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# Evaluation Of Performance Appraisal System: An Exploratory Study

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## Abstract -

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 efforts.

**Keywords**–Performance Appraisal, Incentives, Qualitative Approach, Quantitative Evaluation.

## 1. Introduction -

The history of Performance Appraisal is quite brief. It's in the early 20<sup>th</sup> century can be traced to Taylor's pioneering Time and Motion studies. As a distinct and formal management procedure used in the evaluation of work performance, appraisal really dates from the time of Second World War – not more than 60 years ago. Yet in a broader sense, the practice of appraisal is a very ancient art.

There is, says DULEWICZ (1989), a basic human tendency to make judgements about those one is working with, as well as about oneself." Appraisal, it seems, is both inevitable and universal. In the absence of a carefully structured system of appraisal, people will tend to judge the work performance of others, including subordinates, naturally, informally and arbitrarily. The human inclination to judge can create serious motivational, ethical and legal problems in the workplace. Without a structured appraisal system, there is little chance of ensuring that the judgments made will be lawful, fair, defensible and accurate.

Performance appraisal systems began as simple methods of income justification. That is, appraisal was used to decide whether or not the salary or wage of an individual employee was justified. The process was firmly linked to material outcomes. If an

employee's performance was found to be less than ideal, a cut in pay would follow. On the other hand, if their performance was better than the supervisor expected, a pay rise was in order.

Sometimes this basic system succeeded in getting the results that were intended; but more often than not, it failed. Pay rates were important, yes; but they were not the only element that had an impact on employee performance. It was found that other issues, such as morale and self-esteem, could also have a major influence. As a result, the traditional emphasis on reward outcomes was progressively rejected.

In the 1950s in the United States, the potential usefulness of appraisal as tool for motivation and development was gradually recognized. The general model of performance appraisal, as it is known today, began from that time.

### **1.1 Scope of the Study -**

To help each employee understand more about their role and become clear about their function to be instrumental in helping employees to better understand their strengths and weaknesses with respect to their role and functions in the organization to help in identifying the developmental needs of employees, given their role and function to increase mutually between employees and their supervisors so that every employee feels happy to work with their supervisor and thereby contributes their maximum to the organization; to act as a mechanism for increasing communication between employees and their supervisor.

In this way, each employee gets to know the expectations of their superior, and each superior also gets to know the difficulties of their subordinates and can try to solve them. Together, they can thus better accomplish their tasks; to provide an opportunity to each employee for self-reflection and individual goal-setting, so that individually planned and monitored development takes place to help employees internalize the culture, norms and values of the organization, thus developing an identity and commitment throughout the organization to help prepare employees for higher responsibilities in the future by continuously reinforcing the development of the behavior and qualities required for higher-level positions in the organization.

### **2. Objectives of the Study -**

The present study on performance appraisal system was undertaken with the following objectives.

1. To study whether the feedback from the appraisal system assists in the employee's training and development.
2. To study what type of appraisal did the employee's really looking for.
3. To study whether any opportunities provided for the employees to improve their performance.
4. To study and identify performance weaknesses.

5. To study and identifying the required standards and improvement for analysis of performance.

### **3. Research Methodology -**

There are two ways to collect the data for the research, Primary data & Secondary data.

#### **Primary data source**

The primary data was collected through

- 1) Observation
- 2) Interview schedules
- 3) Personnel visit to obtain the necessary information.

The only instrument used was a structured interview schedules for the study. The interview schedules were given for collection of data

#### **Secondary data source**

Secondary data was obtained from

- 1) Company records
- 2) Magazines
- 3) Annual reports etc.

### **Universe and Population of the Study -**

The universe of the study is Chandrapur city. And the Employees of Chandrapur Ferro Alloy Plant (CFP) Chandrapur are the population of the study.

### **Research Design -**

Survey method of research has been employed in the present study. Empirical data have been collected and processed for drawing useful inferences.

### **Sampling Technique -**

Simple Random Sampling Technique has been used in the present study.

### **The Sample Size -**

60 Employees including officer staff, clerks and subordinate staff constitutes the size of sample. All these employees work in different divisions of CFP Chandrapur.

### **4. About Organization -**

**Chandrapur Ferro Alloy Plant, (CFP)** erstwhile Maharashtra Elektros melt Ltd. (MEL) has become a Unit of SAIL w.e.f. 12/7/2011. Chandrapur Ferro Alloy Plant is the only Public Sector Unit engaged in production of Manganese based Ferro Alloys in the Country.

**Location:** The plant is situated amongst picturesque surroundings at Chandrapur (Maharashtra). It is located 166 km away from Nagpur on Delhi-Chennai rail route and is well connected by rail & road to the major cities of India.

CFP has an installed capacity of 1,00,000 TPY Ferro Manganese. The product range of CFP includes High Carbon Ferro Manganese, Silico Manganese and Medium/Low Carbon Ferro Manganese. The Plant is accredited with Quality Assurance Certificate ISO 9001:2008. CFP's major production facilities include two nos. of 33 MVA Submerged Electric Arc Furnaces for the production of ferro alloys, two nos. Manganese Ore Sintering Plants, Furnace gas-based Power Plant, Mechanized Crushing and Screening System for Ferro Alloys and 1 MVA Electric Arc Furnace for the production of MC/LC Ferro Manganese with Lime Calcination and Manganese Ore Roasting Unit.

#### 4.1 Data Tabulation, Interpretation and Analysis-

##### 4.1.1 Are you aware with the procedure of performance appraisal?

Options	NO OF EMPLOYEES	PERCENTAGE
Yes	48	80%
No	12	20%
<b>Total</b>	<b>60</b>	<b>100%</b>

##### Inference:

The above table reveals that 80% of the employees say that they aware the procedure of performance appraisal and remaining 20% of employees says that they are not aware the procedure of performance appraisals.

Most of the employees say that they know the procedure of performance appraisals.

##### 4.1.2 Which method is implemented by CFP?

Options	NO OF EMPLOYEES	PERCENTAGE
Traditional	46	77%
Modern	12	20%
Ignored	02	03%
<b>Total</b>	<b>60</b>	<b>100%</b>

##### Inference:

The above table reveals that 77% of the employees say that CFP implementing the Traditional method, 20% of employees says that CFP implementing the Modern method and remaining 03% of employees not responding.

**4.1.3 Are you satisfied with present appraisal system being followed in Chandrapur Ferro Alloy Plant (CFP)?**

<b>Options</b>	<b>NO. OF EMPLOYEES</b>	<b>PERCENTAGE</b>
Highly satisfied	02	03%
Satisfied	22	37%
Average satisfies	20	34%
Neutral	14	23%
Not Satisfy	02	03%
<b>Total</b>	<b>60</b>	<b>100%</b>

**Inference:**

The above table reveals that 03% of the employees say that they are highly satisfy with the present procedure of Appraisal system,37% of employees are satisfied,34% of employees are average satisfy, 23% of employees are in neutral position and remaining 03% of employees are not responding.

**4.1.4 Do you receive your Performance appraisal report after it is evaluated?**

<b>Options</b>	<b>NO OF EMPLOYEES</b>	<b>PERCENTAGE</b>
Yes	20	34%
No	36	60%
Ignored	02	03%
Yet to be done	02	03%
<b>Total</b>	<b>60</b>	<b>100%</b>

**Inference:**

The above table reveals that 34% of the employees say that they receive the appraisal report after it is evaluated, 60% of employees says that they don't receive their appraisal report after evaluation, 03% of employees are not responding and remaining 03% of employees are yet to be done till now.

**4.1.5 Are you sure that you get some sort of benefits by offering Appraisals?**

<b>Options</b>	<b>NO OF EMPLOYEES</b>	<b>PERCENTAGE</b>
Yes	40	66%
No	19	31%
Ignored	01	03%

<b>Total</b>	<b>60</b>	<b>100%</b>
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**Inference:**

The above table reveals that 66% of the employees are saying that they get some benefits after appraisal, 31% of employees are saying that they don't get benefits after appraisals, and remaining 03% of employees are not responding.

**4.1.6 What methods are taken to improve the employee's performance?**

<b>Options</b>	<b>NO OF EMPLOYEES</b>	<b>PERCENTAGE</b>
Training	07	12%
Counseling	04	06%
Motivation	08	14%
All the above	39	65%
Nothing	02	03%
<b>Total</b>	<b>60</b>	<b>100%</b>

**Inference:**

The above table reveals that 12% of the employees are saying that training is improves the employee performance, 06% of employees are saying that counseling is used for improves the employee's performance, 14% of employees are saying that motivation is used for the improves employee's performance and remaining 65% of employees are saying that all the above methods are used for the improves the performance of the employees.

**4.1.7 Performance appraisal is used for?**

<b>Options</b>	<b>NO OF EMPLOYEES</b>	<b>PERCENTAGE</b>
Identity training needs	0	0%
Promotions / Demotions	05	09%
Recognize employee efforts	19	31%
All the above	36	60%
<b>Total</b>	<b>60</b>	<b>100%</b>

**Inference:**

The above table reveals that 09% of the employees say that performance appraisal used for giving the promotions/demotions, 31% of employees saying that appraisal is used for the recognize employee efforts and remaining 60% of employees are saying that it is used for all the above.

## **5. Findings -**

1. Most of the employees know about performance appraisal and only a few of them are not aware of the performance appraisal.
2. Most of the employees are satisfied with the existing appraisal system and only a few of them are not satisfied.
3. Most of the employees are of the opinion that performance appraisal is used for identity training needs, promotions/demotions, recognize employees' efforts.
4. Most of the employees agree that they get some sort of benefits after getting appraised.
5. Most of the employees are of the opinion that there is a need of an expert person in the H.R. department.

## **6. Conclusion -**

1. Performance appraisal refers to the assessment of an employee's actual performance, behavior on their jobs, and his or her potential for future performance.
2. Appraisals has several objectives but the main purposes are training needs, to assess training needs, to effect promotions, and to give pay increases.
3. Employees have to understand about his or her roles and become clear about his functions, he or she understands his or her own strengths and weaknesses.
4. Performance appraisal should cover at all levels of the employee's but it covers only few levels. Not only few employees are aware of performance appraisal all the employees should be aware. Appraisal needs support of all levels of employees.
5. The quality of work in the organization since the quality of work depends on the performance of the employee.
6. The term "**Performance Appraisal**" is concerned with the process of valuing a person's worth to an organization with a view to increasing it.

## **7. Suggestions -**

1. The awareness can be created among all the employees by conducting classes and interactive sessions about the Performance Appraisal.
2. The organization should cover all categories of employees for appraisal system.
3. Hence different forms should be designed for different categories of employees of the Organization.
4. By this the employees will know about their lacking and try to improve and their superior should counsel the employee about the Performance.
5. Organization should give feedback to all levels of employees.
6. Organization should appoint an expert in appraisal to make appraisal authentic and foolproof.
7. Periodical appraisal helps the company to compare employee's performance and to take apt decisions for further improvement.

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