

**PERFORMANCE APPRAISAL OF EMPLOYEES AT ADITHYA SOLUTIONS,
HYDERABAD – A STUDY**

Authored by

**Asima-Research Scholar,
Department of Business Management,
Osmania University, Hyderabad
Email: ruahiasima@gmail.com**

&

**L. Srinivas Reddy-Principal,
Aristotle College, Moinabad
Email: srinivasreddylokasani@gmail.com**

Abstract

Employee development seems to be getting increasingly accepted as an objective of performance appraisal in practice. Performance appraisal is a systematic and objectives way of studying the relative worth is ability of an employee in performing the task. It provides information about the strengths and weaknesses of the employee. Depending of the performance of the employee his promotion, salary and incentives will be fixed. This plays an important role in the organization. This empirically analyzes the impact of performance appraisal on employee development. Structured questionnaire has been adopted to collect the data and statistical tools such as ANOVA has been adopted to analyze the data and there by concluded the same appropriately.

Keywords: Employee Development, performance appraisal, organization, performance

Introduction

HRM aim at persistently the competency requirements of diverse individual to perform the job assigned to them, effectively and provides opportunities for developing these competencies. As HRM deals with humans it is necessary to keep a check on their performance after regular interval of time given jobs, it is necessary to corrective actions term or there is need to appraisal their performance. The process of appraising for doing their work effectively is known as performance appraisal system. It includes

1. Allocate resources

2. Reward Employees
3. Give employees' feed back
4. Coach and develop employees
5. Comply with equal opportunity regulations

The modern concept of performance appraisal has a scope for employee development, for improved performance leading to both individual as well organizational development. Modern techniques like goal setting. Critical incidents and group appraisal have come into existence.

Review of literature

1. **Kamphorst Jurjenj.A., Swank Otto H. (2011)**, mentioned that “The Role of Performance Appraisals in Motivating Employees”, investigated how a manager’s performance appraisal affects an employee’s future performance. Couples of results have been derived. First, it is shown that a performance appraisal is cheap-talk. Second it is seen that for a wide range of parameters the manager tends to give positive appraisals. Third it is concluded that a positive appraisal motivates an employee more than a negative appraisal. Fourth, the effect of appraisals on an employee’s future performance depends on the employee’s perception of the ability of the manager to assess his performance. Finally, analysis suggests an explanation for that the relationship between performance and pay depends on the manager’s ability to assess the employee’s performance.
2. **Lawler III Edward (2010)**, observed that “Performance Management: Creating an Effective Appraisal System” summarized and concluded the discussion of performance management as those who argue for abandoning performance appraisals may be right but when it comes to organizations they are not willing or able to follow the ten principles presented in this article. For this a potentially valuable is used for making a significant contribution to the organization’s effectiveness
3. **Creamer and jonosik, (2000)** Performance appraisal is spread in organizations since 1960s for employee evaluation, for organization planning purposes, and it is becoming

the important element for maximizing the effectiveness of all part of the organization, from management staffing and development to production and customer services).It was used before in this century by larger organization mostly for the administrative purposes (peter and Liang, 2007

4. **Fletcher (2004)** suggested that performance appraisal provide a platform for employees to look forward their tough goals and objectives, which leads them in successful completion of their job. The positive feedback received from the mangers in appraisal interview will motivate employees in improving their performance likely.
5. **Murphy and Cleveland (1995)** suggest that the process that is followed in design and implementation of such a system prohibits effectiveness rather than only performance appraisal is not responsible

Objectives of the study

1. To study the concept of performance appraisal
2. To judge the gap between the actual and the desired performance

Research methodology

The research design is a mixed approach method. Primary and secondary sources will be adopted for collecting data. Primary data is collected from original source collected from first hand which has not been published yet and is more reliable and authentic. Secondary data is collected from text books, reports, records, news papers, documents etc. The researcher has presented systematic description of a variety of facts pertaining to women entrepreneurs.

- **Sampling**

A sample implies a smaller representation from a targeted population instead of studying every case in order to understand something about the population as a whole. The respondent will be interviewed with structured questionnaire and the responses have been used for analyses.

- **Sample size**

Framed questionnaire is used for data collection. Selection of sample total-30 respondents on the basis of convenience sampling.

• **Tools and Techniques**

In the study the data collected has been classified, edited and tabulated for analysis with the help of the following

Percentage and Averages and ANOVA

Limitations of the study:

1. Time is one of the limiting factors
2. Respondents opinions may be biased

Data Analysis and Interpretation

Table
Tenure of employees

| | No. of Respondents |
|-----------------------------|--------------------|
| 6 months to 1 year | 4 |
| 1 year to 5 years | 8 |
| 5 years to 10 years | 12 |
| 10 years to 15 years | 4 |
| 15 years and above | 2 |
| Total | 30 |

Interpretation:

From the above table it has been depicted that out of 30 respondents 4 respondents have 6 to 1 year of experience 8 respondents have 1 year to 5 years, 12 respondents have 5 years to 10 years of experience, 4 respondents mentioned between 10-15 years of tenure, and 2 respondents mentioned as 15 years and more.

Table
Awareness level about Performance Appraisal system

| | No. of Respondents |
|--------------|--------------------|
| Yes | 25 |
| No | 5 |
| Total | 30 |

Interpretation:

From the above table it is found that out of total 30 employees chosen for the study majority i.e. 25 employees said that they are aware about the Performance Appraisal system and remaining 5 employees mentioned as unaware

Table
Performance of employee is recognized

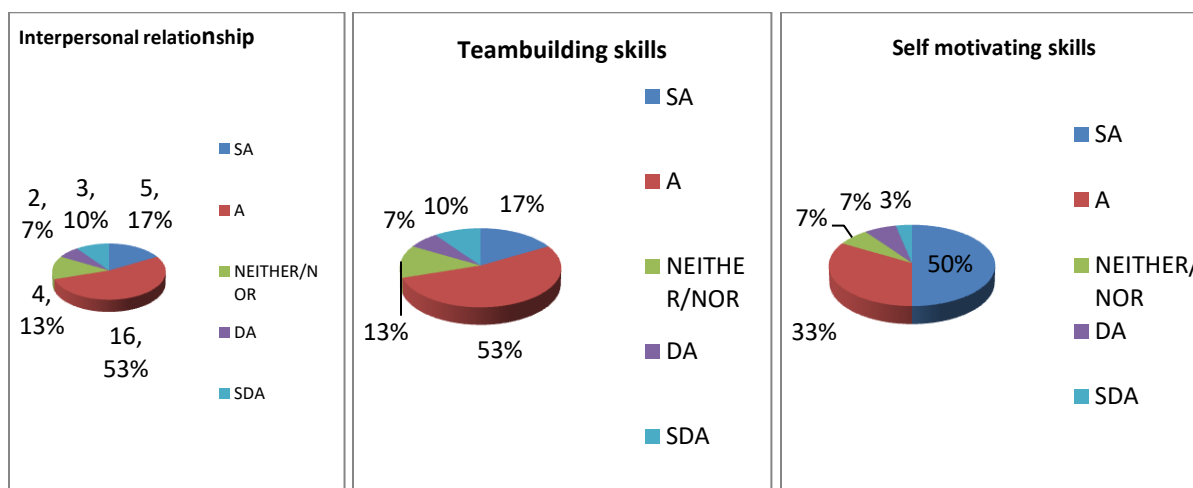
| Particulars | strongly agree | Agree | Neither or Nor | Dis-agree | Strongly disagree | Total |
|--------------------|----------------|-------|----------------|-----------|-------------------|-------|
| No. of Respondents | 9 | 17 | 1 | 3 | 0 | 30 |
| % of Respondents | 30 | 57 | 3 | 10 | 0 | 100 |

Interpretation:

Most of the employees agree that their performance is recognized in the organization

Table
Factors considered while appraising an employees

| Respondent's view | SA | A | NEITHER/NOR | DA | SDA | TOTAL |
|----------------------------|----|----|-------------|----|-----|-------|
| Interpersonal relationship | 8 | 12 | 5 | 3 | 2 | 30 |
| Teambuilding skills | 5 | 16 | 4 | 2 | 3 | 30 |
| Self motivating skills | 13 | 11 | 3 | 2 | 1 | 30 |
| Leadership style | 5 | 18 | 3 | 3 | 1 | 30 |
| Analytical skills | 9 | 15 | 2 | 2 | 2 | 30 |
| Emotional balance | 5 | 16 | 5 | 3 | 1 | 30 |
| Decision making skills | 12 | 11 | 4 | 2 | 1 | 30 |
| Adaptability | 15 | 10 | 2 | 2 | 1 | 30 |



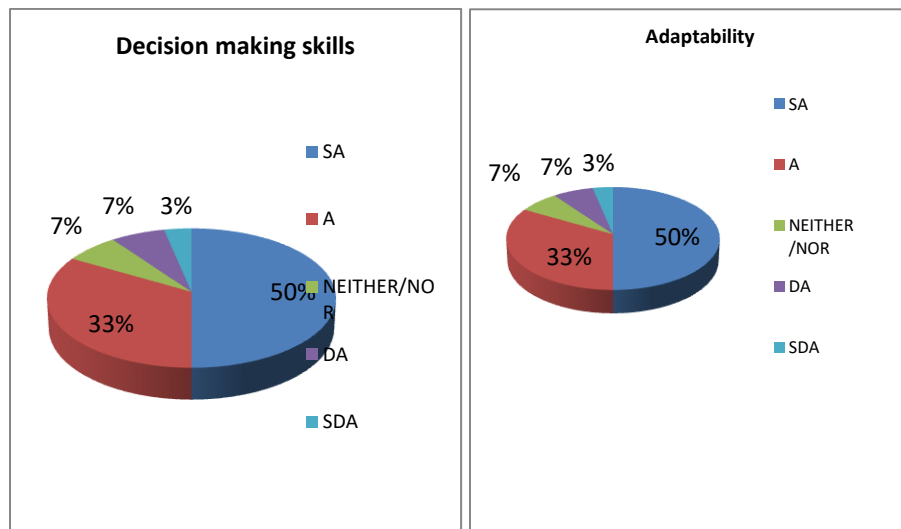
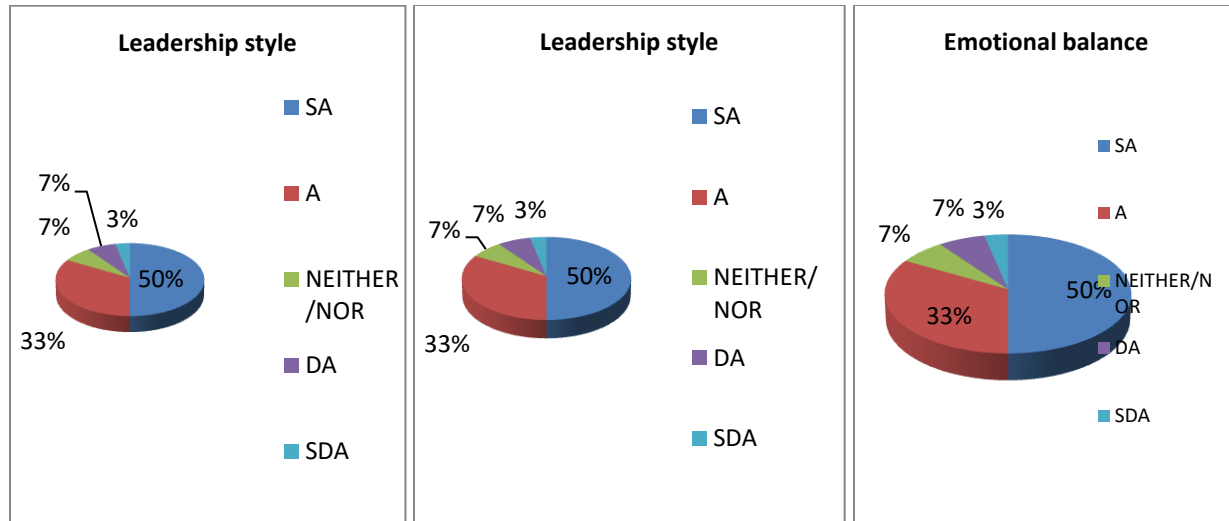


Table
Fair Performance appraisal system

| Respondent's view | No. of Respondents(%) |
|----------------------------|-----------------------|
| Strongly Agree | 27% |
| Agree | 40% |
| Neither Agree Nor Disagree | 17% |
| Disagree | 10% |
| Strongly Disagree | 6% |
| Total | 100% |

Interpretation:

From the above table it has been depicted that out of 30 respondents 27 percent respondents mentioned as strongly agree, 40% respondents mentioned as agree, 17 percent respondents

mentioned as neither or nor, 10 percent respondents mentioned as strongly agree, 6 percent respondents mentioned as strongly agree.

Table
Performance appraisal system provides scope for improvement

| Particulars | Respondents |
|-------------|-------------|
| Yes | 28 |
| No | 2 |
| Total | 30 |

Interpretation

From the above table it is found that out of total 30 employees chosen for the study majority i.e. 28 employees said that Performance appraisal system provides scope for improvement and remaining 5 employees mentioned as it does not provide scope.

H₀: There is no significant impact of fair performance appraisal system and Tenure of employee

| Tenure/fair PA system | SA | A | NEITHER/NOR | DA | SDA | TOTAL |
|-----------------------|----|----|-------------|----|-----|-------|
| 6 months to 1 year | 1 | 2 | 1 | 0 | 0 | 4 |
| 1 year to 5 years | 2 | 2 | 1 | 1 | 1 | 8 |
| 5 years to 10 years | 2 | 5 | 3 | 1 | 1 | 12 |
| 10 years to 15 years | 2 | 1 | 1 | 1 | 0 | 4 |
| 15 years and above | 1 | 1 | 0 | 0 | 0 | 2 |
| | 8 | 12 | 5 | 3 | 2 | 30 |

ANOVA

| Source of Variation | SS | df | MS | F | P-value | F crit |
|---------------------|------|----|-------|----------|----------|----------|
| Rows | 11.6 | 4 | 2.9 | 6.105263 | 0.003516 | 3.006917 |
| Columns | 10.8 | 4 | 2.7 | 5.684211 | 0.004825 | 3.006917 |
| Error | 7.6 | 16 | 0.475 | | | |
| Total | 30 | 24 | | | | |

ANOVA to find out whether there is any significant impact of Tenure of employee and fair performance appraisal system

$\alpha = 0.05$

Accept H₁

Between Rows:

F calculated value= 6.105263 (at Degree of Freedom 4, 16)

Table Value: 3.006917

Since F cal value is > than F table value

Accept H_1

Between Columns:

F calculated value=5.684211(Degree of Freedom 4, 16)

Table Value 3.006917

Since F cal Value > Table Value

Accept H_1

There is a significant impact of tenure on fair appraisal system; hence null hypothesis has been rejected

Conclusions

1. With regard to demographic divide (Tenure) majority of them are the tenure of 5-10 years of experience followed by 1-5 years of experience, It indicates that most of them are working with good number of years of experience in the present organization.
2. With regards to the find whether There is any significant impact of tenure on fair appraisal system. Null Hypothesis has been rejected. Hence, it has been inferred that there is a significant impact of respondent's tenure on fair appraisal system
3. Majority of employees are aware of the performance appraisal system in their organization
4. Employers must engage employees through better training and development to achieve organizational and personal goals.
5. Performances related pay for employees, advice of the employees will progress in their performance. The appraisal system which is made on the aim to improve the employee performance must have a affirmative result on employee's performance. Some time external environmental situations would impact both organization's and employee performance.

References

1. Kamphorst, Jurjenj.A. & Swank Otto H. (2011). The Role of Performance Appraisals in Motivating Employees. Research Journal of Finance and Accounting, www.iiste.org, ISSN 2222-1697 (Paper), ISSN 2222-2847 (Online).
2. Lawler, III. Edward (2010). Performance Management: Creating an Effective Appraisal System. CEO Publication.
3. Fletcher, C (2004) Appraisal and Feedback, Making Performance Review Work, 3rd edition London, CIPD.
4. Murphy, K and Cleveland, J (1995) Understanding Performance Appraisal: Social, Organisational and Global-Based Perspectives. Thousand Oaks, Sage Publication.