



Testing the Difference between the Employees' Experience in terms of Perception towards the Factors of Effectiveness of the Performance Appraisal System using Chi-square.

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Abstract

The focus of this research is in the area of performance appraisals system. Performance appraisal is a key component of HRM almost in every organizations and one of the most vital responsibilities for human resource and line managers/supervisors. A well designed and implemented formal PA system can serve many valuable purposes in the manager and subordinate relationship (Longenecker et al, 1988). Even though, it is often seen as a cumbersome and destructive procedures by both managers and employees, and most employees dread receiving them almost as much as managers hate conducting them (Lee, 1996). I

Introduction

Every organisation has to fight for survival, only the fittest would be able to get ahead with confidence. To remain at the top, organisations are virtually compelled to put their best foot forward. The scare inputs have to be channelized in the best possible manner. The material and financial resources must be put to productive use and this is possible only when an organisation is able to attract and retain talented employees. Appropriate rewards must be instituted. Growth opportunities must be put in place. Best performers must be singled out for praise and their contributions must be rewarded in a proper way. All this could happen only when the organisation is able to set challenging targets, measure the actual performance, identify the gaps and find innumerable ways and means to improve employee productivity consistently.

Measuring the job relevant strengths and weaknesses of individuals and team working in an organisation through annual performance appraisal plans is simply not sufficient. Organisations need to go a step further to ensure that employees perform well consistently. This is where performance management counts

Testing the Difference between the Employees' Experience in terms of Perception towards the Factors of Effectiveness of the Performance Appraisal System using Chi-square

- There is a significant difference between the opinions of employees' experience and the perception towards the factor of relatedness

Experience in Years	Frequency					Total	Chi-Square Value
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree		
Below 5 Years	1	0	2	30	7	40	chi-square = 10.5 degrees of freedom
6-10 years	0	0	1	28	11	40	
11 years And	0	1	3	12	4	20	
	1	1	6	70	22	100	

Source: Field Survey

chi-square degrees of freedom = 10.58
 probability = 0.234

PAS helps in identification of training and development needs

There is a significant difference between the opinions of employees' experience and the perception towards the factor of relatedness

Experience in Years	Frequency					Total	Chi-Square Value
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree		
Below 5 Years	1	3	1	28	7	40	32.735 (p=0.0)
6-10 years	0	3	1	30	6	40	
11 years And Above	0	2	0	12	6	20	
	1	8	2	70	19		

Source: Field Survey

chi-square degrees of freedom = 4.218
 probability = 0.838

PA System is used to decide on promotions and salary rewards There is a significant difference between the opinions of employees' experience and the perception towards the factor of growth and rewards.

Experience in Years	Frequency					Total	Chi-Square Value
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree		
Below 5 Years	1	0	0	32	7	40	32.73 5 (p=0.0)
6-10 years	0	1	1	26	12	40	
11 years And Above	0	0	0	11	9	20	
	1	1	1	69	28	100	

Source: Field Survey

chi-square degrees of freedom = 9.568
probability = 0.297

The calculated value of $\chi^2 = 13.5628$
Degree of freedom = [c-1] [r-1]
= [5-1] [3-1]

= 4x2=8 Performance appraisal is an important motivational tool for employees There is a significant difference between the opinions of employees' experience and the perception towards the factor of evaluation

Experience in Years	Frequency					Total	Chi-Square Value
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree		
Below 5 Years	1	0	1	28	10	40	32.73 5 (p=0.0)
6-10 years	0	1	1	30	8	40	
11 years And Above	0	0	0	14	6	20	
	1	1	2	72	24		

Source: Field Survey

chi-square degrees of freedom = 4.178
probability = 0.842

O	E	O-E	[O-E] ²	[O-E] ² /E

PA helps in developing effective communication

Experience in Years	Frequency					Total	Chi-Square Value
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree		
Below 5 Years	1	1	0	30	8	40	32.73 5 (p=0.0)
6-10 years	0	2	1	28	9	40	
11 years And Above	0	0	1	13	6	20	
	1	3	2	71	23	100	

Source: Field Survey

chi-square = 5.20
degrees of freedom = 8
probability = 0.736

O	E	O-E	$[O-E]^2$	$[O-E]^2/E$

.Hypotheses Testing

Sl. No.	Hypotheses	Chi-Square value	P Value	Status
2.1	There is a significant difference between the opinions of employees' experience and the perception towards the factor of relatedness.	32.73	0.000*	Accepted
2.2	There is a significant difference between the opinions of employees' experience and the perception towards the factor of objectivity.	15.69	0.047*	Accepted
2.3	There is a significant difference between the opinions of employees' experience and the perception towards the factor of growth and rewards.	39.97	0.000*	Accepted
2.4	There is a significant difference between the opinions of employees' experience and the perception towards the factor of easiness.	8.82	0.358#	Rejected
2.5	There is a significant difference between the opinions of employees' experience and the perception towards the factor of evaluation.	25.56	0.001*	Accepted
2.6	There is a significant difference between the opinions of employees' experience and the perception towards the factor of communication and co-operation.	18.71	0.96#	Rejected

Source: Field Survey

Note: # = Insignificance; *= Significance at 5%

satisfied with the transparency and objectivity of performance apprais

Testing the Difference between the Employees' Experience in terms of Level of Satisfaction towards the Performance Appraisal Using Chi- Square.

TABLE 5.39
Satisfaction with the Performance Appraisal Process followed by the Company

Experience in years	Frequency						Chi-Square Value
	Highly Dissatisfied	Dissatisfied	Neutral	Satisfied	Highly Satisfied	Total	
Below 5 Years	1	3	2	23	11	40	
6-10 years	0	4	0	30	6	40	
11 years And	0	2	2	13	3	20	
	1	9	4	66	20	100	

Source: Field Sur

chi-square = 7.97 of freedom = 8 probability = 0.436

O	chi-square = 7.97 degrees of freedom = 8 probability = 0.436	$O-E$	$[O-E]^2$	$[O-E]^2/E$

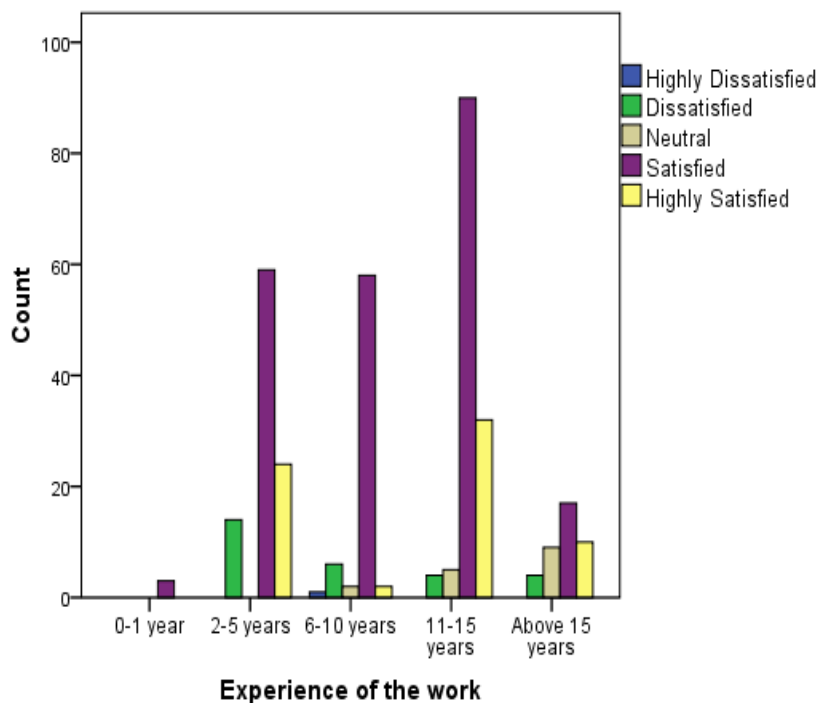
depicts the frequency distribution of the opinions of employees’ experience in terms of satisfaction towards the performance appraisal process. It can be seen that 01 respondent having experience of 6- 10 years has shown high dissatisfaction towards the process of performance appraisal. 14 respondents with the experience of 2-5 years are dissatisfied, No respondent with the experience of 0-1 has shown dissatisfaction 09 respondents with the experience of above

15 years are neutral with the process of performance appraisal and 02 respondents having experience of 6-10 years are neutral. 3(100%) respondents with the experience of 0-1 year



are satisfied, 59(61%) respondents with the experience of 2-5 years are satisfied, 58 (84%) respondents with the experience of 6-10 years are satisfied, Majority 90 (69%) respondents with the experience of 11-15 years are satisfied and 17 (42%) respondents with experience of above 15 years are satisfied with the process of performance appraisal. 32 respondents with the experience of 11-15 years are highly satisfied and 02 respondents with the experience of 6-10 years are highly satisfied with the process of performance appraisal. The result of the chi-square test revealed that there is a significant difference between the employees' experience in terms of satisfaction towards the performance appraisal process followed by the company. $P = 0.000 < 0.05$.

Satisfaction with the Performance Appraisal Process followed by the Company



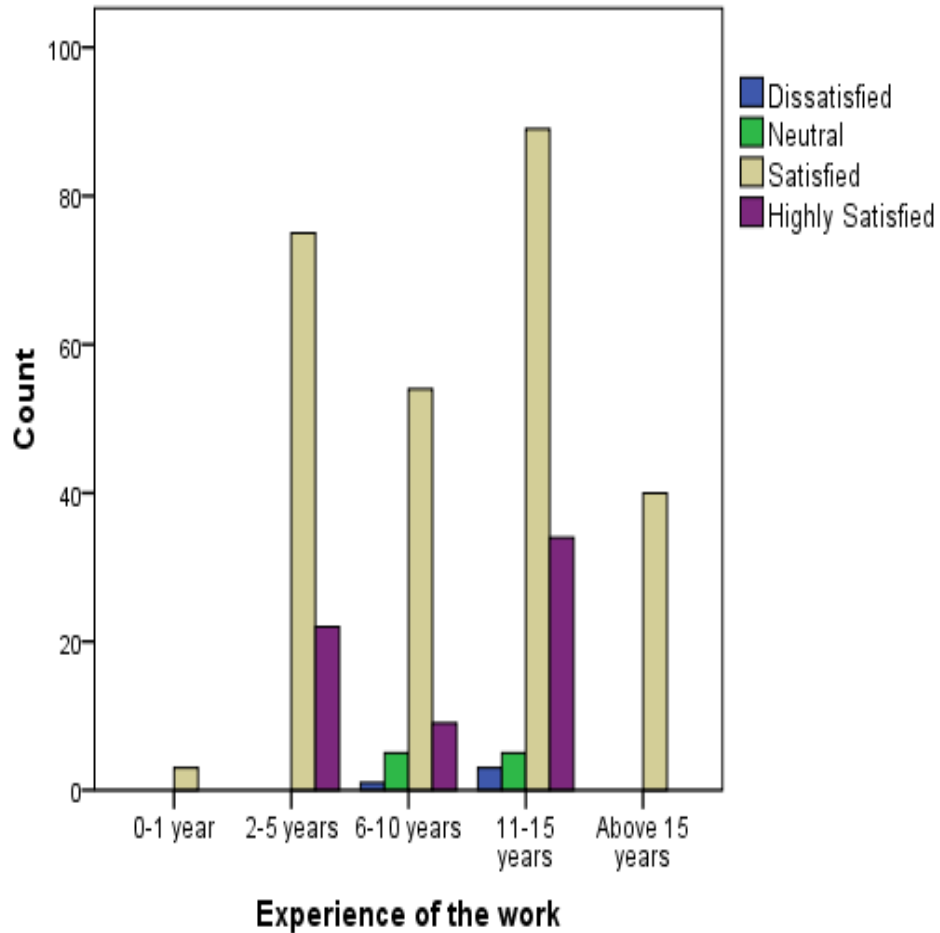
al systemsatisfied with appraiser’s treatment during performance appraisal process.

Experience in years	Frequency					Total
	Highly Dissatisfied	Dissatisfied	Neutral	Satisfied	Highly Satisfied	
Below 5 Years	1	3	1	23	12	40
6-10 years	0	4	1	22	13	40
11 years And	0	1	0	10	9	20
	1	8	2	55	34	100

chi-square = 3.50
 degrees of freedom = 8
 probability = 0.899

Table 5.40 represents the frequency distribution of the opinions of employees’ experience in terms of satisfaction with the targets set by the appraiser. It can be seen that no respondent is highly dissatisfied. 03 respondents having experience of 11-15 years are dissatisfied and 01 respondent with the experience of 6-10 years are dissatisfied. 05 respondents having 6-10 years of experience are neither satisfied nor dissatisfied, 05 respondents having 11-15 years of experience are neutral with the targets set by the appraiser. 03(100%) respondents having experience of 0-1 year are satisfied, 75(77%) respondents having experience of 2-5 years are satisfied, 54(78%) respondents with the experience of 6-10 years are satisfied, 89(67%) respondents with the experience of 11-15 years are satisfied and 40 (100%) respondents with the

experience of above 15 years are satisfied with the targets set by the appraiser. 34 respondents having experience of 11-15 years are highly satisfied. The value of chi-square test 29.65 clearly indicates that there is a significant difference between the opinions of employees' experience in terms of satisfaction towards the targets set by the appraiser. P= 0.003 is less than 0.05. Chart No.5.29: Satisfaction with the Targets Set by the Appraiser



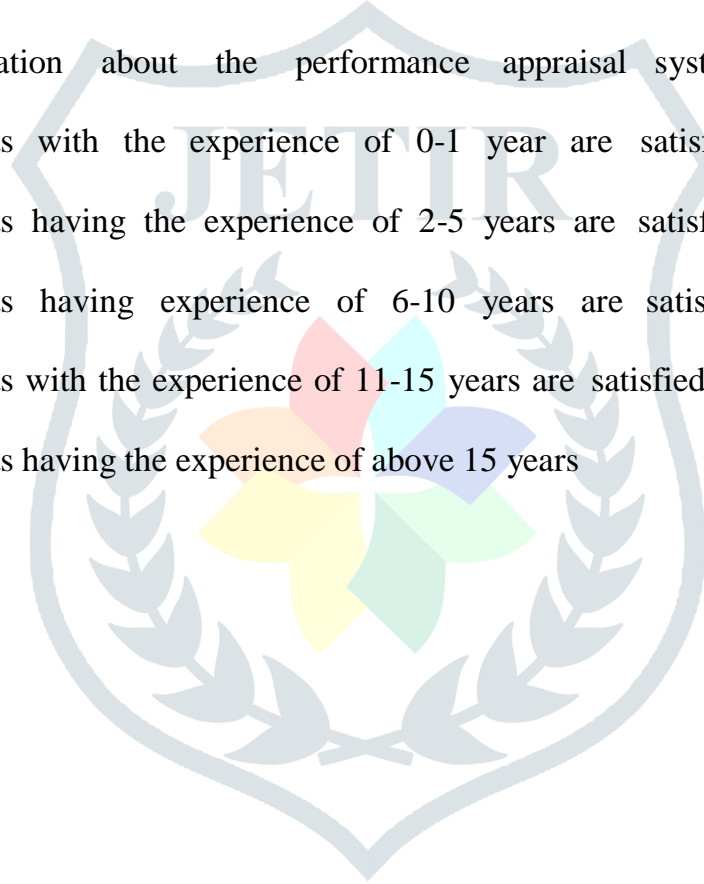
satisfied with the communication about the performance appraisal system provided by the company

Experience in years	Frequency					Total
	Highly Dissatisfied	Dissatisfied	Neutral	Satisfied	Highly Satisfied	
Below 5 Years	1	2	2	25	10	40
6-10 years	2	1	1	30	5	40
11 years And	1	2	2	12	3	20

chi-square = 5.87

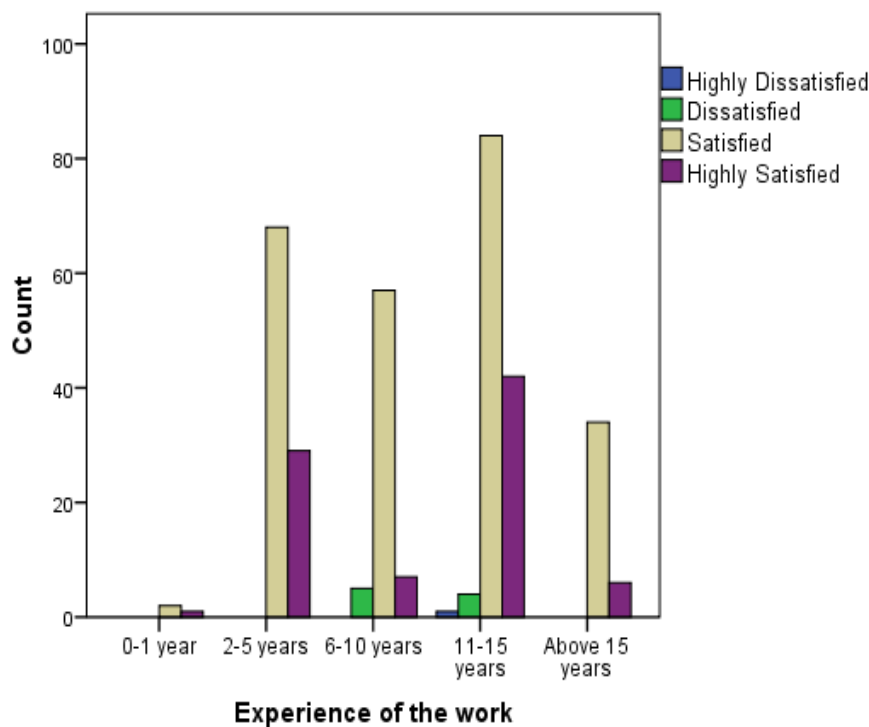
degrees of freedom = 8

probability = 0.662 Table 5.43 depicts that 01 respondent with the experience of 11-15 years has been highly dissatisfied with the communication about the performance appraisal. 05 respondents with the experience of 6-10 years are dissatisfied and 04 respondents with the experience of 11-15 years expressed dissatisfaction towards the factor. No respondent has been neutral towards the satisfaction with the communication about the performance appraisal system. 02(67%) respondents with the experience of 0-1 year are satisfied, 68(70%) respondents having the experience of 2-5 years are satisfied, 57(83%) respondents having experience of 6-10 years are satisfied, 84(64%) respondents with the experience of 11-15 years are satisfied and 34(85%) respondents having the experience of above 15 years



are satisfied with the communication about performance appraisal system. 42 respondents with the experience of 11-15 years are highly satisfied and 01 respondent with the experience of 0-1 year is highly satisfied with the communication about the performance appraisal system. It can be concluded that the employees with the experience of above 15 years have shown more satisfaction towards the communication about the performance appraisal system. The value of chi-square 25.42 revealed that, there is a significant difference between the employees' experience in terms of satisfaction towards the communication about the performance appraisal system. $P = 0.013 < 0.05$. Alternate hypotheses is accepted.

Chart No.5.32: Satisfaction with the Communication about the Performance Appraisal System provided by the Company



Communication about the performance appraisal .

Experience in years	Frequency					Total
	Highly Dissatisfied	Dissatisfied	Neutral	Satisfied	Highly Satisfied	
Below 5 Years	0	1	1	28	10	40
6-10 years	1	0	0	29	10	40
11 years And	0	0	0	16	4	20
	1	1	1	73	24	100

chi-square = 4.85
degrees of freedom = 8
probability = 0.773

4.1	There is a significant difference between the opinions of employees' experience in terms of satisfaction towards the performance appraisal process followed by the company.	66.72	0.000*	Accepted
4.2	There is a significant difference between the opinions of employees' experience in terms of satisfaction towards the targets set by the appraiser.	29.65	0.003*	Accepted
4.3	There is a significant difference between the opinions of employees' experience in terms of satisfaction towards the transparency and objectivity of performance appraisal system.	29.690	0.020*	Accepted
4.4	There is a significant difference between the opinions of employees' experience in terms of satisfaction towards appraiser's treatment during performance appraisal process.	22.61	0.125#	Rejected
4.5	There is a significant difference between the opinions of employees' experience in terms of satisfaction towards the communication about the performance appraisal system provided by the company.	25.42	0.013*	Accepted

Source: Field Survey

Note: # = Insignificance; *= Significance at 5%

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