

## Performance Appraisal: Tool of Employee Performance

Sukhdeep Kaur<sup>1</sup>, Kajal Chaudhary<sup>2\*</sup> (Corresponding Author), Surjan Singh<sup>3</sup>, Anjali<sup>4</sup>, R. Ravi<sup>5</sup>

<sup>1</sup> & <sup>4</sup>. Master Degree Student, Dept. of Management, Eternal University Baru Sahib H.P., India.

<sup>2\*</sup> Corresponding author, Assistant Professor in Dept. of Commerce and Management, Eternal University Baru Sahib H.P., India.

<sup>3</sup>. Assistant Professor in Dept. of Mathematics, Eternal University Baru Sahib H.P., India.

<sup>5</sup>. Associate Professor in Dept. of Commerce and Management, Eternal University Baru Sahib H.P., India

**Abstract:** Employees are very essential and valuable assets for every organization. In today's highly competitive scenario every organization's success totally depends upon their employee's ability, quality, characteristics as well as their performance. For this, each organization adopts a performance appraisal system that helps to assess the employee's performance continuously and their contribution to achieving the organization's overall goals. It's an excellent tool to evaluate the mapping the organization assigns to its employees. A person's performance can be defined as the recording of results generated as specified task, functions or activities during a particular period of time. The purpose of this study was to identify the factors that employees in the organization favor for their evaluation, relation to employee and employer and employee satisfaction with the presenting rating system. The appraisal system is a potential tool for evaluating the performance and skills of employees and creates tremendous motivation among employees. This research explains HCL performance appraisal system and wants to know how it works efficiently. Findings were made based on the data collected from 100 employees with the aid of a questionnaire in which mean and standard deviation were employed. It was found that various development activities such as reward system and opportunities toward promotion provided by the company. But there is lack of training program in the company. Young employees were more in the company as compare to other age group.

**Keywords:** Essential, competitive, particular, reward, development, opportunities.

### 1. INTRODUCTION

Performance appraisal is one of the most complex tasks of man-management. Performance appraisal is a critical and effective tool in developing and optimizing human resources in every organization. It also facilitates the development of a corporate culture of reciprocity, openness and collaboration to achieve individual and organizational goals.

Periodic data that capture the qualitative state of the workforce is critical to an organization, and the organization seeks to collect the relevant data through the performance appraisal tool. The data collected will serve the needs of the organization in a variety of personnel decisions beyond the system should give the affected person feedback about his performance. Some of the appraisals are conducted completely confidentially and partially confidentially, but seldom do you meet a manager who is satisfied with the work appraisal system in his organization but the activity continues ritually year after year. The situation exists today in most organizations there is a rating system for upper and middle management executives, systems are not so formal and clear when it comes to top managers and leaders in organizations.

### 2. OBJECTIVES OF THE STUDY

The main objective of the research study is to examine the overall system of the performance management and assessment system for HCL Company. The proper record of the bank in terms of employee satisfaction, workforce, etc., must be maintained to assess the organization's performance.

- To determine the effectiveness of the performance appraisal system on demographic profile and factors.
- To study employee perception regarding the role of performance assessment in HCL.

### 3. LITERATURE REVIEW

i) Cleveland et al (1989) has done little empirical research to (a) determine the extent to which performance evaluation is used for each of several purposes in the industry, (b) the extent to which assessment data is used for multiple and potentially conflicting uses within it can be organization and (c) organizational correlates of these applications. A factor analysis of the 106 completed questionnaires revealed four general uses of performance assessment information. The use of performance assessment for simultaneous distinction between and within individuals is common. Canonical correlation analysis showed that the organizational characteristics were significantly related to the use of performance assessment.

ii) Martin et al (1998) describes the actions to be taken and the areas to be monitored to help a performance appraisal system respond to the needs of the organization.

iii) Jenkins (2005) founds a critical review of the work on "The Social Context and the Policy of Assessment". This review of the "social context and policy of performance appraisal", although not exhaustive in any way, has attempted to address the issue to ask important questions of his analysis, to bring together different literatures and to highlight some of their strengths and weaknesses, focusing on two aspects of the whole area, each of which has produced its own literature, on the one hand the "policy of diffusion and systemic change" and on the other the "policy of evaluation".

iv) Jansirani et al. (2013) analyzed the performance assessment technique prevalent in the organization is fair. Employees are satisfied with the current performance appraisal system, which is traditional. As many new rating techniques are developed, the organization can implement modern technology that would be more effective. The welfare measure of the organization corresponds to the company policy and has brought a great feeling for the work of the employees of the organization. If the proposed measures are considered, this will help to increase the effectiveness of the performance appraisal system.

### 4. RESEARCH METHODOLOGY

**4.1 Need of the Study:** Performance Appraisal System effect to the performance of the employees. The need of study to understand the present system of performance appraisal in HCL.

**4.2 Study Design:** Descriptive study design was used to fulfil the objectives.

**4.3 Study Area:** The area of the study for the research purpose was HCL Chandigarh, India.

**4.4 Sources of Data:** The primary data were collected using the survey method with the help of structured questionnaire. The secondary data were collected from various research papers, internet, books and previous research reports etc.

**4.5 Tools and Techniques:** Data collected with the help of questionnaire is coded in the form of numbers such as 1, 2 and 3 and so on. The coded data is processed and analysed using SPSS version 23.0 statistical software. In order to achieve the objectives of the study, following statistical tools are used such as percentage (%), mean and standard deviation.

**4.6 Sample Size:** The sample size for research purpose is 100 respondents.

### 5. ANALYSIS OF SURVEY

#### 5.1 Socio- Demographic Profile of Respondents

Sr. No.	Socio Demographic Characteristics	Frequency (n=100)	Percentage (%)
1	<b>Age (Years)</b>		
	20-25 years	43	43
	26-30 years	22	22
	31-35 years	28	28
	Above 35 years	7	7
	<b>Total</b>	<b>100</b>	<b>100</b>

2	<b>Gender</b>		
	Male	65	65
	Female	35	35
	<b>Total</b>	<b>100</b>	<b>100</b>
3	<b>Marital Status</b>		
	Married	42	42
	Unmarried	58	58
	<b>Total</b>	<b>100</b>	<b>100</b>
4	<b>Work Experience (Years)</b>		
	Below 5 years	56	56
	6-10 years	44	44
	<b>Total</b>	<b>100</b>	<b>100</b>
5	<b>Salary (Rs.)</b>		
	Below 10000	21	21
	10000-15000	26	26
	15000-20000	52	52
	Above 20000	1	1
	<b>Total</b>	<b>100</b>	<b>100</b>
6	<b>Qualification</b>		
	Diploma	45	45
	UG	36	36
	PG	19	19
	<b>Total</b>	<b>100</b>	<b>100</b>

**Source:** Data collected through questionnaire by the researcher

Table 5.1 shows that the demographic profile of the respondents. It depicts that the majority of the respondents (43%) in the company are in the age group 20-25 years followed by 28% in the group of 31-35 years and 22% in the group of 26-30 years and 4.5 % in the oldest age group of above 35 years, 65% of the respondents are male, thus female respondents in the company are 35%, the majority of 58% respondents are unmarried and 42% respondents are married, Only 44% employees has work experience of 6 to 10 years and rest of employees have work experience below 5 years, 52% respondents earned salary of Rs. 15000-20000 and 26% employees comes under Rs. 10000-15000 salary package further followed by the group of below Rs. 10000 with percentage 21. Thus smallest sample of 4.5 percent earned salary above Rs. 20000 and majority of the respondents 45% in HCL are Diploma holders and 36% Under-Graduate whereas 19% are Post-Graduate employees.

**Table 5.2** Effectiveness of the performance appraisal system on the demographic profile and factors

The table depicts the effectiveness of performance appraisal on the demographic factors.

Sr. No.	Factors	Mean Score	Std. Deviation
1.	Do You Receive any increment after performance appraisal.	1.34	0.477
2	Do you think that performance Appraisal help to provide an atmosphere where all are encouraged to share one another burden?	1.43	0.498
3.	Do you think performance appraisal helps to change behaviour of Employees?	1.50	0.503
4.	Does Performance appraisal increases team spirit among employees?	1.40	0.492
5.	Does Performance appraisal help in reducing employee turnover?	1.25	0.435
6.	Do you think your salary & compensation should be decided on the basis of performance Appraisal?	1.53	0.502
7.	After conducting Performance Appraisal System, has the company conducted any training program?	1.59	0.494

**Source:** Data collected through questionnaire by the researcher

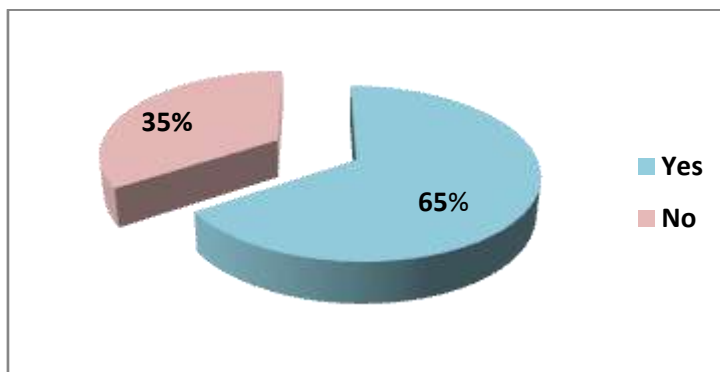
The Table 5.2 illustrated that the training needs at highest mean score (1.59) so it should be improved in the company and followed by the salary and compensation with mean score (1.53) should be decided on the basis of performance appraisal. Performance appraisal helps in reducing employee turnover is the most satisfactory factor with lowest mean (1.25).

**Table 5.3** Salary increment in the company

Respondent’s feedback about salary increment takes place in the company after performance appraisal is shown in the table.

Sr. No.	Salary increment	Frequency	Percentage
1.	Yes	65	65
2.	No	35	35
	<b>Total</b>	<b>100</b>	<b>100</b>

**Source:** Data collected through questionnaire by the researcher



**Figure 1:** Pie chart showing that the percentage of the respondents

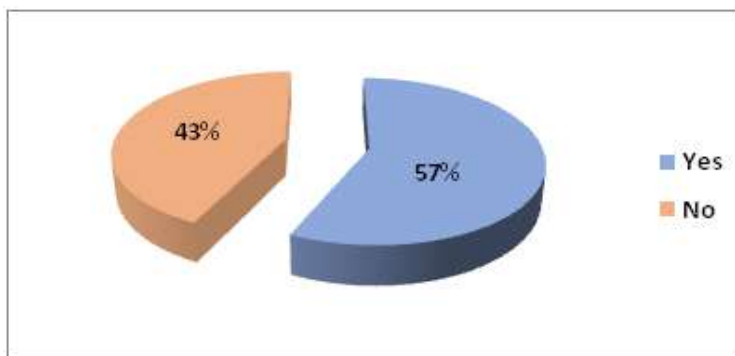
From the Table 5.3 and Figure 1 it is revealed that sixty five percent (65%) employees declare that after the evaluation of the performance they notice the enhancement in their salary and only 35% employees disagree with the statement.

**Table 5.4** Environment of the Company

The reaction of sample population about the environment of the company is depicted in the table.

Sr. No.	Atmosphere	Frequency	Percentage
1.	Yes	57	57
2.	No	43	43
	<b>Total</b>	<b>100</b>	<b>100</b>

**Source:** Data collected through questionnaire by the researcher



**Figure 2:** Pie chart showing the percentage of employees

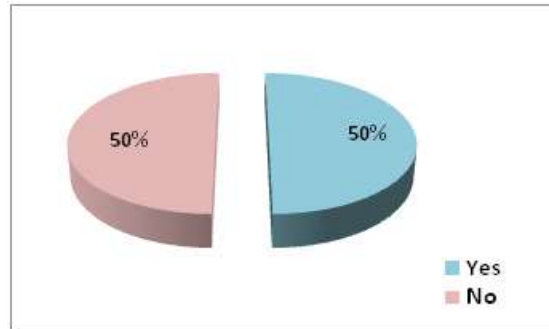
The Table 5.4 and Figure 2 depicts that the environment of the organization is very imperative aspect of every organization it should be comfortable and reliable. Majority of employees are satisfied with the atmosphere of the company but 43% employees are not comfortable with the culture of the company.

**Table 5.5** Employees behaviour during the different working conditions

Response of the sample population on the basis of behaviour that wears by the employees during the different working conditions is shown in the table.

Sr. No.	Employee behaviour	Frequency	Percentage
1.	Yes	50	50
2.	No	50	50
	<b>Total</b>	<b>100</b>	<b>100</b>

**Source:** Data collected through questionnaire by the researcher



**Figure 3:** Bar graph showing the Percentage towards the employee behaviour

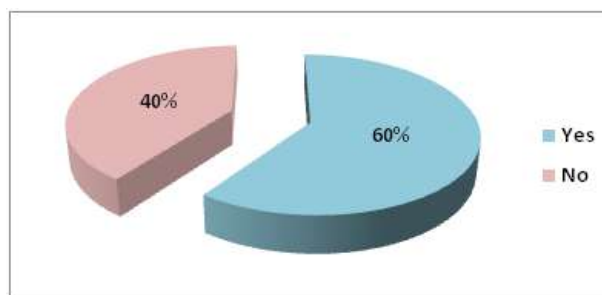
From the above Table 5.5 and Figure 3 it is considered that 50% employees think that the performance evaluation system is helpful in the behavioral change of the manpower but half of employees think that it is not necessary.

**Table 5.6:** Team spirit among the sample population

Team spirit among the sample population after the performance appraisal evaluation is depicted in the table.

Sr. No.	Team Spirit	Frequency	Percentage
1.	Yes	60	60
2.	No	40	40
	<b>Total</b>	<b>100</b>	<b>100</b>

**Source:** Data collected through questionnaire by the researcher



**Figure 4:** Pie chart showing the percentage of team spirit among employees

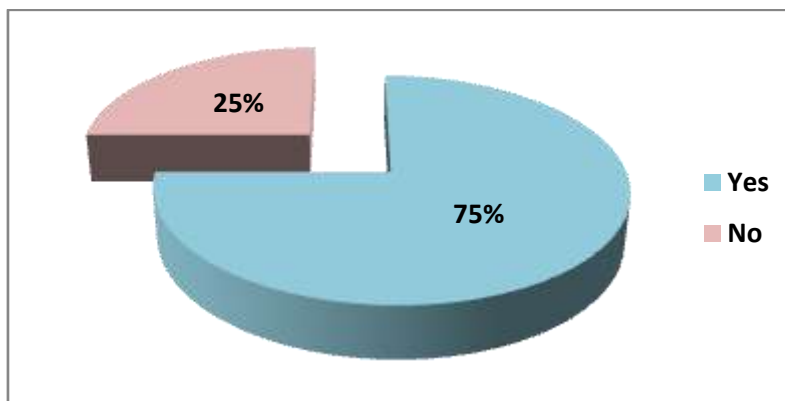
The Table 5.6 and Figure 4 reveals that after analyzing the performance appraisal the team cooperation among the employees is increased, 40% employees are not agree with this statement but most of employees are agreed.

**Table 5.7:** Employee turnover in the Company

Respondent's reaction about the employee turnover in the company is shown in the table.

Sr. No.	Employee turnover	Frequency	Percentage
1.	Yes	75	75
2.	No	25	25
	<b>Total</b>	<b>100</b>	<b>100</b>

**Source:** Data collected through questionnaire by the researcher



**Figure5:** Pie chart showing the percentage of respondents towards employee turnover

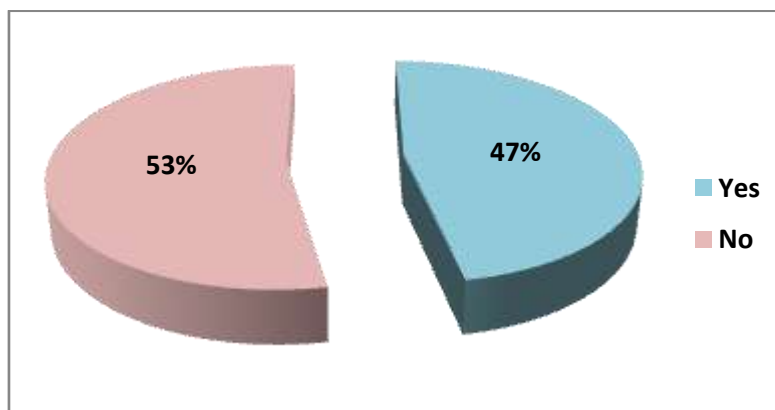
The Table 5.7 and Figure 5 demonstrates that majority of employees are agreed that the employee turnover rate is reduced by performance evaluation but 22 % employees are not considered it in same manner.

**Table 5.8:** Salary and compensation decision

Sample populations reaction towards the distribution of the salary and compensation on the basis of performance appraisal system is shown in table.

Sr. No.	Salary and Compensation decision	Frequency	Percentage
1.	Yes	47	47
2.	No	53	53
	<b>Total</b>	<b>100</b>	<b>100</b>

**Source:** Data collected through questionnaire by the researcher



**Figure 6:** Pie chart showing the percentage of respondents towards salary and compensation decisions

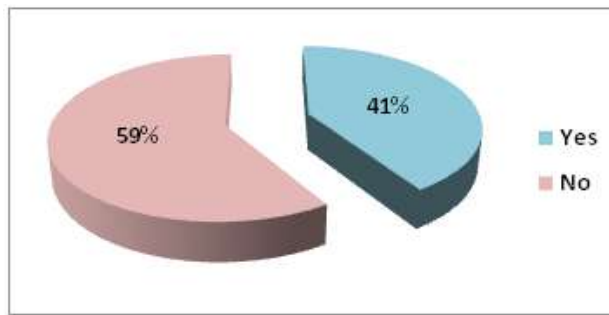
Above Table 5.8 and Figure 6 interprets that 53% people think that the salary system should not be maintained on the basis of performance evaluation but rest of 47% employees are wanted the salaries on the basis of the evaluation process.

**Table 5.9:** Training needs on the basis of performance appraisal

The table depicts the feedback of respondents about the training needs on the basis of performance appraisal is conducted in the company.

Sr. No.	Training Program	Frequency	Percentage
1.	Yes	41	41
2.	No	59	59
	<b>Total</b>	<b>100</b>	<b>100</b>

**Source:** Data collected through questionnaire by the researcher



**Figure 7:** Pie chart showing the percentage of respondents towards Training Program

The Table 5.9 and Figure 7 depicts that only 41% employees told that the training program is conducted after the performance evaluation but the other 59% told that there is not any training program is held by the company.

## 6. TO STUDY THE ROLE OF PERFORMANCE APPRAISAL IN HCL

**Table 6.1** Role of Performance Appraisal in HCL

The following table shows the role of performance appraisal in the HCL

Sr. No.	Factors	Mean Score	Std. Deviation
1.	Performance appraisal plays an important role in Inter-Personnel Relations?	2.87	1.522
2.	Performance appraisal plays an important role in Identifying training needs?	2.45	1.473
3.	Performance appraisal plays an important role in Employee Motivation?	2.31	0.918
4.	How far Performance Appraisal does is successful in creating competition between individual?	2.08	0.787
5.	How do the employees accept the appraisal feedback?	2.38	0.801

**Source:** Data collected through questionnaire by the researcher

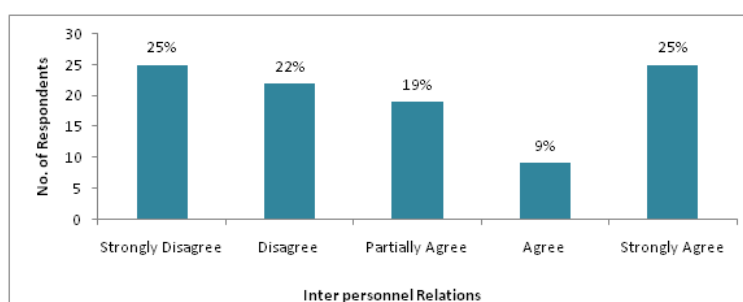
The Table 6.1 depicts the role of Performance Appraisal the most influencing factor is interpersonal relations (2.87) and the least influencing factor is competition determination between individuals.

**Table 6.2:** Composition of table on the basis Inter personnel relations

The table depicts the role of performance appraisal in inter personnel relationships of sample population.

Sr. No.	Inter personnel	Frequency	Percentage
1.	Strongly Disagree	25	25
2.	Disagree	22	22
3.	Partially Agree	19	19
4.	Agree	9	9
5.	Strongly Agree	25	25
	<b>Total</b>	<b>100</b>	<b>100</b>

**Source:** Data collected through questionnaire by the researcher



**Figure 8:** Bar graph showing the percentage respondents towards inters personnel relations



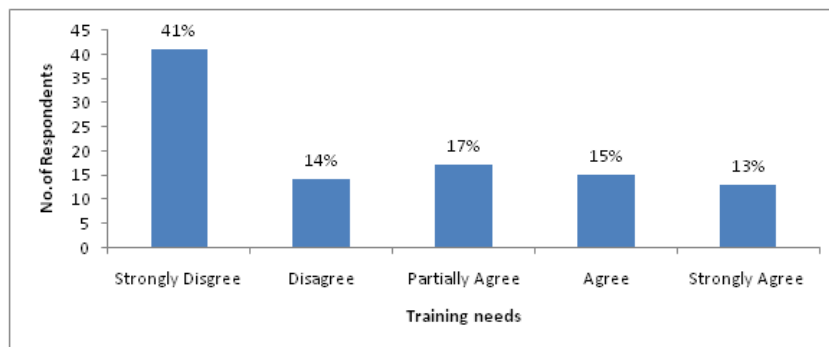
From the Table 6.2 and Figure 8 it is predicted that 25% people are strongly recommend the interpersonal skills as imperative part of company on the other hand same quantity of employees are strongly disagree with the statement. Rest of people are comes under disagree, partially agree and agree terms with percentage of 22%, 19%, and 9 % respectively.

**Table 6.3:** Composition of the table on the basis of training needs

The table shows the analysis of the training needs on the basis of the response of sample population

Sr. No.	Training Needs	Frequency	Percentage
1.	Strongly Disagree	41	41
2.	Disagree	14	14
3.	Partially Agree	17	17
4.	Agree	15	15
5.	Strongly Agree	13	13
	<b>Total</b>	<b>100</b>	<b>100</b>

**Source:** Data collected through questionnaire by the researcher



**Figure 9:** Bar graph showing the percentage of respondents towards training needs

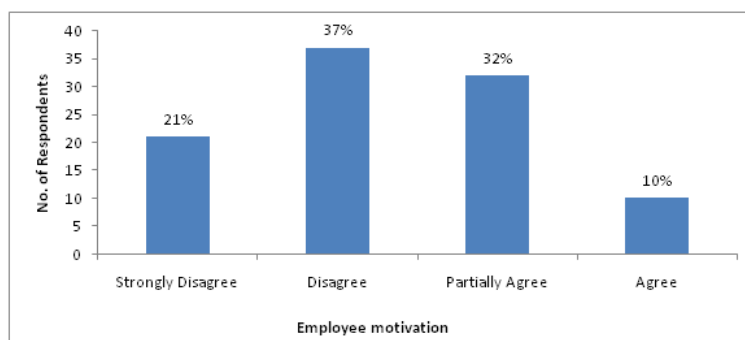
The Table 6.3 and Figure 9 identify that majority of 41% employees strongly disagreed that the training needs are identify with the help of performance appraisal followed by 14% respondents at disagree level and rest of the 17%, 15% and 13% respondents were partially agree , agree and strongly agree respectively.

**Table 6.4:** Composition of table on the basis of employee motivation

The employee motivation at different levels is depicted in the table on the basis of the sample population reaction towards the performance appraisal.

Sr. No.	Employee Motivation	Frequency	Percentage
1.	Strongly Disagree	21	21
2.	Disagree	37	37
3.	Partially Agree	32	32
4.	Agree	10	10
	<b>Total</b>	<b>100</b>	<b>100</b>

**Source:** Data collected through questionnaire by the researcher



**Figure 10:** Bar graph showing the percentage of respondents towards employee motivation



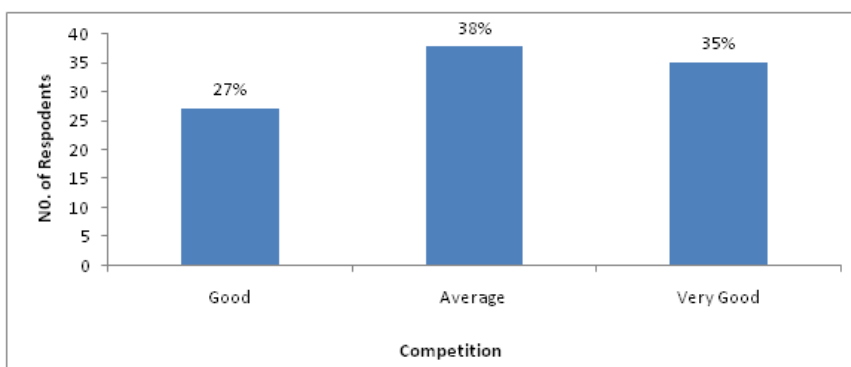
The Table 6.4 and Figure 10 demonstrates that only 10% employees agree that the performance appraisal is effective tool for employee motivation but majority of employees (37%) think that it is as not important part of company followed by the 21% at strongly disagree level. Whereas rest of 32% employees are partially agree.

**Table 6.7:** Composition of table on the basis on individual competition

The table depicts that Individual competition is analyzed with the help of performance appraisal on the basis of the response of sample population.

Sr. No.	Competition	Frequency	Percentage
1.	Good	27	27
2.	Average	38	38
3.	Very Good	35	35
	<b>Total</b>	<b>100</b>	<b>100</b>

**Source:** Data collected through questionnaire by the researcher



**Figure 11:** Bar graph showing the percentage of respondents towards individual competition

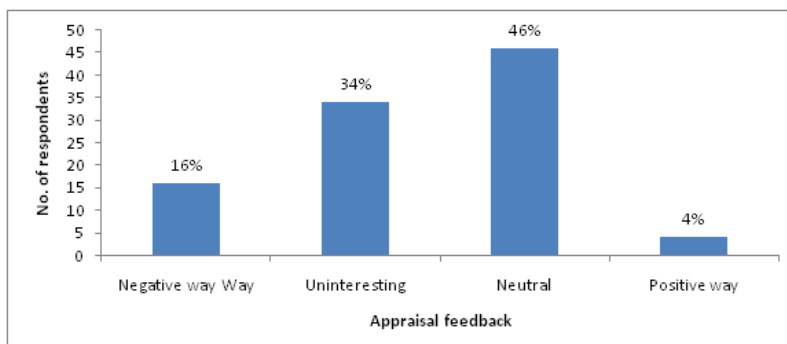
From the Table 6.7 and Figure 11, it is cleared that the majority of 38% respondents at average level think that the competition between individuals of the company is established with the performance appraisal system and followed by 35% respondents at very good level. Moreover only 27 percent respondents took it at good level.

**Table 6.8:** Composition of table on the basis of appraisal feedback

The table shows the respondents reaction for the daily feedback that conducted in the company.

Sr. No.	Appraisal feedback	Frequency	Percentage
1.	Negative way	16	16
2.	Uninteresting	34	34
3.	Neutral	46	46
4.	Positive way	4	4
	<b>Total</b>	<b>100</b>	<b>100</b>

**Source:** Data collected through questionnaire by the researcher



**Figure 12:** Bar graph showing the percentage of respondents towards appraisal feedback

The Table 6.8 and Figure 12 illustrates that only 4% people accept the performance feedback in positive way and 46% comes under neutral type. 16% and 34% employees take feedback as negative and uninteresting manner respectively.

#### SUGGESTIONS

- While framing the parameters in the ranking method the performance appraisal technique and group discussion can be made among and with various authorities.
- Increase the awareness level of employees during the performance appraisal period.

#### 7. CONCLUSION

HCL is a very big brand in IT industry and company is also running successfully at a big level in the United Kingdom as well as across the world. Moreover various opportunities for further development of employees are maintained by the company. Reward system is designed to motivate the employees for enhance their ability and performance. The process of performance appraisal has to be carried out for the benefits of management and at the same time, it also motivates employees for the action required by the management of the company. The performance appraisal plays a very vital role in the company in achieving the goals of the company.

#### REFERENCES

- [1] Cleveland, Jeanette N, Murphy, Kevin R, Williams and Richard E (1989) Multiple uses of performance appraisal: Prevalence and correlates. *Journal of Applied Psychology*, Vol 74(1), Feb 1989, 130-135.
- [2] Martin D C, Bartol K M and Martin D C (1998) Performance Appraisal: Maintaining System Effectiveness. *Public Personnel Management* 27(2), 223-230.
- [3] Jenkins A (2005) Performance Appraisal Research: A Critical Review of Work on "The Social Context and Politics of Appraisal".
- [4] Jansirani S, Hatrikrishnan R, Jaya kani D and Saisathya A (2013) "A Study on Performance Appraisal System at Wipro Infrastructure Engineering Pvt. Ltd". *IOSR Journal of Business and Management* 9(3), 08-23.

#### AUTHORS' BIOGRAPHY

**1. Ms. Sukhdeep Kaur** has received Bachelors of Technology in IT (Information Technology) Degree from PTU Jalandhar, India. Presently, M.B.A. scholar at Eternal University, Baru Sahib in Himachal Pradesh, India. Area of specialization is HR.

**2. Dr. Kajal Chaudhary** has received (Ph.D.) from Chaudhary Charan Singh University, Meerut, Uttar Pradesh, India. Presently working as an Assistant Professor in department of Commerce and Management at Eternal University, Baru Sahib in Himachal Pradesh, India. She has 12 years of academic experience. Her area of interest is finance.

**3. Dr. Surjan Singh** has received (Ph.D.) from Banaras Hindu University, Varanasi, Uttar Pradesh, India. Presently working as an Assistant Professor in department of Mathematics at Eternal University, Baru Sahib in Himachal Pradesh, India. He has 12 years of academic experience. His area of interest is Mathematics.

**4. Ms. Anjali** has received B. Com. Degree from Indira Gandhi National Open University, India. Presently, M.B.A. scholar at Eternal University, Baru Sahib in Himachal Pradesh, India. Area of specialization is finance.

**5. Dr. Ramamurthy Ravi** has received (Ph.D.) from International University of Contemporary Studies, California, USA. Presently working as an Associate Professor in department of Commerce and Management at Eternal University, Baru Sahib in Himachal Pradesh, India. He has 15 years of academic experience. His area of interest is Marketing.