A RESEARCH PAPERON "STUDY AND ANALYSIS OF EFFECTIVE PERFORMANCE APPRAISAL SYSTM"

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Abstract

The study is based on Performance Appraisal System implemented in an engineering company named BHOR Engineering Pvt. Ltd. For the financial year 2013-14.

Keywords: *Performance Appraisal, PAS, BEPL, Personnel, Assessing Quantity, Points of view*

Introduction

Concept and context of study

Appraising the performance of individuals, groups and organizations is a common tice 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. Thus teachers evaluate the performances of students, bankers evaluate the performance of creditors, parents evaluate the behavior of their children, and all of us, consciously or unconsciously evaluate our own actions from time to time.

Research Problem

Performance Appraisal is a method of evaluating the behavior of employees in the work spot, normally including both the quantitative and qualitative aspects of job performance. Performance here refers to the degree of accomplishment of the tasks that make up an individual's job. It indicates how well an individual is fulfilling the job demands. Often the term is confused with effort, but performance is always measured in terms of results and not efforts. A student, for e.g. may exert a great deal of effort while preparing for the examination but may manage to get a poor grade. In this case, the effort expended is high but performance is low.

In order to find out whether an employee is worthy of continued employment or not, and if so

Whether he should receive a bonus. a pay rise or promotion, his performance needs to be evaluated from time to time. When properly conducted, performance appraisals not only the employee know how well he is performing but also influence the employee's future level of effort, activities, results and task direction. Under performance appraisal we evaluate not only the performance of a worker but also his potential for development.

LITERATURE SURVEY

Scientist Words about Performance Appraisal

W.D.Scott, R.C.Clothier, & W.R.Spiegel

These experts express their views so far as the Performance Appraisal is concerned in their book, Personnel Management: Principle, Practices & points of view that"A Performance Appraisal is a process of evaluation of an Employee's Performance of a job in terms of it's requirements".

Prof.E.B.Flippo

"Performance Appraisal is a systematic, periodic & so far as humanely possible, an impartial rating of an Employee's excellence in matters pertaining to his present job & his potentials for a better job".

Prof. Mirza. S. Saiyadain

According to Prof. Mirza S. Saiyadain, "Performance Appraisal could be seen as an objective method of judging the relative worth or ability of an individual Employeein performing his task, if objectively done the Appraisal can help to identify a better worker from poor one".

Alford & Beatty

"A Performance Appraisal is the evaluation or appraisal of the relative worth to the company of man's services on his job".
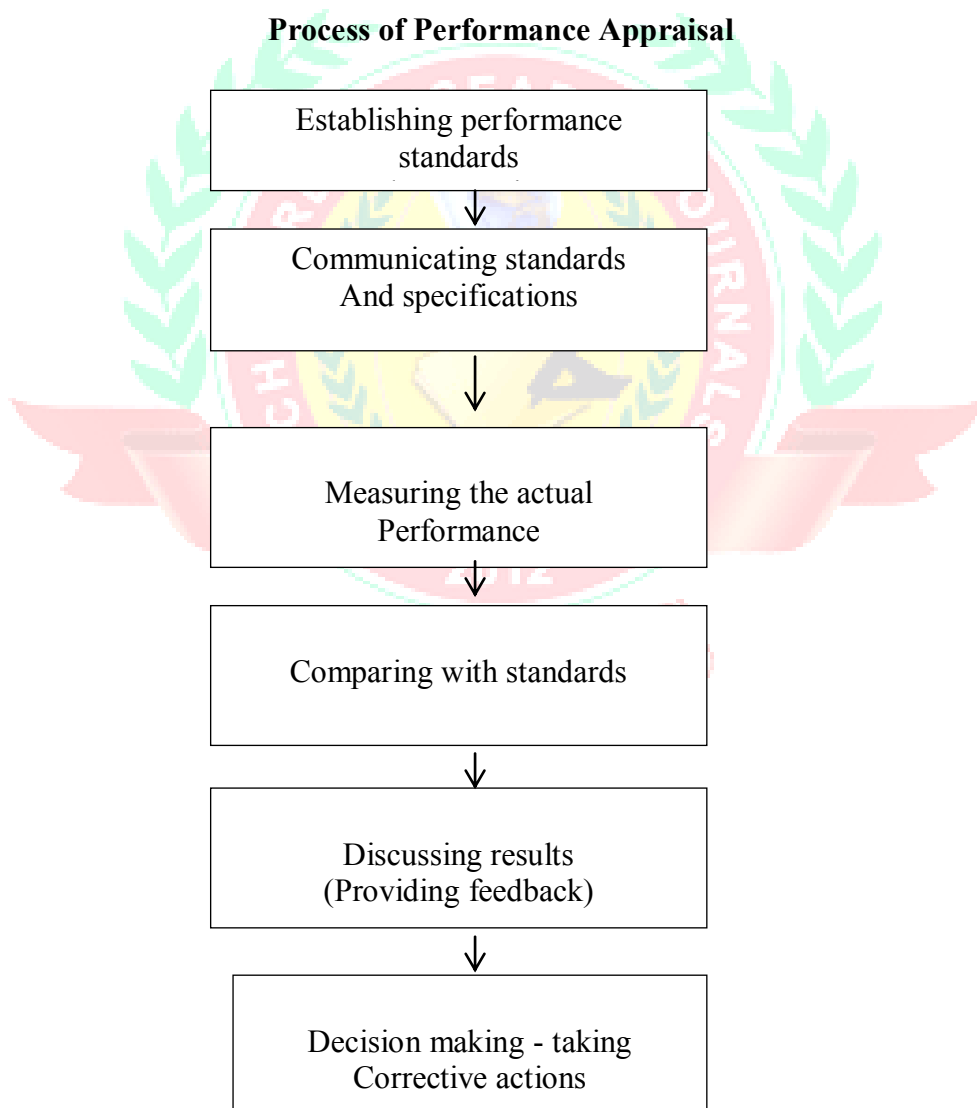
Michael Crino

"Performance Appraisal is the process of assessing quantities & qualitative aspects of an Employee's job Performance".

Need of Performance Appraisal

1. To review past and present performance, identifying strengths and weaknesses.

2. To provide constructive feedback to the individual regarding how their Performance is seen.

3. To assess future promotion prospects and potential.

4. To assess training needs.

5. To plan for career development.

6. To provide an opportunity for career counseling.

7. To motivate employees.

8. To clarify, for the individual, organizational expectations.

9. To provide an opportunity for the individual to raise questions and concerns.

10. To set objectives for the next period.

11. To help achieve organizational and personal objectives in a planned way.

12. To help in succession planning.

Process of Performance Appraisal

Establishing performance
standards

↓

Communicating standards
And specifications

↓

Measuring the actual
Performance

↓

Comparing with standards

↓

Discussing results
(Providing feedback)

↓

Decision making - taking
Corrective actions

OBJECTIVES AND THE SCOPE OF THE RESEARCH

1. To study the employee's performance appraisal system in the BEPL.

To Study & analyze the effectiveness of present Performance Appraisal method being followed in Organization.

2. To collect feedback of Appraiser & Appraisee about the existing Performance Appraisal method.

3. To collect information about the drawback/shortcomings of the performance appraisalsystem in place in the organization.

4. To make suggestions, based on employee feedback and other information collected with a view to improve the appraisal system / process in the organization.

SCOPE OF THE STUDY

● This research is confined to study the appraisal process present in the organization. It also visualizes real time scenarios in Industry. It explores some of the merits and demerits in existing system.

● This study comprises the complete plant level staff and is exhaustive depicting the Appraiser-Appraisee relationship and the significance of the overall Appraisal system in the company, the project was based on the study of the attitudes of the employees towards performance appraisal. In order to understand the entire process I initially studied the performance appraisal system where I found that appraisal is done annually.

● To study the attitudes of employee toward the performance appraisal I have selected few numbers of employees who can represent the whole employees of the company.

RESEARCH METHODOLOGY

Sampling methods used: Since it is not possible to collect feedback from all the employees working in the organisation a sample of 20 employees was selected for conducting the survey. An efforts has been made to cover as many departments as possible. All major departments such as personnel, Marketing, Export, Manufacturing, Finance, Training,Materials etc.have been covered under the survey.

Sources of data: Sample method is used for data collection.

● Primary Data

● Secondary Data

The primary data was collected through: Questionnaires: 2 questionnaires were distributed covering various departments such as Accounts, Purchas, Personnel, Marketing, Finance, Training, Materials etc.

1. Informal discussions: Informal discussions were held with various employees in the organization, especially in the Personnel department & the Training department. Thishelped me to gain additional information, not only relating to the subject of my project but also other functions and activities.

Secondary data:

Secondary data were collected room past records and manual of the company, books, internet etc. It is the data already collected, which is made available for reference purposes. In my project the secondary sources used are, various files and records maintained by organization, HR manual. Collection of data

OBSERVATIONS AND FINDING

1. Company does not follow the PA systematically.

2. Parameters of appraisals for higher-level employees are too many.

3. Employees say the PAS is complicated.

4. Maximum number of employees considered the PAS are held on only organizations development.

5. The Appraises also expect that their Comments and Suggestions should be taken into account while conducting the appraisal.

6. From the survey it is evident that both the Appraiser's and Appraisee expectation from Performance Appraisal system are the same i.e. "Determination of Promotion" and "Salary Administration and Benefits".

7. Also a majority of Employees were satisfied with the current Appraisal system although they requested for few changes.

8. Maximum number of employees says that the review of PAS is taken only once in a year.

9. Most of the employees are aware about PAS in BEPL.

SUGGESTIONS / RECOMMENDATIONS

1. Company must Adopt the 360 Degree Feedback system for PA - 360 degree feedbacksystem is a method of appraisal which is a full -circle, multi-source and multi-rated system of obtaining information from peers, subordinates and internal and external customers, about the employee's performance.

2. Company should reduce the Parameters of appraisals -The parameters, especially forappraising the higher-level personnel, (senior officers, deputy managers, managers etc.)

are many, and need to be reduced in number. Otherwise, it becomes a long and cumbersome process for the appraiser.

3. Lengthy forms be done away with- Performance appraisal forms for senior officers andabove is very lengthy and should be modified and made shorter and simpler.

4. Self-Appraisal-Self-appraisal could be introduced for employees at all levels. At presents the system of self-appraisal is applicable only to supervisory personnel and junior officer-to-officer level.

5. Proper communication of Appraisal report (Feedback) - The appraisal report should be properly communicated to the concerned employee. Good performance should be appreciated so that the employee is sufficiently motivated and happy. Also shortfalls and weaknesses must be made known to the employees that they can work on their weaknesses and perform better the next time around.

CONCLUSION

1. One of the factor that became very clear in the course of gathering information in theorganization is that majority of the employees were well aware of the system of performance appraisal followed in the organization.

2. They are well acquainted with the subject and have knowledge about the need and purpose to have a good appraisal system in place.

3. They even suggested measures to make the system of appraisal in the organization a better one.

4. Most of the employees in the organization are fairly happy with the appraisal systemin the organization. However the system should be modified to do away with personal biases, likes and dislikes of the appraisers.

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