

A Study On the Performance Appraisal of Employees and Its Impact On the Productivity of the Organization

Dr R Kuttimani

M.com.M.Phil., Ph.D, Assistant professor and Head,
Department of Commerce (Computer Application), Thiruthangal Nadar College, Chennai

Abstract

Performance appraisal refers to the methods and processes used by organizations to assess the level of performance of their employees and to provide them with a feedback. This process can be used for both developmental and administrative purposes. The research on performance appraisal includes examination of the psychometric aspects of the appraisal tools, the cognitive process and the biases involved, and the social context. Although performance appraisal is an important tool for managing employees, managers, and workers are rarely satisfied with it. Therefore, clearly defining the purposes of the performance appraisal and addressing the employees' reactions are essential to the success of the performance appraisal

Keywords: Performance appraisal- employees- managers- workers- cognitive process

1. Introduction

Performance appraisals are regular reviews of employee performance within organizations. Generally, the aims of a performance appraisal are to Give feedback on performance to employees, identify employee training needs, Document criteria used to allocate organizational rewards, it also form a basis for personnel decisions such as salary increases, promotions, disciplinary actions, etc. Performance evaluation provides the opportunity for organizational diagnosis and development, facilitates communication between employee and administrator, validate selection techniques and human resource policies to meet federal equal employment opportunity requirements. Thus it is necessary to have the performance appraisal system in every organisation.

OBJECTIVES OF THE STUDY

- To evaluate the effectiveness of performance evaluation system in the organisation.
- To identify attributes which is to be further considered for the measurement of performance evaluation.
- To get the opinion of the employees to improve the present performance evaluation system.

SCOPE OF THE STUDY

To identify the effectiveness performance evaluation system in the organisation. The study will provide the effectiveness of performance evaluation used in the organisation and help in improving the system accordingly. The suggestions of the employees are also analysed.

RESEARCH METHODOLOGY

Research design

The research design adopted for this study is Descriptive Research. The descriptive research studies are those studies which are concerned with describing the characteristics of a particular individual, or of a group. The studies concerned with specific predictions, with narration of facts & characteristics concerning individual, group or situation are all examples of descriptive research studies.

Sampling design

Probability sampling

Sample design is the framework within which the sampling has to be carried out. Sampling is the method of selecting a group from population to represent the population. Sample is the part of the population, which acts as a representative of the population through its character and nature.

Method of data collection

Both primary data and secondary data are collected.

Primary data was collected through questionnaire and personal interview method. Secondary data was collected by referring company handbook, other article about the company, websites and magazines.

Sample size and area of data collection

From the population size of 1100, among that 700 are working in the middle cadre, a sample of 100 has been selected for the study by using the simple random sampling. This sample size is taken from the middle cadre.

Tools of analysis

Data is tabulated by means of simple Percentages, cross tabulation analysis.

Statistical tools used:

The collected data were analyzed with reference to each of the specific objectives of the study and the following statistical tools were used in the study.

- a. Chi- Square test.
- b. Cross tabulation
- c. Simple percentage analysis.

Review of literature

Yazhini Verma(2023)-Performance appraisal serves as a tool for enhancing productivity in modern organizations. Through the process of performance appraisal, the productivity of organizational members is measured. It is noted that performance appraisal concept is central to effective management. Hence, much hard and imaginative work has gone into developing and refining it. In fact, there is a great deal of evidence to indicate how useful and effective performance appraisal is. Yet present systems of performance appraisal do not serve any of these functions well. As it is customarily defined and used; performance appraisal focuses not on behavior outcome. While the system purports to appraise results,

in practice people are really appraised on how they do things—which is not formally described in the setting of objectives, and for which there are rarely data on record.

Ragavendran Raju(2023)-A performance appraisal is a regular review of an employee's job performance and contribution to a company. This means that companies use performance appraisals to determine which employees have contributed the most to the company’s growth, review progress, and reward high-achieving workers. Reference asserts that “it is the process of evaluating the performance and qualification of the employees in terms of the requirements of the job for which he is employed, for the purposes of administration including placement, selection for promotions, providing financial rewards and other actions which requires differential treatment among members of a group as distinguished from actions affecting all members equally”

Deeran Kishore (2022). Performance appraisal is a method of evaluating the behavior of employees in a work organization which normally includes 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. Under performance appraisal, the manager evaluates not only the performance of a worker but also his potential for development. While there are many different kinds of performance reviews, the most common is a top-down review in which a manager reviews his or her direct report.

Data Analysis

**DEMOGRAPIC VARIABLE VS EFFECTIVENESS OF PERFORMANCE EVALUATION
DEMOGRAPIC VARIABLE (AGE) VS EFFECTIVENESS OF PERFORMANCE EVALUATION:**

To analyze the influence of age factors on leading to performance evaluation, the chi-square test is performed at 5% significant level and the following hypothesis is formulated.

Hypothesis: Age does not influence on effectiveness of performance evaluation with respect to respondents.

The above hypothesis is tested using chi-square analysis and the result is summarized below.

INFLUENCE OF AGE ON FACTORS LEADING TO EFFECTIVENESS OF PERFORMANCE EVALUATION

AGE VS EFFECTIVENESS OF PERFORMANCE EVALUATION OF RESPONDENTS			
Factors	Chi-square value	P Value	Result
Communication	17.998	0.035	Disagree
Teamwork	12.389	0.192	Agree
Reliability	17.984	0.116	Agree
Responsibility	12.725	0.175	Agree
Interpersonal relationship	12.657	0.179	Agree
Interpersonal skills	19.667	0.020	Disagree

Flexibility	22.387	0.033	Disagree
Strategic thinking	17.773	0.123	Agree
Fiscal responsibility	15.554	0.077	Agree
Ability	25.679	0.002	Disagree
Challenging formalities	19.198	0.084	Agree
Goal oriented	16.362	0.012	Disagree
Ethical value	15.275	0.084	Agree
Judgement	30.882	0.002	Disagree
Standardisation	7.477	0.825	Agree

As P value is less than the table H0 is rejected at 0.05 level of significance. So it is inferred that people of all ages desire the same type of quality of work life.

From the above table it is inferred that the demographic variable age has no significant inference on the factors like teamwork, Reliability, Responsibility, Interpersonal relationship, Strategic thinking, Fiscal responsibility, Challenging formalities, Ethical value, Standardisation. The demographic variable age has significant inference on the factors like Communication, Interpersonal skills, Flexibility, Ability, Goal oriented, Judgement.

**DEMOGRAPIC VARIABLE VS EFFECTIVENESS OF PERFORMANCE EVALUATION
DEMOGRAPIC VARIABLE (EXPERIENCE) VS EFFECTIVENESS OF PERFORMANCE EVALUATION:**

To analyze the influence of experience factors on leading to performance evaluation, the chi-square test is performed at 5% significant level and the following hypothesis is formulated.

Hypothesis: Experience does not influence on effectiveness of performance evaluation with respect to respondents.

The above hypothesis is tested using chi-square analysis and the result is summarized below.

INFLUENCE OF EXPERIENCE ON FACTORS LEADING TO EFFECTIVENESS OF PERFORMANCE EVALUATION

EXPERIENCE VS EFFECTIVENESS OF PERFORMANCE EVALUATION OF RESPONDENTS

Factors	Chi-square value	P Value	Result
Quality of work	21.215	0.007	Disagree
Communication	19.268	0.082	Agree
Teamwork	14.896	0.247	Agree
Reliability	14.235	0.581	Agree
Responsibility	16.219	0.181	Agree
Interpersonal relationship	11.300	0.503	Agree

Interpersonal skills	8.643	0.733	Agree
Technical skills	9.612	0.293	Agree
Flexibility	18.752	0.282	Agree
Strategic thinking	18.567	0.292	Agree
Fiscal responsibility	17.033	0.148	Agree
Ability	23.960	0.021	Disagree
Initiatives	24.311	0.018	Disagree
Challenging formalities	21.364	0.165	Agree
Goal oriented	15.236	0.055	Agree
Ethical value	25.228	0.014	Disagree
Judgement	28.886	0.025	Disagree
Standardisation	11.516	0.777	Agree

As P value is less than the table H0 is rejected at 0.05 level of significance. So it is inferred that people of all experience desire the same type of quality of work life.

From the table it is inferred that the demographic variable experience has no significant inference on the factors like communication, teamwork, reliability, responsibility, interpersonal relationship, interpersonal skills, flexibility, strategic thinking, fiscal responsibility, challenging formalities, goal oriented and standardisation. The demographic variable experience has significant inference on the factors like quality of work, technical skills, ethical value, initiatives, ability and judgement.

**DEMOGRAPIC VARIABLE VS EFFECTIVENESS OF PERFORMANCE EVALUATION
DEMOGRAPIC VARIABLE (DEPARTMENT) VS EFFECTIVENESS OF PERFORMANCE EVALUATION:**

To analyze the influence of department factors on leading to performance evaluation, the chi-square test is performed at 5% significant level and the following hypothesis is formulated.

Hypothesis: Department does not influence on effectiveness of performance evaluation with respect to respondents.

The above hypothesis is tested using chi-square analysis and the result is summarized below.

INFLUENCE OF DEPARTMENT ON FACTORS LEADING TO EFFECTIVENESS OF PERFORMANCE EVALUATION

DEPARTMENT VS EFFECTIVENESS OF PERFORMANCE EVALUATION OF RESPONDENTS

Factors	Chi-square value	P Value	Result
Quality of work	5.984	0.817	Agree
Communication	25.397	0.045	Disagree
Teamwork	10.431	0.792	Agree

Reliability	20.352	0.436	Agree
Responsibility	24.681	0.054	Agree
Interpersonal relationship	25.168	0.58	Agree
Interpersonal skills	16.846	0.328	Agree
Technical skills	7.792	0.649	Agree
Flexibility	15.524	0.746	Agree
Strategic thinking	16.462	0.688	Agree
Fiscal responsibility	14.685	0.474	Agree
Ability	15.496	0.416	Agree
Initiatives	18.458	0.239	Agree
Challenging formalities	15.237	0.763	Agree
Goal oriented	15.620	0.111	Agree
Ethical value	21.231	0.130	Agree
Judgement	31.014	0.055	Agree
Standardisation	20.364	0.435	Agree

As P value is less than the table H0 is rejected at 0.05 level of significance. So it is inferred that people of all department desire the same type of quality of work life.

From the table it is inferred that the demographic variable department has no significant inference on the factors like teamwork, reliability, responsibility, interpersonal relationship, interpersonal skills, flexibility, strategic thinking, fiscal responsibility, challenging formalities, goal oriented, standardisation, quality of work, technical skills, ethical value, initiatives, ability and judgement. The demographic variable department has significant inference on the factors like communication.

CONCLUSION

The study is on the effectiveness of performance evaluation in the organisation shows that some improvisation have to be done with the present system. The present system used to measure the performance of the employees is still have to be improved by adding some more attributes. The identified attributes to be added with the present system is the individual leadership. The organisation is practicing many HR polices effectively. Since there are some area which is to be given more importance to be more effective.

The management introduced the suggestion box system, which suggestion given by employees can be taken by the management effectively for implementation. The employees are the backbone of any organisation so effective analyse of the employees should be done.

Reference

1. **Yazhini Verma(2023)**-Employee performance evaluation: A fuzzy approach. International journal of productivity and performance management, 62(7), 718-734.



2. **Ragavendran Raju(2023)**- How does performance management affect workers? Beyond human resource management and its critique. *International Journal of Management Reviews*, 21(1), 76-96.
3. **Deeran Kishore (2022)**. Performance appraisal, performance management, and firm-level performance: A review, a proposed model, and new directions for future research. *Academy of Management Annals*, 8(1), 127-179.