



PERFORMANCE APPRAISAL MANAGEMENT - A MOTIVATION TO EMPLOYEE

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Cite This Article: Dr. G. Vignesh & C. Princy, "Performance Appraisal Management - A Motivation to Employee", International Journal of Scientific Research and Modern Education, Volume 7, Issue 1, Page Number 74-77, 2022.

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Abstract:

Human resource managers have traditionally accorded employee performance as a prime focus. As a result, several performance appraisal techniques have been devised to help establish employee performance. In contemporary times, performance appraisals have been extended beyond rating the employee's performance to aspects such as motivation. Accordingly, this study sought to investigate the effectiveness of performance appraisal systems and their effect on employee motivation. The study's primary objectives pertained to establishing the moderating role of performance appraisal as a motivation tool and potential challenges. The study findings show significant positive outcomes when the organization uses performance appraisal as a motivation tool. Further, the study finds that more than one appraisal technique helps yield greater satisfaction and, consequently, higher motivational levels. The specific aspects of performance appraisal systems (PAS) that help improve motivation include linking performance to rewards, using the PAS to help set objectives and benchmarks, and using PA to help identify employees' strengths and weaknesses.

Key Words: Performance, Appraisal, Motivation, Employee.

Introduction:

Performance appraisal is a widely discussed concept in the field of performance management. The importance of performance appraisal systems partly arises from the nature of the current business environment, which is marked by the need to achieve organizational goals and remain relevant in intensely competitive markets through superior employee performance. Within this context, various studies suggest that organizations can hardly control the behaviour of their employees. The organizations can however control how employees perform their jobs. In addition, performance management research shows that a significant number of employees tend to have the desire to serve their jobs well as part of their individual goals and a demonstration of loyalty towards the organization. Arguably, the key to ensuring that employees perform well lies in the ability to provide them with the proper working environment. Such an environment generally includes fair treatment, support, effective communication, and collaboration. According to experts, these qualities are created by an effective performance appraisal system.

Objective of the Study:

- To establish and explore the link between performance appraisal and employee motivation.
- To analyze the types of performance appraisal, motivation, and their effectiveness

Scope of the Study:

- To analyze the Performances Appraisal procedures (PA)
- To study the effectiveness of Performances Appraisal
- To know employee opinions about Performances Appraisal
- To understand the transformation of performance appraisal from traditional to modern
- To get an insight into the relative importance of performance appraisal in an organization

Methodology of the Study:

The research design adopted for the study is Explorative & Conclusive research design. A Questionnaire with 40 questions was designed to capture employees' raw data and responses. Nearly 90 random employees in managerial positions were chosen as a sample for data collection in the study.

Tools Involved:

Quantitative data obtained from the questionnaire responses were analyzed through the use of statistical packages, namely

- Simple Percentage analysis
- Chi-Square test

Period of Study:

The time period of study was from (1.03.2022) to (4.05.2022). Two months period is taken for this study on Performance Appraisal with Reference to employees in HDFC Bank.

Type of Sampling:

The simple Random sampling technique made it possible for respondents of varying ages, gender, experience, and other demographics to participate in the study. The reason for choosing this sampling technique is to achieve an unbiased, conclusive, and more representative outcome at the end of the study.

Simple Percentage Analysis:**Age:**

| | | |
|--------------|----|------|
| Less than 30 | 23 | 26% |
| 30-40 | 38 | 42% |
| 40-50 | 21 | 23% |
| 50 & above | 8 | 9% |
| Total | 90 | 100% |

Out of 90 employees under study, it is depicted that 38(42%) employees age is between 30-40, remaining 23(26%) are less than 30 and 21(23%) employees age is between 40-50 and 8(9%) employees are 50 & above.

Gender:

| | | |
|--------|----|------|
| Male | 45 | 50% |
| Female | 45 | 50% |
| Total | 90 | 100% |

Out of 90 employees under study, it is depicted that 45(50%) employees are male and 45(50%) employees are female. (Equal number of male and female)

Position:

| | | |
|----------------------|----|------|
| Branch Manager | 9 | 10% |
| Relationship Manager | 9 | 10% |
| Accountant | 16 | 18% |
| Finance Manager | 14 | 16% |
| Investment Banker | 13 | 14% |
| Bank Teller | 11 | 12% |
| Other | 18 | 20% |
| Total | 90 | 100% |

Out of 90 employees under study, it depicted that 18(20%) employees are in other position like Credit Manager, Sales Manager, Account Executive, Loan Processor, Welcome Desk, etc., 16(18%) are Accountant, 14(16%) are Finance Manager, 13(14%) are Investment Banker, 11(12%) are Bank Teller, 9(10%) are Relationship Manager and 9(10%) are Branch Manager.

Experience:

| | | |
|---------------|----|------|
| Below 5 years | 34 | 38% |
| 5-10 years | 38 | 42% |
| Above 10 | 18 | 20% |
| Total | 90 | 100% |

Out of 90 employees under study, it is depicted that 38(44%) employees experience is between 5 to 10 years, 34(38%) employees experience is below 5 years and 18(20%) employees experience is above 10.

Interaction with Upper Level Management:

| | | |
|--------|----|------|
| Daily | 36 | 40% |
| Weekly | 24 | 27% |
| Rarely | 30 | 33% |
| Total | 90 | 100% |

Out of 90 employees under study, it is depicted that 36(40%) employees are daily interacting with their upper level management, 30(33%) employees are interacting rarely with their upper level management and 24(27%) employees are weekly interacting with their upper level management.

Period of Performance Appraisal:

| | | |
|-----------|----|------|
| Quarterly | 52 | 58% |
| Yearly | 38 | 42% |
| Total | 90 | 100% |

Out of 90 employees under study, it is depicted that 52(58%) employees period of Performance Appraisal is Quarterly and remaining all 38(42%) employees period of Performance Appraisal is yearly.

Objective of Performance Appraisal:

| | | |
|-----------|----|-----|
| Promotion | 69 | 44% |
|-----------|----|-----|

| | | |
|------------|-----|------|
| Training | 22 | 14% |
| Incentives | 54 | 34% |
| Other | 12 | 8% |
| Total | 157 | 100% |

Out of 90 employees under study, Objective of Performance Appraisal is depicted that, 69(44%) for promotion, 54(34%) for incentives, 22(14%) for training and 12(8%) for other.

Performance Appraisal are Related To:

| | | |
|--------------------------|-----|------|
| Retention of employees | 27 | 27% |
| Recruitment System | 17 | 17% |
| Development of employees | 41 | 41% |
| All of these | 15 | 15% |
| Total | 100 | 100% |

Out of 90 employees under study, Performance Appraisal is depicted that, 41(41%) for Development of employees, 27(27%) for retention of employees, 17(17%) for recruitment system and 15(15%) for all of these.

Parameter of Appraisal:

| | | |
|------------------------|-----|------|
| Defining Goals | 16 | 14% |
| Training & Development | 23 | 20% |
| Documentation | 10 | 9% |
| Reward & Recognition | 64 | 57% |
| Total | 113 | 100% |

Out of 90 employees under study, Parameter of Appraisal is depicted that, 64(57%) for Reward & Recognition, 23(20%) for Training & Development, 16(14%) for Defining Goals and 10(9%) for Documentation.

Technique in Performance Appraisal:

| | | |
|-------------------|----|------|
| Ranking Method | 46 | 51% |
| Check List Method | 44 | 49% |
| Total | 90 | 100% |

Out of 90 employees under study, it is depicted that 46(51%) employees Appraisal technique is Ranking method and 44(49%) employees Appraisal technique is Check List method.

Period of Performance Appraisal Received:

| | | |
|----------------|----|------|
| Last 6 months | 57 | 63% |
| Last 12 months | 33 | 37% |
| Total | 90 | 100% |

Out of 90 employees under study, it is depicted that 57(63%) employees Performance Appraisal Period is last 6 month and 33(37%) employees Performance Appraisal Period is last 12 months.

Chi-square Test:

Technique of PA and Period of PA:

Ha - There is an association between techniques and period of performance appraisal received

Ho - There is no association between techniques and period of performance appraisal received

| Technique of (PA) | Period of (PA) | | Total |
|-------------------|----------------|----|-------|
| | 46 | 57 | |
| | 44 | 33 | 77 |
| Total | 90 | 90 | 180 |

Calculated value = 2.52 Level of significant = 0.05 Table value = 3.84

Ho is True. There is no association between techniques and period of performance appraisal received

Parameter and Objective of Performance Appraisal:

Ha – There is an association between parameter and objective of performance appraisal

Ho - There is no association between parameter and objective of performance appraisal

| Objective of (PA) | Parameter of (PA) | | Total |
|-------------------|-------------------|-----|-------|
| | 69 | 16 | |
| | 22 | 23 | 45 |
| | 54 | 10 | 64 |
| | 12 | 64 | 76 |
| Total | 157 | 113 | 270 |

Calculated value = 94.23 Level of significant = 0.05 Table value = 7.81

Ha is True. There is an association between parameter and objective of performance appraisal

Experience and Interaction with Upper Level Management:

Ha – There is an association between experience and Interaction with upper level management

Ho - There is no association between experience and Interaction with upper level management

| Experience | Interaction with Upper Level Management | | Total |
|------------|-----------------------------------------|----|-------|
| | 34 | 36 | 70 |
| | 38 | 24 | 62 |
| | 18 | 30 | 48 |
| Total | 90 | 90 | 180 |

Calculated Value: 6.216 Level of significant = 0.05 Table value = 5.99

Ha is True. There is an association between experience and Interaction with upper level management

Conclusion:

Every employee in an organization increases the productivity and goodwill of every company. An employee, being an individual, is treated as an asset in the organization. So the organization should mainly emphasize performance appraisal techniques and its development program. Both the appraiser and appraise should realize the principle and use the tool of the appraisal system in a constructive way for the prosperity of the organization. The performance appraisal technique prevailing in the organization is fair. Employees are satisfied with the present performance appraisal system, a traditional one. As many new appraisal techniques emerge, the organization can implement a modern technique that would be more effective.

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