topic.
- Superior-subordinate relations are good. Superior helps them set and achieve meaningful goals. This makes the environment cordial and agreeable.

The study help to know the different opinions needs and requirements from the different employees about the performances appraisal activities provided by the company.

- It provides with an opportunity to explore in the field of Human Resource department.

SUGGESTION

- 1) Carrier growth chart of employees can be given to them so that self-improvement is possible. Almost of the respondents agree that appraisal system has provided a good communication between top management and staff.
- 2) Regarding the timing of appraisals majority of the respondents opted for yearly, few of them opted for quarterly and half yearly. From this it is evident that employees are very much interested in increasing the frequency of appraisal.
- 3) Arrange a private meeting venue with as few distractions as possible. Give the employee sufficient notice (two weeks is ideal) and an overview of the process in advance. If your organization asks staff to complete a self-appraisal form, ensure this is issued well in advance of the meeting.
- 4) Ask the employee open questions relating to their performance. Offer positive feedback, thanks and praise for areas in which they have excelled. If they identify any areas for development, acknowledge these and steer the conversation towards ways in which these might be improved through training or additional support.
- 5) Give staff the opportunity to discuss their performance on an ad-hoc basis - not just at their annual performance review. Take the opportunity to discuss performance

both formally and informally, ensuring training and development are regularly offered when required.

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. 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.