A STUDY ON PERFORMANCE APPRAISAL OF AUTOMOBILE INDUSTRIES, AT CHENNAI, TAMILNADU

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ABSTRACT

Today, performance appraisal (PA) has increasingly become part of a more strategic approach to integrating HR activities and business policies and may now be seen as a standard term covering a variety of activities through which organizations seek to assess employees and develop their competence, improve performance and share out rewards. The success of an organization depends on the performance of the employees and it is the human tendency to judge everything and everyone around them. If there are no fixed standards of judging they will start judging based on informal standards that can create lack of enthusiasm and impact the performance of the employee and in turn, the organization. Hence, it is essential that we set the right standards to judge the performance of the employees. At a strategic level, the need for speedy and effective organizational change in today's vibrant social, economic, and political environment requires that employees continually re-align their performance with the sprouting goals and objectives of the organization.

KEYWORDS: Performance appraisal, motivation, Affective commitment, Work performance, Turnover

INTRODUCTION

Performance appraisal has been defined as any personal decision that affects the status of employee regarding their retention, termination, promotion, transfer, salary increase or decrease or admission into a training programme. According to Sir Wayne Cascio. "Performance appraisal is the systematic description of an employee's job relevant strengths and weaknesses." Performance appraisal “it is the systematic evaluation of the individual with respect to his or her performance on the job and his or her potential for development.”According to Flippo, “performance of whom which is appraised is known as appraisee and his superior officer who does the appraisee is known as appraiser.

Performance Appraisal is the systematic evaluation of the performance of employees and to understand the abilities of a person for further growth and development. Performance appraisal is generally done in systematic ways which are as follows: a) The supervisors measure the pay of employees and compare it with targets and plans..b) The supervisor analyses the factors behind
work performances of employees..c) The employers are in position to guide the employees for a better performance.

FEATURES OF PERFORMANCE APPRAISAL (PTPAPT)

(P). Performance appraisal is the systematic description of an employee’s job relevant strengths and weaknesses. (T). The basic purpose is to find out how well the employee is performing the job and establish a plan of improvement. (P). Performance appraisal is not job evaluation. It refers to how well someone is doing the assigned job. Job evaluation determines how much a job is worth to the organization and therefore, what range of pay should be assigned to the job. (A). Appraisals is arranged periodically according to a definite plan. (P). Performance appraisal is a continuous process in every large scale organization. (T). Basic for determining wage system and incentive systems.

OBJECTIVES

- To study the performance appraisal system followed in Automobile Industries, at Chennai
- To measure the effectiveness of performance appraisal conducted in the organization.
- To measure the satisfaction level of the employees with regard to the present method of performance appraisal.
- To study about the satisfaction level of communication of feedback by appraiser to appraise.

LIMITATIONS

- The study is concerned only with in the Automobile Industries around Chennai region.
- The sample size is confined to 100 respondents.
Some of the employees were reluctant to fill up the questionnaire, as they are feared to give negative aspects against management

**RESEARCH METHODOLOGY**

**DESIGN OF STUDY:**
Research methodology is a way to solve the research problem systematically it may be understood as a science of studying how search is done scientifically study. We study the various steps that all generally adopted by a researcher in studying problem along with the logic behind them.

**RESEARCH TYPE:**
A study which wants to portray the characteristics of a group or individual situation is known as descriptive study. The main characteristic of this method are that researcher has no control over the variables. He can only report what has happened and what is happening.

**COLLECTION OF DATA:**
The researcher approached the employees individually questions were asked and information was collected. Questions were explained so as to avoid ambiguity. The employees were found co-operative. And secondary data was also collected from books, journals, magazines and websites.

**RESEARCH PLAN - SAMPLE:**
The single number of population is referred to as population element when some of the elements are selected with the intention of finding out something about the population from which they are taken the group of element is referred as sample and the process of selection is called sampling. The employees were taken as the sampling area to conduct the survey for the purpose of study. Probability sampling is used in this study. Convenience sampling was also used to determine the sample size for the employees. The sample size of the study is 100.

**STATISTICAL TOOLS USED:**
The research tools used are percentage analysis waited frequency distribution ranking and statistically chart.

Percentage analysis = \( \frac{\text{No. of respondent}}{\text{Total respondent}} \times 100 \)

**CHI-SQUARE TEST:**
The chi-square test is one of the simplest and most widely used statistical tools. The chi-square test was first used by “Karl Pearson” in the year 1890.

Uses of chi-square test:
1. It is a non-parametric test, which is used for testing the hypothesis, when distribution of population is not known and when the nominal data is to be analyzed.
2. With the help of chi-square test, we can find out whether two of more attributes are associated or not.
ANALYSIS AND INTERPRETATION

INFERENCE:
From above table we infer that 56% of the respondents fall under the department of Non-technical, 44% of the respondents fall under the department of technical.

AWARE OF THE PERFORMANCE APPRAISAL SYSTEM IN YOUR ORGANIZATION

INFERENCE:
From the above table we infer that 62% of the respondents are fully aware of performance appraisal of the organization, 30% of the respondents are partly aware to the statement, 8% of the respondents are little aware to above said statement.

PERFORMANCE APPRAISAL PROCEDURE IS COMMUNICATED IN ADVANCED TO YOU

Source: Questionnaire Nature of data: Primary data
INFERENCE:
From the table we infer that 68% of the respondents felt that performance appraisal procedure is communicated in advance sometimes only, 26% of the respondents says not at all, 6% of the respondents feel often to the above statement.

UNDERGONE PERFORMANCE APPRAISAL

![Bar chart showing percentage of respondents undergoing performance appraisal](image)

Source: Questionnaire Nature of data: Primary data

INFERENCE:
From the above table we infer that 56% of the respondents have undergone performance appraisal quarterly, 34% of the respondents have undergone yearly, 10% of the respondents have undergone half yearly performance appraisal regarding.

SATISFACTION LEVEL OF PERFORMANCE RATING SCALE

![Bar chart showing satisfaction level](image)

Source: Questionnaire Nature of data: Primary data

INFERENCE:
From the table we infer that 48% of the respondents are dissatisfied with the performance rating scale, 34% of respondents are satisfied to the above statement, 18% of the respondents are highly dissatisfied to the above statement.

IDENTIFY THE STRENGTHS AND WEAKNESS

![Bar chart showing strengths and weaknesses](image)

Source: Questionnaire Nature of data: Primary data
INFERENCE
From the above table we infer that 48% of the respondents agreed that, the appraisal system helps them to identify their strengths and weakness, 30% of the respondents disagree to the statement, 16% of the respondents totally disagree to the statement and above, 6% of the respondents totally agreed to the above statement.

USE OF PERFORMANCE APPRAISAL SYSTEM

![Bar chart showing the use of performance appraisal system]

Source: Questionnaire Nature of data: Primary data

INFERENCE:
From the above table it is inferred that 48% of the respondents felt that performance appraisal system improves job knowledge, 30% of the respondents felt it has improved job satisfaction, 16% of the respondents felt productivity has improved and above 6% of the respondents felt that performance appraisal has improved their skills

THE MOST APPROPRIATE PERSON TO APPRAISE

![Bar chart showing the most appropriate person to appraise]

Source: Questionnaire Nature of data: Primary data

INFERENCE:
From the table it is found out that 40% of the respondents feel that the most appropriate persons to appraise is self, 30% of the respondents feel supervises are opt to the statement, 16% of the respondents feel subordinates to the above statement and about 14% of the respondents feel that all of the above statement.
SATISFACTION LEVEL WITH THE PRESENT PERFORMANCE APPRAISAL

**INFERENCE:**
From the above table we infer that 56% of the respondents are satisfied with the present method of performance appraisal, 22% of the respondents are dissatisfied to the statement, 12% of the respondents are highly dissatisfied to the statement, and 10% of the respondents are highly satisfied to the above statement.

RATING THE PRESENT PERFORMANCE APPRAISAL SYSTEM

**INFERENCE:**
From above table we infer that 42% of the respondents rate the present appraisal system as good, 38% of respondents prefer average rate to the statement, 14% of the respondents prefer poor rate to the statement, 6% of the respondents prefer very good rate to the above statement.

SELF MOTIVATION TO WORK

**INFERERENCE:**
From above table we infer that 62% of the respondents totally agree, 22% of respondents agree, 10% of respondents are neutral, and 6% of the respondents are disagree to the above statement.
INFERENCE:
From the above table we infer that 62% of the respondents agree that the performance appraisal system help them on self motivation to work better, 22% of the respondents disagree to the statement, 10% of the respondents totally disagree to the statement, 6% of the respondents totally agree to the above said statement.

INFERENCE:
From the above we infer that 52% of the respondents feel that they do not get any incentives for their performance in the job, 42% of the respondents feel it to be sometimes, 6% of the respondents feel always they get incentives for their performance in the jobs.

INFERENCE:
From the above table we infer that 62% of the respondents feel that they are sometimes satisfied with the type of encouragement given to them by their appraiser, 20% of the respondents feel not at all to the statement, 10% of the respondents feel often to the statement, 8% of the respondents feel always they are satisfied with.
THE PERFORMANCE RATING IS BASED ON THE OVERALL WORK BEHAVIOUR

Source: Questionnaire Nature of data: Primary data

INFERENCE:
67% of the respondents was accepted about the performance rating based on the overall work behavior 33% of them were not accepted with the statement.

PERFORMANCE ON THE JOB POSITIVELY APPRECIATED

Source: Questionnaire Nature of data: Primary data

INFERENCE:
72% of the respondents replied that the performance on the job positively appreciated and 28% of them were not accepted with the statement.

PERFORMANCE APPRAISAL HELPS TO ACHIEVE INDIVIDUAL GOALS AND AS WELL AS ORGANIZATIONAL GOALS

Source: Questionnaire Nature of data: Primary data.

INFERENCE:
From the above table it is inferred that 62% of the respondents agree that, performance appraisal system helps to achieve the individual as well as the organizational goals, 16% of the respondents disagree to the statement, 12% of the respondents strongly disagree towards this statement, 10% of the respondent strongly to this statement.
PERFORMANCE APPRAISAL IS A BASIS FOR TRAINING NEED IDENTIFICATION

Source: Questionnaire Nature of data: Primary data.

INFERENCES:
From the above table it is found that 60% of the respondents agree that, the performance appraisal system lies as base for training need identification, 20% of the respondents disagree towards the statement, 12% of the respondents strongly agree to this statement, 8% of the respondents strongly disagree towards the statement explained above.

CHI-SQUARE TEST
EXPERIENCE VS SATISFACTION OF THE PRESENT METHOD OF PERFORMANCE APPRAISAL

<table>
<thead>
<tr>
<th>Experience</th>
<th>Satisfied</th>
<th>Dissatisfied</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-20</td>
<td>20</td>
<td>8</td>
<td>28</td>
</tr>
<tr>
<td>Above 21</td>
<td>46</td>
<td>26</td>
<td>72</td>
</tr>
<tr>
<td>Total</td>
<td>66</td>
<td>34</td>
<td>100</td>
</tr>
</tbody>
</table>

HYPOTHESIS:
NULL HYPOTHESIS
Ho: There is no significant different between employees experience and satisfaction of the present method of performance appraisal.

ALTERNATIVE HYPOTHESIS
H1: There is a significant different between employees experience and satisfaction of the present method of performance appraisal.

O-OBSERVED FREQUENCY  E-EXPECTED FREQUENCY

<table>
<thead>
<tr>
<th>O</th>
<th>E</th>
<th>(O-E)</th>
<th>(O-E)^2</th>
<th>(O-E)^2/E</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>18.48</td>
<td>1.52</td>
<td>2.31</td>
<td>0.125</td>
</tr>
<tr>
<td>8</td>
<td>9.52</td>
<td>-1.52</td>
<td>2.31</td>
<td>0.242</td>
</tr>
<tr>
<td>46</td>
<td>47.52</td>
<td>-1.52</td>
<td>2.31</td>
<td>0.048</td>
</tr>
<tr>
<td>26</td>
<td>24.48</td>
<td>1.52</td>
<td>2.31</td>
<td>0.094</td>
</tr>
</tbody>
</table>

\[
\sum(O-E)^2/E = 0.509
\]

The calculate value is = 0.509

Degrees of freedom = (r-1)(c-1)
= (2-1)(2-1)
= 1

Table value = 3.841
Calculated value is less than table value (i.e., 0.509 < 3.841) So Ho is accepted.
RESULT:
Hence, there is no significant difference between respondents experience and satisfaction of the present
method of performance appraisal.

CORRELATION
HYPOTHESIS:
H₀: There is no significant difference between age and life standard
H₁: There is significant difference between age and life standard

<table>
<thead>
<tr>
<th>X</th>
<th>Y</th>
<th>X²</th>
<th>Y²</th>
<th>XY</th>
</tr>
</thead>
<tbody>
<tr>
<td>36</td>
<td>82</td>
<td>1296</td>
<td>6724</td>
<td>2952</td>
</tr>
<tr>
<td>64</td>
<td>18</td>
<td>4096</td>
<td>324</td>
<td>1152</td>
</tr>
</tbody>
</table>

ΣX=100  ΣY=100  ΣX²=5392  ΣY²=7048  ΣXY=4104

Solution = ΣXY/√ΣX² √ΣY²
           = 5392/73.43*83.95
           = 0.6658

Calculated value <1, H₁ is accepted i.e. 0.6658 < 1

CONCLUSION
Since the calculated value is less than 1, we accept H₁ i.e. there is significant difference between age and
life standard.

CALCULATION OF INTERVAL ESTIMATION
Interval estimation for the population proportion at 95% confidence interval
FORMULA:
P+1.96 √ pq/n       P-1.96 √pq/n
P = states the no of yes   Q = states the no of no   N = no of response
p=72/100      q=1-p      q= 1-0.72
=0.72          =0.28

Standard error
=√ pq/n
100
= (0.72+1.96*0.045) (0.72-1.96*0.045)
= (0.8082, 0.6318) = (63.18% -80.82%)

Making lies between = (63.18% -80.82%)

RESULT: At 95% of confidence interval, the respondents who were enable to bring out
strength in decision.

FINDINGS
- 62% of the respondents were aware of performance appraisal of the organization.
- 68% of the respondents felt that performance appraisal procedure is communicated in advanced
  sometimes only.
- 48% of the respondents were dissatisfied with the performance rating scale.
- 48% of the respondents agreed that appraisal system helps them to identify the strength and
  weakness.
- 48% of the respondents felt that performance appraisal system improves job knowledge.
- 56% of the respondents felt that they always get assistance and guidance to improve their
  performance.
62% of the respondents agreed that the performance appraisal system helps them on self-motivation to work better.

52% of the respondents felt that they do not get any incentives for their performance in the job.

44% of the respondents felt that they were sometimes providing with adequate to feedback for their performance.

62% of the respondents felt that they were satisfied with the type of encouragement given to them by their appraiser.

67% of the respondents was accepted about the performance rating based on the overall work behavior 33% of them were not accepted with the statement

58% of the respondents agreed that the skills rated in the performance appraisal system are very much essential for their job performance.

62% of the respondents agreed that the performance appraisal system helps to achieve the individual as well as the organizational goals.

82% of respondents said yes that the employees based on the performance appraisal increases the confidence level of employee.

SUGGESTIONS
✓ The organization may take steps to communicate performance appraisal procedure in advance to employees.
✓ Performance appraisal may help the employee to identify developmental needs.
✓ Performance appraisal may help self motivation of employee to work ‘better’
✓ Feedback regarding performance appraisal may be provided to employees to motivate them.
✓ Partiality of treatment should be avoided at the time of rating.
✓ Organization may take steps to improve the present performance appraisal system.

CONCLUSION
From the study it has been clear that most of the selected respondents’ degree of satisfaction is not high level with the current appraisal method hence, it is necessary to implement a suitable system of performance evaluation in the business and also applying of motivational mechanisms and paying attention to the motivation level of employees could result in employees’ satisfaction of assessment. And such satisfaction will by itself resulted in pleasing to the eye of work performance and effective commitment and employees’ affinity to remain in the organization.

REFERENCE


http://www.cmcltd.com/careers/working_with_cmc.htm


