

## A STUDY ON EMPLOYEE PERFORMANCE

### APPRAISAL IN RPP SELVAM (P) LTD., CHENNAI

G.PURUSHOTHAMAN & K.KRISHNAMURTHY

<sup>1</sup>Research Scholar Thiruvalluvar University, Serkkadu, Vellore, Tamil Nadu, India

<sup>2</sup>Research Supervisor & Guide Department of Commerce Rajeswari Vedachalam

Government. Arts College, Chengalpattu, Tamil Nadu, India

#### ABSTRACT

*Organizations are becoming large and complex with developing industrialization and invention of new technologies, over the year's government intervention in regulating organizational purpose and performance has increased. So the organizations are working towards the success by way of utilizing the greatest human assets.*

*Management must be keenly aware of employee's views. Employee Performance appraisal is a successful means of measuring and acting upon employee's current beliefs and many job-related subjects. In previous years the employees were considered as mere tools for enhancing their production. In the present years the employees were considered as the basic pillar for achieving organizational goals and objectives. Human beings have a certain level of expectation and the fulfillment of these expectations derives happiness and Performance appraisal. We all know that wants are unlimited and resources are limits, so every man's desire is to derive maximum from these minimum resources. There are certain expectations of the employee from the job, they are*

**KEYWORDS:** Government Intervention, Greatest Human Assets & Performance Appraisal

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#### INTRODUCTION

Human Resource Management (HRM) is the function within an organization that focuses on recruitment of, management of, and providing direction for the people who work in the organization. Human Resource Management can also be performed by line managers. It is the organizational function that deals with issues related to people such as compensation, hiring, performance management, organization development, safety, wellness, benefits, employee motivation, communication, administration, and training.

Employee motivation, positive employee morale, rewards and recognition are explored in these resources. What creates motivated, contributing people? How do you maintain high employee morale when people work long hours? How does your reward and recognition system contribute to or deflate employee motivation, positive morale and retention? Answers are here.

#### Objectives

- A study on present effectiveness of Performance appraisal system.
- A Study on the effectiveness of performance appraisal system in RPP IT Solutions, Chennai.

**Limitation**

- The findings and suggestions cannot be generalized for all the processes in RPP IT Solutions for the below reason: As The Study Is Limited Only To The Agents Of The Production Floor At RPP IT Solutions, Chennai, And The Findings Cannot Be Extrapolated To Other Areas.

**METHODOLOGY OF RESEARCH****Research Design:**

The research design is the blue print for fulfilling objectives and answering questions of specific research problem. A research design is purely and simply the framework a plan for a study that guides the collection and analysis of the data.

The research designs used in this project are:

**Descriptive Research**

To describe the characteristics of certain groups. e.g. users of a product with different age, sex etc., to determine whether certain variables are associated. e.g., age and usage of a product.

**Data Collection Method**

The main sources through which data is collected are

Primary data

Secondary data

**Sampling Procedure**

For the study, a “Stratified random sampling” technique was adopted. If the population from which a sample is to be drawn does not constitute a homogenous group, then stratified sampling technique is applied so as to obtain a representative sample. In this technique, the population is stratified into a number of non- overlapping sub population or strata and sample items are selected from each stratum.

For this survey, 4 sections at RPP are considered as strata and simple random sampling is carried out within each section.

**Sample Size**

The sample size is 125 and it is taken from the sampling area of production section consists of agents and support.

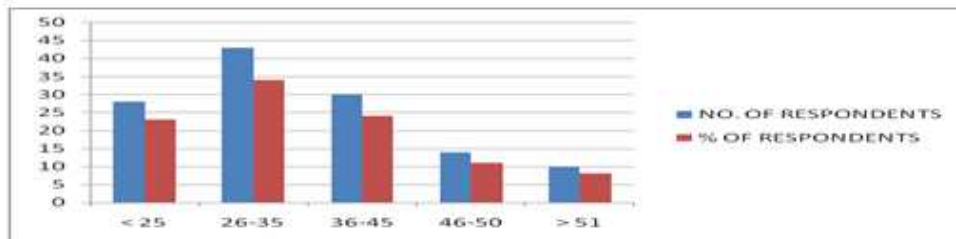
**Statistical tools**

The research consists of two or more variables. The relationships between these have to be studied to interpret and analyze. For this purpose a number of statistical tools can be used.

**Analysis interpretation**

**Table 1: Classification on the Basis of Age**

S. No.	Age	No. of Respondents	% of Respondents
1	< 25	28	23
2	26-35	43	34
3	36-45	30	24
4	46-50	14	11
5	> 51	10	8
	<b>TOTAL</b>	<b>125</b>	<b>100</b>



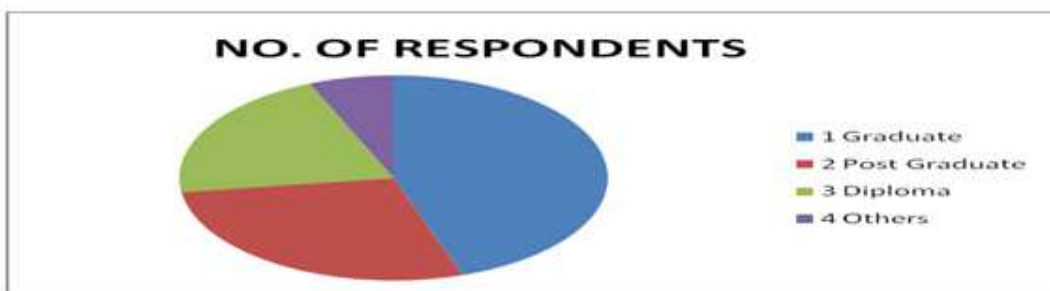
**Figure 1**

**Inference:**

From the above table it is clear that 23% of the respondents are below 25 years of age and 34% of respondents are between 27 –35 years of age and 24% of respondents are between 36 to 45 years of age and 11% of respondents are between 46 to – 50 years of age and 8% of respondents are more than 51 years and above.

**Table 2: Classification of Educational Qualification**

S. No.	Particulars	No. of Respondents	% of Respondents
1	Graduate	56	49
2	Post Graduate	35	26
3	Diploma	26	20
4	Others	8	5
	<b>TOTAL</b>	<b>125</b>	<b>100</b>



**Figure 2**

**Inference**

From the above table it is clear that most of the respondents are Graduate and where as some of them are postgraduates and few of them are Diploma holder.

**Table 3: Awareness of the Performance Appraisal System**

S. No.	Particulars	No. of Respondents	% of Respondents
1	To A Great Extent	48	38
2	To A Limited Extent	70	56
3	Not at All	7	6
<b>TOTAL</b>		<b>125</b>	<b>100</b>

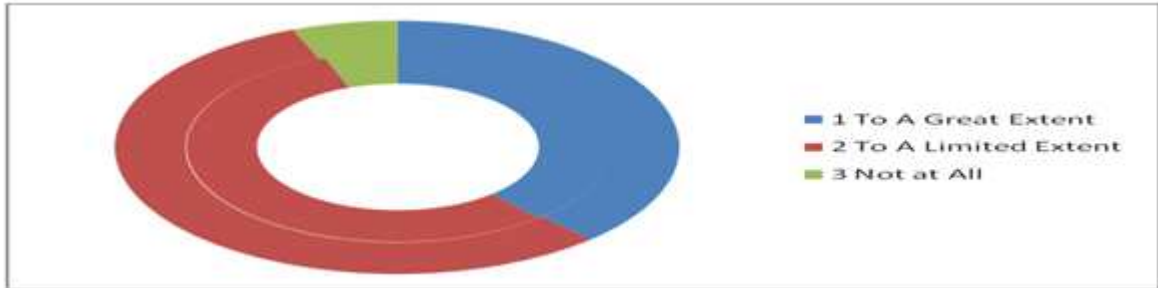


Figure 3

**Inference**

From the above table it is clear that 56% of the respondents' awareness is to a limited extent and 38% of the respondents are to a great extent.

**Table 4: Rating of the Performance Appraisal System**

S. No.	Particulars	No. of Respondents	% of Respondents
1	Good	33	26
2	Satisfactory	74	60
3	Poor	18	14
<b>TOTAL</b>		<b>125</b>	<b>100</b>

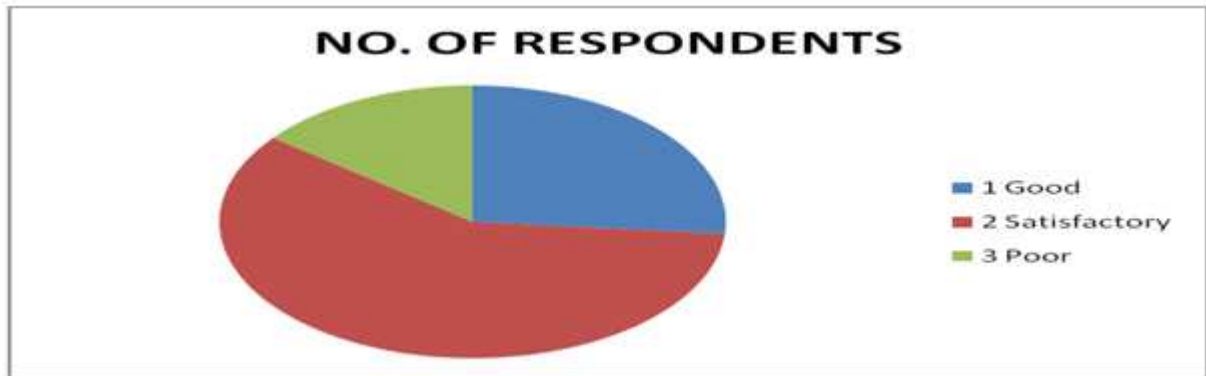


Figure 4

**Inference**

From the above table it is clear that 60% of the respondents rating on the Performance Appraisal System are satisfactory and where as 26% of the respondents rate them as good and 14% of them have rated it as poor.

**Table 5: Understanding between the Superior and Subordinate to Perform Better**

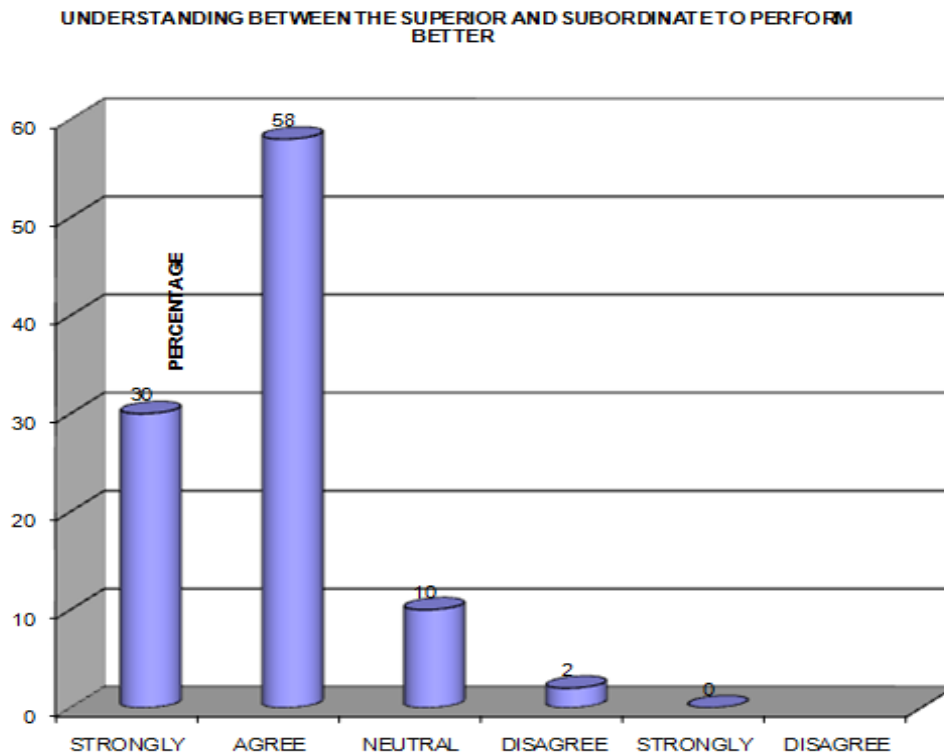
S. No.	Particulars	No. of Respondents	% of Respondents
1	Strongly Agree	40	32

Table 5: Contd.,

2	Agree	68	54
3	Neutral	15	12
4	Disagree	2	2
5	Strongly Disagree	0	0
<b>TOTAL</b>		<b>125</b>	<b>100</b>

**Inference**

From the above table it is clear that 54% of the respondents agree that Performance Appraisal System helps to develop a better understanding between the superior and subordinate to perform better and whereas 32% of them strongly agree.



**Figure 5**

**Table 6: Respondent and Reporting Authority Agree with the Targets Fixed**

S. No.	Particulars	No. of Respondents	% of Respondents
1	Yes	105	84
2	No	20	16
<b>TOTAL</b>		<b>125</b>	<b>100</b>

**Inference**

From the above table it is clear that 84% of the respondents agree with the targets fixed and few of them do not.

FIG RESPONDENT AND REPORTING AUTHORITY AGREE WITH THE TARGETS FIXED

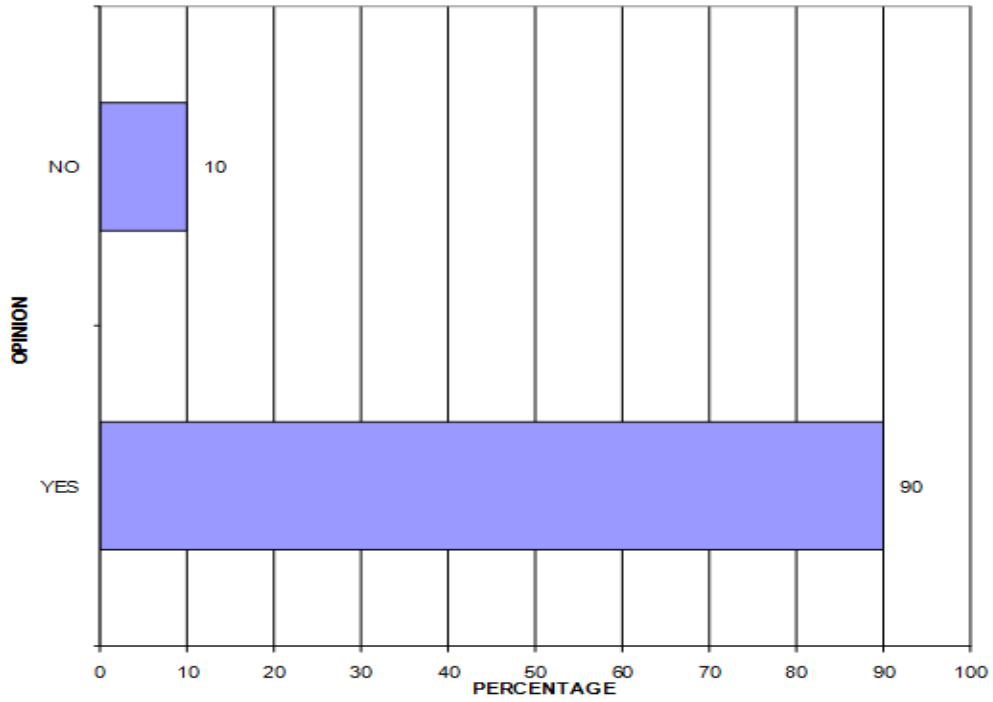


Figure 6

Table 7: Effects of the Targets Given

S. No.	Particulars	No. of Respondents	% of Respondents
1	Attainable	48	38
2	Challenging	60	48
3	Not Realistic	17	14
4	Others	0	0
<b>TOTAL</b>		<b>125</b>	<b>100</b>

**Inference**

From the above table it is clear that 48% of the respondents feel that the targets given are challenging and whereas 38% feel the target are attainable and 12% feels the target are not realistic.

EFFECTS OF THE TARGETS GIVEN

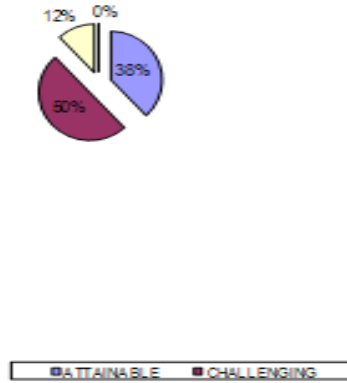


Figure 7

Table 8: Guidance Provided by the Superior

S. No.	Particulars	No. of Respondents	Percentage %
1	Highly Satisfied	15	12
2	Satisfied	78	62
3	Neutral	20	16
4	Dissatisfied	12	10
5	Highly Dissatisfied	0	0
<b>TOTAL</b>		<b>125</b>	<b>100</b>

Inference

From the above table it is clear that 62% of the respondents are satisfied with the guidance provided by the superior and whereas 16% feel it to be neutral and 12% of the respondents are highly satisfied by the guidance provided by the superior.

GUIDANCE PROVIDED BY THE SUPERIOR

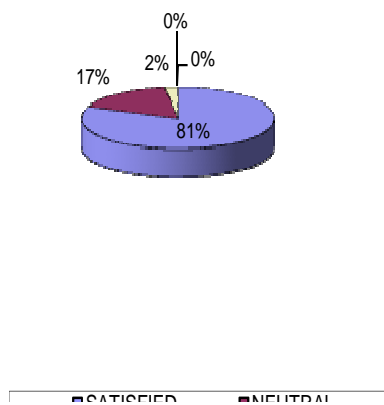


Figure 8

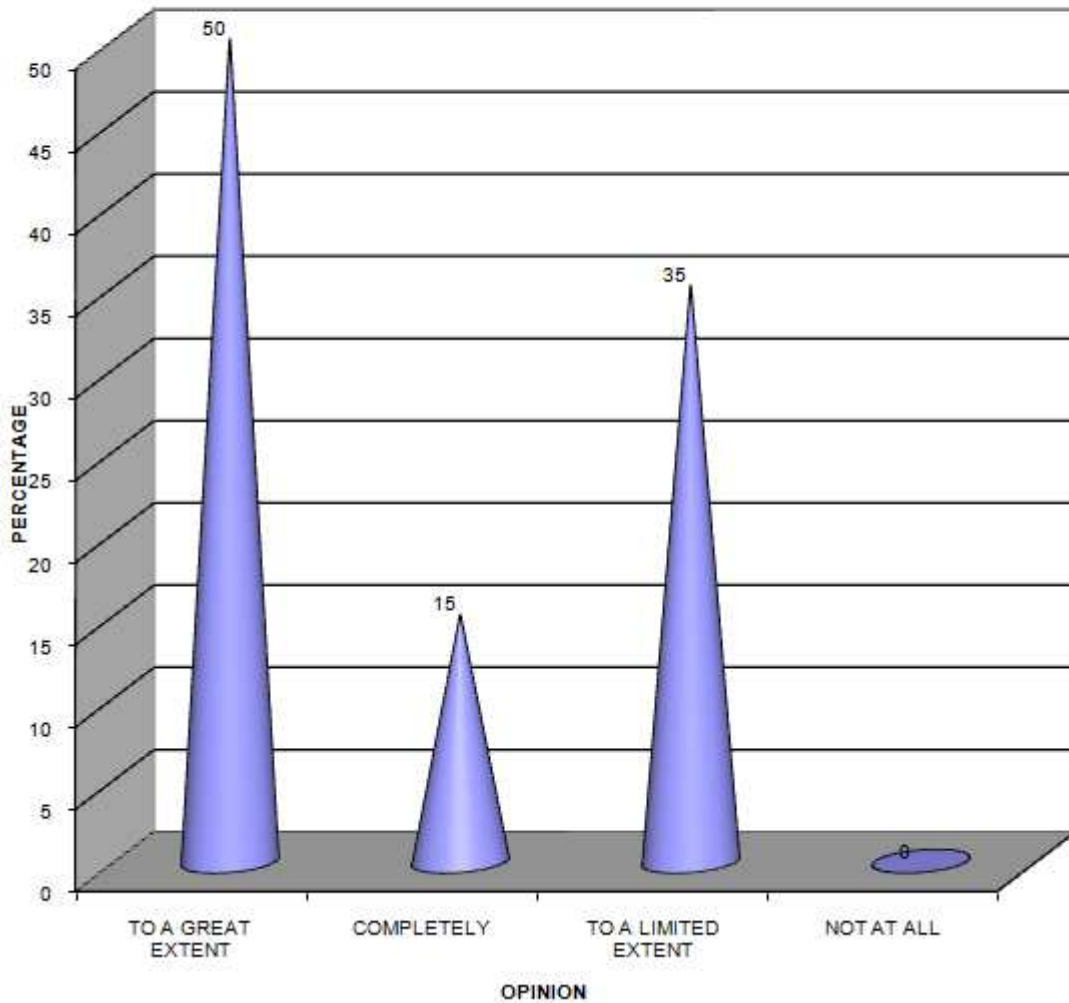
**Table 9: Respondent and the Reporting Authority Agree with the Major Improvement and Achievement**

S. No.	Particulars	No. of Respondents	% of Respondents
1	To A Great Extent	65	52
2	Completely	20	16
2	To A Limited Extent	40	32
3	Not At All	0	0
<b>TOTAL</b>		<b>125</b>	<b>100</b>

**Inferenc**

From the above table it is clear that 52% of the respondents agree to a great extent with the major improvements and achievements and whereas 32% of them agree to a limited extent.

**RESPONDENTS AND THE REPORTING AUTHORITY AGREE WITH THE MAJOR IMPROVEMENT AND ACHIEVEMENT**



**Figure 9**



**CHI – SQUARE:****Hypothesis 1:**

**Null Hypothesis (H0):** There is no significant relationship between Age and agreeing with the target fixed.

**Alternate Hypothesis (H1):** There is significant relationship between Age and agreeing with the target fixed.

**Table 10**

S. No.	Age	Yes	No	Total
1	<25 Yrs	16	2	18
2	26 - 35 Yrs	39	4	43
3	36 - 45 Yrs	18	2	20
4	46 – 50 Yrs	7	1	8
5	>51 Yrs	10	1	11
<b>Total</b>		<b>90</b>	<b>10</b>	<b>100</b>

The expected frequency and CHI square values are calculated and tabulated as follows.

**Table 11**

S. No.	Observed Frequency (O)	Expected Frequency (E)	(O-E) <sup>2</sup> /E
1	16	16.2	0.002
2	2	1.8	0.022
3	39	38.7	0.002
4	4	4.3	0.021
5	18	18	0
6	2	2	0
7	7	7.2	0.006
8	1	0.8	0.05
9	10	9.9	0.001
10	1	1.1	0.009

$$\text{Calculated value} = \sum (O-E)^2/E = 0.113$$

Number of degrees of freedom  $(r - 1) (c - 1) = (5-1) (2-1) = 4$

The table value for degree of freedom 4 at 0.05 level of significance is 9.488

Calculated value < table value. Therefore the null hypothesis is accepted. There is no significant relationship between Age and agreeing with the target fixed.

**Hypothesis 2:**

**Null Hypothesis (H0):** There is no significant relationship between educational qualification and views about target given.

**Alternate Hypothesis (H1):** There is significant relationship between educational qualification and views about target given.

Table 12

S. No.	Qualification	Attainable	Challenging	Not Realistic	Others	Total
1	Graduate	19	25	6	0	50
2	P. G	11	14	4	0	29
3	Diploma	8	10	2	0	20
4	Others	0	1	0	0	1
<b>Total</b>		<b>38</b>	<b>50</b>	<b>12</b>	<b>0</b>	<b>100</b>

The expected frequency and CHI square values are calculated and tabulated as follows.

Table 13

S. No.	Observed Frequency (O)	Expected Frequency (E)	(O-E) <sup>2</sup> /E
1	19	19	0
2	25	25	0
3	6	6	0
4	11	11.02	0
5	14	14.5	0.017
6	4	3.48	0.078
7	8	7.6	0.021
8	10	10	0
<b>Table 13: Contd.,</b>			
9	2	2.4	0.067
10	0	0.38	0.38
11	1	0.5	0.5
12	0	0.12	0.12

Calculated value =  $\sum (O-E)^2/E = 1.183$

Number of degrees of freedom  $(r - 1)(c - 1) = (4-1)(4-1) = 9$

The table value for degree of freedom 9 at 0.05 level of significance is 16.919

Calculated value < table value. Therefore the null hypothesis is accepted. There is no significant relationship between educational qualification and views about target given.

### Hypothesis 3:

**Null Hypothesis (H0):** Participation in performance appraisal meeting has no impact on the feeling of the respondent at the end of the appraisal.

**Alternate Hypothesis (H1):** Participation in performance appraisal meeting has impact on the feeling of the respondent at the end of the appraisal.

Table 14

S.no.	Participation	Delighted	Encouraged to Certain Extent	Discouraged	Don't know	Total
1	Yes	5	29	1	5	40
2	No	8	44	0	8	60
Total		13	73	1	13	100

The expected frequency and CHI square values are calculated and tabulated as follows.

**Table 15**

S.no.	Observed Frequency (O)	Expected Frequency (E)	(O-E) <sup>2</sup> /E
1	5	5.2	0.008
2	29	29.2	0.001
3	1	0.4	0.9
4	5	5.2	0.008
5	8	7.8	0.005
6	44	43.8	0.001
7	0	0.6	0.6
8	8	7.8	0.005

$$\text{Calculated value} = \sum (O-E)^2/E = 1.528$$

Number of degrees of freedom  $(r - 1)(c - 1) = (2-1)(4-1) = 3$

The table value for degree of freedom 3 at 0.05 level of significance is 9.837

Calculated value < table value. Therefore the null hypothesis is accepted. Participation in performance appraisal meeting has no impact on the feeling of the respondent at the end of the appraisal.

#### Hypothesis 4:

**Null Hypothesis (H0):** There is no significant relationship between Benefit gained through performance appraisal and Modification in the present performance appraisal.

**Alternate Hypothesis (H1):** There is significant relationship between Benefit gained through performance appraisal and Modification in the present performance appraisal.

**Table 16**

S.no.	Benefits of Performance Appraisal	Yes	No	Total
1	Career development	19	16	35
2	Fixing of targets	1	1	2
3	Pay revision	6	4	10
4	All the above	29	24	53
<b>Total</b>		<b>55</b>	<b>45</b>	<b>100</b>

The expected frequency and CHI square values are calculated and tabulated as follows.

**Table 17**

S. No.	Observed Frequency (O)	Expected Frequency (E)	(O-E) <sup>2</sup> /E
1	19	19.25	0.003
2	16	15.75	0.004
3	1	1.1	0.009
4	1	0.9	0.011
5	6	5.5	0.045
6	4	4.5	0.055
7	29	29.15	0
8	24	23.85	0

$$\text{Calculated value} = \sum (O-E)^2/E = 0.116$$

Number of degrees of freedom  $(r - 1)(c - 1) = (4-1)(2-1) = 3$

The table value for degree of freedom 3 at 0.05 level of significance is 7.815

Calculated value < table value. Therefore the null hypothesis is accepted.

There is no significant relationship between Benefit gained through performance appraisal and Modification in the present performance appraisal.s

## WEIGHTED AVERAGE ANALYSIS

### Ratings

Good: 3, Satisfactory: 2, Poor: 1

Table 18

S. No.	Age	Good	Satisfactory	Poor	Weighted Score	Weighted Average (3)
1	<25 Yrs	4	11	3	37	0.37
2	26 - 35 Yrs	10	27	6	90	0.9
3	36 - 45 Yrs	5	13	2	43	0.43
4	46 – 50 Yrs	2	5	1	17	0.17
5	>51 Yrs	2	8	1	23	0.23

### Inference

It is inferred that the employees have age between 26 – 35 are more satisfied with the present performance appraisal system than the others.

### Ratings

Strongly Agree (SA): 5

Agree (A): 4

Neutral (N): 3

Disagree (D): 2

Strongly Disagree (SD): 1

Table 19

S. No.	Agreeing with Improvements & Achievements	SA	A	N	D	SD	Weighted Score	Weighted Average (5)
1	Completely	4	9	2	0	0	60	0.60
2	To a great extent	15	29	5	1	0	208	2.08
3	To a limited extent	1	20	3	1	0	146	1.46
4	Not at all	0	0	0	0	0	0	0

### Inference

It is inferred that the employees and authority agreeing to the achievements and improvements to a great extent have better understanding.

**Ratings**

**Highly Satisfied (HS):** 5

**Satisfied (S):** 4

**Neutral (N):** 3

**Dissatisfied (D):** 2

**Highly Dissatisfied (HD):** 1

**Table 20**

S. No.	Awareness about Performance Appraisal	HS	S	N	D	HD	Weighted Score	Weighted Average (5)
1	To a great extent	4	28	5	1	0	149	1.49
2	To a limited extent	6	44	9	1	0	235	2.35
3	Not at all	0	1	1	0	0	7	0.07

**Inference**

It is inferred that the employees have limited awareness about performance appraisal satisfied with the guidance provided by their superior.

**Rank Correlation:**

X - Performance Appraisal system helps to develop a better understanding between the superior and subordinate to perform better.

Y - Satisfied with the guidance provided by your superior

**Table 21**

X	Rx	Y	Ry	D = (Rx - Ry)	D <sup>2</sup>
30	2	10	3	1	1
58	1	73	1	0	0
10	3	15	2	1	1
2	4	2	4	0	0
0	0	0	0	0	0

$\sum D^2 = 2$

$$\text{Rank Correlation co-efficient} = 1 - \frac{6 \sum D^2}{N(N^2 - 1)}$$

**D:** Difference between the ranks

**N:** rank (max)

$$\text{Rank correlation Coefficient} = 1 - \frac{6(2)}{5(5^2 - 1)}$$

= 0.9

The rank correlation coefficient is positive = 0.9

The better guidance provided by the superior has an impact on the understanding between the superior and subordinate to perform better.

## FINDINGS

- Most of the employees in the organization are between the age group of 26 - 35.
- It has been found that most of the employees in the company have at least five years of experience.
- It is inferred that most of the employees are satisfied with their job
- It is seen that most of the respondents are Graduates and Post graduates
- Most of them in the company are aware of the existing performance appraisal system to limited extent.
- It is inferred that most of the employee's agree that performance appraisal system helps in better understanding between superior and subordinate to perform better.
- Most of the respondents in the organization do not participate in the Performance appraisal meetings.
- It is observed that most of the respondents are satisfied with the guidance provided by the superior.
- It is inferred that the major barrier experienced by the employees while undergoing performance appraisal is insufficient time.
- It is inferred that most of the employees feel that modification is necessary for the method of performance appraisal system conducted in the company.

## SUGGESTIONS

- Team leaders may understand the employees competencies, and the tasks can be assigned accordingly and then assess their performance periodically.
- The existing performance appraisal system may have more provisions to have exposure in such a way that all the employees participate in the performance appraisal review meetings.
- The superiors may emphasis on guiding their team members in order to accomplish the improvement in their performance, subsequently achieving the original goal.
- The performance appraisal system may be used effectively to motivate the employees to attain the departmental and organization targets to the employees.
- The sufficient time may be given to the employees to fulfill the procedures of performance appraisal to make the system more productive and effective.

## CONCLUSIONS

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. Effective implementation of these

suggestions of this study will enhance the process of performance appraisal and it directs the teams and employees to accomplish the objective of the organization.

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