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**A STUDY ABOUT PERFORMANCE APPRAISAL  
IN S.K.L. EXPORTS**

By

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In partial fulfillment of the requirements  
for the award of the degree



of

**MASTER OF BUSINESS ADMINISTRATION**

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**KCT Business School**

**Department of Management Studies**

**Kumaraguru College of Technology**

**( An autonomous institution affiliated to Anna University, Coimbatore)**

**Coimbatore-641 006**

*CERTIFICATES*





**KUMURAGURU COLLEGE OF TECHNOLOGY**  
**COIMBATORE-06.**

**BONAFIDE CERTIFICATE**

Certified that this project report titled “A STUDY ABOUT PERFORMANCE APPRAISAL IN S.K.L. EXPORT” is the bonafide work of Mr.R.SRI RAM VIKAS (Reg No: 0720400048) who carried out the project under my supervision. Certified further, that to the best of my knowledge the work reported herein does not form part of any other project report or dissertation on the basis of which a degree or award was conferred on an earlier occasion on this or any other candidate.

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Evaluated and Viva-Voce conducted on ...05.05.2009.....

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# *DECLARATION*

## DECLARATION

I hereby declare that the dissertation entitled “**A Study About Performance Appraisal In S.K.L. EXPORTS**” submitted for the Master of Business Administration degree is my original work and the dissertation has not formed the basis reward of any degree, associate ship, fellowship or any other similar titles.



Signature of the Candidate

(R.Sri Ram Vikas)

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# *EXECUTIVE SUMMARY*

## EXECUTIVE SUMMARY

The researcher has taken the project title “A STUDY ABOUT PERFORMANCE APPRAISAL IN S.K.L. EXPORTS” to know the employees level of performance and potential. It is the systematic examination of an employee’s strengths and weaknesses in terms of the job specifications. Performance Appraisal is a scientific objective study. Formal procedures are used in this study. The same approach is adopted for all job holders so that the results are comparable. It is an ongoing or continuous process wherein the evaluations are arranged periodically according to a definite plan. Performance appraisal is a systematic and objective way of judging the relevant work or ability of an employee in performing their task.

Performance appraisal incases the motivation and commitment of employee it provides opportunities for individuals to express their aspiration and expectation about work.

To suggest suitable measures for improving the existing programmer, hundreds of respondents were identified from the universe of 1000 employees by using stratified random sampling method at S.K.L. Exports. This also deals with the percentage analysis of data collected and interpretation is done based on statistical chi-square test, ranking method.

The following are the findings analyzed by the researcher; the researcher found that the majority of the respondents are saying that appraisal system should be followed in the organization, so the researcher concludes that the research will improve the quality of the organization.

The researcher found that that majority of the respondents are saying that open appraisal system should be followed to be frank in taking decision of the employee appraisal. The researcher found that majority of the respondents are saying that already training is provided in the organization, So implementing performance appraisal system will be very easy in the organization .

The following are the suggestions given by the researcher; the Company has to create awareness among employees about performance appraisal techniques. The company has to make sure of avoiding Bias. The company should try to maintain Transparency. The management should reduce the communication gap between them and their employees. All of the employees should work together without any personal grievances. The company should give the employees a proper feedback. Appraiser should be trained properly. The Manager should follow these practices seriously. Consistent efforts should be taken.



*CHAPTER 1*  
*INTRODUCTION*

## 1.1 ABOUT THE STUDY:

### **HISTORY OF PERFORMANCE APPRAISAL:**

The history of performance appraisal is quite brief. Its roots in the early 20th century can be traced to Taylor's pioneering Time and Motion studies. But this is not very helpful, for the same may be said about almost everything in the field of human resource.

Yet in a broader sense, the practice of appraisal is a very ancient art. In the scale of things historical, it might well lay claim to being the world's second oldest profession.

There is, says Dulewicz (1989), "... a basic human tendency to make judgments about those one is working with, as well as about oneself." Appraisal, it seems, is both inevitable and universal. In the absence of a carefully structured system of appraisal, people will tend to judge the work performance of others, including subordinates, naturally, informally and arbitrarily.

### **Performance Appraisal:**

Performance appraisal is not a single event. It is a continuous, year-round program of exchanging information with employees that begins and ends with the annual performance review. This section of information serves three (3) purposes:

- To help employees work closer to their potential. This is done through communicating expectations, giving continuous feedback throughout the year, rewarding accomplishments, coaching to improve performance, and encouraging employees to "test their limits" and achieve their goals.
- To help supervisors help employees be more effective and to evaluate an employee's performance factually and objectively.
- To help Staff Development and Human Resources establish rationale for compensation and personnel actions such as promotions, transfers, and terminations.

### **Importance of Performance Appraisal:**

Employee knows how he/she is presently doing. It also helps the employee knows if he/she is doing something wrong (to improve future performance).It's a formal opportunity to speak with the employee.

### **360 Degree performance appraisal:**

The process in which you evaluate yourself on a set of criteria, your manager evaluates you, as do your peers and direct reports. You receive a gap analysis between how you perceive yourself and how others perceive you. Effective 360-degree feedback processes also include develop planning and coaching sessions.

### **Types of information's are targeted:**

- **knowledge** - familiarity with job, industry, company
- **skills** - task proficiency
- **behaviors** - patterns in relating to the environment (energy, optimism)
- **NOT** personality traits or styles

### **The benefits of 360-degree performance appraisal:**

#### **To the individual:**

Perception is reality and this process helps individuals to understand how others perceive them. Uncover blind spots .Feedback is essential for learning Individuals can better manage their own performance and careers Quantifiable data on soft skills

#### **To the team:**

Increases communication between team members. Higher levels of trust and better communication as individuals identify the causes of breakdowns. Better team environment as people discover how to treat others how they want to be treated .Supports teamwork by involving team members in the development process. Increased team effectiveness

#### **To the organization:**

Reinforced corporate culture by linking survey items to organizational leadership competencies and company values .Better career development for employees Promote from within .Improves customer service by having customers contribute to the evaluation process .Conduct relevant training.

### **360-Degree feedback linked to performance appraisal:**

360-degree feedback and performance appraisals can complement each other, but should not be linked. If 360 are linked to compensation decisions, it loses its power as a development tool. When compensation is that outcome, individuals will quickly learn how to play the game. "I'll scratch your back, if you scratch mine." Further, if people do not get satisfactory ratings, morale can decrease when 360 is linked to performance appraisal mode, but low scores when 360 is used purely for development tend to be viewed as constructive feedback.

The human inclination to judge can create serious motivational, ethical and legal problems in the workplace. Without a structured appraisal system, there is little chance of ensuring that the judgments made will be lawful, fair, and defensible.

Performance appraisal systems began as simple methods of income justification. That is, appraisal was used to decide whether or not the salary or wage of an individual employee was justified.

### **Modern Appraisal:**

Performance appraisal may be defined as a structured formal interaction between a subordinate and supervisor, that usually takes the form of a periodic interview (annual or semi-annual), in which the work performance of the subordinate is examined and discussed, with a view to identifying weaknesses and strengths as well as opportunities for improvement and skills development.

In many organizations - but not all - appraisal results are used, either directly or indirectly, to help determine reward outcomes. That is, the appraisal results are used to identify the better performing employees who should get the majority of available merit pay increases, bonuses, and promotions.

By the same token, appraisal results are used to identify the poorer performers who may require some form of counseling, or in extreme cases, demotion, dismissal or decreases in pay. (Organizations need to be aware of laws in their country that might restrict their capacity to dismiss employees or decrease pay.)

Whether this is an appropriate use of performance appraisal - the assignment and justification of rewards and penalties - is a very uncertain and contentious matter.

**Basic Purpose:**

Effective performance appraisal systems contain two basic systems operating in conjunction: an evaluation system and a feedback system.

The main aim of the evaluation system is to identify the performance gap (if any). This gap is the shortfall that occurs when performance does not meet the standard set by the organization as acceptable.

The main aim of the feedback system is to inform the employee about the quality of his or her performance. (However, the information flow is not exclusively one way. The appraisers also receive feedback from the employee about job problems, etc.)

One of the best ways to appreciate the purposes of performance appraisal is to look at it from the different viewpoints of the main stakeholders: the employee and the organization.

**Benefits of Appraisal:**

Perhaps the most significant benefit of appraisal is that, in the rush and bustle of daily working life, it offers a rare chance for a supervisor and subordinate to have "time out" for a one-on-one discussion of important work issues that might not otherwise be addressed.

Almost universally, where performance appraisal is conducted properly, both supervisors and subordinates have reported the experience as beneficial.

Appraisal offers a valuable opportunity to focus on work activities and goals, to identify and correct existing problems, and to encourage better future performance. Thus the performance of the whole organization is enhanced.

For many employees, an "official" appraisal interview may be the only time they get to have exclusive, uninterrupted access to their supervisor. Said one employee of a large organization after his first formal performance appraisal. "In twenty years of work, that's the first time anyone has ever bothered to sit down and tell me how I'm doing."

The value of this intense and purposeful interaction between a supervisors and subordinate should not be underestimated.

**Employee Evaluation:**

Though often understated or even denied, evaluation is a legitimate and major objective of performance appraisal.

But the need to evaluate (i.e., to judge) is also an ongoing source of tension, since evaluative and developmental priorities appear to frequently clash. Yet at its most basic level, performance appraisal is the process of examining and evaluating the performance of an individual.

Though organizations have a clear right - some would say a duty - to conduct such evaluations of performance, many still recoil from the idea. To them, the explicit process of judgment can be dehumanizing and demoralizing and a source of anxiety and distress to employees.

It is been said by some that appraisal cannot serve the needs of evaluation and development at the same time; it must be one or the other.

But there may be an acceptable middle ground, where the need to evaluate employees objectively, and the need to encourage and develop them, can be balanced.

**Common Mistakes:**

Where performance appraisal fails to work as well as it should, lack of support from the top levels of management is often cited as a major contributing reason.

Opposition may be based on political motives, or more simply, on ignorance or disbelief in the effectiveness of the appraisal process.

It is crucial that top management believe in the value of appraisal and express their visible commitment to it. Top managers are powerful role models for other managers and employees.

Those attempting to introduce performance appraisal, or even to reform an existing system, must be acutely aware of the importance of political issues and symbolism in the success of such projects.

**Fear of Failure:**

There is a stubborn suspicion among many appraisers that a poor appraisal result tends to reflect badly upon them also, since they are usually the employee's supervisor. Many appraisers have a vested interest in making their subordinates "look good" on paper.

When this problem exists (and it can be found in many organizations), it may point to a problem in the organization culture. The cause may be a culture that is intolerant of failure. In other words, appraisers may fear the possibility of repercussions - both for themselves and the appraiser.

Longenecker (1989) argues that accuracy in performance appraisal is impossible to achieve, since people play social and political games, and they protect their own interests. "No savvy manager..." says Longenecker, "... is going to use the appraisal process to shoot himself or herself in the foot."

No matter what safeguards are in place, "... when you turn managers loose in the real world, they consciously fudge the numbers." What Longenecker is saying is that appraisers will, for all sorts of reasons, deliberately distort the evaluations that they give to employees.

Indeed, surveys have shown that not only do many managers admit to a little fudging, they actually defend it as a tactic necessary for effective management.

The fudging motives of appraisers have, at times, certain plausibility. For instance, a supervisor who has given an overly generous appraisal to a marginal performer might claim that their 'legitimate' motive was the hope of encouraging a better performance.

On the other hand, fudging motives can be a lot less admirable and sometimes devious: the appraiser who fudges to avoid the possibility of an unpleasant confrontation, the appraiser who fudges to hide employee difficulties from senior managers, the appraiser who fudges in order to punish or reward employees.

## **PERFORMANCE MANAGEMENT:**

One of the most common practices of performance appraisal is to perceive appraisal as an isolated event rather than an ongoing process.

Employees generally require more feedback, and more frequently, than can be provided in an annual appraisal. While it may not be necessary to conduct full appraisal sessions more than once or twice a year, performance management should be viewed as an ongoing process.

Frequent mini-appraisals and feedback sessions will help ensure that employees receive the ongoing guidance, support and encouragement they need.

Of course many supervisors complain they don't have the time to provide this sort of ongoing feedback. This is hardly likely. What supervisors really mean when they say this is that the supervision and development of subordinates is not as high a priority as certain other tasks.

In this case, the organization may need to review the priorities and values that it has instilled in its supervisory ranks. After all, supervisors who haven't got time to monitor and facilitate the performance of their subordinates are like chefs who haven't got time to cook, or dentists who are too busy to look at teeth. It just doesn't make sense.

If appraisal is viewed as an isolated event, it is only natural that supervisors will come to view their responsibilities in the same way. Just as worrying, employees may come to see their own effort and commitment levels as something that needs a bit of a polish up in the month or two preceding appraisals.



## 1.2 ABOUT THE INDUSTRY:

### HISTORY OF TIRUPUR:

The textile boom in Tirupur is recent. Tirupur used to be a center for cotton trading a few decades ago. Over the years a few small units were established to manufacture banyans. It was said that the water in Tirupur was of such good quality that the banyans made here were the whitest of them all. The fact that the town was located so close to Coimbatore, which was an established textile manufacturing and trading center, ensured that adequate skills were available.

This business grew steadily. It was only in the early 1980s that some enterprising businessman got the idea that the same facilities could be used to manufacture colored T-shirts, which had become a rage all over the world.

### Tirupur and its Industry:

Tirupur is a relatively small town in the Coimbatore district of Tamil Nadu. It has a resident population of around 300,000. An additional 200,000 people come in from nearby towns to work in Tirupur's booming textile industry. The rainfall in the area is low and erratic. The groundwater in most parts of the town is now polluted through years of effluent discharge by the textile industry.

The entire town's economic activity is centered on the manufacture of cotton knitwear: for use as banyans (mostly sold in the Indian market), and for use as T-shirts (mostly exported).

In 1995, the annual value of production in Tirupur was estimated at US\$ 828 million of which goods worth US\$ 686 million were exported, mostly to the USA and Europe. This corresponds to an annual production of 121,600 tones of fabric (in the form of T-shirts for export and undershirts, which are mainly sold in the domestic market).

There are an estimated 4,000 small and medium units in the town which specialize in different aspects of the production process such as knitting, bleaching, dyeing, calendering, finishing and printing.

### **Industry and Production Processes:**

There are six production processes involved in the manufacture of knitted garments:

**Knitting:** Knitting is the first step, in which, the fabric is made from yarn. The

Output is in the form of a hose.

**Scouring:** The knitted fabrics are scoured in a bleaching or dyeing unit by boiling

With caustic soda in open tanks. The fabric is then washed in freshwater.

**Bleaching:** Figure 5.2 gives the process chart of the bleaching operation. Bleaching is done manually or mechanically in a winch.

**Dyeing:** Figure 5.2 gives the details of the dyeing process.

**Calendaring:** After bleaching/dyeing, the fabric is passed through steam heated

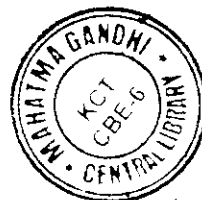
Rollers in the steam calendaring machines.

**Finishing:** After calendaring, the fabric is ready to be made into garments in the Finishing units. These units use electrically operated stitching machines and electric irons. Some of the processes like embroidery require sophisticated computer controlled machines.

### **Types of Textiles:**

Textiles are classified according to their component fibers into silk, wool, linen, cotton, such synthetic fibers as rayon, nylon, and polyesters, and some inorganic fibers, such as cloth of gold, glass fiber, and asbestos cloth. They are also classified as to their structure or weave, according to the manner in which warp and weft cross each other in the loom (see loom: weaving). Value or quality in textiles depends on several factors, such as the quality of the raw material used and the character of the yarn spun from the fibers, whether clean, smooth, fine, or coarse and whether hard, soft, or medium twisted. Density of weave and finishing processes are also important elements in determining the quality of fabrics.

Tapestry, sometimes classed as embroidery, is a modified form of plain cloth weaving. The weaving of carpet and rugs is a special branch of the textile industry. Other specially prepared fabrics not woven are felt and bark (or tape) cloth, which are beaten or matted together, and a few in which a single thread is looped or plaited, as in crochet and netting work and various laces. Most textiles are now produced in factories, with highly specialized power looms, but many of the finest velvets, brocades, and table linens are still made by hand.



### **1.3 ABOUT THE COMPANY:**

#### **COMPANY PROFILE:**

“SKL Exports is a textile manufacturing and exporting company situated in the hosiery town of Tirupur, south India. Over a decade and half the company has grown from strength. Integrity, efficiency and quality being the pillars on which it was set up. The company manufactures and exports an exquisitely designed range of Men’s wear, Ladies wear and Kids wear to EEC, Canada, and United States of America. This organization has 15 Million USD turnover per annum with approximately 1300 people as its workforce. This has all the necessary infrastructure of knitwear industry on its own concern, 100% of its product is being exported.

#### **PRODUCT RANGE:**

T-Shirts, Polo’s, Blouses, pajama sets, Night wears, Robes, Dresses, Skirts, Kids Wear, Sweat Shirts, Casuals, Stonewashed, sports, Beach wear, Boxer Shorts, Mini Slip, Vest, String and under Pants, Baby suits, Rompers. We are specialized in Men’s Ladies and Girls Hi-Fashion T-shirts.

#### **BRAND/CUSTOMERS:**

Upim, Karstadt, Hajo, Comtessa, Scholler, Nestos, Esge, Rawe, Animal, Elements, Oneill, Billabong, Auchan, Loblaws, La Rensente, Samsung America, Igam S.P.A. Wicked Fashion.

#### **MAJOR COUNTRIES OF EXPORT:**

UNITED KINGDOM, FRANCE, CANADA, NETHERLANDS, BELGIUM, CHILE, GERMANY, FINLAND, SWEDEN, USA, AUSTRALIA, DENMARK AND ITALY.

#### **PRODUCTION:**

The garment manufacturing unit running at full capacity can produce 2, 00,000 Pecs/month.

#### **KNITTING:**

The Knitting Department consists of 25 imported circular knitting machines, which can totally knit about 6,000 Kgs/day of various qualities including Jacquards and fabrics with Lycra.

**PRINTING:**

The printing Department consists of four flat bed-printing tables, four chest machines with fusing machine and curing. This unit altogether handles about 1500Kgs and 8000 Pcs per day. This department has special Flocking print facility.

**PROCESSING:**

The processing Department consists of soft flow winches and stone washing facilities. This unit is capable of processing 15000 KGs/Day.

**SHRINKAGE CONTROL UNIT:**

This department consists of one ALBRECHT-ITALY & FAB-CON -- U.S.A shrinkage control machine which can control the shrinkage in all types of fabrics and Designs.

**EMBROIDERY AND FINISHING:**

Embroidery department consists of seven latest 20 head, computerized new machines from TAJIMA -- JAPAN and DAMMY. These machines can handle appliqué and terry finish as per international standard. The punching of these embroidery designs are done by our own facilities.

**SAMPLING AND MANUFACTURING:**

Sampling needs are met by specialized section in each division to satisfy the requirements well in time. As all the processing is done in our premises, the style/design is protected. Samples requests can be met within 10-15 days of receipt.

The manufacturing department consists of 50 finishing units with 650 over locks, flat locks, and scalloping, picoting, Blankets machines. The total capacity is 2, 00,000 pcs/month.

The quality of the product is controlled by qualified personnel who inspect at every stage of production. All the lab testing is followed by SGS and ITS standard.

**DELIVERY:**

The company posses all backup facilities achieved by backward integration and hence delivery schedules are met within 60 days from the receipt of the order sheet with relevant approvals in time with irrevocable L/C.

## **OUR STRENGTH:**

**Quality Assurance:** We source our raw material from the leading and reliable suppliers. In addition, all our products are checked at various stages of production to ensure they conform to the International Quality Standards.

**Infrastructure:** We have our own production unit equipped with the latest technology capable of handling bulk orders. Our team of expert artisans works in close coordination with each other to come up with new and innovation designs.

**Research and Development:** To innovate and improve is our mission. Our R&D Department accomplishes this mission through consistent innovation in clothing and garment manufacturing technology.

**Customization:** We provide customized products to the clients as per their work specifications.

**Widespread distribution and logistics network:** We have an extensive distribution and logistics network spread across the country that enables us to complete and deliver the orders well in time.

**Competitive Pricing:** Our cost-effective techniques of production help us to produce the best quality products in the most cost-effective manner.

*CHAPTER 2*  
*OBJECTIVE AND SCOPE*

## **2.1 OBJECTIVE OF THE STUDY:**

- To identify the factors which influence the performance of workers
- To determine whether training is conducted in the organization
- To find the support of workers
- To know about the kind of appraisal system followed in the organization
- To analyze the satisfaction level of performance appraisal system in the organization
- To find the effect of Performance Appraisal in the organization

## **2.2 SCOPE OF THE STUDY:**

- The study is undertaken to analyze the effect of the implementation of performance appraisal in SKL EXPORTS it is applicable only to the company and to the workers in the organization.
- It helps to plan for training and development of employees in the organization
- The study helps recruiting employees at right job
- The study focuses on the employees to know their current position and make arrangements for further development in the organization



### **2.3 LIMITATIONS:**

- Validity and Reliability of the data obtained depends on the responses from the employees.
- Time at the disposal of the researcher was limited.
- The perceptions of the individual employees differ.
- There is a chance of personal bias and prejudices, which may lead to wrong information

## **2.4 RESEARCH METHODOLOGY:**

### **NATURE OF THE STUDY:**

- It is a combination of Exploratory and Descriptive Study.

### **SAMPLING METHOD:**

- Stratified random sampling.

### **SAMPLE SIZE:**

- Total Population-100.

### **DATA COLLECTION:**

- Questionnaire Method.

### **RESEARCH TOOLS:**

### **SOFTWARES APPLIED:**

- STATISTICAL PACKAGE FOR SOCIAL SCIENCE
  - DESCRIPTIVE ANALYSIS
  - CHI-SQUARE
- RANKING ANALYSIS

## 2.5 REVIEW OF LITERATURE:

*Briec, Walter*<sup>1</sup>, This article extends the analysis of multi-horizon mean-variance portfolio analysis in the Morey and Morey [Mutual fund performance appraisals: a multi-horizon perspective with endogenous benchmarking. *Omega* 1999; 27:241–58] article in several ways. First, instead of either proportionally contracting risk dimensions or proportionally expanding return dimensions, a more general efficiency measure simultaneously attempts to reduce risk and to expand return over all time periods. Second, a duality relation is established between this generalized multi-horizon efficiency measure and an indirect mean-variance utility function, underscoring the natural interpretation of this generalized efficiency measure in terms of investor's preferences. Furthermore, the need to properly apply time discounting in multi-horizon mean-variance portfolio problems is argued for. An empirical illustration based on the original mutual fund data set in Morey and Morey [Mutual fund performance appraisals: a multi-horizon perspective with endogenous benchmarking.

*Birte*<sup>2</sup>, Performance appraisal interviews play a crucial role in internal communication. Most of the research on performance appraisal interviews has focused on strategic aims and interview design, but less attention has been given to the way in which performance appraisal interviews actually take place. In this study, the focus will, therefore, be to investigate how one of the crucial and most delicate activities in performance appraisal interviews, namely, giving critical feedback, is conducted. The way critical feedback is given is predominantly through negative assessments. The results indicate that there is an orientation to critical feedback as a socially problematic action despite the institutional character of the talk. Moreover, it can be seen that the more the supervisor shows an orientation to negative assessments as being socially problematic, the more difficult it becomes for the employee to deal with negative assessments. The study ends by outlining various implications for the workplace.

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<sup>1</sup> *Briec, Walter*. "Multi-horizon Markowitz portfolio performance appraisals: A general approach", *Omega*; Feb2009, Vol. 37 Issue 1, p50-62, 13p

*Chudasama, K. M.*<sup>2</sup>, In the era of globalization with the expansion in world trade, the volume of cargo traffic at Indian ports is also expanding significantly. Indian ports would require significant improvement in port performance with the increasing cargo volume at ports. The operational efficiency and physical capacity collectively determine the performance of a port. This paper analyzes the performance of Indian major ports for the year 2007. The Weighted Score Method has been adopted for ranking major Indian ports. The weights are derived from the factor loadings of the Principal Component Analysis. On the basis of operational performance indicators and physical facilities indicators, the ranking for major Indian ports are done. The paper also provides a feedback to the ports about its status and ongoing improvement strategies.

*Sudarsan, Arvin*<sup>3</sup>, The paper deals with a survey of performance appraisal system in 33 different organizations. Data was collected by means of an open-ended questionnaire. One respondent was selected from each organization. Respondents' views were sought on major apprehensions, desired changes, bias removal, and number of forms required for performance appraisal. It was found that subjectivity and appraiser bias were most common apprehensions regarding performance appraisal system. Correspondingly, objectivity and measurable performance were found to be most desirable for improving performance appraisal systems. Strong needs were felt for identifying measurable performance parameters and providing multiple feedbacks to reduce appraiser bias. Respondents' views on training of appraisers and importance of performance review discussion have also been furnished.

*Vilela, Belén Bande*<sup>4</sup>, The extensive work carried out by sales researchers regarding the influence of organizational citizenship behaviors (OCB) on significant individual and organizational outcomes, it is still of interest to address new research questions and support

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<sup>2</sup> *Chudasama, K. M.* "Performance Appraisal of Indian Major Ports Using Port Ranking Model". ICFAI Journal of Infrastructure; Mar2009, Vol. 7 Issue 1, p7-21, 15p.

<sup>3</sup> *Sudarsan, Arvind*, "Performance Appraisal Systems: A Survey of Organizational Views". ICFAI Journal of Organizational Behavior; Jan2009, Vol. 8 Issue 1, p54-69, 16p, 9 charts.

<sup>4</sup> *Vilela, Belén Bande*, "Person–organization fit, OCB and performance appraisal: Evidence from matched supervisor–salesperson data set in a Spanish context" *Industrial Marketing Management*; Nov2008, Vol. 37 Issue 8, p1005-1019, 15p.

previous results with samples from different organizational settings and other countries. Researchers have also identified the need to thoroughly investigate relationships between different antecedents of extra-role behaviors. In this study, we intend to test a two-part model. The first part of the model assumes that a salesperson's OCB is determined by Person-Organization fit and that this relationship is mediated by the salesperson's job satisfaction and organizational commitment. The second part examines the impact that such behavior may have on the supervisor's rating of the salesperson's performance. Data collected from 122 salesperson-supervisor dyads from 35 firms confirmed that Person-Organization fit has a positive effect on OCB due to the effect it has on the salesperson's job satisfaction. The results also verified the positive effect of OCB on the supervisor's evaluation of the sales agent's performance, both directly and indirectly, through the impact OCB had on the supervisor's fondness of the salesperson. Certain implications of this study, as well as directions for future research, are also addressed.

Mehde, Veith <sup>5</sup>, The German Civil Service, a system of performance appraisals has played a pivotal role with regard to promotion. Therefore, individual appraisals have frequently been objects of far-reaching judicial review. In addition, the modern target culture leads to an integration of elements of target setting and evaluation into the work of the civil service. Resulting tensions are an expression of a fundamental difference between traditional bureaucratic administrations based on the principles of the Rechtsstaat and the demands of a culture associated with the impacts of New Public Management. The article depicts that in an environment based on judicial scrutiny, performance-related elements almost necessarily lead to more, rather than less, bureaucracy and possibly even to negative impacts on the motivation of the people evaluated. Consequently, the full-scale Rechtsstaat might prevent the efficiency-enhancing elements from taking effect.

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<sup>5</sup> Mehde, Veith, "Public Service Law: Individual Performance Appraisals and Target-setting Processes", *International Journal of Leadership in Public Services*; Oct2008, Vol. 4 Issue 3, p53-61, 9p, 2 charts

Yaragal, Subhash C. <sup>6</sup>, Infrastructure plays a very important role in the economic progress of the nation. 90% of the international cargo is transported by the ships. In this view, the performance of ports plays an important role. The performance of the port should be assured based on multiple parameters. Such a study helps not only in comparing different ports based on performance, but also helps in corrective measures, identifying weakness areas and strengthening of key parameters. In the present study, a performance appraisal index for major ports is evolved using different parameters, to compare the efficiency of major ports in India. Important parameters are selected from the statistics of major ports in India. Sensitivity analyses is also performed, to evolve strategies for productive decision making for better performance. Uncertainty analysis is also carried by using linear statistical model.

Addison, John T. <sup>7</sup>, This article offers a replication for Britain of Brown and Heywood's analysis of the determinants of performance appraisal in Australia. Although there are some important limiting differences between our two datasets — the Australia Workplace Industrial Relations Survey (AWIRS) and the Workplace Employment Relations Survey (WERS) — we reach one central point of agreement and one intriguing shared insight. First, performance appraisal is negatively associated with tenure: where employers cannot rely on the carrot of deferred pay or the stick of dismissal to motivate workers, they will tend to rely more on monitoring, *ceteris paribus*. Second, employer monitoring and performance pay may be complementary. However, consonant with the disparate results from the wider literature, there is more modest agreement on the contribution of specific human resource management practices, and still less on the role of job control

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<sup>6</sup> Yaragal, Subhash C. "Sensitivity Analysis of Performance Appraisal Index Parameters of Major Ports", *International Journal of Ecology & Development*; Fall2008, Vol. 11 Issue 8, p131-138, 8p, 16 charts, 3 diagrams.

<sup>7</sup> Addison, John T. "The Determinants of Performance Appraisal Systems: A Note (Do Brown and Heywood's Results for Australia Hold Up for Britain?).", *British Journal of Industrial Relations*; Sep2008, Vol. 46 Issue 3, p521-531, 11p.

Mulvaney, Michael A.<sup>8</sup>, Well-designed employee performance appraisals provide agencies with information that can guide administrative and developmental decision-making about their most important asset--their human resources. Administratively, performance appraisals serve as the formal evaluation tool used by managers when making decisions about distribution of pay increases. Developmentally, performance appraisals assist agencies in identifying issues such as employee training needs, selection, and promotional opportunities (Milkovich & Newman, 2005). Despite its importance, an agency's performance appraisal system is often viewed by employees and management as a frustrating and unfair process. These frustrations are largely attributed to performance appraisal instruments that are not job related, have confusing or unclear rating levels, and are viewed as subjective and biased by staff (Mathis & Jackson, 2006). A study was undertaken to respond to this issue by identifying the steps involved in creating a pay-for-performance system for a public park and recreation agency. This case study (1) identified a systematic procedure for creating performance appraisal instruments, (2) described the appropriate training necessary for those conducting a performance appraisal interview, (3) implemented the performance reviews using the developed instruments and the results of the appraisal training, and (4) determined how much of a merit increase is to be given for different levels of performance. Emergent themes from focus group interviews with employees identified differences between employee attitudes toward the original pay-for-performance system and the newly developed system, highlighting the value of employee participation in the development of the appraisal system. Results of the case study are analyzed and discussed.

Chen, Hai Ming<sup>9</sup>, Systematical strategic fit benefits organization's performance and makes the organization systemic. Researches of performance appraisal strategy and compensation strategy are extensive, but most of them only focused on the single subject without the synergy of them. An extensive literature review is provided in this research to build up a systematic theoretical framework for performance appraisal and compensation strategy. Four propositions of the

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<sup>8</sup> Mulvaney, Michael A., "The Development of a Pay-for-Performance Appraisal System for Public Park and Recreation Agencies", *Journal of Park & Recreation Administration*: Winter 2008, Vol. 26 Issue 4, p126-156, 31p, 3 charts, 1 graph

<sup>10</sup> Chen, Hai Ming A systematic framework for performance appraisal and compensation strategy. *Human Systems Management*; 2008, Vol. 27 Issue 2, p161-175. 15p, 2 charts, 5 diagrams

criteria and methods of performance appraisal and compensation strategy are inferred in this systematic framework. Furthermore, four situations of 2×2 combinations with the criteria and methods above are discussed for the new systematic performance appraisal and compensation strategy. Through this framework, an organization can appropriately focus on employees' representation or individual to evaluate and motivate employees with rational or humanistic way.

Kraft, Ned <sup>10</sup>, The article features librarian Floyd Doormat. After the implementation of the new Capricious library system, Doormat was able to learn how to log into the new system and locate Order Create. He is expected to become proficient at entering titles and authors into acquisitions bib templates. Spending time networking with his fellow library staff. With insight, he is able to dispose not only unwanted catalogs but also all catalogs, importance not considered and with little or no supervision. He has taken the most training among the employees.

Whiting, Steven W, Podsakoff, Philip M. <sup>11</sup>, Despite the fact that several studies have investigated the relationship between organizational citizenship behavior and performance appraisal ratings, the vast majority of these studies have been cross-sectional, correlation investigations conducted in organizational settings that do not allow researchers to establish the causal nature of this relationship. To address this lack of knowledge regarding causality, the authors conducted 2 studies designed to investigate the effects of task performance, helping behavior, voice, and organizational loyalty on performance appraisal evaluations. Findings demonstrated that each of these forms of behavior has significant effects on performance evaluation decisions and suggest that additional attention should be directed at both voice and organizational loyalty as important forms of citizenship behavior aimed at the organization.

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<sup>10</sup> Kraft, Ned , "Adventures in Librarianship -- Performance Appraisal.", *Against the Grain*: Feb2008, Vol. 20 Issue 1, p76-77, 2p, 1 bw.

<sup>11</sup> Whiting, Steven W, Podsakoff, Philip M. , " Effects of Task Performance, Helping, Voice, and Organizational Loyalty on Performance Appraisal Ratings", *Journal of Applied Psychology*: Jan2008, Vol. 93 Issue 1, p125-139, 15p.



Asmuß, Birte<sup>12</sup> ,Performance appraisal interviews play a crucial role in internal communication. Most of the research on performance appraisal interviews has focused on strategic aims and interview design, but less attention has been given to the way in which performance appraisal interviews actually take place. In this study, the focus will, therefore, be to investigate how one of the crucial and most delicate activities in performance appraisal interviews, namely, giving critical feedback, is conducted. The way critical feedback is given is predominantly through negative assessments. The results indicate that there is an orientation to critical feedback as a socially problematic action despite the institutional character of the talk. Moreover, it can be seen that the more the supervisor shows an orientation to negative assessments as being socially problematic, the more difficult it becomes for the employee to deal with negative assessments. The study ends by outlining various implications for the workplace.

Sudarsan, Arvind<sup>13</sup> The paper deals with a survey of performance appraisal system in 33 different organizations. Data was collected by means of an open-ended questionnaire. One respondent was selected from each organization. Respondents' views were sought on major apprehensions, desired changes, bias removal, and number of forms required for performance appraisal. It was found that subjectivity and appraiser bias were most common apprehensions regarding performance appraisal system. Correspondingly, objectivity and measurable performance were found to be most desirable for improving performance appraisal systems. Strong needs were felt for identifying measurable performance parameters and providing multiple feedbacks to reduce appraiser bias. Respondents' views on training of appraisers and importance of performance review discussion have also been furnished

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<sup>12</sup> Asmu, Birte ,”p erformance appraisal interviews”, Journal of Business Communication: Oct2008, Vol. 45 Issue 4, p408-429, 22p, 7 charts.

<sup>13</sup> Sudarsan, Arvind,” ICFAI Journal of Organizational Behavior; Jan2009, Vol. 8 Issue 1, p54-69, 16p, 9 charts”, ICFAI Journal of Organizational Behavior; Jan2009, Vol. 8 Issue 1, p54-69, 16p, 9 charts

Nagaraj, M. K<sup>14</sup>, Infrastructure plays a very important role in the economic progress of the nation. 90% of the international cargo is transported by the ships. In this view, the performance of ports plays an important role. The performance of the port should be assured based on multiple parameters. Such a study helps not only in comparing different ports based on performance, but also helps in corrective measures, identifying weakness areas and strengthening of key parameters. In the present study, a performance appraisal index for major ports is evolved using different parameters, to compare the efficiency of major ports in India. Important parameters are selected from the statistics of major ports in India. Sensitivity analyses is also performed, to evolve strategies for productive decision making for better performance. Uncertainty analysis is also carried by using linear statistical model.

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<sup>14</sup> Nagaraj, M. K. "Sensitivity Analysis of Performance Appraisal Index Parameters of Major Ports", *International Journal of Ecology & Development*; Fall2008, Vol. 11 Issue 8, p131-138. 8p, 16 charts, 3 diagrams

<sup>15</sup> Sudarsan, Arvind, "ICFAI Journal of Organizational Behavior; Jan2009, Vol. 8 Issue 1, p54-69, 16p, 9 charts", *ICFAI Journal of Organizational Behavior*; Jan2009, Vol. 8 Issue 1. p54-69, 16p, 9 charts.

*CHAPTER 3*  
*DATA ANALYSIS AND*  
*INTERPRETATION*

## DATA ANALYSIS AND INTERPRETATION:

### Percentage Analysis:

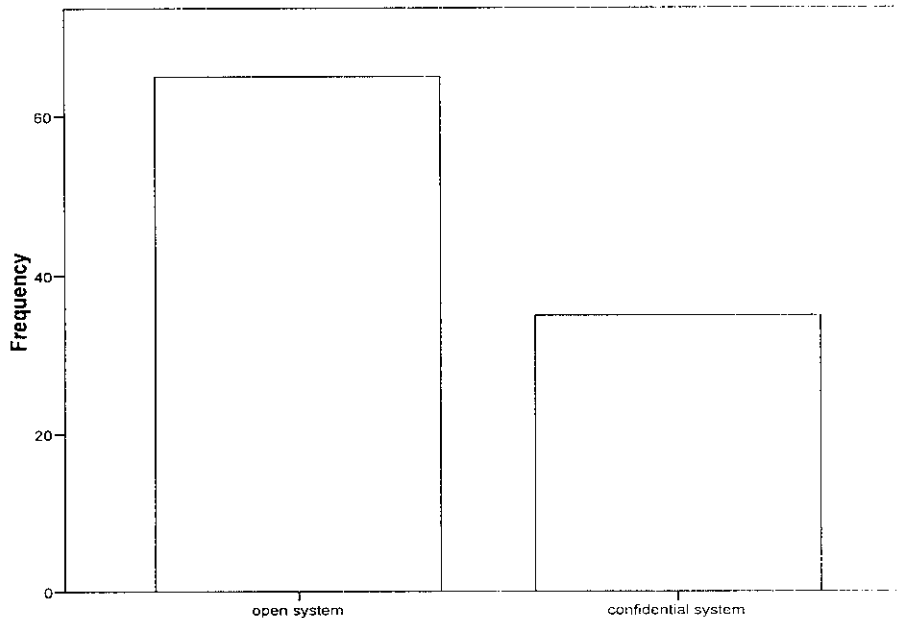
Analysis used to differentiate between the vital few and the trial many. It is based on the concept that about 80 percent of the problems come from 20 percent of the items. Pareto analysis can be used to identify cost drivers or activity drivers that are responsible for the majority of cost incurred by ranking the cost drivers in order of value.

**Table No : 1 Appraisal system followed in the Organization**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid yes	100	98.0	100.0	100.0
Missing System	2	2.0		
Total	102	100.0		

The table no: 1 show us the type of Appraisal System followed in the organization.

**Chart No: 1 shows the Appraisal system followed in Organization**



**Interpretation:**

It is found from the table no : 1 that out of 100 respondents 98% of the respondents are saying that appraisal system should be followed in the organization , 2% of the respondents doesn't involve in this discussion.

The above analysis done by the researcher shows that the majority of the respondents are saying that appraisal system should be followed in the organization, so the researcher conclude that the research will improve the quality of the organization.

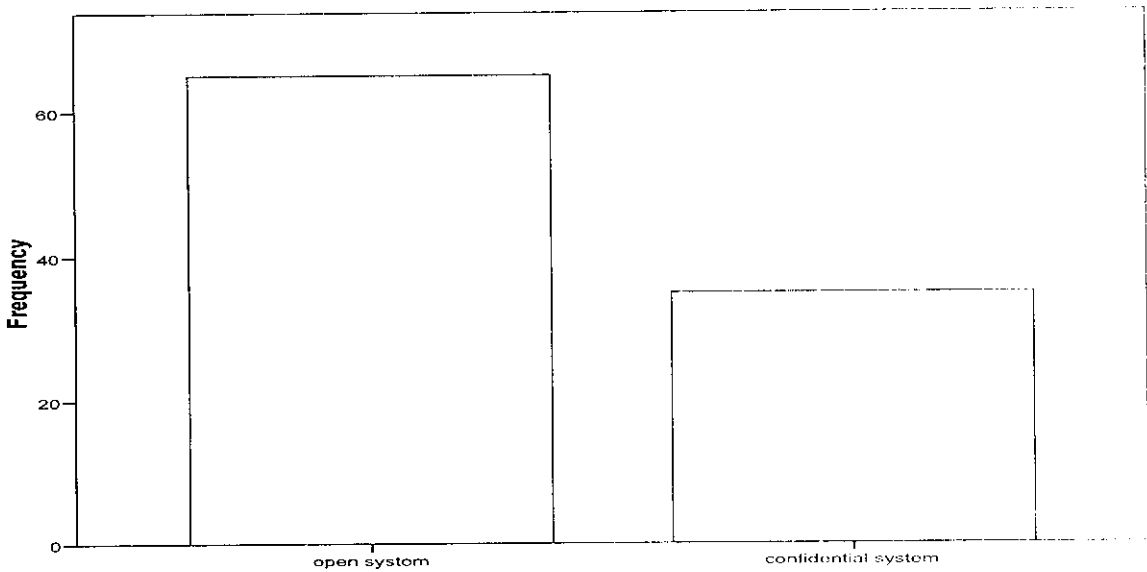
**Table No: 2 kind of system to be followed**

The table no: 2 shows about the kind of Appraisal System followed in the organization. It helps in finding whether open system or confidential system is been followed in the organization.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid open system	65	63.7	65.0	65.0
confidential system	35	34.3	35.0	100.0
Total	100	98.0	100.0	
Missing system	2	2.0		
Total	102	100.0		

**Chart No: 2 kind of system is to be followed**

Open system should be followed in the organization



**Interpretation:**

It is found from the table no : 2 that out of 100 respondents 63% of the respondents are saying that open system should be followed in the organization, 35% of the respondents are saying that confidential system should be followed in the organization, 2% of the respondents doesn't involve in the discussion.

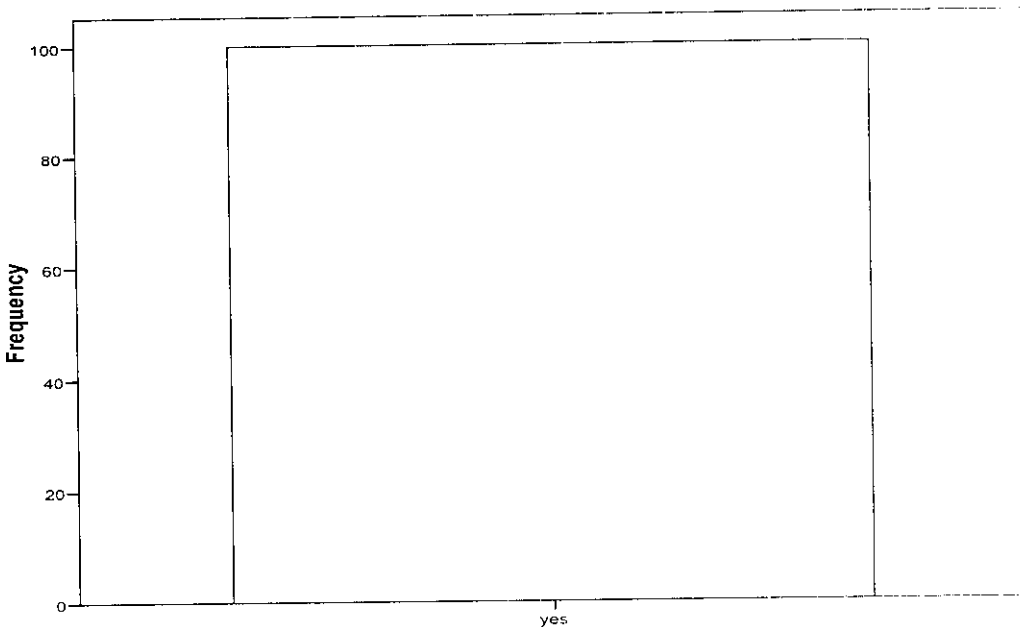
The researcher found that that majority of the respondents are saying that open appraisal system should be followed to be frank in taking decision of the employee appraisal.

**Table No: 3 Table showing about the previous training conducted in the organization**

The table no: 3 show us about the previous training conducted in the organization. This helps us to develop the Performance Appraisal System.

		Freque ncy	Percent	Valid Percent	Cumulative Percent
Valid	yes	100	98.0	100.0	100.0
Missin g	System	2	2.0		
Total		102	100.0		

**Chart No: 3 shows about the previous training conducted in the organization**



**Interpretation:**

It is found from the table no : 3 that out of 100 respondents 98% of the respondents are saying that already training is conducted in the organization, 2% of the respondents doesn't involve in the discussion. It is found from the above analysis by the researcher that majority of the respondents are saying that ready training is provided in the organization. So implementing performance appraisal system will be very easy in the organization .



## **CHI-SQUARE ANALYSIS:**

### **INTRODUCTION OF CHI-SQUARE ANALYSIS:**

#### **Chi-square Test of Independence:**

- The chi-square test of independence is probably the most frequently used hypothesis test in the social sciences.
- In this exercise, we will use the chi-square test of independence to evaluate group differences when the test variable is nominal, dichotomous, ordinal, or grouped interval.
- The chi-square test of independence can be used for any variable; the group (independent) and the test variable (dependent) can be nominal, dichotomous, ordinal, or grouped interval.

#### **Independence Defined:**

- Two variables are independent if, for all cases, the classification of a case into a particular category of one variable (the group variable) has no effect on the probability that the case will fall into any particular category of the second variable (the test variable).
- When two variables are independent, there is no relationship between them. We would expect that the frequency breakdowns of the test variable to be similar for all groups.

#### **Expected Frequencies versus Observed Frequencies:**

- The chi-square test of independence plugs the observed frequencies and expected frequencies into a formula which computes how the pattern of observed frequencies differs from the pattern of expected frequencies.
- Probabilities for the test statistic can be obtained from the chi-square probability distribution so that we can test hypotheses.

## **Independent and Dependent Variables:**

The two variables in a chi-square test of independence each play a specific role.

The group variable is also known as the independent variable because it has an influence on the test variable.

The test variable is also known as the dependent variable because its value is believed to be dependent on the value of the group variable.

The chi-square test of independence is a test of the influence or impact that a subject's value on one variable has on the same subject's value for a second variable.

## **STEPS TO PROCEED WITH ASSUMPTION SPSS:**

### **Step 1. Assumptions for the Chi-square Test:**

- The chi-square Test of Independence can be used for any level variable, including interval level variables grouped in a frequency distribution. It is most useful for nominal variables for which we do not have another option.
- Assumptions: No cell has an expected frequency less than 5.
- If these assumptions are violated, the chi-square distribution will give us misleading probabilities.

### **Step 2. Hypotheses and alpha:**

- The research hypothesis states that the two variables are dependent or related. This will be true if the observed counts for the categories of the variables in the sample are different from the expected counts.
- The null hypothesis is that the two variables are independent. This will be true if the observed counts in the sample are similar to the expected counts.
- The amount of difference needed to make a decision about difference or similarity is the amount corresponding to the alpha level of significance, which will be either 0.05 or 0.01. The value to use will be stated in the problem.

**Step 3. Sampling distribution and test statistic:**

- To test the relationship, we use the chi-square test statistic, which follows the chi-square distribution.
- If we were calculating the statistic by hand, we would have to compute the degrees of freedom to identify the probability of the test statistic. SPSS will print out the degrees of freedom and the probability of the test statistics for us.

**Step 4. Computing the Test Statistic:**

- Conceptually, the chi-square test of independence statistic is computed by summing the difference between the expected and observed frequencies for each cell in the table divided by the expected frequencies for the cell.
- We identify the value and probability for this test statistic from the SPSS statistical output.

**Step 5. Decision and Interpretation:**

- If the probability of the test statistic is less than or equal to the probability of the alpha error rate, we reject the null hypothesis and conclude that our data supports the research hypothesis. We conclude that there is a relationship between the variables.
- If the probability of the test statistic is greater than the probability of the alpha error rate, we fail to reject the null hypothesis. We conclude that there is no relationship between the variables, i.e. they are independent.

## Analyze 1: Demographic Variable (Age) Vs Satisfaction level of present Performance Appraisal Practices

### Hypothesis:

**H0:** There is no relationship between the two variables. Two variables are interdependent. The chi-square test is performed at 5% significant level.

**Table No: 4 age \*satisfaction level of present Performance appraisal practices**

		age *satisfaction level of present Performance appraisal					
		Highly dissatisfied	Dissatisfied	moderate	satisfied	Highly satisfied	Total Highly dissatisfied
Age	>20	2	2	3	2	2	11
	20-30	4	0	4	9	5	22
	30-40	1	6	12	13	3	35
	40-50	0	3	3	8	5	19
	<50	0	2	2	5	4	13
Total		7	13	24	37	19	100

### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	20.487 <sup>a</sup>	16	.199
Likelihood Ratio	24.453	16	.080
Linear-by-Linear Association	3.594	1	.058
N of Valid Cases	100		

a. 19 cells (76.0%) have expected count less than 5. The minimum expected count is .77.

**Interpretation:**

The probability of the chi-square test statistic (chi-square=20.487) was  $p=0.199$ , greater than the alpha level of significance of 0.05. The null hypothesis  $H_0$  is accepted. The two variables are interdependent on each other. There is a no relationship between two variables. The respondents are dissatisfied present performance appraisal practices. **Researcher Conclude that collected data doesn't support the research hypothesis.**

## Analyze 2: Demographic Variable (Age) Vs Degree of Communication

### Hypothesis:

**H0:** There is no relationship between the two variables. Two variables are interdependent. The chi-square test is performed at 5% significant level.

**Table No: 5 Age Vs Degree of Communication**

	Age Vs Degree of Communication					Total
	>20	20-30	30-40	40-50	<50	>20
highly unclear	2	2	2	1	0	7
Unclear	3	4	7	3	1	18
Moderate	2	3	5	4	4	18
Clear	2	7	15	5	7	36
highly clear	2	6	6	6	1	21
Total	11	22	35	19	13	100

### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	12.366 <sup>a</sup>	16	.718
Likelihood Ratio	12.933	16	.678
Linear-by-Linear Association	1.715	1	.190
N of Valid Cases	100		

a. 19 cells (76.0%) have expected count less than 5. The minimum expected count is .77.

### Interpretation:

The probability of the chi-square test statistic (chi-square=12.366) was  $p=0.718$ , greater than the alpha level of significance of 0.05. The null hypothesis H0 is accepted. The two variables are interdependent on each other. There is a no relationship between two variables. The respondents are highly confused with the degree of communication system practiced in the organization. **Researcher Conclude that collected data doesn't support the research hypothesis.**

### Analyze 3: Demographic Variable (Age) Vs Satisfaction level of present reward practices

#### Hypothesis:

**H0:** There is no relationship between the two variables. Two variables are interdependent.

The chi-square test is performed at 5% significant level.

**Table No: 6 Age Vs Satisfaction levels of present reward practices**

	Age Vs Satisfaction level of present reward practices					Total
	>20	20-30	30-40	40-50	<50	>20
strongly disagree	2	2	2	1	0	7
Disagree	3	4	7	4	1	19
Neutral	2	4	6	3	4	19
Agree	1	5	14	5	6	31
strongly agree	3	7	6	6	2	24
Total	11	22	35	19	13	100

#### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	11.995 <sup>a</sup>	16	.744
Likelihood Ratio	12.921	16	.679
Linear-by-Linear Association	1.455	1	.228
N of Valid Cases	100		

a. 18 cells (72.0%) have expected count less than 5. The minimum expected count is .77.

**Interpretation:**

The probability of the chi-square test statistic (chi-square=11.995) was  $p=0.744$ , greater than the alpha level of significance of 0.05. The null hypothesis  $H_0$  is accepted. The two variables are interdependent on each other. There is a no relationship between two variables.

The respondents are disagree with the present reward practice system in the organization.

**Researcher Conclude that collected data doesn't support the research hypothesis.**



### Analyze 4: Demographic Variable (Age) Vs Satisfaction level of Training Provided

#### Hypothesis:

**H0:** There is no relationship between the two variables. Two variables are interdependent.  
The chi-square test is performed at 5% significant level.

**Table No: 7 Age Vs Satisfaction Level of Training Provided**

	Age					Total
	>20	20-30	30-40	40-50	<50	>20
highly dissatisfied	2	4	1	0	0	7
Dissatisfied	2	0	6	3	2	13
Moderate	3	4	10	3	4	24
Satisfied	1	8	12	6	4	31
highly satisfied	3	6	6	7	3	25
Total	11	22	35	19	13	100

#### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	18.208 <sup>a</sup>	16	.012
Likelihood Ratio	22.339	16	.133
Linear-by-Linear Association	1.724	1	.189
N of Valid Cases	100		

a. 18 cells (72.0%) have expected count less than 5. The minimum expected count is .77.

#### Interpretation:

The probability of the chi-square test statistic (chi-square=18.208) was  $p=0.012$ , lesser than the alpha level of significance of 0.05. The null hypothesis H0 is rejected. The two variables are dependent on each other. There is a relationship between two variables.

The respondents are satisfied by the training provided in the organization. **Researcher Conclude that collected data support the research hypothesis.**

## Analyze 5: Demographic Variable (Age) Vs Performance Appraisal help to improve the performance of employee

### Hypothesis:

**H0:** There is no relationship between the two variables. Two variables are interdependent.

The chi-square test is performed at 5% significant level.

**Table No: 8 Age Vs Performance Appraisal help to improve the performance of employee**

Age Vs Performance Appraisal help to improve the performance of employee						Total
	>20	20-30	30-40	40-50	<50	>20
strongly is agree	2	2	2	1	0	7
Disagree	3	4	7	3	1	18
Neutral	2	4	6	5	4	21
Agree	1	6	12	6	6	31
strongly agree	3	6	8	4	2	23
Total	11	22	35	19	13	100

### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.329 <sup>a</sup>	16	.009
Likelihood Ratio	10.268	16	.852
Linear-by-Linear Association	1.331	1	.249
N of Valid Cases	100		

a. 18 cells (72.0%) have expected count less than 5. The minimum expected count is .77.

**Interpretation:**

The probability of the chi-square test statistic (chi-square=9.329) was  $p=0.009$ , lesser than the alpha level of significance of 0.05. The null hypothesis  $H_0$  is rejected. The two variables are dependent on each other. There is a relationship between two variables.

The respondents are strongly agreed with the statement that performance appraisal will increase the performance of the employee. **Researcher Conclude that collected data support the research hypothesis.**

## Analyze 6: Demographic Variable (Age) Vs Frequent time spent on my Performance Appraisal

**Hypothesis:**

**H0:** There is no relationship between the two variables. Two variables are interdependent. The chi-square test is performed at 5% significant level.

**Table No: 9 Age Vs frequent timings spent on my Performance Appraisal**

Age Vs Frequent timings spent on my Performance Appraisal						Total
	>20	20-30	30-40	40-50	<50	>20
strongly disagree	1	1	3	3	1	9
Disagree	2	5	4	1	0	12
Neutral	4	4	13	5	3	29
Agree	2	9	5	3	6	25
strongly agree	2	3	10	7	3	25
Total	11	22	35	19	13	100

### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	17.952 <sup>a</sup>	16	.327
Likelihood Ratio	18.900	16	.274
Linear-by-Linear Association	1.457	1	.227
N of Valid Cases	100		

a. 18 cells (72.0%) have expected count less than 5. The minimum expected count is .99.

**Interpretation:**

The probability of the chi-square test statistic (chi-square=17.952) was  $p=0.327$ . greater than the alpha level of significance of 0.05. The null hypothesis  $H_0$  is accepted. The two variables are interdependent on each other. There is a no relationship between two variables.

The respondents are saying that there is no frequent time spent on training. **Researcher Conclude that collected data doesn't support the research hypothesis.**

## Analyze 7: Demographic Variable (Age) Vs Performance Appraisal is fair

### Hypothesis:

**H0:** There is no relationship between the two variables. Two variables are interdependent.  
The chi-square test is performed at 5% significant level.

**Table No: 10 Age Vs PA is Objective and fair**

Age Vs PA is Objective and fair						Total
	>20	20-30	30-40	40-50	<50	>20
strongly disagree	2	2	2	1	0	7
Disagree	2	4	4	2	1	13
Neutral	2	2	5	3	2	14
Agree	3	7	16	7	9	42
strongly agree	2	7	8	6	1	24
Total	11	22	35	19	13	100

### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	11.147 <sup>a</sup>	16	.040
Likelihood Ratio	11.672	16	.766
Linear-by-Linear Association	1.946	1	.163
N of Valid Cases	100		

a. 19 cells (76.0%) have expected count less than 5. The minimum expected count is .77.

**Interpretation:**

The probability of the chi-square test statistic (chi-square=11.147) was  $p=0.040$ , lesser than the alpha level of significance of 0.05. The null hypothesis  $H_0$  is rejected. The two variables are dependent on each other. There is a relationship between two variables.

The respondents are satisfied with the performance appraisal in the organization.

**Researcher Conclude that collected data support the research hypothesis.**

## RANKING ANALYSIS

A **ranking** is a relationship between a set of items such that, for any two items, the first is either "ranked higher than", "ranked lower than" or "ranked equal to" the second. In mathematics, this is known as a weak order or total preorder of objects. It is not necessarily a total order of objects because two different objects can have the same ranking. The rankings themselves are totally ordered.

### FACTORS INFLUENCING PERFORMANCE APPRAISAL

**TABLE NO: 11 FACTORS INFLUENCING PERFORMANCE APPRAISAL**

	I	II	III	IV	V
<b>Salary</b>	35	23	21	14	7
<b>Incentives</b>	21	27	25	16	11
<b>Promotion</b>	24	14	15	28	19
<b>Personality</b>	12	24	12	24	28
<b>Any other(Gifts, Tour trips)</b>	8	12	27	18	35

#### **Interpretation:**

It is found from the table no :11 that out of 100 respondents 35 respondents rank to the salary, 27 respondents rank to the incentives, 28 respondents rank 4 to promotion.

It is found from the above analysis by the researcher that the majority of the respondents rank 1 to salary so it is the only leading factor influencing Performance Appraisal.

35% of the respondents have ranked to salary because salary is the main factor which can influence performance appraisal. Only with the salary the performance of the worker can be increased.

8% of the respondents have ranked to any other (Gifts, Tour trips) because of these things performance appraisal can't be influenced.



**TABLE NO: 12 FACTOR THAT LEAD TO FAILURE OF PERFORMANCE  
APPRAISAL**

**Ranking**

	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>
<b>Manager not taking appraisal seriously</b>	32	17	11	40
<b>Manager not prepared</b>	15	20	39	26
<b>Employee not receiving feedback</b>	42	25	13	20
<b>Management practices are not sincere</b>	11	38	37	14

**Interpretation:**

It is found from the table no:12 that out of 100 respondents 42 respondents rank 1 to the Employee not receiving feedback, 38 respondents rank 2 to the Management practices are not sincere, 39 respondents rank 3 to the Manager not prepared, 40 respondents rank 4 to the Manager not taking appraisal seriously.

42% of the respondents have ranked to employees not receiving feedback from employer because without proper feedback the employees can't improve their performance.

11% of the respondents have ranked to Manager not taking appraisal seriously because the manager doesn't take proper appraisal practice so the employees can't improve their work life.

**TABLE NO:13 FACTORS INFLUENCING THE SUPPORT OF WORKERS****Ranking**

	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>	<b>VI</b>
<b>Motivation</b>	32	21	18	15	14	10
<b>Leadership</b>	24	29	16	15	9	7
<b>Quality Of Work Life</b>	17	17	20	18	16	12
<b>Welfare Measures</b>	12	15	12	13	20	18
<b>H.R. Practices</b>	10	10	19	21	17	23
<b>Any Other(Training &amp; Development, Environmental Measures)</b>	5	8	14	18	25	30

**Interpretation:**

It is found from the table no:13 that out of 100 respondents that 32 respondents rank I to motivation, 29 respondents rank II to leadership, 20 respondents rank III to Quality Of Work Life, 21 respondents rank IV to H.R. Practices.

32% of the respondents ranked Motivation because only with the help of motivation the employees can show more interest and increase the production.

5% of the respondents ranked Any Other (Training & Development, Environmental Measures...) because these are the factors which influence minimum support of workers.

*CHAPTER 4*  
*FINDINGS, SUGGESTIONS*  
*AND CONCLUSION*

## 4.1 FINDINGS:

The following are the findings

- The researcher found that 98% of majority of the respondents are saying that appraisal system should be followed in the organization.
- The researcher found that 63% of majority of the respondents are saying that open appraisal system should be followed to be frank in taking decision of the employee appraisal.
- The researcher found that 98% of majority of the respondents are saying that already training is provided in the organization, so implementing performance appraisal system will be very easy in the organization.
- The researcher found from the chi-square analysis by the comparison of demographic variable Age Vs Satisfaction level of Performance Appraisal practices. The two variables are interdependent on each other. There is a no relationship between two variables. The respondents are highly confused with the degree of communication system practiced in the organization.
- The researcher found from the chi-square analysis by the comparison of demographic variable Age Vs Degree of communication. The two variables are interdependent on each other. There is a no relationship between two variables. The respondents are highly confused with the degree of communication system practiced in the organization.
- The researcher found from the chi-square analysis by the comparison of demographic variable Age Vs Satisfaction level of present reward practices. The two variables are interdependent on each other. There is a no relationship between two variables. The respondents are disagreeing with the present reward practice system in the organization.
- The researcher found from the chi-square analysis by the comparison of demographic variable Age Vs Satisfaction level of Training provided. The two variables are dependent on each other. There is a relationship between two variables. The respondents are satisfied by the training provided in the organization.

- The researcher found from the chi-square analysis by the comparison of demographic variable Age Vs Performance Appraisal helps to improve the performance of the employee. The two variables are dependent on each other. There is a relationship between two variables. The respondents are strongly agreed with the statement that performance appraisal will increase the performance of the employee.
- The researcher found from the chi-square analysis by the comparison of demographic variable Age Vs Frequent timings spent on my performance appraisal. The two variables are interdependent on each other. There is a no relationship between two variables. The respondents are saying that there is no frequent time spent on training.
- The researcher found from the chi-square analysis by the comparison of demographic variable Age Vs Performance Appraisal is fair. The two variables are dependent on each other. There is a relationship between two variables. The respondents are satisfied with the performance appraisal in the organization.

## 4.2 SUGGESTIONS:

- The company has to create awareness among employees about performance appraisal techniques.
- The company has to make sure of avoiding Bias.
- The company should try to maintain Transparency.
- The management should reduce the communication gap between them and their employees.
- All of the employees should work together without any personal grievances.
- The company should give the employees a proper feedback.
- Appraiser should be trained properly.
- The Manager should follow these practices seriously.
- Consistent efforts should be taken.

### **4.3 CONCLUSION:**

These days the demand for skilled manpower is increasing. The company should have a proper practice for maintaining all the activities which could assure transparency, accuracy in all aspects.

‘Employee’ is the vital Factor of production. So company should reduce the communication gap and should employ new performance appraisal methods to check the potential of their employees whereby they could improve their quality of service.

From the study the reason was found, it is in our hand to remove the limiting factors from the minds of the people and make them to join with us to serve the people. The company has to formulate many strategies to get to do their work properly with the help of their potential employees.

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*ANNEXURE*

## ANNEXURE

## A STUDY ABOUT PERFORMANCE APPRAISAL IN SKL EXPORTS

## QUESTIONNAIRE

Name :

Gender : Male  Female 

Age (yrs) :

Qualification :

Designation :

1) What is the satisfaction level of present performance appraisal practices?

Highly satisfied  Satisfied Moderate  Dissatisfied  Highly dissatisfied 

2) Degree of communication?

Highly clear  Clear Moderate  Unclear  Highly unclear 

3) What is the level of satisfaction with present reward practices?

Highly satisfied  Satisfied Moderate  Dissatisfied  Highly dissatisfied 

4) Employees participation in management?

Involved  Neutral  Not involved 

5) Why performance appraisal fails? (Rank the following)

Manager not taking appraisal seriously Manager not prepared Employee not receiving feedback Management practices are not sincere

6) Number of working hours per day?

2 hours  4 hours  6 hours  8 hours

7) Work completed per day? (In percentage)

60  70  80  90

8) What is the satisfaction level for the given Training?

Highly Satisfied  Satisfied   
Neutral  Dis-satisfied  Highly Dis-satisfied

9) Performance Appraisal helps to improve your performance?

Strongly Agree  Agree  Neither Agree Nor Dis-Agree   
Dis-Agree  Strongly Dis-Agree

10) Adequate Time was spent on my Performance Appraisal by a Appraiser?

Strongly Agree  Agree  Neither Agree Nor Dis-Agree   
Dis-Agree  Strongly Dis-Agree

11) In your view Appraisal should be done for every

3 months  4 months  6 months   
8 months  12 months

12) In what areas does the Appraisal focus upon during the review meeting?

Achievements  Mistakes

Other if any specify-----

13) The Appraisal System followed here is?

Open System  Confidential System

14) I wish the System to be?

Open System  Confidential System

15) The Performance Appraisal is Objective & Fair

Strongly Agree  Agree  Neither Agree Nor Dis-Agree   
 Dis-Agree  Strongly Dis-Agree

16) Is any Training conducted in the company?

Yes  No

17) Is the given Training impulsive the Performance?

Strongly Agree  Agree  Neither Agree Nor Dis-Agree   
 Dis-Agree  Strongly Dis-Agree

18) Rank the following factors which influence Performance Appraisal?

Salary  Promotion  Personality   
 Incentives  Any other (Gifts, Tours...)

19) Rank the following factors which support the workers in Performance Appraisal?

Motivation   
 Leadership   
 Quality of Work Life   
 Welfare Measures   
 H.R. Practices   
 Any Other

20) Would u like to give any other suggestion regarding performance appraisal practices?

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