

**A STUDY ON PERFORMANCE APPRAISAL OF  
EMPLOYEES IN SHASSUN CHEMICAL LTD,  
CUDDALORE**

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**Abstract.** A study on success or failure of the organization depends on employee performance. Therefore, organizations are investing huge amount of money on employee development. The key variables identifies related to employee development and Employee performance. The further discussion develops a proposed model which explains the relationship between employee development variables (employee learning, skill growth, self directed, employee attitude) and employee performance variable. The employee performance will affect on organizational effectiveness. The paper is divided into three parts. The introductory part provides brief overview related to employee development and its affect on employee performance. The second part analyzes the views and studies of the past researchers related to employee development and employee performance. In the end, paper presents the proposed model along with the discussion and conclusion.

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## INTRODUCTION

Performance appraisal has been defined as the process of evaluating the performance and qualifications of the employees in terms of the requirements of the job for which they are employed, for the purpose of administration including placement. Selection and other action, which require preferential treatment among members of a group as distinguished from actions in respect of their current performance as well as their potential for future development.

performance Appraisal is one of the most important and yet one of the most difficult tasks that manager's face. It is very difficult to evaluate a person's performance and even more difficult to convey that judgment to him or her. This process is very essential, however, because performance appraisals help both employers and employees

## MEANING:

Performance means to do something and appraisal means to decide the value of work done. Thus performance appraisal means deciding to value of the work done by an individual.

## DEFINITION:

“Performance appraisal is the systematic, periodic and an impartial rating of an employee's excellence in matters pertaining to his present job and his potential for a better job”-

## FLIPPO

### PROBLEM IN PERFORMANCE APPRAISAL

**HALO EFFECT:** It is the tendency to rate an employee consistently high or low on the basis of overall impression. One trait of the employee influences the rater's appraisal on all other traits.

**CENTRAL TENDENCY:** Appraisers rate all employees as average performers. That is, it is an attitude to rate people as neither high or low and follow the middle path. Performance appraisal may become invalid because the rater dislikes an employee. Such bias or prejudice may arise on the basis of regional or religious beliefs and habits or interpersonal conflicts.

**SPILL OVER EFFECT:** The present performance is evaluated much on the basis of past performance. “The person who was a good performer in distant past is assured to be okay at present also.

**RESISTANCE:** Negative ratings may affect interpersonal relations and industrial relationships particularly when employees/unions do not have faith in the system of performance appraisal

### **CHARACTERISTICS OF PERFORMANCE APPRAISAL**

- Performance appraisal is a process consisting of a series of steps
- It is the systematic examination of an employee's strength and weakness in terms of the job
- Performance appraisal is a scientific or objective study
- It is an ongoing or continuous process where in the evaluations are arranged periodically according to a definite plan.
- The main purpose of performance appraisal is to secure information necessary for making objective and decisions on employees.

### **METHOD OF PERFORMANCE APPRAISAL**

**CONFIDENTIAL REPORT:** It is mostly used in public sector enterprises and government organizations. It is a descriptive report prepared, generally at the end of every year, by the employee's immediate superior/supervisor. The report high lights the strength and weakness of the subordinate. The report generally does not offer any feedback to the subordinate or the appraises.

**CRITICAL INCIDENT METHOD:** The performance of the work is rated on the basis of certain events that occur during the performance of the job. The evaluation is based on key incidents. An emphasis is laid on the behavior of the worker on the job. His behavior is observed as to whether he becomes upset over work, resists, cooperated with fellow worker, suggests an improvement in method of work etc.

### **ADVANTAGE OF CRITICAL INCIDENT**

- ❖ Each employee will be evaluated as such and one's performance appraisal will be based on the logs that are put in the evaluation form
- ❖ At the end of the rating period, these recorded critical incident are used in the evaluation of the worker's performance
- ❖ The critical incidents file of performance appraisal is a form of documentation that reflect all data about employee performances.

### DISADVANTAGES OF CRITICAL INCIDENT

- ❖ Critical incidents technique of evaluation is applied to evaluate the performance of superiors rather than a peers of subordinates.
- ❖ Negative incidents may be more noticeable than positive incidents.
- ❖ It results in very close supervision which may not be linked by the employee.

### WEIGHTED CHECKLIST METHOD

The checklist provided to the evaluator containing statements relating to work related behavior and asked to check them it found with in the employees. In this list weight age to the items are not given.

### ADVANTAGE OF WEIGHTED CHECKLIST

- ❖ This method help the manager in evaluation of the performance of the evaluation of the performance of the employee.
- ❖ The rater may be biased in distinguishing the positive and negative questions. He may assign biased weights to the question

### DISADVANTAGE OF WEIGHTED CHECKLIST

- ❖ This method also is expensive and time consuming
- ❖ It becomes difficult for the manager to assemble, analyze and weight a number of statements about the employee's characteristics, contribution and behaviors.

### PAIRED COMPARISONS METHOD:

Paired comparison method is easier and simpler than the ranking method. But it is subjective because appraisal is not based on specific job related performance. It becomes very cumbersome some when the number of employees to be rated is large.

$$\frac{N(N - 1)}{2}$$

### ADVANTAGE AND DISADVANTAGE OF PAIRED COMPARISONS

- ❖ It is useful where priorities are not clear

- ❖ It is particularly useful where you do not have objective data to base this on.
- ❖ It helps you to set priorities where there are conflicting demands on your resources

### GRAPHIC RATING SCALES

Graphic rating scale method is one of the oldest and widely used method of performance appraisal. Here, a graphic scale is used to rate the employee. Factors such as quality of work, quality of work, dependability etc, are rated

#### ADVANTAGES OF GRAPHIC RATING SCALES

- ❖ Graphic rating scales are less time consuming to develop.
- ❖ They also allow for quantitative comparison.

#### DISADVANTAGE OF GRAPHIC RATING SCALES

- ❖ Different supervisors will use the same graphic scales in slightly different ways
- ❖ More validity comparing workers ratings from a single supervisor than comparing two worker who were rated by different supervisors

#### RATING SCALE

This is the simplest and the most popular technique for appraising employee performance. The typical rating scale system consists of several numerical scales, each representing a job-related performance criterion such as dependability, initiative, output, attendance, cooperation and so on. Each scale ranges from excellent to poor.

#### FORCED CHOICE METHOD:

In this method, the rater is given a series of statements are arranged in blocks of two or more, and the rater indicates which statement is most or least descriptive of the employee

- i.       Learns fast                               works hard               →
- ii.       Work is reliable                           performance is a good   →
- iii.      Absents often                           others usually tardy     →

The advantage of this meth of is the absence of personal bias in rating.

The disadvantage is that the statements may not be properly framed and may not also precisely be the descriptive of the rate's traits.

## **MBO**

Management by objectives is a process where by the superior and subordinate managers of an organization jointly identify its common goals. Define each individual's major areas of responsibility in terms of results expected of him and use these measures as guides for operating the unit and assessing the contributions of each of it member.

### **BENEFITS OF MBO**

- Clearer and quantifiable/measurable goals
- Inculcates better and effective planning
- Facilitates management control
- Facilitates objective appraisals
- Used as a motional force
- Inculcates better employee moral
- MBO is a result-oriented, practical and rational management philosophy.

### **360° DEGREE FEEDBACK APPRAISAL SYSTEM**

The 360 degree feedback appraisal process is the systematic collection of performance data on an individual a group, derived from a number of stakeholders- the stakeholder being the immediate supervisors, team members, customers, peers and the self

### **BENEFITS OF 360 APPRAISALS**

- ❖ Individuals get a broader perspective of how they are perceived by others than previously possible.
- ❖ Increased awareness of and relevance of competencies.
- ❖ Increased awareness by senior management that they too have development needs.

### LIMITATION OF 360 FEEDBACK APPRAISALS

- ❖ Receiving feedback on performance from multiple sources can be intimidating.
- ❖ Multiple raters are less adept at providing a balanced and objective feedback than the supervisors who are sought to be replaced
- ❖ Raters can have enormous problems separating honest observations from personal differences and biases

### STATEMENT OF THE PROBLEM:

- To find out the benefits of performance appraisal between employer and employee.
- To analysis's the additional job satisfaction
- To indentify the factors inducing to increase the performance of an employee
- To find helps to changes behavior of employees
- To know the facilities to increases yourself development

### SCOPE OF THE STUDY:

- The main aim of the study is to find out the effectiveness of performance appraisal & development programme conducted at SHASUN PHARMACEUTICALS LID
- This study helps to know the level of importance in appraisal system.
- The payroll and compensation decision, training and development needs, promotion, demotions transfer including job analysis and providing superior support, assistance and counseling.
- It considers both the job performance as well as the personal qualities of an employee.

### OBJECTIVES OF THE STUDY:

- ❖ To study and analyze different performance appraisal schemes provided by Shaun private ltd.
- ❖ To study the existing annual performance appraisal system in Shaun private ltd.
- ❖ To study the efficiency of the system and overall rating during the year
- ❖ To analyze the employee attitude towards the present appraisal system

### LIMITATION OF THE STUDY:

- ✓ The sample consisted only of employees in the day shift. Employees of the night shift were not considered for the purpose of study.
- ✓ Convenient sampling was used as the mode of conducting the research.
- ✓ The questionnaire contained mostly multiple choice questions therefore may not have given a proper thought before answering the question.

### RESEARCH METHODOLOGY

#### RESEARCH:

Research is considered as careful investigation or inquiry to find out new fact in any branch of knowledge. Research can be defined as a search for systematic knowledge.

#### RESEARCH METHODOLOGY:

Research methodology is a way to systematically solving the research problem. It may be understood as a science of studying how research is done scientifically. It includes the overall research design, the sampling procedure, data collection method and analysis procedure.

#### RESEARCH DESIGN:

Research design is the conceptual structure within which research is conducted. It constitutes the blue print for the collection, measurement and analysis of data.

#### SAMPLING:

Sampling is the process of selection a few from a bigger group to become the basis for estimating or predicting a fact, situation or outcome regarding the bigger group.

### REVIEW OF LITERATURE

Performance appraisal has widened as a concept and as a set of practices and in the form of performance management has become part of a more strategic approach to intergating HR activities and business policies. As a result of this, the research on the subject has moved beyond the limited confines of measurement issues and accuracy of performance ratings and has begun to focus more of social and motivational aspects of appraisal. This articles identifies and



discusses a number of them and trends that together make up the developing research agenda for this field. It breaks these down in term of nature of appraisal and the context in which it operates. The former is considered in term of contemporary thinking on the content of appraisal and the process of appraisal. The discussion of the context of appraisal concentrates on cultural difference and the impact of new technology. **BY FLETCHER C. (2001)**

Suggested that adding precise instruction on the appraisal instrument itself may encourage rated to provide specific behaviors of offer suggestions for improvements. The instrumentations in their survey stated. Please print any comments that you would like to share concerning your manger leadership skill. The organization could replace these general instructions with guidelines for the commenter to indicate what the person is doing well along with example or instances. **SMITHER AND WALKER (2004)**

#### DATA ANALYSIS AND INTERPRETATION

TABLE – 1

#### PERFORMANCE APPRAISAL IS NEEDED IN THE ORGANISATION

SI. NO	PARTICULAR	NO. OF RESPONDENTS	PERCENTAGE
1	Strongly agree	15	20
2	Agree	45	60
3	Disagree	10	13
4	Strongly disagree	5	7
	<b>Total</b>	<b>75</b>	<b>100</b>

**INFERENCE:** The above the shows that 20 % respondents strongly agree, 60% of respondents agree, 13% of respondents are disagree, 7% of respondents are strongly disagree while asking to the employee whether the performance appraisal in the organinsartion

TABLE – 2

## ATTITUDE OF EMPLOYEES

SI. NO	PARTICULAR	NO. OF RESPONDENTS	PERCENTAGE
1	Strongly agree	15	20
2	Agree	48	64
3	Disagree	7	9
4	Strongly disagree	5	7
	<b>Total</b>	<b>75</b>	<b>100</b>

**INFERENCE:** The above the table shows that 20% of respondents are strongly agree, 64% of respondents are agree, 9% of respondents are disagree, and remaining 7% of respondents strongly disagree while asking to the employee whether the performance appraisals helps to change the attitude of employees.

TABLE – 3

## PERFORMANCE APPRAISAL HELPS ME TO MOTIVATE MY TEAM

SI. NO	PARTICULAR	NO. OF RESPONDENTS	PERCENTAGE
1	strongly agree	25	33
2	agree	30	40
3	disagree	15	20
4	strongly disagree	5	7
	<b>TOTAL</b>	<b>75</b>	<b>100</b>

**INFERENCE:** The above table show that the 33% of respondents are strongly agree, 40% of respondents are agree, 20% of respondents are disagree and remaining 7% of respondents are strongly disagree. The performance appraisal helps me to motivate my team.

TABLE – 4

## CURRENT PERFORMANCE APPRAISAL SYSTEM

SI. NO	PARTICULAR	NO.OF RESPONDENTS	PERCENTAGE
1	Strongly agree	25	33
2	Agree	35	47
3	Disagree	10	13
4	Strongly disagree	5	7
	<b>Total</b>	<b>75</b>	<b>100</b>

**INFERENCE:** The above the table show that the 33% respondents are strongly agree, 47% of respondents are agree, 13% of respondents are disagree, and remaining 7% of respondents are strongly agree. The employee any problem in the current appraisal system.

**FINDINGS**

- ❖ 60% of the respondents are agreed with performance appraisal is needed in the organization
- ❖ 64% of the respondents are agreed with attitude of employee
- ❖ 40% of the respondents are agreed with performance helps to motivate my team
- ❖ 47% of the respondents are agreed with in current performance appraisal system

**SUGGESTION**

- From the study it was found that the employee lacked in communication skills so the organization can give special training on soft skills to the employees
- Performance linked pay can be recommended for the employees to motivate their performance in the future.
- Increase the awareness level of employees during the performance appraisal period.
- Separate rating committee to be fixed during the appraisal period.

## CONCLUSION

Performance appraisal is very vital especially in the corporate world. This study helps to understand the performance appraisal system. Practice in the shasun chemical limited. Majority of the employees are benefits by this system and the procedure followed and they are enjoying the various benefits from this system.

Performance appraisal system helps is employees carrier growth it support them to take their consideration to the management and to get more benefits and also for their more effective performance.

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