



Article Title: A Study on Effectiveness of Performance Appraisal System With Reference To Santhigiri Ashram, Trivandrum.

A Study on Effectiveness of Performance Appraisal System With Reference To Santhigiri Ashram, Trivandrum

Sauravjith S¹, Mr. Shinu², Dr. A Robert Raja Singh³

¹Second year MBA, Narayanaguru College of Engineering

²Assistant Professor, Narayanaguru College of Engineering

³Professor or Equivalent, Narayanaguru College of Engineering

ABSTRACT

The project work entitled “A study on the effectiveness of performance appraisal system “is mainly conducted to analysis the present performance appraisal system of the organization. The selected organization is Santhigiri Ashram Pothencode, Thiruvananthapuram. This study is a descriptive on based on questionnaire method. The sample procedure used in this study is convenience sampling. The sample unit consists of employees who worked in Santhigiri Ashram Thiruvananthapuram. The tool used in this study was percentage analysis method. Performance Appraisal can also be defined “The process of evaluating the performance and qualification of the employees in the terms of the requirement of the job fo which he is employed, for the purpose of administration including placement selection for promotions, providing financial rewards and other actions which required differential treatment amount the members of a group as distinguished from actions affecting all members equally “Performance appraisal has been consider as the most significant and indispensable tool for an organization, for the information it provides is highly useful in making decisions regarding various personnel aspects such as promotion and merit increase Performance measures also link information gathering and decision making processes which provide a basic for judging the effectiveness of personnel sub-divisions such as recruiting selection, training and compensation. Accurate information place a vital role in the organization as a whole. They help in finding out the weaknesses in the primary areas.

Keywords: Performance Appraisal.

1 Introduction

Performance appraisal is the process of evaluation of an employee at higher levels. In order to know whether the selection of an employees is the right or wrong, performance appraisal is restored to promotion transfer, salary increase etc are some of the matters that are dependent upon the evaluation of the performance of an employee. Performance appraisal maybe defined as a structured formal interaction between a subordinate and supervisor, that usually takes the form of periodic interview(annual or semi-annual), in which the work performance of the subordinate is examined and discussed, with a view to identifying weakness and strengths as well as opportunities for improvement and skills development.



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Almost every organization in one way or another goes through a periodical ritual formally or informally, known as performance appraisal the formal performance appraisal has been called a tool of management, a control process, an activity and a critical element in human resource allocation. Uses for performance appraisal has included equal employment opportunity consideration, promotions, transfer and salary increases. Primarily performance appraisal has been considered an overall system for controlling an organization. Performance appraisal has been called an audit function of an organization regarding the performance of an individual and entire division. Performance appraisal is also a technique of HRD. The performance interview and the process of performance analysis help the subordinate to interact closely with his superior. The interaction helps particularly subordinates learn from his superior the job related and behavioral related aspects. This process becomes a training and development and educational process. Thus, performance appraisal is closely related to HRD. In fact, performance appraisal helps employee's development. The appraisal system practices in Santhigiri Ashram is 360 degree performance appraisal. An appraisal made by top management immediate superior, peers, subordinate, self and customers is called 360 degree appraisal. Here, the performance of the employee or manager is evaluated by 6 parties, including himself. So, he gets a feedback of his performance from everyone around him. This method is very reliable because evaluation is done by much different part.

1.2 Objectives

- To study different techniques used in the performance appraisal in Santhigiri.
- To determine the effectiveness of current performance appraisal system in Santhigiri.
- To determine the association between promotional policies and performance appraisal system.
- To analyze influence of training and development of the employee.
- To give suggestions based on findings to improve the performance appraisal system.

1.3 Need of the Study

The study would bring to light employees' understanding and appreciation of the performance appraisal system and the relevance of an objective, systematic and effective performance appraisal. Also, it would contribute to knowledge and literature because it would focus on how performance appraisal can be more effective which would enable management to develop a broader understanding of human resource management process. Further, it would provide information for human resource practitioners on how rules and regulations regarding performance appraisals work in their organizations and develop the necessary programs to address weakness and reward performance. The main objective of the study is to identify the type of appraisal systems following in the organization.



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2 Research Methodology

The study is a descriptive one and the researcher used simple category scale and multiple choices, single response scale for collecting the data. Descriptive research includes surveys and facts-finding enquires of different kinds. The major purpose of descriptive research is description of the state of affairs as it exists at present. The main characteristic of this method is that the researcher has no control over the variables, he can only report what has happened or what is happening.

Sampling Design

Survey method is used for this study. The research instrument used for collecting primary data under the survey method is questionnaire. Survey method is chosen because of two criteria. Firstly, survey provides quick, efficient and accurate means of assessing information about the population. Secondly, surveys are more appropriate in cases where there is lacks of secondary data.

2.1 Data Analysis

Percentage Analysis:

Percentage analysis is useful to find percentage and frequency of the variable for the study. The percentage analysis is used for the demographic variables of HRD practices and impact of employee engagement followed below.

Table 1: Demographic variables of the respondents

Demographic Variable	Frequency	Percentage
Gender		
Male	30	60
Female	20	40
Age		
20-30 years	24	48
31-40 years	12	24
41-50 years	8	16
Above 50 years	6	12
Marital Status		
Married	20	40



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Unmarried	30	60
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Variable	Frequency	Percentage
Performance appraisal of the organization:		
Strongly Agree	32	64
Agree	12	24
Neutral	4	8
Disagree	2	4
Strongly Disagree	0	0
Methods of performance appraisal system:		
Written essay method	2	4
Graphic rating scales	0	0
Ranking Method	16	32
360 Degree Appraisal	4	8
Self-Evaluation	28	56
Performance appraisal system used in the organization:		
Reaction of employees	1	2
Promotion policy	25	50
Organizational Culture	11	22
Training	10	20
Other	3	6
Frequency of performance appraisal:		
Monthly	14	28
Weekly	2	4
Quarterly	9	18
Half yearly	20	40



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Yearly	5	10
Training and Development program:		
Strongly Agree	26	52
Agree	20	40
Neutral	3	6
Disagree	1	2
Strongly Disagree	0	0
Performance appraisal system to identify the strength and weakness:		
Strongly Agree		
Agree	48	96
Neutral	2	4
Disagree	0	0
Strongly Disagree	0	0
	0	0
Performance appraisal system as a basic for training & development:		
Strongly Agree		
Agree	10	20
Neutral	25	50
Disagree	10	20
Strongly Disagree	4	8
	1	2
Employee expected present appraisal system:		
Strongly Agree	20	40
Agree	15	30
Neutral	12	24
Disagree	3	6
Strongly Disagree	0	0
Performance appraisal build career opportunity:		



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Strongly Agree	14	28
Agree	22	44
Neutral	10	20
Disagree	4	8
Strongly Disagree	0	0
Performance appraisal provide an opportunity for self -evaluation:		
Strongly Agree	30	60
Agree	15	30
Neutral	5	10
Disagree	0	0
Strongly Disagree	0	0
Performance appraisal improves employee motivation:		
Strongly Agree	6	12
Agree	42	84
Neutral	2	4
Disagree	0	0
Strongly Disagree	0	0
Promotion policy considered according to performance appraisal:		
Strongly Agree	48	96
Agree	2	4
Neutral	0	0
Disagree	0	0
Strongly Disagree	0	0
Reward based on performance:		
Strongly Agree	15	30
Agree	30	60
Neutral	5	10
Disagree	0	0



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Strongly Disagree	0	0
Performance appraisal of the company is fair & objective:		
Strongly Agree	13	26
Agree	28	56
Neutral	9	18
Disagree	0	0
Strongly Disagree	0	0
Support from the Human Resource department:		
Strongly Agree	6	12
Agree	38	76
Neutral	4	8
Disagree	2	4
Strongly Disagree	0	0
Managers share plans & share work objective:		
Strongly Agree	0	0
Agree	43	86
Neutral	7	14
Disagree	0	0
Strongly Disagree	0	0
Conflict during performance:		
Strongly Agree	5	10
Agree	6	12
Neutral	7	14
Disagree	20	40
Strongly Disagree	12	24
Immediate supervisor deals with all employees fairly:		
Strongly Agree	10	20
Agree	30	60



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Neutral	10	20
Disagree	0	0
Strongly Disagree	0	0
Performance appraisal help to achieve mission & vision:		
Strongly Agree	10	20
Agree	40	80
Neutral	0	0
Disagree	0	0
Strongly Disagree	0	0
Remedial measures for betterment:		
Strongly Agree	11	22
Agree	22	44
Neutral	12	24
Disagree	5	10
Strongly Disagree	0	0
Employee skill & knowledge in their work:		
Strongly Agree	10	20
Agree	30	60
Neutral	10	20
Disagree	0	0
Strongly Disagree	0	0

Interpretation:

The above table shows that 44% of respondents age level is between 26-32 years, 18% of respondents age level is between 40-50 years, 16% of respondents age level is between 18-25 years and between 33-40 years and 6% of respondents age level is 50 years and above. The above table shows that 86% of respondents are male and 14% of respondents are female. The above table shows that 44% of respondents are UG-Technical qualified, 26% of respondents are Post Graduate qualified, 20% of respondents are UG- Non-Technical qualified and 10% of respondents are ITI\Diploma qualified. The above table shows that 32% of respondents are from engineering department, 24% of respondents are from manufacturing department and marketing/product support department and 20% of respondents are from service function



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department. The above table shows that 46% of respondents are officers and 30% of respondents are managers and 24% of respondents are staffs. The above table shows that 32% of respondents experience is between 2-5 years, 28% of respondents experience is between 5-15 years, 16% of respondents experience is above 20 years, 12% of respondents experience is between 15-20 years and between 0-2 years. The above table shows that 76% of respondents are married and 24% of respondents are unmarried.

2.2 Chi-Square Analysis:

Chi-square test is used to determine whether categorical data shown dependency or the two classifications are independent. Chi-square can be used to test,

- Goodness of fit;
- Significance of association between variables;
- Test the homogeneity or the significance of population variance.

The study had used chi-square test as a test the independence than is to explain whether or not two attributes associated Chi-square value obtained is compared with relevant table value and inferences can be drawn as follows.

- If the calculated value is less than at a level of significance for given of freedom, null hypothesis stands. This means that the two attributes exists.
- If the calculated value of Chi-square is greater than its table value the null hypothesis rejected. This means association between two attributes exists.

$$= \sum (O-E)^2 / E$$

Promotion policies are considered as per the performance appraisal system

H_0 = The promotion policies are not considered as per the performance appraisal system

H_1 = The promotion policies are considered as per the performance appraisal system

Table 2: *Sharing their opinions at workplace*

Parameters	O	E	O-E	(O-E) ²	(O-E) ² / E
Strongly agree	48	10	38	1444	144.4
Agree	2	10	-8	64	6.4
Neutral	0	10	-10	100	10
Disagree	0	10	-10	100	10
Strongly disagree	0	10	-10	100	10

Expected frequency = $50/5 = 10$

Calculated value = 180.8



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Degree of freedom = $(n-1) = (5-1) = 4$

Level of significance = 5%

Table value = 9.488

Calculated value > Table value

Interpretation:

Since the calculated value is greater than table value, the null hypothesis is rejected and alternate hypothesis is accepted. Thus, it is interpreted that promotion policies are considered as per the performance appraisal system.

2.3 Weighted Average Analysis:

A weighted average is a type of mean that is calculated by multiplying the weight (or probability) associated with a particular event or outcome with its associated quantitative outcome and then summing all the products together. It is very useful when calculating a theoretically expected outcome where each outcome has a different probability of occurring, which is the key feature that distinguishes the weighted mean from the arithmetic mean.

Calculating the weighted average involves multiplying each data point by its weight and summing those products. Then sum the weights for all data points. Finally, divide the weight value products by the sum of the weights.

Weighted Average can be calculated by using the formula. It is as follows,

$$\text{Weighted Average} = \frac{\sum wx}{\sum w}$$

Table 2 Before: Employee expected to recognize their skills and knowledge in their work.

Factors	Strongly Agree x_1	Agree x_2	Neutral x_3	Disagree x_4	Strongly Disagree x_5
Weightage	5	4	3	2	1
Frequency	10	30	10	0	0
Weighted average	50	120	30	0	0

Table 2 After: Employee expected to recognize their skills and knowledge in their work.

Factors	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
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Weightage	5	4	3	2	1
Frequency	15	30	5	0	0
Weighted average	75	120	15	0	0

Interpretation:

The analysis shows that weighted average calculated for employee expectation to recognize their skills and knowledge in their work was 200, which was compared with reward given according to performance appraisal. It was found that weighted average was more after the appraisal system. Hence it can conclude that performance appraisal is effective in the organization.

3 Results and Discussion

The analysis shows that 60% of the respondents were male and 40% of the employees were female, 48% of respondents belong to the age group of 20-30 years, 24% of the respondents belong to the age group of 31-40 years, 16% of the respondents belong to the age group above 41-50 years, 12% of the respondents were belonging to the age group above 50 years and 60% of the respondents were unmarried and 40% of the respondents were married.

From the analysis, it was found that 64% of the respondents were strongly agreed that they were satisfied with current performance appraisal, 24% was satisfied, 8% shows neutral and 4% were dissatisfied, 56% of the respondents believes that self-evaluation is the part of performance appraisal, 32% consider ranking method is the part of performance appraisal, while 8% consider 360-degree appraisal is the part of performance appraisal, and 4% consider written essay method is the part of performance appraisal, 50% of the respondents believes that Promotion policy is the part of performance appraisal system, 22% consider Organization culture is the part of performance appraisal system, while 20% consider Training is the part of performance appraisal system, 6% consider Other method is the part of performance appraisal system, and 2% consider Retention of employees is the part of performance appraisal system, 28% of the respondents are saying Monthly, 4% of the respondents are saying Weekly, 18% of the respondents are saying Quarterly, 40% of the respondents are saying Half yearly, and 10% of the respondents are saying Yearly respectively, 52% of the respondents are strongly agreed to the statement, 40% of the respondents are agreed to the statement, 6% of the respondents are neutral to the statement and 2% of the respondents are disagreed to the statement respectively, 96% of the Respondents are strongly agreed to the statement and 4% of the Respondents are agreed to the statement respectively 50% of the respondents are Agreed to the statement, 20% of the respondents are Strongly agreed to the statement , 20% of the respondents are neutral to



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the statement, 8% of the respondents are disagreed to the statement and 2% of the respondents are strongly disagreed to the statement respectively.

From the analysis it shows that 40% of the respondents are strongly agreed to the statement, 30% of the respondents are agreed to the statement, 24% of the respondents are neutral to the statement and 6% of the respondents are disagreed to the statement respectively, 44% of the respondents are strongly agreed to the statement, 28% of the respondents are agreed to the statement, 20% of the respondents are neutral to the statement and 8% of the respondents are disagreed to the statement respectively, 60% of the respondents are strongly agreed to the statement, 30% of the respondents are agreed to the statement, 10% of the respondents are neutral to the statement respectively, 84% of the respondents are Agreed to the statement, 12% of the respondents are Strongly agreed to the statement, 4% of the respondents are neutral to the statement respectively, 80% of the respondents are strongly agreed to the statement, and 20% of the respondents are agreed to the statement respectively, 60% of the respondents are agreed to the statement, 30% of the respondents are Strongly agreed to the statement, 10% of the respondents are neutral to the statement respectively, 56% of the respondents are Agreed to the statement, 26% of the respondents are Strongly agreed to the statement, 18% of the respondents are neutral to the statement respectively, 76% of the respondents are Agreed to the statement, 12% of the respondents are Strongly agreed to the statement, 8% of the respondents are neutral to the statement and 4% of the respondents are disagreed to the statement respectively, 86% of the respondents are agreed to the statement and 14% of the respondents are neutral to the statement respectively. 40% of the respondents are Disagree to the statement, 24% of the respondents are Strongly disagree to the statement, 14% of the respondents are neutral to the statement and 12% of the respondents are Agree to the statement and 10% of the respondents are Strongly agree to the statement respectively, 60% of the respondents are Agreed to the statement, 20% of the respondents are Strongly agreed to the statement, 20% of the respondents are neutral to the statement respectively. 80% of the respondents are strongly agreed to the statement, and 20% of the respondents are agreed to the statement respectively, 44% of the respondents believe that Training is the remedial measure for betterment of employee, 24% of the respondents believe that Promotion is the remedial measure for betterment of employee, while 22% of the respondents believe that Job rotation is the remedial measure for betterment of employee and 10% of the respondents believe that Monetary reward is the remedial measure for betterment of employee respectively.

From the Chi-square analysis it shows that the calculated value is more than the tabulated value. So alternative hypothesis is accepted. Therefore, promotion policy is considered as per performance appraisal.

The analysis shows that weighted average calculated for employee expectation to recognize their skills and knowledge in their work was 200, which was compared with reward given according to performance appraisal. It was found that weighted average was more after the



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appraisal system. Hence it can conclude that performance appraisal is effective in the organization.

- Supervisors should maintain coordinational relationship with workers and offers recognitions of the employee efforts and provide needed guidance to workers.
- It will be better if management provide performance and potential appraisal in regularly.
- The management should provide opportunities for career development.
- It will be better if management given performance awards to employees.

4 Conclusion

Performance appraisal is the process of evaluation of an employee at higher levels. In order to know whether the selection of an employee is right or wrong, performance appraisal is resorted to. Promotion, transfer, salary increase etc. are some of the matters that are dependent upon the evaluation of the performance of an employee. Performance appraisal may be defined as a structured formal interaction between a subordinate and supervisor, that usually takes the form of periodic interview (annual or semi-annual), in which the work performance of the subordinate is examined and discussed, with a view to identifying weakness and strengths as well as opportunities for improvement and skills development.

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