
A Study on “Performance Appraisal System” and its Consequences on Work Productivity in Hindustan Computers Limited (HCL) Technologies, Chandigarh, India

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Abstract: For any organization their employees are a worthwhile asset. In today's competitive scenario employees are a very important resource for each and every organization because their output depends on their inputs. Today's work environment requires a lot of commitment and dedication from the employees, who of course expect much more from their employers. For this purpose, organizations adopt a performance appraisal system, which is a core liability of an organization's manager as well as the human resource department. It addresses the most critical issues that take into account ongoing organizational change and provides practical research. It is a very important mechanism to measure an employee's performance and their effectiveness. This system works continuously, according to this assessment both employees and employers can identify their strengths and weaknesses and opportunities for improvement and competence development. It can determine the future of the organization and predict the professional emergence of employees. It can evaluate both the work-related behavior and the potential of employees. The main purpose of this study is to analyze the performance appraisal system and its consequences on work productivity in HCL Technologies, Chandigarh, India. The main objective of the research is to examine the overall system of the performance management and assessment system for HCL Company. The proper record of the company in terms of employee satisfaction, workforce, etc., must be maintained to assess the organization's performance. 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 a reward system and opportunities toward promotion provided by the company. But there is a lack of training program in the company. Young employees were more in the company as compared to other age groups.

Keywords: Performance, Potential, Employees, Effectiveness, Development, Evaluate.

1. INTRODUCTION

Performance appraisal is one of the most complex tasks of human resource 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. COMPANY BACKGROUND – HCL

Table 1: Company Profile of HCL

Founded	11 August 1976
Founder	Shiv Nadar
Headquarters	Noida, India
Key Members	Shiv Nadar (Chaireman), C VijayaKumar
Services	IT, Business Consulting and outsourcing services
Number of Employees	117,781
Area Served	Worldwide

3. OBJECTIVES OF THE STUDY

In this study we want to know the current system of performance appraisal in HCL.

4. REVIEW OF LITERATURE

i) Roberts (1994) examined the variables associated with perceptions of acceptance of the performance evaluation system. Employee acceptance is a critical factor in developing an effective system. The results showed that the systems that were believed to have effectively implemented language and performance evaluation information validity implementation processes were associated with a higher degree of perceived acceptance of the employee performance evaluation system.

ii) Rubin(2011) conducted the Appraising Performance Appraisal Systems in the Federal Government: The result suggests analyzing performance appraisal system structures, beyond employee survey data; it provides to the scholars with rich research opportunities.

iii) Mishra (2013) studied the employee appraisal system of Hong Kong and Shanghai Banking Corporation (HSBC Bank). This study reveals that the performance appraisal process should be a continuous and continuous activity and should be conducted on a regular basis. The performance appraisal session must be an informal session to better understand the session for the organization's employees. When the process of appraisal is conducted for a specific time period the formal goal of an organization can be achieved through the efforts of its employees, and performance evaluation and feedback with employees can help deliver results to the organization as a whole.

iv) Deepa et al. (2014) determines the success or failure of the organization. This paper summarizes the conceptual framework of the performance appraisal system and his relationship between job satisfaction, organizational commitment, organization Citizenship, employee loyalty and thus productivity.

v) Chauhan et al. (2016) examined this study to analyze the need to replace the traditional performance appraisal system (PAS) in public sector enterprises by using a case study approach that selects a public company, Rajasthan State Mines and Minerals Limited. The study highlights that employees view the PAS measures as objective, accurate and unbiased, and that the PAS system is transparent, performance-oriented and linked to employees' growth opportunities.

5. RESEARCH METHODOLOGY

5.1 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.

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

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

5.4 Sources of Data: The primary data were collected using the survey method with the help of structured questionnaire. The secondary data was collected from various research papers, internet, books and past thesis etc.

5.5 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.

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

6. ANALYSIS AND DISCUSSION

6.1 Socio- Demographic profile of Respondents

Sr. No.	Socio Demographic Characteristics	Frequency (n=100)	Percentage (%)
1	Age(Years)		
	20-25 years	43	43
	26-30 years	22	22
	31-35 years	28	28
	Above 35 years	7	7
	Total	100	100
2	Gender		
	Male	65	65
	Female	35	35
	Total	100	100
3	Marital Status		
	Married	42	42
	Unmarried	58	58
	Total	100	100
4	Work Experience (Years)		
	Below 5 years	56	56
	6-10 years	44	44
	Total	100	100
5	Salary(Rs.)		
	Below 10000	21	21
	10000-15000	26	26
	15000-20000	52	52
	Above 20000	1	1
	Total	100	100
6	Qualification		
	Diploma	45	45
	UG	36	36
	PG	19	19
	Total	100	100

Source: Data collected through questionnaire by the researcher

Table 4.2 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 4.3: The present system of performance appraisal in HCL

Sr. No.	Statements	1	2	3	4	5	Mean Score	Rank
		Strongly disagree	Disagree	Neutral	Agree	Strongly Agree		
1.	Opportunities	0	12	35	38	15	3.56	II
2.	Job changes	0	0	56	33	11	3.55	III
3.	Rewards system	0	0	63	36	1	3.38	IV
4.	Learning and growth opportunities	0	2	39	59	0	3.57	I
5.	Satisfaction	0	22	39	39	0	3.17	V

Source: Data collected through questionnaire by the researcher

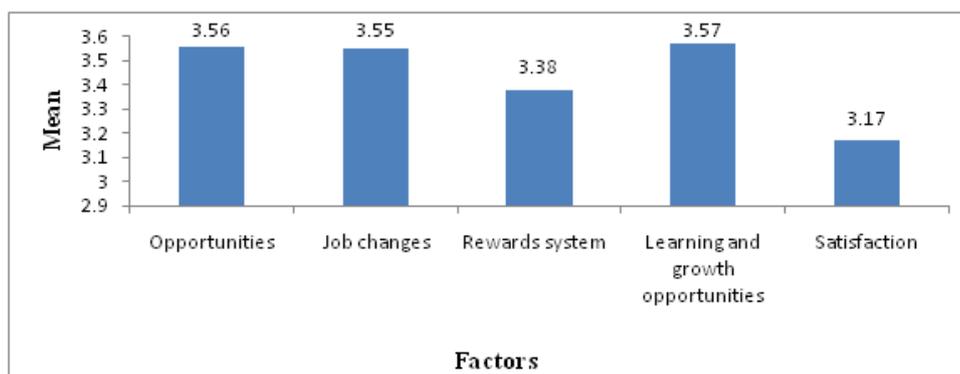


Figure 4.1: Bar graph showing the mean of various factors

Table 4.3 and fig. 4.1 depicts the current performance appraisal system of the company on the basis of different factors. It reveals that the basic average score (mean) the highest influential factor is Learning and Growth opportunities (3.57) followed by Opportunities for promotion (3.56) and the least influencing factor is satisfaction (3.17) towards the career development process of the company.

Table 4.4: Opportunities that provided for the firm

Sr. No.	Opportunities	Frequency	Percentage
1.	Disagree	12	12
2.	Neutral	35	35
3.	Agree	38	38
4.	Strongly Agree	15	15
	Total	100	100

Source: Data collected through questionnaire by the researcher

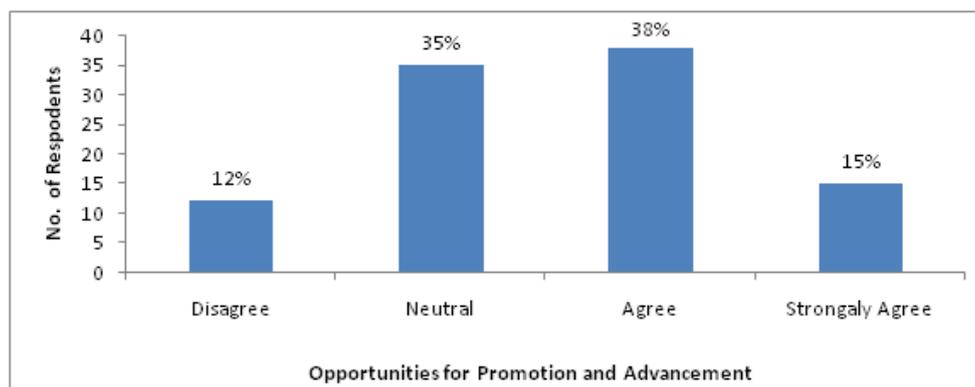


Figure 4.2: Bar graph showing the opportunities for promotion and advancement

Table 4.4 and fig. 4.2 depicts that the opportunities for promotion at different satisfaction levels of respondents. It is clear that only 12% people in an organization who are not agree with the opportunities that are available in the company. On the other hand, it is analyzed that most of the employees (88%) are satisfied with the opportunities that are provided in the company.

Table 4.5: Job changes provided by the company

Sr. No.	Job Changes	Frequency	Percentage
1.	Neutral	56	56
2.	Agree	33	33
3.	Strongly Agree	11	11
	Total	100	100

Source: Data collected through questionnaire by the researcher

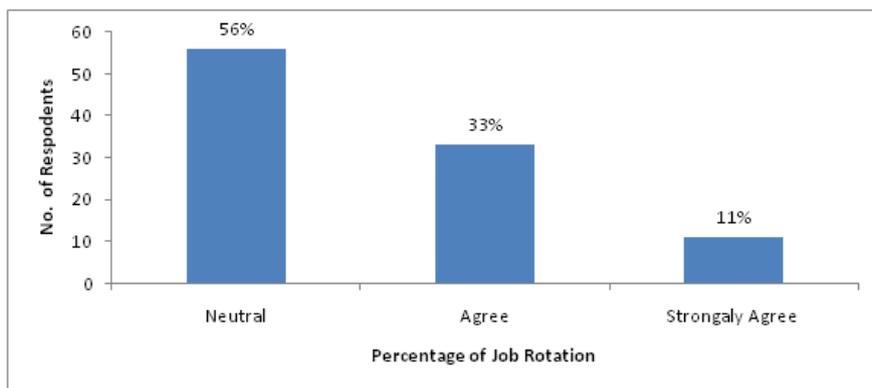


Figure 4.3: Bar graph showing the percentage of job rotations

Table 4.5 and fig. 4.3 reveals about the various job rotations are provided by the company at the different satisfaction levels of the sample population. It is considered that 56% employees pretend that job rotations in an organization are at neutral level. Moreover the graph depict that rest of employees agreed that Job changes facility is available for them.

Table 4.6: Reward system that offered to the performer

Sr. No.	Reward System	Frequency	Percentage
1.	Neutral	63	63
2.	Agree	36	36
3.	Strongly Agree	1	1
	Total	100	100

Source: Data collected through questionnaire by the researcher

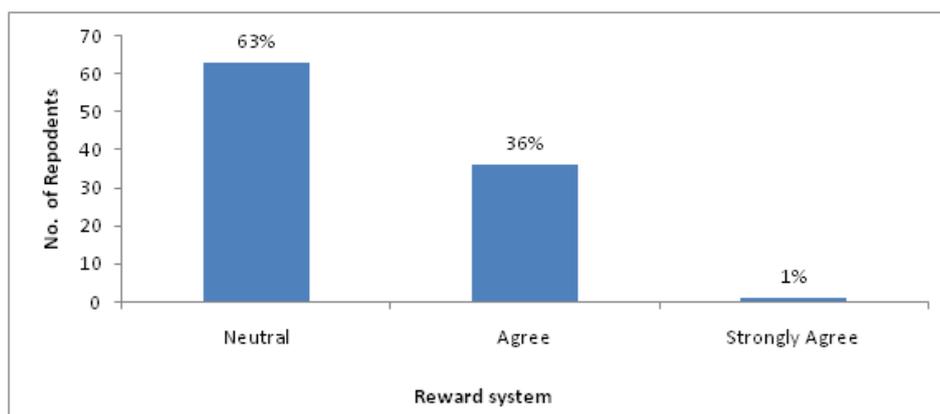


Figure 4.4: Bar graph showing the percentage of respondents towards reward system

Table 4.6 and fig. 4.4 reveals about the Reward system that provided by the company on the basis of sample population at different levels. It shows that 1% employees strongly agree that employees are motivated with reward system and rest of employees think that there is a good reward opportunities in the organization but they are not strongly agree with the term.

Table 4.7: Learning and growth opportunities

Sr. No.	Learning and growth opportunities	Frequency	Percentage
1.	Disagree	2	2
2.	Neutral	39	39
3.	Agree	59	59
	Total	100	100

Source: Data collected through questionnaire by the researcher

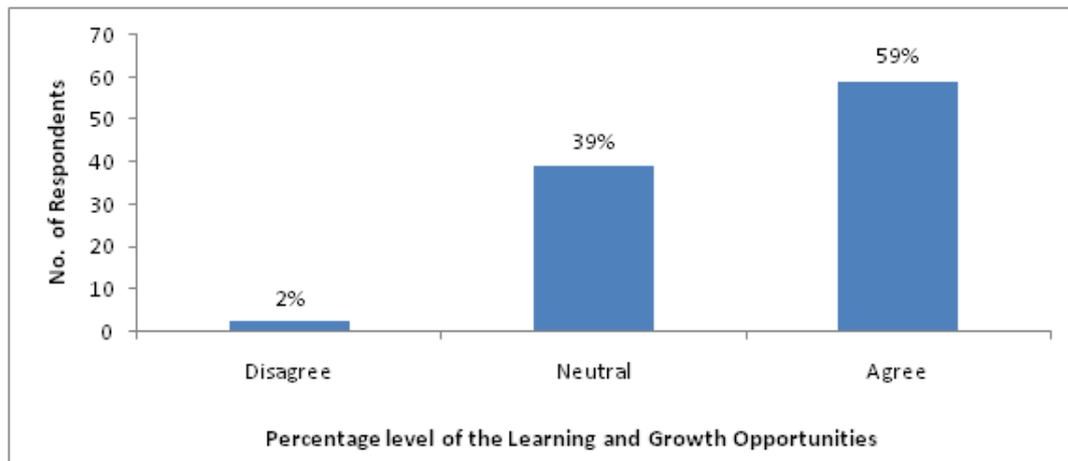


Figure 4.5: Bar graph showing the learning and growth opportunities

Table 4.7 and fig. 4.5 depicts that only 2% employees of company contradict that there is lack of growth and learning activities available. Rest of 98% employees is agreed that these activities are much better in the company.

Table 4.8: Satisfaction of respondents towards career development process

Sr. No.	Satisfaction	Frequency	Percentage
1.	Disagree	22	22
2.	Neutral	39	39
3.	Agree	39	39
	Total	100	100

Source: Data collected through questionnaire by the researcher

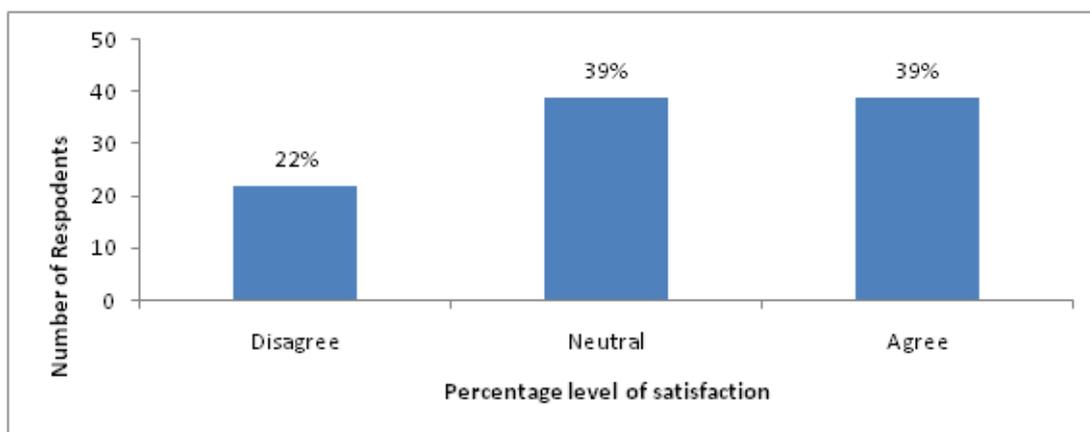


Figure 4.6: Bar graph showing the satisfaction of employees towards the career development process

Sample population’s reaction towards the career development process is shown in the table 4.8 and fig. 4.6 demonstrates that 78% employees considered that the Career Development process is much valuable in the company but 22% employees contradicts the statement.

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. 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 organization. The performance appraisal plays a very vital role in the organization in achieving the goals of the company.

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