

**A STUDY ON EFFECTIVENESS OF PERFORMANCE
APPRAISAL IN FOAM MATINGS INDIA LTD
ALAPUZHA**

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ABSTRACT

The study is an outcome of the topic 'A STUDY ON EFFECTIVENESS OF PERFORMANCE APPRAISAL IN FOAM MATINGS INDIA LTD ALAPUZHA' The main objective is to study various dimensions of performance appraisal of employees concept Descriptive type of research design has been used for this study. The primary data was collected through questionnaire .Information about this study analyzed from review of literature and from the sources such as books, journals and website. Statistical tools have been pictorially represented using charts. With the help of analyzed data interpretation were made. It has helped the researcher to know about the performance appraisal of employees in FOAM MATING INDIA LTD ALAPUZHA.

1.1 INTRODUCTION

Performance appraisal is a very important aspect of an organization's future growth and positioning. It is one of the most important way by which an organization can understand its employees and evaluate their desiring skill set to perform a specific task. It indicates how well an individual is fulfilling the job requirements. Performance is always measured in terms of result. The appraisal exercises should be fair and without bias, and it should also help to retain the employees in the firm.Once the employee has been selected, trained and motivated, he is then appraised for his performance. Performance Appraisal is the step where the management finds

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out how effective it has been at hiring and placing employees. If problems are identified, steps are taken to communicate with the employee and remedy them.

1.2 STATEMENT OF THE PROBLEM

The purpose of this study was to determine the factors which the employees in the organization prefer for their appraisal and the employees satisfaction with the existing appraisal system. The results of the current study can be used by organization to develop policies, practices and strategies regarding their appraisal system and can create greater efficiencies in meeting strategic business objectives.

The performance appraisal of the employees in the organization should be an effective tool for measuring the employee's performance. If the performance is not measured in a real manner it will be a critical issue. A study on impact of performance appraisal was undertaken to study the reasons and ways to improve the condition.

1.3 OBJECTIVE OF THE STUDY

- To identify the performance of the employees.
- To identify the strengths and weaknesses of the employees.
- To identify the potential of the employees.
- To measure the effectiveness of the existing appraisal system.
- To suggest the ways and means to improve the effectiveness of the existing performance appraisal system.
- To identify the organization to check the progress towards the desired goals and aims.

1.4 SCOPE OF THE STUDY

- This study can be helpful to the company for conducting further research.
- This study is helpful in finding out the respondent's opinion towards certain attributes.
- It is helpful in finding out the reach and effectiveness of the performance appraisal system.

- This study serves as a base for understanding the perception about the employees regarding their performance appraisal.
- The company can improve their standard of their appraisal system with the results of the study.

1.5 LIMITATIONS OF THE STUDY

- Time and resource were the major constraints during the execution of the project. Therefore only a limited number of employees were included in the project.
 - The respondents were selected inside the organization only, so it cannot be generalized as a whole.
 - Some of the respondents were not even ready to spare time with the researcher.
 - There are many respondents who hesitated to answer the questionnaire.
- The human behaviour is dynamic and hence the results may not hold good for a long time.

2. REVIEW OF LITERATURE

1. Published literature concerning outcomes and detriments of effectiveness of performance appraisal are discussed separately as under: European Journal of Social Sciences - Volume 10, Number 3 (2009) 480.
2. **Tafezawa (1999)** His study covered all possible aspects of work related life. The scope for improving skills and developing inherent potentialities has a significant role to play in quality of work life. For a better quality of work life grievance redressed and feedback is essential.
3. **Prayag Mehta (1999)** He studied on perceived Quality of Work Life, personality and other measures. It was interesting to note that Government officials with a greater sense of satisfaction and integration with their work as well as the political situation tended to assess gain of development more positively, as indicated by evaluation of self-reliance, exiting people's participation and employee involvement in administration.
4. **Dr. Umesh C. Patnaik (2000)** did a study to find how far the satisfaction of human needs according to his or her priority acts a motivational factor in determining Quality of work life. It aimed at finding out which types of need of bank employees are highly dissatisfied, so that efforts could be made to fulfill their first motivator. Employees in commercial banks believe that work is a source of need fulfillment and a source of satisfaction too. Their dissatisfied needs are

esteem needs followed by self-actualization needs and social needs probably they are more in need of human touch.

5. **Inbarajan (2001)** Aimed at finding out how the socio-demographic factors influence the various dimensions of quality of work life. The various dimensions used in the study. The questionnaire were distributed to 50 skilled workers in Dalmia Cement (Bharat) Limited. Employees in Dalmia cement perceive moderate attitude towards overall quality of work life

6. **Linda k. Johnsrud, College of Education, University of Hawaii (2003)** there seems to be a presumption that the quality of work life one college and university campuses has declined for faculty and administrative staff. What is not generally true this is perceived to be; to what extent the quality of work life varies by campus, and for what reasons it varies Most importantly, it is not clear what impact the QWL of faculty and staff members has on their performance or retention. The following article reviews the recent empirical literature devoted to this topic and offers a framework that conceptualizes these studies in three groups:

7. **Vicki j. Rosser University of Missouri – Columbia (2004)** despite the importance of faculty retention, there is little understanding of how demographic variables, professional and institutional work life issues, and satisfaction interact to explain faculty to leave at a national level. The National Study of Post-Secondary Faculty (NSOPF: 1999) database, this study proposes. To extend our previous conceptualization and understanding of those issues that comprises the dimensions of faculty work life, satisfaction, and intentions to leave. To examine relations between these three dimensions. To determine the extent to which demographic variables and the QWL have an impact on satisfaction, and faculty member's intentions to leave. Using structural equation modeling, the findings indicate that the perceptions faculties members have of their work life have a direct and powerful impact on their satisfaction, and subsequently their intentions to leave. That is, a combination of work life perceptions of faculty member's professional and institutional issues and satisfaction initiates individual behavioral intentions and the desire to leave for another position and for career alternative.

8. **GunaSeelanrethinan (2004)** Many factors determine the meaning of quality of work life (QWL), one of which is work environment. A group of workforces that is greatly affected in QWL as a result of dynamic changes in work environment is information technology (IT) professionals. This article reviews the meaning of QWL, analyses constructs of QWL based on models and past research from the perspective of IT professionals in many countries and in

Malaysia. The constructs of QWL discussed are health and well-being, job security, job satisfaction, competency development, work and non-work life balance. The article concludes that QWL from the perspective of IT professionals is challenging both to the individuals and organizations. The implications of this meaning and constructs for future research in QWL from the perspective of IT professionals are discussed.

9. **Allen et al. (2000)** Emphasized that problems associated with family responsibilities are additional sources that may diminish QWL among IT professionals. They additionally assert that when an employee has higher work responsibility there will be more spillover of negative work outcomes on family life. The demands of managing higher responsibility at work and home are also a potential source of stress because it allows a spillover to family life thus creating an imbalance working environment. Burke (1998) proposed three hypotheses to explain the work-family relationship. The first is spillover, where the events of one environment.

3. RESEARCH METHODOLOGY

This is a descriptive study based on the primary data collected from 50 employees at Foam Mattings India Ltd Alapuzha. Data was collected through pre-tested structured questionnaire. Random sampling was used for the study. Analyzing the data with some statistical techniques is called as data analysis. Percentage analysis, Chi Square and ANOVA are the tools used for the study.

4. ANALYSIS AND INTREPRETATION

4.1 PERCENTAGE ANALYSIS

Table no. 4.1.1 showing Distribution of respondents on the basis of their Educational Qualification

Education Qualification	Frequency	Percentage
SSLC	17	34.0
UG	18	36.0
PG	10	20.0
Others	5	10.0

Education Qualification	Frequency	Percentage
SSLC	17	34.0
UG	18	36.0
PG	10	20.0
Others	5	10.0
Total	50	100.0

Interpretation

The above table shows that 34 per cent of the respondents are of the SSLC qualification and 36 per cent of the respondents belong to the UG and 20 per cent of the respondents belong to the PG category and 10 per cent of the respondents are others.

Table no. 4.1.2 showing year of experience in this organization

Opinion	No. of Respondents	Percentage
1 -5 years	4	8
5-10 years	8	16
10-15 years	8	16
More than 15 years	30	60
Total	50	100

Interpretation

From the study it was found that majority (60%) of the respondents have been working for more than 15 years. 16% of the respondents have been working for 10 to 15 years and 16% of the respondents have been working for 5 to 10 years. The remaining 8% of the respondents have been working for 1 to 5 years.

Table no. 4.1.3 showing distribution of respondents on the basis of problems in the Working environment

Opinion	No. of Respondents	Percentage
Yes	19	38
No	31	62
Total	50	100

Interpretation

62% respondents say that the current appraisal system is not efficient in ironing out problems mainly because since they are done on a formal basis so most employees consider it just as a formality which the appraiser uses to impose the rating he has already given to an employee.

Table no. 4.1.4 showing Distribution of respondents on the basis of appraisal rating

Opinion	No. of Respondents	Percentage
Always	10	20
Never	7	14
Sometimes	24	48
No Opinion	9	18
Total	50	100

Interpretation

From the study, majority of the respondents support the opinion that the relationship with the appraiser and appraise influences the rating of the employees (67%). 14% of the respondents didn't support the opinion. 19% of the employees have no opinion.

Table no. 4.1.5 showing Distribution of respondents on the basis of competitive environment in their organization

Opinion	No. of Respondents	Percentage
Yes	26	52
No	24	48
Total	50	100

Interpretation

Here majority of the respondents support the above statement (52%) that the performance appraisal creates a competitive environment in the organization. 48% of the respondents have negative opinion.

4.2 Chi square Test

Table No.4.2.1 Showing the Relationship between Gender and Performance appraisal system which provides Proper Assessment

Null Hypothesis

There is no significant relationship between Genders of respondent and proper assessment

Alternative Hypothesis

There is significant relationship between gender of respondent and proper assessment

Cross Tabulation		Proper assessment		Total
		Yes	No	
Gender	Male	28	7	35
	Female	0	15	15
Total		28	22	50

Chi-Square Tests	Value	Df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	27.273a	1	.000		
Continuity Correction	24.123	1	.000		
Likelihood Ratio	33.565	1	.000		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	26.727	1	.000		
N of Valid Cases ^b	50				

Inference

The calculated value is 0.000 is less than the level of significance 0.05, the null hypothesis H_0 is accepted .So there is no significant relationship between Gender and Proper Assessment.

Table No.4.2.2 Showing the Relationship between educational qualification and performance appraisal system which provides Proper Assessment

Null Hypothesis

There is no significant relationship between educational qualification, performance appraisal system and its assessment

Alternative Hypothesis

There is significant relationship between the educational qualification performance appraisal system and proper assessment.

Cross Tabulation		Proper assessment		Total
		Yes	No	
Education	SSLC	17	0	17

Qualification	UG	11	7	18
	PG	0	10	10
	Others	0	5	5
Total		28	22	50

Chi-Square Tests	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	32.639a	3	.000
Likelihood Ratio	44.536	3	.000
Linear-by-Linear Association	29.642	1	.000
N of Valid Cases	50		

Inference

The calculated value is 0.000 is less than the level of significance 0.05, the null hypothesis H0 is accepted .So there is no significant relationship between educational qualification and Performance system.

4.3 ANOVA

Table no.4.3.1 showing one way ANOVA Relationship between Gender and Performance Appraisal Model

Null Hypothesis

There is no significant relationship between gender of respondent and performance appraisal model

Alternative Hypothesis

There is significant relationship between gender of respondent and performance appraisal model

ANOVA					
Appraisal model	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	49.944	1	49.944	99.572	.000
Within Groups	24.076	48	.502		
Total	74.020	49			

Inference

The calculated value is 0.000 is less than the level of significance 0.05. The null hypothesis (H_0) is accepted. So, there is no significant relationship between gender of respondent and performance appraisal.

Table no. 4.3.2 showing one way ANOVA Relationship between Educational qualification and Performance Appraisal

Null Hypothesis

There is no significant relationship between educational qualification of respondent and performance appraisal

Alternative Hypothesis

There is significant relationship between educational qualification of respondent and performance appraisal

ANOVA					
Appraisal model	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	58.576	3	19.525	58.154	.000
Within Groups	15.444	46	.336		

ANOVA					
Appraisal model	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	58.576	3	19.525	58.154	.000
Within Groups	15.444	46	.336		
Total	74.020	49			

Inference

The calculated value is 0.000 is less than the level of significance 0.05 There is no significant relationship between educational qualification of respondent and performance appraisal So that null hypothesis (H_0) is accepted.

Table no. 4.3.3 showing one way ANOVA Relationship between experience of work and employees satisfaction

Null Hypothesis

There is no significant relationship between experience of work and employees satisfaction

Alternative Hypothesis

There is significant relationship between work experience and employee satisfaction

ANOVA					
Satisfaction level	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	47.370	3	15.790	59.293	.000
Within Groups	12.250	46	.266		
Total	59.620	49			

Inference

The calculated value is 0.000 is less than the level of significance 0.05, the null hypothesis (H_0) is accepted. So there is significant relationship between work experience and employee satisfaction

Table no. 4.3.4 showing one way ANOVA Relationship between experience and performance appraisal

Null Hypothesis

There is no significant relationship between experience and performance appraisal

Alternative Hypothesis

There is significant relationship between experience and performance appraisal

ANOVA					
Appraisal model	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	43.320	3	14.440	21.636	.000
Within Groups	30.700	46	.667		
Total	74.020	49			

Inference

The calculated value is 0.000 is less than the level of significance 0.05, the null hypothesis (H_0) is accepted. So there is significant relationship between experience and performance appraisal.

RECOMMENDATIONS: Appraisal should be done on a more frequent basis, the employee has a chance to find out the gap in his/ her performance on a more regular basis which will help them to improve more their performance and there by eliminate waste.

- The performance appraisal should be designed in such a way that it will be helpful in ironing out problems in work environment.
- The performance appraisal should be unbiased.
- A performance appraisal based incentive scheme should be introduced. This kind of incentives would increase the morale of employees and will motivate the employees.
- The target should be fixed by both, so that the employees would be free enough to come up with innovation ideas.
- For preventing job stagnation job rotation should be made possible in the organization, this would in turn help in the career development of the employees.
- Coaching, counselling promotion etc. should be given on the performance basis.
- A good model of performance appraisal system should be introduced in the organization on mutual agreement of all levels of employees in the organization.

CONCLUSION

The study on effectiveness of performance appraisal in FOAM MATTINGS (INDIA) LTD, ALLEPPEY was conducted with the main objective of evaluating the performance appraisal in the organization. The study helped to gain knowledge about the performance appraisal system in the organization. The opinion of the employees towards the performance appraisal got to know by data collected through the questionnaire. The performance appraisal system in the firm is satisfactory but a better model is to be introduced in the organization which in turn helps in the career development of the employees and towards the accomplishment of organizational goals.