



Title: A STUDY ON PERFORMANCE APPRAISAL SYSTEM OF DAY 'N' DAY SERVICES PRIVATE LIMITED, CHENNAI

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ABSTRACT

Changing economic and social factors have made the concept of performance appraisal of employees is very relevant for research and analysis. For better understanding the performance appraisal of employees, the research was carried out in DAY 'N' DAY services private limited Chennai.

The primary objective of the study is to appraise the performance of employees. To accomplish the primary objective of the study, a survey was conducted by preparing a structured questionnaire which contains dichotomous, closed end question and open and question.

Convenient sampling technique was adopted for selecting sample units from the employees. A sampling size 90 respondents selected for analyzing their opinion regarding performance appraisal of employees at DAY 'N' DAY services private limited.

The method of data collection for the study includes both primary and secondary data. The primary data were collected through questionnaire by conducting personal interview with the employees. The source of secondary data was company profile and websites.

Keywords: Performance Appraisal, Appraisal System, Employee Performance

INTRODUCTION

Performance appraisal (pa) is one of the important components in the rational and systemic process of human resources management. The information obtained through performance appraisal provides foundations for recruiting and selecting new hires, training and development for existing staff and motivating and maintaining a quality work force by adequately and properly rewarding their performance. Without a reliable performance appraisal system a human resource management system fall apart resulting in the total waste of the valuable human assets of a company has.

Purpose of Performance Appraisal:-

The developmental purpose is intended to identify problems in employees performing the assigned task. The collected performance data are used to provide necessary skill training or professional development. Performance appraisal is being practiced in 90% of the organizations worldwide/self-appraisal and potential appraisal also forms a part of the performance appraisal process.

Performance appraisal, also known as employee appraisal, is a method by which the job performance of an employee is evaluated (generally in terms of quality, quantity, cost and time). Performance appraisal is a part of career development.

Generally, the aims of a performance appraisal are to:

- Give feedback on performance to employees.
- Identify employee training needs.
- Document criteria used to allocate organizational rewards.
- Form a basis for personnel decisions: salary increases, promotions, disciplinary actions, etc.
- Provide the opportunity for organizational diagnosis and development.
- Facilitate communication between employee and administrator.
- Validate selection techniques and human resource policies to meet federal Equal Employment Opportunity requirements.

OBJECTIVES OF THE STUDY

- To measure the extent of Performance Appraisal helps in identifying the training needs.
- To find out the degree of employees satisfaction of the present Performance Appraisal System.
- To provide suggestions to improve the Present Appraisal System of Day 'N' Day services (P) LTD.

REVIEW OF LITERATURE

ALFORD AND BEATTY says, "It is the evaluation or appraisal of the relative worth to the company of a man's service on the job".

FLIPPER says, "Performance Appraisal is a systematic, periodic and so far as humanly possible and impartial rating of employee's excellence of matters pertaining to his potentialities for a better job". Performance appraisal has been defined in many ways. The simplest way to understand the meaning of performance appraisal is as follows: "A regular and continuous evaluation of the quality, quantity and style of the performance along with the assessment of the factors influencing the performance and behavior of an individual's called performance appraisal".

Cleveland, Murphy, and Williams (1989) argued that there is a relationship between organizational characteristics and the uses of a performance appraisal system.

Stonich (1984) also argued that performance measurement in an organization should be in tune with its structure and culture. Since the nature of the enterprises in which each industry is engaged varies, its organizational type, business policy, internal and external environment are also usually different. The purpose of this study is to conduct a direct comparative analysis of performance appraisal system in the service and manufacturing industries.

Apart from organizational control, **Ilgem, Barnes-Farrell, and McKellin (1993)** concluded, from their extensive review of the literature since the 1980s about performance appraisal, that there are four aspects that need to be considered. In practice performance appraisal systems cover a wide range of these aspects, and seldom have exactly the same nature and functions. In order to integrate findings in the area, **Chu (2002)** proposed a comprehensive framework including six categories, namely, appraisal purposes, appraises personnel, appraisal criteria, appraisal methods, appraisal timings, and appraisal feedback. This study will adopt this framework to compare performance appraisal systems in the service and manufacturing industries

RESEARCH METHODOLOGY

Research is a systematic search for suitable information for a specific objective. The research method adopted here is **Descriptive** in nature

Statistical Tools used for Analysis

- Percentage (%) Analysis
- Chi – Square (χ^2) Test

SAMPLING

✓ Sample Size

In this research the targeted respondents are restricted to 90 due to limited time placed at the disposal of the research.

Sampling Technique

✓ Convenient sampling technique was used in this study.

DATA ANALYSIS AND INTERPRETATION

Table – 1- Distribution of Respondents according to their Department

S. No.	Department	No. of Respondents	Percentage (%)
1.	Purchase	16	18%
2.	Production	37	41%
3.	Finance	5	6%
4.	Stores	30	33%
5.	Human Resource	2	2%
Total		90	100%

Inference: The above table exhibits that 41% of the selected Respondents were working in Production Department, 33% of the Respondents were working in Stores Department, 18% of the Respondents were working in Purchase Department, 6% of the Respondents were working in Finance Department and the 2% of the Respondents were working in Human Resource Department.

Chart –1 - Distribution of Respondents according to their Department

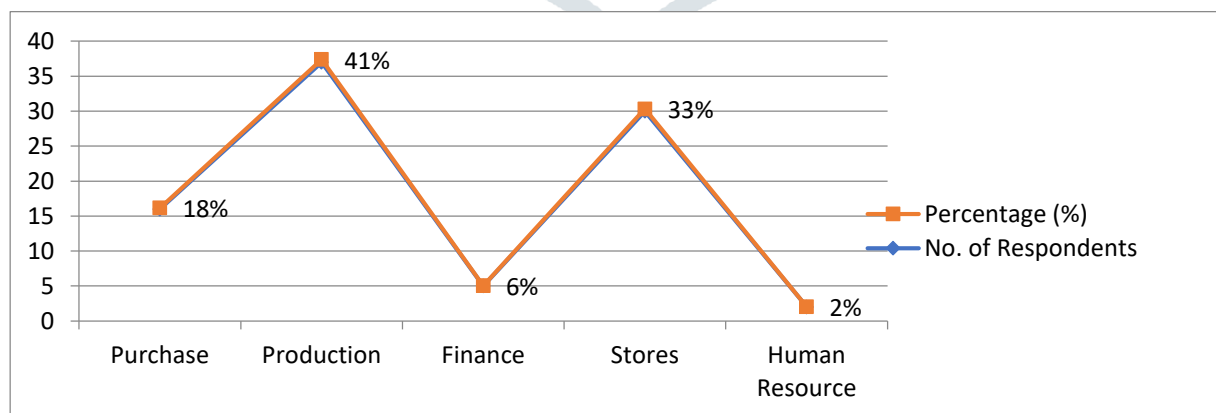
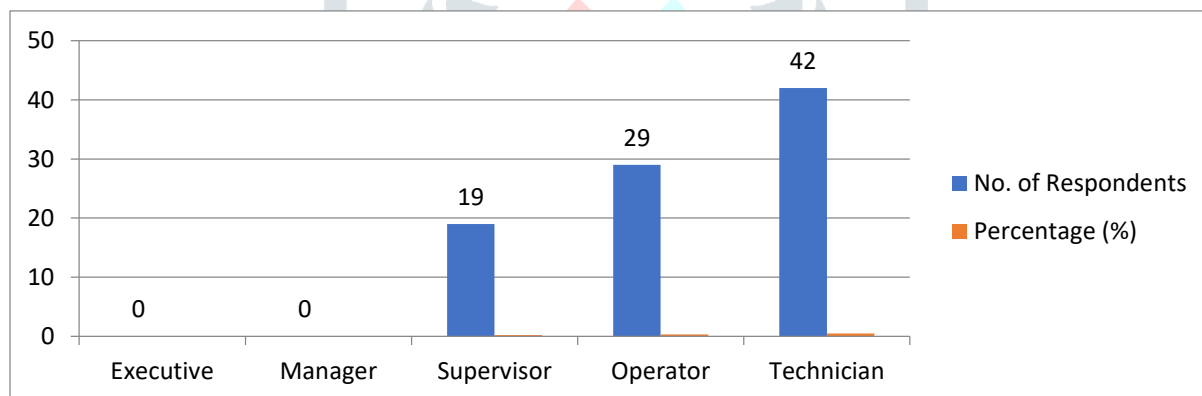


Table – 2 - Distribution of Respondents according to their Designation

S. No.	Designation	No. of Respondents	Percentage (%)
1.	Executive	0	0%
2.	Manager	0	0%
3.	Supervisor	19	21%
4.	Operator	29	32%
5.	Technician	42	47%
Total		90	100%

Inference:

The above table indicates that 47% of selected Respondents were Technician, 32% of the Respondents were Operators and 21% of the Respondents were Supervisors.

Chart –2- Distribution of Respondents according to their Designation**Table – 2- Respondents opinion about the organization considers their acceptance for its proposed appraisal system**

S. No.	Employee's Acceptance	No. of Respondents	Percentage (%)
1.	Highly Considers	0	0%
2.	Considers	8	9%
3.	Some times	37	41%
4.	Not Considers	45	50%
5.	Highly not considers	0	0%
Total		90	100%

Inference:

From the above table it is clear that 50% of the selected Respondents feel that their organisation is not considering their acceptance, 41% of them quoted sometimes, 9% of them quoted that their organisation considers their acceptance for its proposed system.

Chart -2 - Respondents opinion about the organisation considers their acceptance for its proposed appraisal system

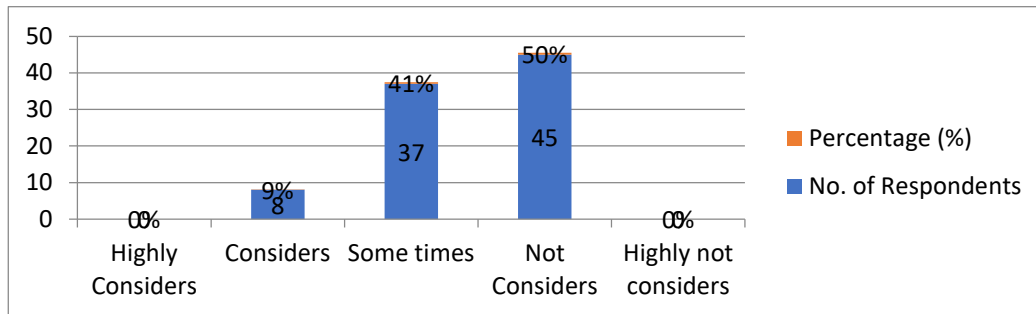


Table – 3- Respondents opinion about the organisation considers the Union leaders acceptance for its Proposed Appraisal system

S. No.	Union Leader Acceptance	No. of Respondents	Percentage (%)
1.	Highly Considers	0	0%
2.	Considers	17	19%
3.	Some times	29	32%
4.	Not Considers	44	49%
5.	Highly not considers	0	0%
Total		90	100%

Interpretation:

The above table shows that 49% of the Respondents were quoted that their organisation non considers the Union Leaders acceptance, 32% of them quoted Sometimes, 19% of them quoted that their organisation considers the Union Leader acceptance for its Proposed Appraisal System.

Chart – 3- Respondents opinion about the organisation considers the Union leaders acceptance for its

Proposed Appraisal system

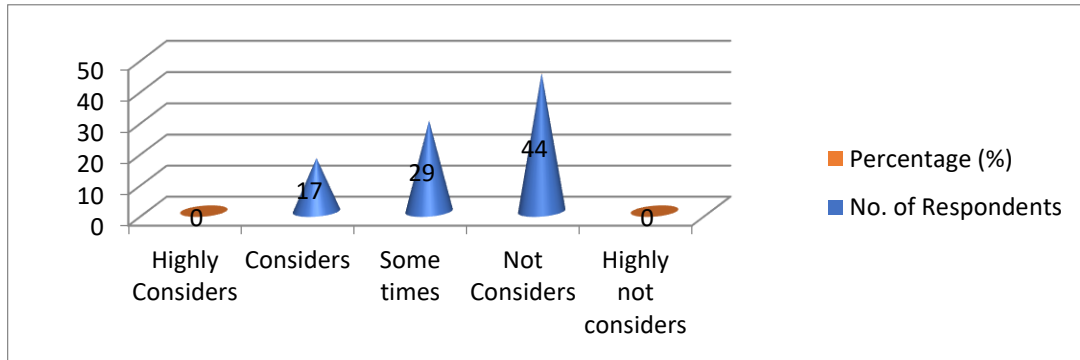


Table –4- Respondents opinion about their awareness on implementation practices

Performance Appraisal System

S. No.	Awareness of Performance Appraisal System	No. of Respondents	Percentage (%)
1.	Outstanding	0	0%
2.	Very Good	2	2%
3.	Good	12	13%
4.	Inadequate	47	53%
5.	Poor	29	32%
Total		90	100%

Inference:

The above table indicates that 53% of the Respondents were quoted they are inadequate on the awareness, 32% of the Respondents were quoted Poor, 13% of the Respondents were quoted Good and 2% of the Respondents were Quoted Very Good.

Chart – 4- Respondents opinion about their awareness on implementation practices

Performance Appraisal System

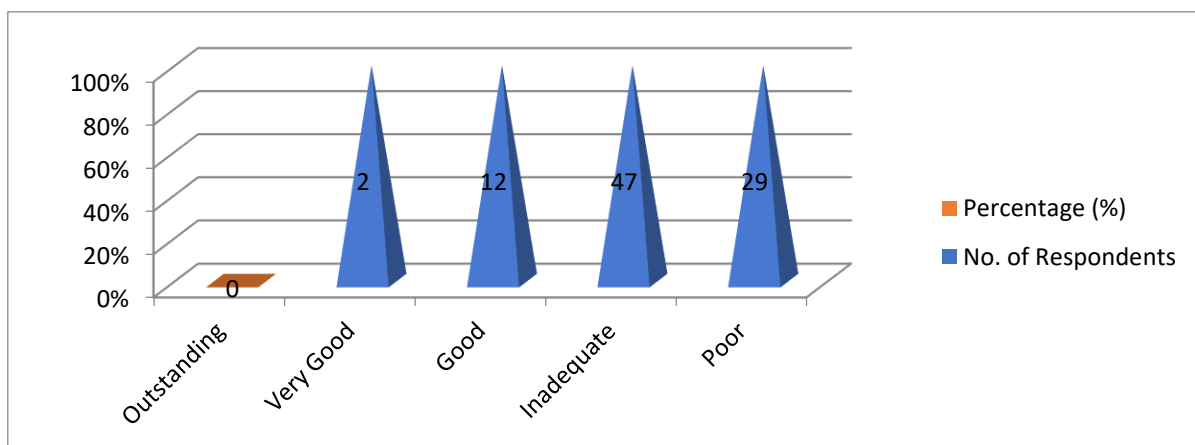
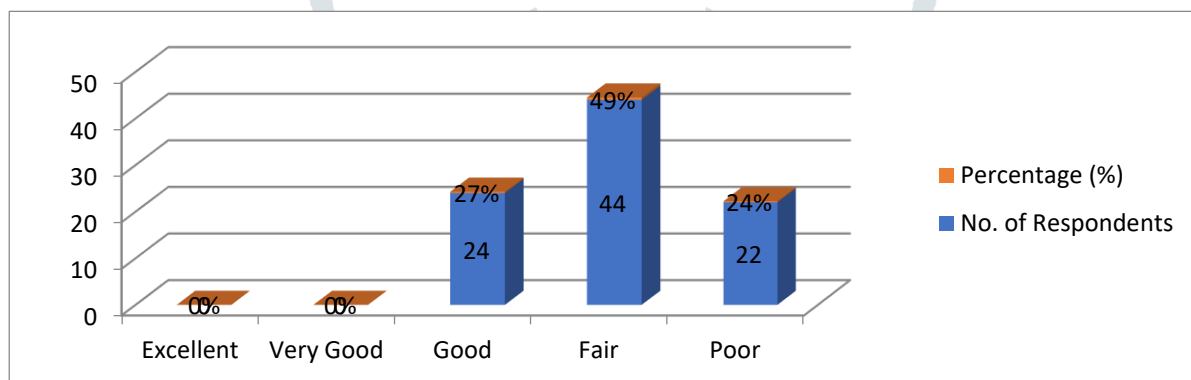


Table – 5-Respondents opinion about the criteria's which used in Performance Appraisal System to access the employee's performance

S. No.	Criteria Used	No. of Respondents	Percentage (%)
1.	Excellent	0	0%
2.	Very Good	0	0%
3.	Good	24	27%
4.	Fair	44	49%
5.	Poor	22	24%
Total		90	100%

Inference:

The above table clears that 49% of the Respondents were quoted the criteria which used in Performance Appraisal System were Fair, 27% of them were quoted Good, 24% of the Respondents quoted Poor.

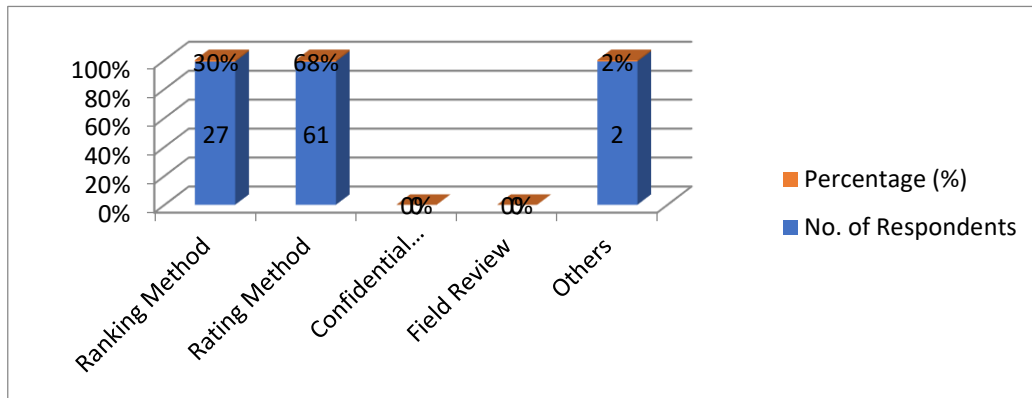
Chart – 5-Respondents opinion about the criteria's which used in Performance Appraisal System to access the employee's performance**Table – 6- Respondents information about the method of Performance Appraisal System followed in their Organisation**

S. No.	Method	No. of Respondents	Percentage (%)
1.	Ranking Method	27	30%
2.	Rating Method	61	68%
3.	Confidential Report	0	0%
4.	Field Review	0	0%
5.	Others	2	2%
Total		90	100%

Interpretation:

The above table shows that 68% of the Respondents were quoted the Rating Method were used in their organisation, 30% of the Respondents were quoted Ranking Method, and 2% of the Respondents were quoted Other Methods.

Chart– 6- Respondents information about the method of Performance Appraisal System followed in their Organisation



CHI-SQUARE TEST

Respondents opinion about the Awareness on the Performance Appraisal on the basis of their Experience

Awareness on Performance Appraisal & Experience	Out Standing	Very Good	Good	Inadequate	Poor	Total
Below 10 years	--	1	2	9	2	14
11 – 15 years	--	--	2	6	8	16
16 – 20 years	--	1	5	15	15	36
21 – 25 years	--	--	2	11	2	15
Above 25 years	--	--	1	6	2	9
Total	0	2	12	47	29	90

H₀:- There is no significant difference among the various years of Experience regarding the awareness on the Performance Appraisal

χ^2	DF	LS
20.569	16	5%

Inference:

The above table indicates that the computed value of 20.569 is lower than the table value. It is insignificant at 5% level of significance. Hence the null hypothesis (H₀) is accepted.

FINDINGS

- 37 out of 90 respondents working in production department.
- 42 out of 90 respondents were Technician.
- 40% of the respondents were having experience of 16 – 20 years in the organisation.
- 50% of the respondents said that organisation not considers their acceptance for its Proposed Appraisal System.
- 49% of the respondents said their organisation not considers their union leaders acceptance for its Proposed Appraisal System.
- 53% of the respondents having inadequate awareness on the Performance Appraisal System
- From the analysis made it is clear that the awareness on the Performance Appraisal on the basis of their experience were insignificant at 5% level.
- From the calculated table it is found that the Performance Appraisal has a tendency to over rate or under rate the employee performance on the basis of department was insignificant at 5% level.
- From the computed table it is clear that the satisfaction on Performance Appraisal System on the basis of their designation were insignificant at 5% level.

SUGGESTIONS

- 1.The management has to concentrate more on awareness programme about the Performance Appraisal and to realize importance of Performance Appraisal by their employees.
- 2.The organisation should encourage their employees to achieve the individual and organizational goal.
- 3.Carrier development programme for the employees has to be implemented to fulfill their own interest.
- 4.Job security should be provided to the employees in order to work more efficiently and effectively.
- 5.Training programme to be provided to the employees in order to improve their skills.
- 6.The promotion has to provide the employees, so that they will give good performance.

CONCLUSION

The project work helps me to understand the real situation of the employee's performance and their Performance Appraisal System of Day 'N' Day services private LTD. I conclude that the Day 'N' Day services private LTD following Rating method and they should concentrate more and develop a good Performance Appraisal System so that the Day 'N' Day services private LTD extract Good Performance from the employees.

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