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The Impact of Performance Appraisal System on Organisational Work Force - Azad Engineering Pvt. Ltd.

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Abstract: *The Quality evaluation is important for recognizing and improving the performance of the employee through the development of human resources.*

This indicates how well a person meets the job requirements. Term is often confused with effort, but performance is always measured by results rather than effort. Performance assessment indicates the desired level of performance, actual performance levels, and the gap between these two.

The current study concentrated on design of quality evaluation, one of the company's most critical methods in human resource management.

The research analyses the effect of the evaluation system on the environment of organizational work. The findings of the study indicated the existence of significant positive outcomes when the company uses performance analysis as a motivational method and it also shows that the use of more than one evaluation methodology leads to greater satisfaction.

Keywords: *Performance Appraisal, Attributes of Performance, purpose of the performance Appraisal, Benefits of the Performance Appraisal*

I. INTRODUCTION

Performance assessment is essential for understanding and improving the performance of the employee through HRM. It is the basis for the development of human capital. Employee Promotion / Transfer, Salary Determination was a valuable method to determine. It is a method for assessing employee behaviour in the workplace, normally including both the quantitative and qualitative aspects of the workplace performance.

Performance has a linkage with the individual potential how best it is realised by the individual. With regard to manage, his/her potential becomes the input to the productive process and performance is the output. It indicates how well an individual is fulfilling the demands of the job.

The term is confused with effort, but performance is always measured in terms of results and not on efforts.

The appraisal system help to rate the performance of employee and evaluate their contribution towards the organisational goals. In generally performance appraisal has two general uses in the organisation and these roles often are potential conflicts. One role is to measure performance for the purpose of rewarding or otherwise making administrative decisions of individual potential emphasis is on identifying potential and planning employee's growth opportunities and directions.

A. Purpose Of The Performance Appraisal System

- 1) Creating and sustaining a level of performance satisfaction.
- 2) Development and self-development of workers, leadership development systems
- 3) To help managers recognize their subordinate properly.
- 4) Continuous rating to guide changes in the work.
- 5) Facilitate evaluation and verification of recruitment assessments, interview techniques, and business ratings with quality review rankings.

B. Needs for Performance Appraisal

- 1) Rectify performance failures and, where possible, set new job standards.
- 2) Decision on the fixation of salaries.
- 3) Transfer.
- 4) Promotion and demotion helps to advise the subordinates

C. Benefits

- 1) It improves job satisfaction and strengthens employee loyalty to the company.
 - 2) It helps the employee to see his / her role in the organization.
 - 3) Morality of the worker.
 - 4) All of these boost employee performance and organizational efficiency as well.
- a) *Who will Evaluate:* the evaluator who has a thorough knowledge of the scope of the work, material to be evaluated. He ought to make the decisions.
 - b) *When to Evaluate:* each time manager / supervisor-HR thinks it is needed. "Systematic review, however, is carried out on a regular basis, every six months or every year, on a quarterly basis.

D. Attributes of Performance

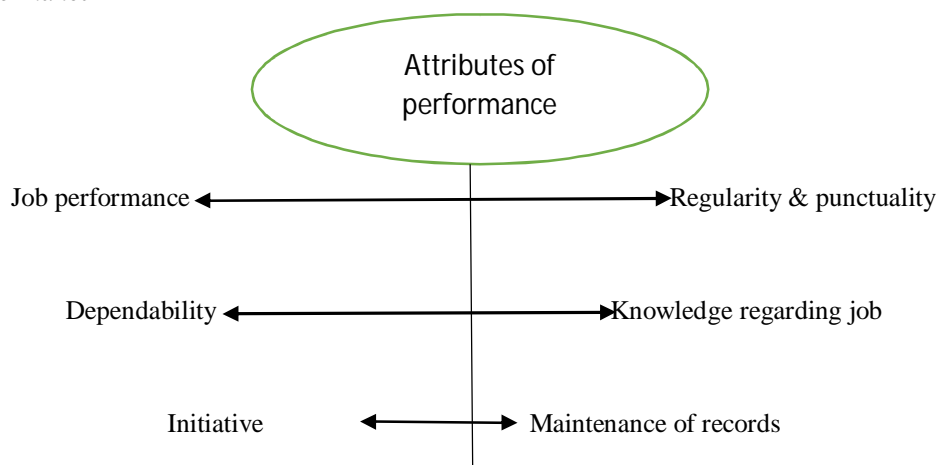


Fig: Showing the Attributes of Performance

E. Need for the Study

An enterprise that wishes to be competitive, requires a good appraisal system for evaluating employee performance. It should be remembered that the employee must be satisfied, and most of the time there should be no difference between the employee of the review.

Azad Engineering Pvt Ltd. has a very good performance evaluation process because it has developed its own methodology and well-planned procedure for evaluating employees, which is very important for individual and organizational growth.

It plays a major role in the superior-subordinate interaction cycle. A successful assessment system is the best prerequisite for the Create and maintain a satisfactory level of employee performance in their current work.

F. Objectives of the Study

- 1) Identify the performance assessment technique in Azad Engineering Pvt Ltd. Identify the effectiveness of the performance assessment system for employees and employees in relation to the current assessment system.
- 2) Evaluate respondents ' interpretation of assessment results within the company.

II. REVIEW LITERATURE

This section aims to present works by academics relevant to research concerns and to explain the main themes in the process of performance evaluation. Reviewing all relevant materials with a bearing on the topic is essential. Literature review starts with a quest for the correct subject. (Brumbach, 1988) said that the quality of his article refers to actions as well as outcomes. Behaviours derive from the performer and transform performance from action to action.

Whereas it is possible to judge the outcome of mental and physical activity applied to tasks apart from performance.

In their article "The Performance Appraisal Process" (Decotiis& Petit 1972) A model and some pre-positions tested. Now a literature-based model of the performance ratings accuracy determinants. This model indicates that the most important determinants of accuracy are, {Rater Motivation { Rater Ability}

III. RESEARCH METHODOLOGY

After the study's goals have clearly started, the next step in the systematic research project is to determine the source from which the information needs to be obtained is an interesting aspect of the study achieving data effectively.

A. Data Collections

- 1) Primary Data
- 2) Secondary Information

The primary data are those gathered from the workers directly, freshly and for the first time. It is obtained by two types of data using the following methods.

- a) *Questionnaire*: A questionnaire structure has been prepared and distributed among employees and employees.
- b) *Observation*: the working atmosphere is observed.

The secondary data are those that someone else has already compiled and moved through the static phase. There are several sources, namely books, newspapers, articles, etc.

B. Sample Size

A selection of a sample of 100 employees. Although it appears to be a small sample in view of the large number of employees, due to time constraint it has to be limited. The sample size is not considered small even then. It is necessary to draw conclusions.

C. Sampling Technique

Simple random technique was used to select the sample from the total population.

IV. DATA ANALYSIS

A. The Performance Appraisal Helps People To Set And Achieve Meaningful Goals

Response	No. of Respondents	Percentage of the Respondents
Strongly Agree	70	70%
Neutral	25	25%
Disagree	5	5%
Total	100	100%

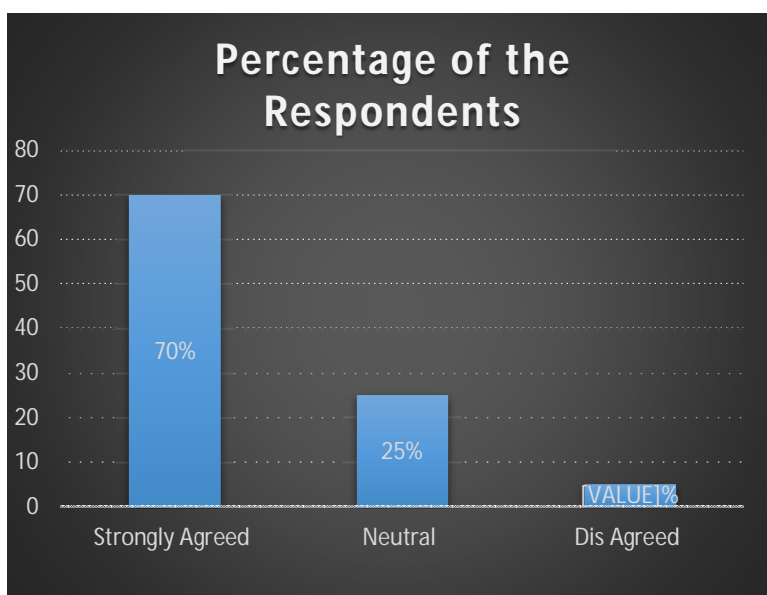


Table 1: performance appraisal helps people set and achieve meaning goal

- 1) *Interpretation*: The above graphical representation concluding that 70% of the respondents are strongly agreed that performance appraisal helps people to set and achieve meaningful goals while 25% of the respondents gave neutral opinion and 5% are disagreed with the statement.

B. Appraisal Process Have An Impact On Employee Performance

Response	No. of respondents	Percentage of the Respondents
Agree	90	90 %
Neutral	5	5 %
Disagree	5	5 %
Total	100	100 %

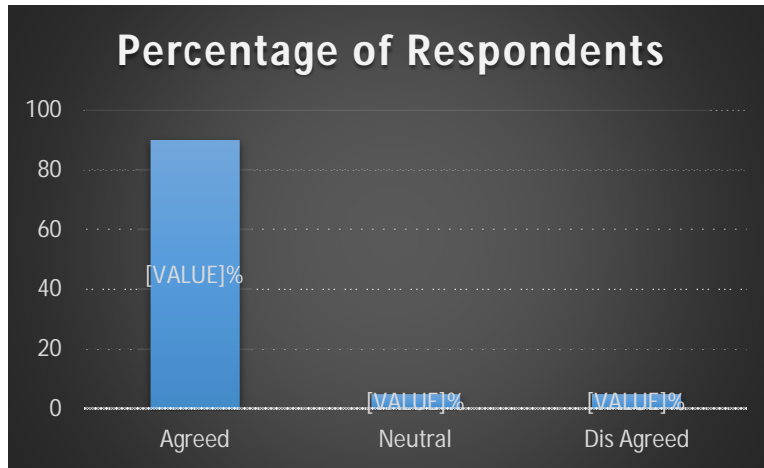


Table 1: performance appraisal impact on performance of the employee

1) *Interpretation:* From the above interpretation we can observe that 90% of the employees are agreeing that the performance appraisal have impact on employee performance and only 5% of the employees are disagreeing.

C. Appraisal Is A Tool To Identify The Opportunity For Improving Performance By Acquiring New Skills And Knowledge

Response	No. of Respondents	Percentage of the Respondents
Agree	60	60 %
Disagree	20	20 %
Neutral	20	20 %
Total	100	100 %

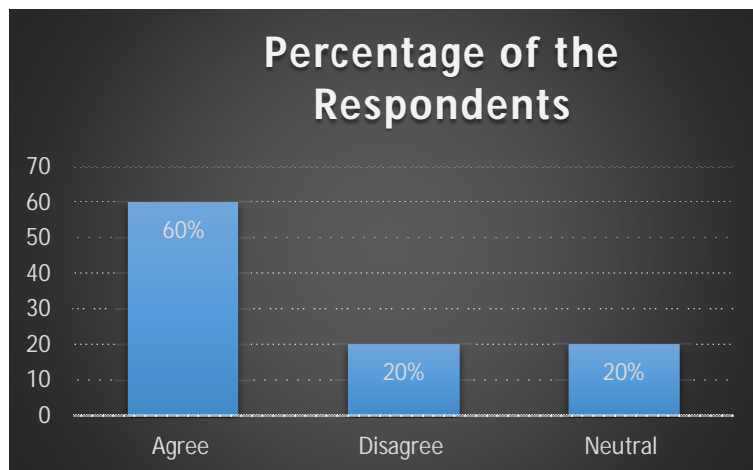


Table 3: Appraisal tool for improving performance by acquiring new skills and knowledge

1) *Interpretation:* The above graphical representation is about the appraisal system is identifying the opportunity for improving performance by acquiring new skills and knowledge, and 60% of the employees are strongly agreeing the same.

D. Fair Appraisal System Will Creates Employee Satisfaction Which Leads To High Degree Of Employee Performance

Responses	No. of Respondents	Percentage of the Respondents
Strongly Agree	20	20 %
Agree	50	50 %
Neutral	20	20 %
Disagree	10	10 %
Strongly Disagree	0	0 %
Total	100	100 %

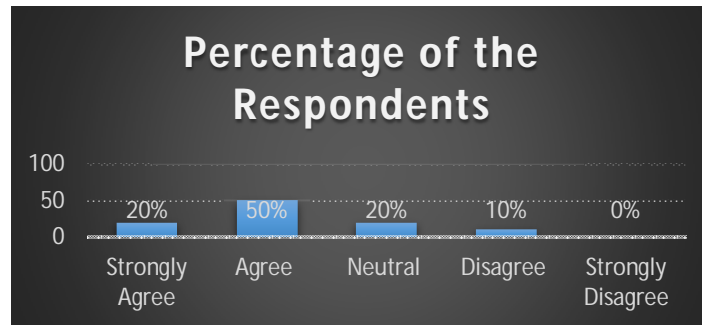


Table 4: Fair appraisal system will creates employee satisfaction which leads to high degree of employee performance

1) *Interpretation:* Here **50%** of the employees are agreeing that fair appraisal system will created employee satisfaction which leads to high degree of employees, only **10%** of the employee are disagreeing the statement.

V. FINDINGS

- A. 70% of the respondents are strongly agreed that performance appraisal helps people to set and achieve meaningful goals.
- B. 90% of the respondents are agreeing that the performance appraisal have impact on the performance.
- C. 60% of the respondents believing that appraisal system helps to identify the opportunity for improving performance by acquiring new skills and knowledge.
- D. Here 50% of the employees are agreeing that fair appraisal system will created employee satisfaction which leads to high degree of employees.

VI. SUGGESTIONS

- A. Employee involvement and participation in appraisal process motivates them for better performance.
- B. Fair appraisal system creates trust in employer.

VII. CONCLUSION

Performance evaluation is the basis for the creation of capital. This shows the level of performance expected, the level of actual output, and the difference between the two. Quality evaluation is all about measuring workers ' actions in the workplace.

This allows you to provide positive feedback and areas for improvement to be found. An employee can talk to the manager and even create a development plan to enhance his skills. Because, if supported by a good merit-based compensation system, it leads to employee motivation.

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