

A Study On Effectiveness Of Performance Appraisal On Employee Halcyon Technologies Pvt Ltd

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ABSTRACT

The scope of the study is vital and not only the Human Resource Department can reap the benefits but also the Marketing and Sales Departments can make use of the findings from this study. The aim of choosing this topic is to help the organization in terms of betterment of their already high standards and quality. The scope of study includes that employees will be motivated and will work with a friendly competition and this will make the organization taste success at the earliest and the appraiser gets an opportunity to identify strengths and weaknesses of appraisees. The primary objective of this study is to study the effectiveness of Performance Appraisal system followed in Relentless Systems. The secondary objectives are To reduce the grievances of the employees, identify employee attitude towards appraisal system, observe the work environment in organization and provide information to assist in the other personal decisions in the organization. Multiple choice questions have been chosen to collect the responses from 120 employees. Convenience sampling method has used in the research work. Percentage analysis has been used to interpret the collected data. The data collected has been analyzed through various statistical tools like Rank Correlation, Chi- square test and Confidential interval. Numerous new findings has been derived from this research has helped to provide few suggestions to the company to provide suggestions and recommendations in improving the appraisal system

1.1 INTRODUCTION

Performance appraisal is a critical component of the organizational management process. It is a systematic evaluation of an employee's job performance and overall contribution to the company. Through performance appraisals, organizations assess employees' strengths, areas for improvement, and provide feedback to ensure alignment with organizational goals. Despite its long-standing role in human resource management, the effectiveness of performance appraisals has been widely debated. While performance appraisals are intended to enhance individual and organizational productivity, there is often a gap between the theoretical framework of appraisals and their practical application.

1.2 NEED FOR THE STUDY

Performance appraisals are a regular view of employee's performance with in organization. To help the superior to have a proper understanding about their subordinates. To ensure organizational effectiveness through correcting the employee for standard and improved performance and suggesting the changes in employee behavior It provides information about the performance ranks.

1.3 OBJECTIVES OF THE STUDY

1. To study on impact of performance appraisals on employee productivity and motivation.
2. To study on the effectiveness of employee performance appraisal

3. To Understand the performance appraisal system
4. To evaluate performance appraisal mechanism in operation.
5. To evaluate the satisfaction level

1.5 SCOPE OF THE STUDY

The study on the effectiveness of performance appraisal focuses on evaluating how appraisal systems impact employee performance, motivation, and organizational success. It aims to analyze various aspects of performance evaluation, identify gaps, and suggest improvements for better implementation. performance appraisal methods such as 360-degree feedback, self-assessment, peer review, and manager evaluation. Analyzes how performance appraisals

1.6 METHODOLOGY

When expanding the sample size to 100 respondents for a study on the effectiveness of performance appraisals, the methodology will need to be adjusted to account for the larger sample size. Below is a suggested methodology for your study with 100 respondents:

Secondary Data: Collect any available secondary data such as company performance appraisal forms, HR policies on performance evaluations, and past performance feedback documents.

SURVEY DESIGN : The survey will include multiple-choice questions, Likert-scale questions (e.g., from "Strongly Agree" to "Strongly Disagree"), and a few open-ended questions for additional insights.

1.7 LIMITATIONS OF THE STUDY

- 1) The study is confined to halcyon technologies only.
- 2) The interpretations and recommendations applicable only to this cooperative.
- 3) The study was conducted on the assumptions that the information is given by respondents all are correct.
- 4) Studying the effectiveness of performance appraisal often include: bias in ratings from managers, lack of clear performance criteria, reliance on subjective evaluations,
- 5) To conduct thorough appraisals, and potential employee resistance to the process; all of which can lead to inaccurate and unfair performance

2.2 REVIEW OF LITERATURE

1. **"Efficacy of Performance Appraisal Systems in Enhancing Employee Engagement"** *Author:* Elijah Shawnn
Published in: International Journal of Human Resource, March 2024 *Summary:* This study explores the relationship between performance appraisal systems and employee engagement across various regions, highlighting the importance of feedback quality, leadership behavior, and transparency in enhancing engagement.
2. **"Effectiveness of Performance Appraisal System in Employee Development: A Systematic Review"**
Authors: Mila Sadiyawati, Nida Hasanati *Published in:* International Journal of Research and Innovation in Social Science, August 2024 *Summary:* Through a systematic literature review, this research evaluates how performance appraisal systems contribute to employee development, emphasizing the need for reliable evaluation methods.

3. "DATA ANALYSIS AND INTERPRETATION

Table No.4.18: Respondents are think performance appraisal is responsible for the change in behaviour

Behaviour	No of responses	Percentage
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Rarely	21.8%	21.8%
Occasionally	30.5%	30.5%
Sometimes	28.7%	28.7%
Frequently	9.2%	9.2%
Always	9.8%	9.8%
Total	100	100

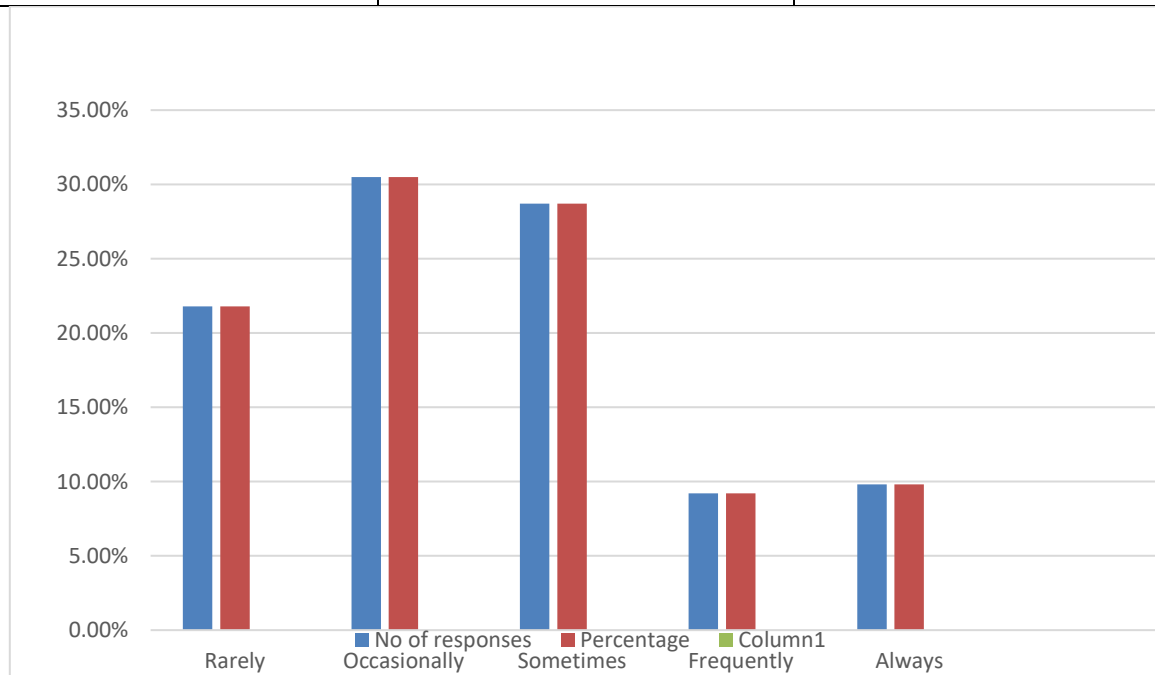


Chart No.4.18.1: Respondents are think performance appraisal is responsible for the change in behaviour

Interpretation:

From the above table, it is interpreted that 21.8% of respondents are rarely, 30.5% of them belong to occasionally, 28.7% of them belong to sometimes, 9.2% of them belong to frequently, 9.3% of them belong to always. Majority 30.5% of the respondents of my questionnaire belong to occasionally.

Table No.4.19: Respondents to be choose the level of satisfaction employees has towards the existing performance appraisal system

Level of satisfaction	No of responses	Percentage
Least satisfied	19.8%	19.8%
Somewhat satisfied	33.1%	33.1%
Occasionally satisfied	30.8%	30.8%
Frequently satisfied	9.3%	9.3%
Always satisfied	7%	7%
Total	100	100

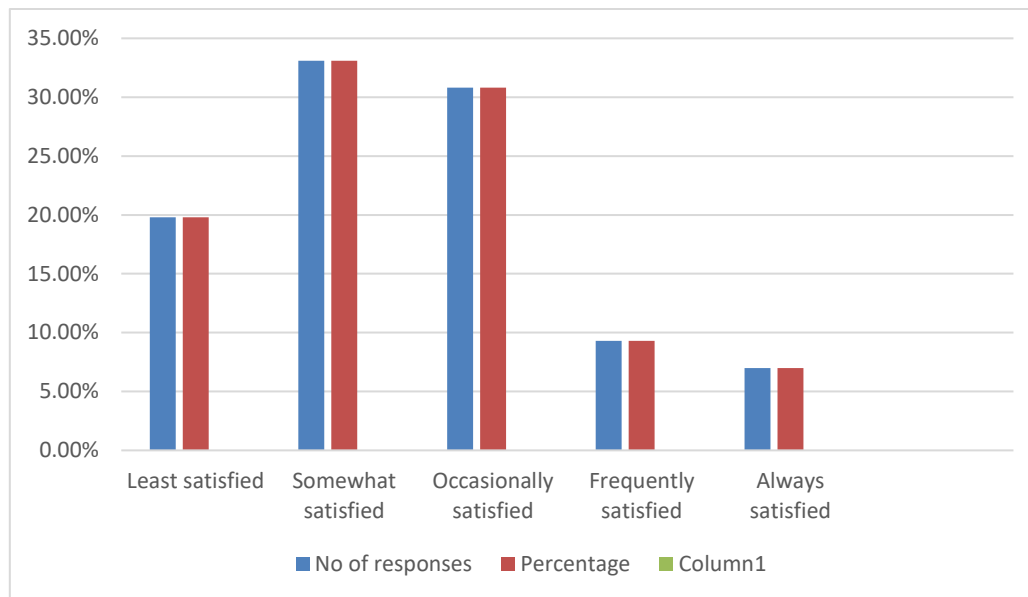


Chart No.4.19.1: Respondents to be choose the level of satisfaction employees has towards the existing performance appraisal system

Interpretation:

From the above table, it is interpreted that 19.8% of respondents are least satisfied, 33.1% of them belong to somewhat satisfied, 30.8% of them belong to occasionally satisfied, 9.3% of them belong to frequently satisfied, 7% of them belong to always satisfied. Majority 33.1% of the respondents of my questionnaire belong to somewhat satisfied.

Table No.4.20: Respondents satisfaction towards last performance rating

Rating	No of responses	Percentage
Poor	0%	0%
Not bad	1.1%	1.1%
Neutral	12.1%	12.1%
Good	30.5%	30.5%
Excellent	56.3%	56.3%
Total	100	100

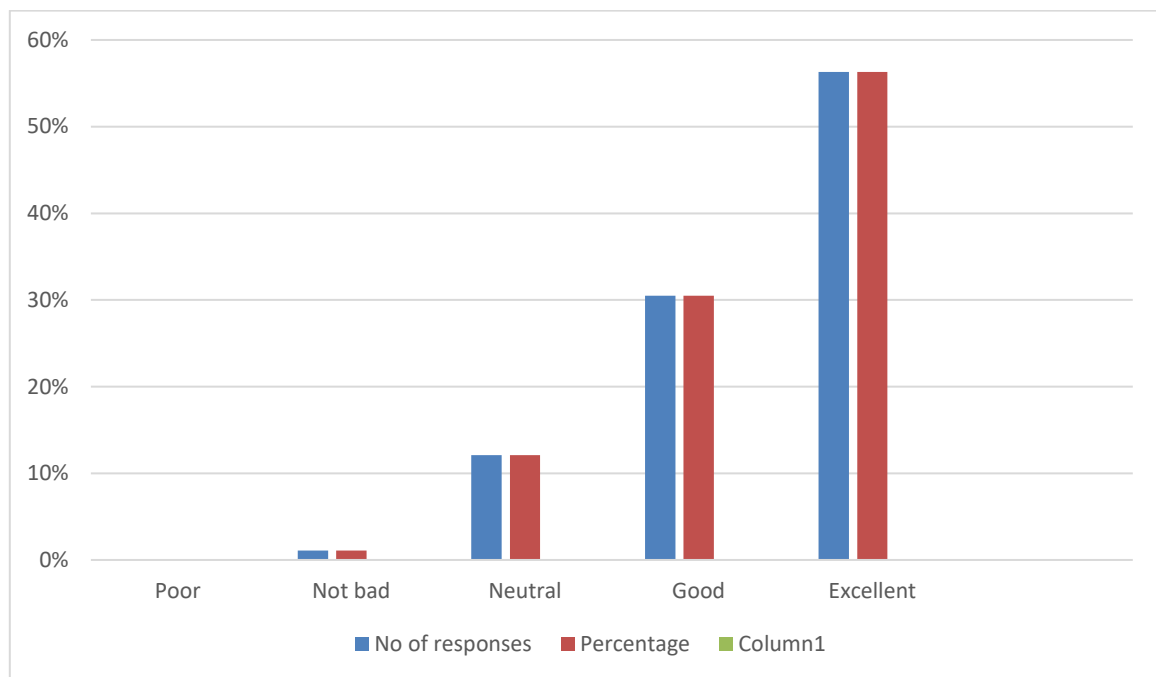


Chart No.4.20.1: Respondents satisfaction towards last performance rating

Interpretation:

From the above table, it is interpreted that 0% of respondents are poor, 1.1% of them belong to not good, 12.1% of them belong to neutral 30.5% of them belong to good, 56.3% of them belong to excellent. Majority 56.3% of the respondents of my questionnaire belong to Excellent.

HYPOTHESIS

- **H₀ (Null Hypothesis):** There is no significant relationship between the employee performance and appraisals system.
- **H₁ (Alternative Hypothesis):** There is a significant relationship between the employee performance and appraisals system.

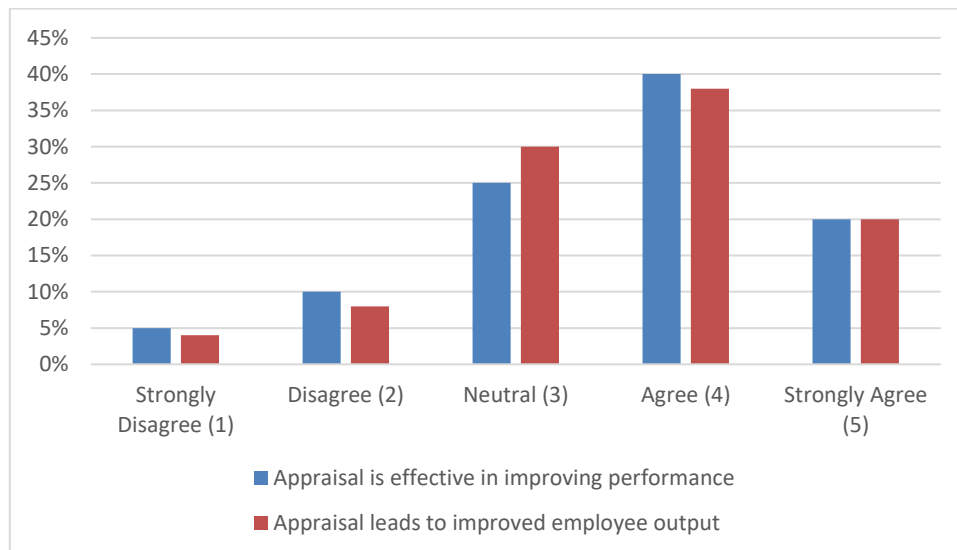
Variables for Hypothesis Testing

- **Independent Variable:** Effectiveness of Performance Appraisal
- **Dependent Variable:** Employee Performance

Sample Data (Likert Scale 5% and Mean Calculation)

Let's assume the following Likert responses were collected from 100 participants:

Response Category	Appraisal is effective in improving performance	Appraisal leads to improved employee output
Strongly Disagree	5%	4%
Disagree	10%	8%
Neutral	25%	30%
Agree	40%	38%
Strongly Agree	20%	20%
Weighted Average	3.6	3.62



Null Hypothesis(H₀): There is significance difference between the opinion of employee performance appraisal and receiving increment after performance appraisal. The average of employee performance is 3.6% and the average of performance

appraisal is 3.62%. The difference between the two variables is 0.62 so, the null Hypothesis is rejected and Alternate Hypothesis is accepted.

Alternate Hypothesis(H1): There is no significance difference between the opinion of employee performance appraisal and receiving increment after performance appraisal. The average of employee performance is 3.6% and the average of performance appraisal is 3.62%. The difference between the two variables is 0.62 so, the and Alternate Hypothesis rejected and null Hypothesis is accepted.

5.1 FINDINGS

Based on the responses from 100 participants in the performance appraisal survey, the key findings are:

1. Majority of them respondents are male and fall within the age group of 20–35 years.
2. Majority of them hold graduate degrees and occupy middle-level positions. Few of them work in technical departments and have 3–8 years of experience.
3. Majority of the employee promotion. state that grading is the most common appraisal receiving a salary increment post-appraisal.
4. the appraisals help in setting and achieving goals. satisfaction. Related Organizational Aspects: performance is measured based on total output.

5.2 SUGGESTIONS

1. Provide timely and constructive feedback throughout the year to guide and motivate employees, rather than relying only on annual reviews.
2. Assess employee performance using a holistic approach that includes behavior, teamwork, initiative, and outcomes, not just quantitative targets.
3. Ensure managers are trained to conduct evaluations impartially, avoiding personal bias and promoting fairness.
4. Implement 360-degree feedback systems to gather well-rounded insights from peers, supervisors, and subordinates.
5. Link appraisal outcomes to personalized employee development plans to foster career growth and skill enhancement.
6. Maintain a transparent, consistent, and equitable appraisal process that all employees can understand and trust.
7. Document feedback and performance evaluations systematically to support future reviews and decision-making.

5.3 CONCLUSION

The study clearly indicates that performance appraisal systems play a critical role in influencing employee growth, motivation, satisfaction, and retention. While most respondents view the system positively, particularly with the use of grading methods and visible salary increments, challenges such as communication gaps and perceived bias

still exist. Addressing these concerns and enhancing transparency and fairness in the appraisal system will contribute significantly to better organizational performance and employee engagement.

The aim of the study is to analyze the effect of performance appraisal on employee performance in the IT sector. To achieve the aim, the researcher studied literatures of the related issues extensively and conducted survey questionnaire among the employees of IT sectors. It is found that the employees are having fairness about the performance appraisal. The employees are satisfied with last performance rating. Fairness of performance appraisal and satisfaction of last performance rating are having positive effect on employees' work attitude and skill improvement. Hence, it is concluded that performance appraisal policy has been viewed by organization and human resources practitioners are considered as an effective tool for human resources management.

However, effective performance appraisal policy remains a practical challenge to managers and employees because of cognitive, motivational, behavioural factors. At an organizational level, the performance appraisal policy impacts other human resources policies as well as organizational strategy. The effectiveness of an organization performance appraisal policy is a prerequisite for ensuring the success of its selection, training and employee performance. In today's dynamic, social, economic and political environment, there is a need for rapid and effective fairness of performance appraisal system for the IT sector employees and its employee's performance and it will face the organizational changes in strategic level.

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