



**A RESEARCH PAPER ON “STUDY OF EMPLOYEE’S PERFORMANCE
APPRAISAL SYSTEM”**

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Abstract

Today's working climate demands a great deal of commitment and effort from Employees, who in turn naturally expect a great deal more from their Employers. Performance Appraisal must be seen as an intrinsic part of a Manager's responsibility and not an unwelcome and time-consuming addition to them. It is about improving performance and ultimate effectiveness. Performance Appraisal is a systematic means of ensuring that Superiors and their staff meet regularly to discuss past and present performance issues and to agree what future is appropriate on both sides. This meeting should be based on clear and mutual understanding of the job in question and the standards and outcomes, which are a part of it. In normal circumstances, Employees should be appraised by their immediate Superiors on one to one basis. Often the distinction between Appraiser & Appraisee Assessment concerns itself only with the past and the present. The staff is being appraised when they are encouraged to look ahead to improve effectiveness, utilize strengths, redress weaknesses and examine how potentials and aspirations should match up. It should also be understood that pushing a previously prepared report across and desk cursorily inviting comments, and expecting it to be neatly signed by the Employee is not Appraisal- this is merely a form filling exercise which achieves little in terms of giving staff any Positive guidance and motivation. In SEMCO ELECTRIC PVT LTD, Chakan, my research was a "Study of Employee's Performance Appraisal System" So to improve the condition it is necessary to review the performance of Employees. In this research, I had to study the current Performance Appraisal system at SEMCO & check the effectiveness of current Appraisal system. (2013)

Keywords: *Performance, Appraisal, Management by objectives (MBO), Superior, Subordinate, Peer, Review, Employment, 360°, Appraisal system.*

Introduction

Performance Appraisal: 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. 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.

What is Performance Appraisal?

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 so whether he should receive a bonus) a pay rise or promotion" his performance needs to be evaluated from time to time.

OBJECTIVES OF THE RESEARCH

Primary Objective

- To study the employee's performance appraisal system in the SEMCO Electric Pvt. Ltd.

Secondary Objectives

- To Study & analyze the effectiveness of present Performance Appraisal method being followed in Organization.
- To collect feedback of Appraiser & Appraisee about the existing Performance Appraisal method.
- To collect information about the drawback/shortcomings of the performance appraisal system in place in the organization.
- 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 work 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-Appraiser relationship and the significance of the overall Appraisal system in the company, the research 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: The term research is composed of two words "re" & "search" which mean to search again, Research for new fact or to modify the existing fact.

Research methodology is one of the important chapters which helps the researcher to do the research work in a systematic way. Research is the systematic way of solving the problem. Research is an original contribution to the existing stock of knowledge making for its achievement. Research is the pursuit of truth with the help of study, interpretation & comparison & experimenting.

In research the various steps are generally adopted by a researcher in studying research problems along with the logic behind them .In short the research is the search for knowledge through objective and systematic methods of finding solution of the problem.

Research is the process which includes defining and refining problem, formulating hypothesis or suggested solutions collecting, organizing & evaluating data; making deduction & reaching conclusion and at last carefully testing the conclusions to determine whether they fit the formulating hypothesis.

DEFINITIONS:

Redman & Mar - "Research as a systematic effort to gain new knowledge".

Advance Learner Dictionary -"A careful investigation or inquiry especially through search for new fact in any branch of knowledge".

P.V. Young - "Research is nothing but an investigation of new facts or verifying old facts with help of scientific knowledge is called research".

METHODS USED: Since it is not possible to collect feedback from all the employees working in the organization, a sample of 65 employees was selected for conducting the survey. An effort 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. The types of data collected were-

- Primary Data
- Secondary Data

Primary data: It is the data which is collected for once own research purpose. The primary data was collected through questionnaire & informal discussion & it is interpreted. The questions were framed so as to gain maximum firsthand knowledge from workers, which were analyzed in order to arrive at suitable conclusion.

The primary data was collected through:

1. Questionnaires: 65 questionnaires were distributed covering various departments such as Personnel, Marketing, Export, Manufacturing, Finance, Training, Materials etc.

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

Secondary data: Secondary data were collected from 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 research the secondary sources used are, various files and records maintained by organization, HR manual.

COLLECTION OF DATA: Both primary and secondary data were collected for the purpose of the research. Primary data was more useful in analyzing and finding out the drawbacks of industrial relation & disciplinary action system in the organization.

Secondary data was useful in gathering information about the history & growth of the company, the industrial relation & disciplinary action system used in the former years in the organization & the revised system that is being followed today, financial position in recent years etc.

Sample size: I have selected 65 Appraiser (Officer) +Appraisee (workers)] for questionnaire Random

Sampling Method for my research work.

Data Analysis: Data analysis is represented by Pie Chart.

Data Instrument

Questionnaire: Data were collected from workers who were working in three shifts by taking interviews and from employees working in administration, training and related departments.

LIMITATIONS: Employee Opinion; Employee feedback may not be 100% reliable and accurate. Sometimes, they may keep back information that may be detrimental to the image of the organization. Also some employees may fear their superiors and refrain from furnishing any negative data.

Language Barrier: Since most of the lower cadre employees working in the organization are not well-versed in English, hence questions were discussed in local language with such persons and data was collected.

Time Factor: Since the time was limited, not all employees could be included in the survey. A sample of 65 employees was selected for the purpose of conducting the survey and collecting relevant data. All in all, the employees were very co-operative and helpful. In spite of their busy schedules they took time out to fill the questionnaires and provide me with additional inputs and information.

FINDINGS AND OBSERVATION

1. Company not followed the 360 degree feedback method in company.
2. Parameters of appraisals for higher-level employees are too many.
3. 38 % employees say's the PAS in SEMCO 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 in to account while conducting the appraisal.
6. From the survey it is evident that both the Appraiser's and Appraisee's expectation from Performance Appraisal system are the same i.e. "Determination of Promotion or Transfer" 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.
10. 100 % employees are aware about PAS in SEMCO.

CONCLUSION: 1. One of the factor that became very clear in the course of gathering information in the organization 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 system in the organization. However the system should be modified to do away with personal biases, likes and dislikes of the appraisers.

SUGGESTIONS / RECOMMENDATIONS

Company must Adopt the 360 Degree Feedback system for PA - 360 degree feedback system 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.

Company should reduce the Parameters of appraisals - The parameters, especially for appraising 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.

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

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.

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 so that they can work on their weaknesses and perform better the next time around.

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