

**Performance Appraisal in ITC Kochi**

Ashin K Oommen  
CET School of Management,  
College of Engineering Trivandrum,  
Ph:- 08547846998  
Email:-ashinoommen@gmail.com

Dr.Dhanya J. S.  
Assistant Professor,  
CET School of Management,  
College of Engineering Trivandrum,  
Kerala- 695016  
Ph: 9495502700  
Email:-dhanyajosephine@yahoo.com

Ms. Nima Ravi  
Assistant Professor,  
CET School of Management,  
College of Engineering Trivandrum,  
Kerala- 695016  
Ph: 08891933646  
Email:- nimaravi@gmail.com

**Abstract**

**Purpose** - Appraising the performance of individuals, groups and organization is a common practice. A properly designed appraisal system documents and recognizes the accomplishments and contributions of the employees. An effective performance appraisal system is essential for maintaining and improving employee performance. This study examines the effectiveness of performance appraisal systems followed in ITC Ltd Kerala Branch, Kochi.

**Design/methodology/approach** - This is a descriptive study conducted among the employees of ITC Kochi, with census method covering all the 149 employees. Primary data was collected using a structured questionnaire and the same was analysed using descriptive (frequency plot) and inferential analysis (one way ANOVA, Regression) tools.

**Findings**–The satisfaction level and motivation of the employee are influenced by the performance appraisal system. Though employees of all the department are satisfied with the existing performance appraisal system followed in ITC Kochi, employee motivation of members of different departments varies.

**Keywords:** *Performance Appraisal, Overall Satisfaction, Employee Motivation, Employee Engagement*

## **1. INTRODUCTION**

There are a lot of controversy around the subject of performance appraisal in management discipline. As per Kurt (2004), while business pioneers see the requirement for evaluation frameworks, they are very often disappointed in them as a result of different difficulties that crash its goals. One of the obligations of the board is to guarantee that an association capacities successfully and effectively. So as to accomplish these objectives, administrators must have the option to decide and evaluate execution levels of both an association and its individual workers (Kurt, 2004).

Execution examination has been depicted as an administration apparatus intended to support correspondences in the workplace, improve the nature of work created, and advance individual responsibility. This is the idea supporting the lawful necessity that all offices assess representative exhibition (Derven, 1990). Winston and Creamer (1997) characterize execution evaluation as a hierarchical framework containing conscious procedures for deciding staff achievements, through rating, to improve staff viability.

## **2. METHODOLOGY**

### **2.1 Statement of the problem**

Formal recognition of employee's achievement and their contribution to the organization is necessary for keeping the employees motivated and committed to the organization. A clear link should be established and maintained between performance and reward. Therefore, in every organization, primary objective of performance appraisal is to reward performance and address weaknesses. For employees, performance appraisal system is valuable feedback and instruction mechanism, whereas for managers and supervisors, it is convenient framework to assess performance of employees.

This study thus seeks to examine the effectiveness of performance appraisal systems in ITC Ltd Kerala Branch, Kochi.

### **2.2 Objectives of the study**

- To identify and determine the influence of various factors on the overall satisfaction with existing Performance Appraisal System in ITC Kochi.
- To identify and determine the influence of various factors on the overall motivation

with existing Performance Appraisal System in ITC Kochi.

### **2.3 Research Design**

The purpose of survey research design is to get insights about a large population by getting data from a representative sample, analysing their responses using statistical tools. Finally, drawing inferences about a particular population from the responses of the sample would be possible. Accordingly, the researcher used quantitative approach to test the hypotheses.

### **2.4 Sample, Sample size and Sampling Technique**

**Sample:** Sampling unit refers to a single unit selected to act as a sample for the whole group. The employees working in ITC Kochi were taken as the sampling unit to study their performance appraisal in ITC.

**Sample size:** The sample size is an important feature of any empirical study in which the goal is to make inferences about a population from a sample. The population of study included 149 employees working in ITC.

**Sample Technique:** In this the sampling technique is a method of census by collecting information from the whole sample.

### **2.5 Tool of Data Collection.**

Structured questionnaire was used, consisted of 14 questions.

### **2.6 Tool of Analysis**

One way ANOVA and Regression tools.

## **3. REVIEW OF LITERATURE**

Performance is the outcome of a one's activities. Capacity and inspiration structure a person's presentation (Ainsworth et al.2002). The work performance of the employee and their capacity to meet the future needs of the organization is assessed through performance appraisal (Shelly, 1999). Shelley (1999) conceived the idea of performance appraisal as an organized technique for identifying and evaluating the performance of a employees during a given period and anticipating their future.

Performance appraisal is the process used by the supervisors to evaluate the job-related performance and decides on the allocation of rewards for their supervisees(Cappelli &Conyon, 2018).

Channels (1999) supports Shelley's (1999) argument and he also added that performance appraisal is a "procedure by which associations assess representative execution". Canals

portrays the fundamental motivation behind examinations as serving administrators effectively staff organizations and utilize Human Resources, and, at last, improving profitability.

In like manner, evaluations have gotten increasingly multifaceted, consolidating a wide scope of different strategies to deal with guarantee a viable appraisal process and to help decide the explanations for workers' exhibition (Bodil, 1997).

McGregor in Moats (1999) depicts the three primary utilitarian regions of execution examination frameworks as: authoritative, useful, and inspirational. As indicated by Addison-Wesley (2001), examinations serve an authoritative job by encouraging a deliberate methods for deciding compensation increments and different prizes, and by designating authority and duty to the most competent people.

Channels (1999) calls attention to that best frameworks of evaluating execution are: (1) even minded, (2) applicable, and (3) uniform. Bodil (1997) portrays sober mindedness as significant in light of the fact that it assists with guaranteeing that the framework will be handily comprehended by workers and adequately put without hesitation by directors.

There are odds of restriction for valuation because of dread. In the event that the assessment framework is poor, it won't give sufficient impact. Rater's issues like mercy or brutality mistake, focal inclination blunder, individual predisposition blunder, differentiate blunder are additionally influencing the presentation evaluation of a worker (Rasch 2004).

Concurring to Rasch (2004), supervisors submit botches while assessing workers and their exhibition. A portion of these inclinations are seen by workers as methods for unreasonably deciphering their exhibitions. Inclinations and judgment mistakes of different sorts may ruin the exhibition examination process.

Notwithstanding predisposition, Moats (1999) battles that blemishes in the execution of an evaluation program can be ruinous. Canals refers to the case of supervisors minimizing their representatives since superior surveys would overwhelm the office's spending limit for rewards; or, a few directors utilizing execution examinations to accomplish individual or departmental political objectives, in this manner contorting evaluations.

#### **4. DATA ANALYSIS AND INTERPRETATION**

**OVERALL SATISFACTION WITH PERFORMANCE APPRAISAL SYSTEM**

Source	DF	Sum of squares	Mean squares	F	Pr> F
Model	1	32.652	32.652	317.745	< <b>0.0001</b>
Error	145	14.900	0.103		
Corrected Total	146	47.552			

Equation of the model :

$$4.2PAS = 1.06451587713716 + 0.483997922872995 * 4.2X$$

Where X (Importance, Well assessed by supervisor, Self-Assessment effectiveness, Explicit goals is more effective, Reward motivates better than recognition). PAS is the Performance Appraisal System.

**Inference:** During regression analysis here the p value is 0.0001 which is less than that of the critical value hence the null hypothesis states that there exist no relationship between Performance Appraisal System variables and the overall satisfaction with existing Performance Appraisal System is rejected.

**EMPLOYEE MOTIVATION WITH PERFORMANCE APPRAISAL SYSTEM**

Source	DF	Sum of squares	Mean squares	F	Pr> F
Model	1	17.996	17.996	88.287	< <b>0.0001</b>
Error	145	29.556	0.204		
Corrected Total	146	47.552			

Equation of the model :

$$4.2PAS = 0.93448283744491 + 0.549871532286085 * 1.4Y$$

Where Y(PAS linked to reward, PAS achieves its objectives, Job description are superior, PAS helps identify strengths and weakness, Promotion is purely based on PA), PAS is the Performance Appraisal System.

**Inference:** During regression analysis here the p value is 0.0001 which is less than that of the critical value hence the null hypothesis states that there exist no relationship between Performance Appraisal System variables and the overall motivation with existing Performance Appraisal System is rejected.

### ANOVA

#### OVERALL SATISFACTION WITH DEPARTMENTS

Source	DF	Sum of squares	Mean squares	F	Pr > F
Model	2	0.980	0.490	2.252	0.109
Error	144	31.346	0.218		
Corrected Total	146	32.327			

**Inference:** In the Anova analysis the p value is 0.109 which is greater than that of the critical value hence the null hypothesis states that there exist significant difference between Departments and the employee motivation with existing Performance Appraisal System is accepted.

#### EMPLOYEE MOTIVATION WITH DEPARTMENTS

Source	DF	Sum of squares	Mean squares	F	Pr > F
Model	2	22.158	11.079	62.827	< <b>0.0001</b>
Error	144	25.394	0.176		
Corrected Total	146	47.552			

**Inference:** In the Anova analysis the p value is 0.0001 which is less than that of the critical value hence the null hypothesis states that there exist no significant difference between Departments and the employee motivation with existing Performance Appraisal System is rejected.

## **5. FINDINGS AND RECOMMENDATION**

The satisfaction level and motivation of the employee are influenced by the performance appraisal system. Though employees of all the department are satisfied with the existing performance appraisal system followed in ITC Kochi, employee motivation of members of different departments varies. The examination found that they set up an evaluation framework, and this was to a great extent recognized by all classes of respondents: junior and senior individuals and also there are key execution models that have been created and unmistakably recognized in the appraisal framework. Findings demonstrated that to a huge degree the rules have been created in meeting with labourers and appraisers. Further, respondents demonstrated general comprehension and backing from the different partners on the foundation's appraisal framework. It also revealed that largely, the necessary resources are accessible to execute an effective performance appraisal system in the organisation.

Again, dominant part of the respondents demonstrated that the evaluation procedure is directed reasonably. Most of the respondents further recognized that the examination meet is intended to be helpful. There was proof such that labourers are urged and inspired to take an interest in conversations. It was also discovered that feedback to labourers is typically not provided as announced by respondents. There was also proof to recommend that there is standard audit of progress towards objectives. They proposed that the procedure is directed decently and with the correct expectations of remunerating execution and tending to shortcomings. The study found that the appraisal system facilitated development of skills of staff, and also the process aided in distinguishing efficient components that are hindrances to viable performance.

## **6. CONCLUSION**

This study reveals that relationship exists between several factors for employee engagement with Performance Appraisal System.

After the regression analysis the conclusion is that there exist relationship between Performance Appraisal System variables and the overall satisfaction with existing Performance Appraisal System and also a relationship exist between Performance Appraisal System variables and the employee motivation with existing Performance Appraisal System. After Anova it is found that there is no significant difference between Departments and the overall satisfaction with existing Performance Appraisal System and there is significant difference between Departments and the employee motivation with existing Performance Appraisal System. The organisations should genuinely consider techniques and frameworks that would assist them with directing their examination procedure effectively so that the expected objectives will be feasible and in this manner convert into the organisation's presentations and performance.

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