

AN ANALYSIS OF PERFORMANCE APPRAISAL SYSTEM AND ITS IMPACT ON SELECTED SOCIO-ECONOMIC PROFILE FACTORS OF THE EMPLOYEES IN THE MANUFACTURING UNITS OF SALEM DISTRICT

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Abstract

Organizations are constantly challenged to meet their competition in the industry by employee evaluation, which is focused on identifying that they fall short of the goal achievement. After the employee has been hired, educated, and encouraged, he is evaluated on his work. The performance assessment process is where management determines how effective it has been in recruiting and placing employees. If any issues are discovered, steps are taken to address them with the employees. Various factors have an impact on an employee's efficiency. In several cases, the socio economic element has affected. The researcher is attempting to determine the efficacy of the performance assessment method in the manufacturing industry of Tamil Nadu, India. It is a descriptive study, with simple random sampling and primary data collected using a self-prepared, standardised questionnaire with a five-point scale. The findings show that socio economic factors and the employee's overall performance have an impact.

Keywords

Performance Appraisal, Employee Welfare, Organizational Policy, Manufacturing Companies

1. Introduction

The method of assessing an employee's work performance is called a performance appraisal. One of his colleagues said, "It is the process of evaluating an employee's abilities and responsibilities in the context of the job they are being employed for things like compensation, promotion, and demotion, but also, administration, with regard to his standing, it, the process of evaluating anything, an item, and anyone, and quantifying it." systematic appraisal of performance evaluation as it relates to communicating results with workers.

These man-rating methods were first used during the First World War, Walter Scott, the United States Army, using his techniques, came up with their scheme for the man-power rating. Wage arrangements for paying hourly jobs were considered fair

in the 1920s and '30s. He has seen how the language used in employee appraisals has changed over the years in a chart. A company has three major goals in performance appraisal: to build an inventory of management, to understand its current managers' expectations, and to help fulfil the goals of its current and future managers. Secondly, providing individual and community growth, as well as continuous reinforcement, has been identified as important to creating lasting changes in both the employee and the company. There are many tools and approaches to be used in measuring the output assessment. The treatment and technique differ because there are significant differences between the subjects. The characteristics or abilities come from various origins, kinds of jobs, and the levels of employees are

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distinguished by levels. They use a combination of conventional and contemporary performance evaluation approaches. Perhaps they use different evaluation strategies.

Mamoria CB (2011) said, "The outcome would be inaccurate if these ranking variables are inconsequential." Many of the considerations are more subjective, which makes it impossible to rate the project on a scientific scale. Personal reactions, likes and dislikes influence supervisors. They've put a lot of eggs in one basket. For the time being, each company has its own methods for evaluating workers. All the evaluation systems are constructed on both the short-term and long-term. It is difficult to gauge the effectiveness of tools that have been evaluated in other industries because the corporate culture may vary from one company to another. Many organisations have come up with their own rules and methods to meet their own needs. Many researchers have attempted to study the factors at Salem, India that affect the managerial assessment method in that industry.

2. Identification of Research Problem

This research aims to identify the correlation between social and demographic factors with promotion, and to additionally improve work competence and employee satisfaction.

3. Objectives of the Study

The main goal of this research is to determine the correlation between the socioeconomic profile of workers and the evaluation method.

4. Research Scope

This encompasses a wide variety of performance evaluation. These results will help with the reformulation of a new PA system and also examine socio-demographic influences. This study would help employees gain a better understanding of how to build a sound financial and market position for the company. It benefits the overall results greatly.

5. Hypothesis

Such as age, socio-economic status, educational background, gender, ethnicity, and occupation, there is a direct relationship between demographics and overall system performance.

6. Review of Literature

This research consulted these existing reports, magazines, periodicals, and books on relevant topics for the current review. Hassan (2010) had spent time researching management practises in Pakistani IT firms, which had led him to conduct his research. By using management mechanisms like performance goals, preparation, agreement, and assessment, and analysis, our employees' work was getting better every step of the way along the way. Her work evaluating Federal Service Appraisal Systems: an Appraising Systems in the Federal Government. There are a lot of benefits to the study of performance assessment systems beyond the simple employee survey; it offers the researchers a broad range of discoveries. Sanjeet Singh (2011) investigated the effects of person, team, and company performance appraisal on the organisation and the employee. The results of the study showed a clear evidence of organisational effect, as well as on the employees. Khasrusell G (2011) performed a case study on the UK performance management system: the results were astounding. These findings indicate that employee discipline is strong among those who want to improve their performance and weak among those who want reward it, according to the organisation. At the ICICI Bank, Devina Upadhya and Anu Guptha found that, "performance management system: an empirical study of ICICI"] Upadhya and Guptha studied The Efficacy of Management, a quantified evaluation of ICI. This study has attempted to reduce the effectiveness testing gap in the performance scheme. A good scientific investigation of "service delivery processes in the Zimbabwean civil service" was completed by Zava P. Through an in-depth study, it was determined that the existing quality control system is not adding to the value provided. Previous and future

impacts of performance management No one has been able to find a PA scheme that will work with all kinds of organisations. Via extensive analysis, Khush Dave (2014) had conducted a Study on Nurses in Hospitals Clearly, in this study, it is evident that improved performance in the appraisal method is imperative for better patient care To increase involvement of nurses in their performance evaluations, it will help the hospitals obtain the desired outcomes in the least amount of time.

7. Methodology

At the time of the report, the settlement, the settlement period was between July and December of 2019. It is nothing more than a form of empirical research. During the pilot study, the company was located in Tamil Nadu, India, which is a state famous for its textiles goods manufacturing. It is

According to the analysis, the researcher has developed the questionnaire. For a reliable and valid examination, the Guttman Method was employed. A sampling of ten questionnaires was administered to the respondents before research began. What we wanted to know is that 5% of the workforce took 200 workers in the study was randomly sampled. The emphasis was on the primary data that was obtained through questionnaires. As secondary data, the results were culled from different books, journals, as well as the internet. Once the data is analyzed, a specialized statistical programme was used. This investigation is subject to a number of risks. Only a single operation in the cement industry was covered by the report. Also, because the results are not generalised, they can't be applied to other sectors. In the study, the respondents' accuracy was the only deciding factor of the report's reliability.

8. Analysis and Interpretation

Table 1. Analysis of Socio-Economic Factors of the Employees

S.No	Details	Category 1	Category 2	Category 3	Category 4	Category 5
1	Age	Below 25 (46%)	26-35(20%)	36-45(15%)	46 and Above (19%)	
2	Gender	93 % (Male)	7 % (Female)			
3	Education Qualification	Technical (18%)	UG (50%)	PG(22%)		
4	Designation	supervisor (27 %)	Engineers (42 %)	Managers (31%)		
5	Experience	Below 5 years (50 %)	6-10 (12%)	11-15(6%)	Above 16 yrs (32%)	
6	Monthly income	Below 10000-(3%)	10001-20000 (15%)	20001-30000 (37%)	30001--40000(27%)	40001 and above (8%)
7	Marital Status	53%(Married)	47% (Unmarried)			

Source: Computed

Socio-economic factors of the workers are derived from the table no.1.1. From these respondents, 42% are under the age of 25. 93% of respondents identify as male, and 7% identify as female. As a result, the vast majority of the respondents probably

are male. This group comprises mostly college graduates. It has been stated that the greatest number of respondents would be engineers. At the lower end of the pay scale, 37% have earned a monthly salary of Rs. 200–3000, while 53% are married.

9. HYPOTHESIS TESTING

H1: There is no association between age of the respondents and their overall performance appraisal system.

Table 2

SI. No	Age	Performance appraisal system		Statistical inference
		Low (n=32)	High (n=18)	
1	<25yrs	21 (63.7%)	0	X ² = 38.306 Df = 4 P < 0.05 Significant
2	26 to 35yrs	7 (23.5%)	0	
3	36 to 45yrs	4 (11.8%)	8 (43.7%)	
4	46yrs & above	0	10 (56.3%)	

Source: Computed

There is an association between the age of the respondents and their overall performance appraisal

system. Hence, the null hypothesis is rejected, and the research hypothesis is accepted.

H2: There is no association between experience of the respondents and their overall performance appraisal system.

Table 3

SI. No	Experience	Performance appraisal system		Statistical inference
		Low (n=32)	High (n=18)	
1	Below 5yrs	24 (76.5%)	0	X ² = 50.210 Df = 4 P < 0.05 Significant
2	6 to 10yrs	5 (14.5%)	0	
3	11 to 15yrs	3 (8.8%)	0	
4	16yrs & above	0	18 (100%)	

Source: Computed

There is an association between experience of the respondents and their overall performance appraisal system. Hence the null hypothesis is rejected and research hypothesis is accepted.

H3: There is no association between salary of the respondents and their overall performance appraisal system.

Sl.no	Salary	Performance appraisal system		Statistical inference
		Low (n=32)	High (n=18)	
1	Below Rs.5000	2 (5.9%)	0	$X^2 = 50.213$ Df = 4 P < 0.05 Significant
2	Rs.5001 to Rs.10000	7 (20.6%)	0	
3	Rs.10001 to Rs.15000	23 (73.5%)	0	
4	Rs.15001 & Above	0	18 (100%)	

Source: Computed

There is an association between salary of the respondents and their overall performance appraisal system. Hence the null hypothesis is rejected and research hypothesis is accepted.

Since respondents agree with fifteen statements in the performance assessment survey, it means that they think the performance method is efficient. There are about 62% respondents in favour of the current PA system. Those employees who responded said that the PA system helps them assess their own abilities said that approximately 85% of respondents had agreed with the system, while only 7% of the employees responding said that they disagreed with it. Over half of the respondents believe that to know employees' success needs to be the main purpose of performance appraisals (58%) just a small minority of respondents objected (37 per cent). More than half of the respondents (61%) have concurred, while the remainder (27%) disagreed. The fact that the industrial democracy seems to be well applied in the company suggests.

Approximately 66% of the respondents believe that

they have the ability to say their piece on the PA framework. The numbers of respondents who disagree with us are held to the absolute minimum. The fact about PA allows the employee to realise that a majority of the respondents agree with this is in and only a few have disagreed helps them.

Here we find that two-thirds of the respondents (65%) are supportive of performing periodic PA system assessments. Less than half of the respondents disagreed, although almost all of the others accepted that the argument had been accurately conveyed. I'm still not convinced. It is discovered that the findings are invalid. Seventy-six percent of the respondents believe that the PA system has improved their skills and abilities, while six percent find it has reduced their abilities. It shows both the technological components as well as well as the staff's values, behaviours, and interdependence.

Although the majority of respondents (68%) believe that the PA system is confidential The smallest number of respondents (26%) disagreed with the statement. As a result, the PA's effectiveness is

overlooked by the rest of the staff, as they argue about it.

A large majority of the respondents (74%) have accepted that the wages and increment were determined by the PA results. A whopping 84 percent have agreed. The performance assessment scheme has been found to be of service to yield dividends. This argument is supported by an overwhelming majority of the respondents' performance results. Complete mind blogging this stands for propriety of administration means the PA is managed in a proper manner in this organization. There's a strong connection between statement 1 on this table and this result. According to 68% of the respondents, the argument is right. Fewest essential numbers are disputed. I think the PA system is an important in an organisation because of this. Though there was agreement on the assertion that a good time-to-delayed feedback system was followed (66%), there was a larger proportion (34%) of those who disagreed on the notion that the feedback was of being accurate (13 per cent). It's been found that the organization's feedback mechanism has worked well.

9. Suggestions

Some people are deviants, or they have differing opinions about the PA system, or they are simply uninterested in it. The organisation must recognise them and provide them with appropriate training so that they can participate in the organization's activities on a regular basis. HR practitioners can also make the assessment system more practical.

10. Conclusion

Employee performance evaluations are required by the industry in order to meet the industry's objectives. It is the responsibility of any organisation to provide adequate training and increase employee performance. Employees are regarded as one of a company's most important assets. Employee advancement is inextricably related to their success. If

the organization's efficiency improves, the organization's quality improves as well. In this way, the performance assessment method is an important element in improving employee and business productivity. The study's findings clearly show that the industry's performance assessment method is good and reliable, and that it has a significant impact on socio-demographic factors.

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