

P - 2013

*A Study on Effectiveness of Existing Performance
Appraisal System with special reference to
Dr. Reddy's Laboratories, Hyderabad*



SUMMER PROJECT REPORT
Submitted to the
Faculty Of Management Sciences, Anna University
In partial fulfillment of the requirement
For the award of the degree of
MASTER OF BUSINESS ADMINISTRATION

By

ABILASH.K.S
71205631002

October 2006
DEPARTMENT OF MANAGEMENT STUDIES
KUMARAGURU COLLEGE OF TECHNOLOGY
COIMBATORE - 641006



**DEPARTMENT OF MANAGEMENT STUDIES
KUMARAGURU COLLEGE OF TECHNOLOGY
COIMBATORE**

BONAFIDE CERTIFICATE

Certified that this project titled 'A STUDY OF EFFECTIVENESS OF EXISTING PERFORMANCE APPRAISAL SYSTEM WITH SPECIAL REFERENCE TO DR. REDDY'S LABORATORY IN HYDERABAD' is a bonafide work of **Mr. K.S.ABILASH (71205631002)** who carried out this research 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.

.....
Faculty Guide

Prof. S. GANESAN
Director

Evaluated and viva-voce conducted on.....

Dr. Reddy's

Dr. Reddy's Laboratories Limited.

Bachepalli -502 325, INDIA.
Mailing Address : Bachepalli,
Post Bag No. 15, Kukatpally P.O.,
Hyderabad -500 052, INDIA.
Tel : 91 40 304 5209
Fax : 91 40 304 5338
www.drreddy's.com

08-08-2006

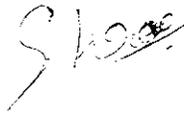
TO WHOM SO EVER IT MAY CONCERN

This is to certify that Mr. **K.S.ABILASH**, MBA student of K.C.T. BUSINESS SCHOOL, COIMBATORE has worked with the HR group at Dr.Reddy's Laboratories Limited as a summer trainee from 3rd July 2006 to 8th August 2006. The Project was carried out with a lot of zeal, enthusiasm and to our full satisfaction.

During the project, we found **Mr. Abilash.K.S.** to be dedicated and thorough in his approach. He has been a keen learner and has displayed a sense of professionalism which helped him to do a quality project.

We wish him the very best in his entire future endeavour's.

For **Dr. Reddy's Lab**



(HR Manager)

DECLARATION

I hereby declare that the summer project entitled "**A STUDY ON EFFECTIVENESS OF EXISTING PERFORMANCE APPRAISAL SYSTEM**" with special reference to Dr. Reddy's Laboratories, Hyderabad, submitted to Anna University in partial fulfillment for the award of the degree of Master Of Business Administration, is a record of original research submitted by me under the guidance of **Col. N.Jothilingam** during the period of study in KCT Business School, Coimbatore.

I also declare that this project is the report of my own effort and has not been submitted to any other university or institution for the award of any degree or diploma.

Place: Coimbatore



ABILASH.K.S

(Reg No: 71205631002)

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Performance appraisal is needed for judging the relative worth or ability of an employee in performing his job. An overview about the concept is introduced in this chapter. Appraisal is the evaluation of worth, quality or merit. In the organization view, performance appraisal is the systematic evaluation of personnel's by superiors or others familiar with their performance.

Performance appraisal is the process of evaluating the performance and qualifications of the employees in terms of the requirements of the job for which he is employed, for the purpose of administration including placement, selection for promotion, providing financial rewards and other actions which require different treatment among the members of a group as group as distinguished from actions affecting all members equally.

ACKNOWLEDGEMENT

ACKNOWLEDGEMENT

I would like to thank the almighty immensely and whole-heartedly for giving me this opportunity for the successful completion of the research project.

I express my sincere gratitude to our beloved correspondent **Prof. Dr. K. Arumugam**, the prime guiding sprit of Kumaraguru College of technology.

I feel great pleasure in expressing my deep sense of gratitude to **Dr. Joseph Thanickel**, Principal, Kumaraguru College of Technology for permitting me to take up this project work.

It is rather my long felt desire to express my profound gratitude to our pillar of strength **Dr. S. Ganesan**, Director, KCT Business School for help, co-operation and advice extend to me through out the project work.

Words are insufficient to express my deepest gratitude to **Col. N. Jothilingam**, Faculty guide for his valuable guidance and inspiration throughout the tenure of the project.

I also take this opportunity to thank **Mr. S.K.Rao**, HR Manager Dr.Reddy's Laboratory for his assistance in giving available information for this study.

I also express my sincere thanks and appreciation to my friends and family members who helped me in the completion of this project successfully.

CONTENTS

TABLE OF CONTENTS

CHAPTER NO	TITLE	PAGE NO
	EXECUTIVE SUMMARY	IV
	ACKNOWLEDGEMENT	V
	LIST OF TABLES	VII
	LIST OF GRAPHS	VIII
1	INTRODUCTION	
	1.1 Back Ground of the Study	1
	1.2 Objective of the study	2
	1.3 Scope of the study	3
	1.4 Research Methodology	4
	1.5 Limitations	5
	1.6 Chapter Scheme	6
2	ORGANIZATION PROFILE	
	2.1 History of the Organization	7
	2.2 Management of the Company	12
	2.3 Organization Chart	13
	2.4 Product Profile	14
	2.5 Competitors Strength	19
	2.6 Functional Areas of the Office	23
3	MACRO AND MICRO ANALYSIS	26
4	DATA ANALYSIS AND INTERPRETATION	28
5	CONCLUSION	
	5.1 Results & Findings	60
	5.2 Recommendations	62
	BIBLIOGRAPHY	63

LIST OF TABLES

LIST OF TABLES

Sl. No.	Particulars	Page No.
1	Table showing Classification Based on the Age group	29
2	Table showing Classification Based on the Education Qualification	31
3	Table showing Classification Based on Years of Service	33
4	Table showing the Effectiveness of Appraisal System	35
5	Table showing the Performance Appraisal System improves Motivation	37
6	Table showing Present System properly identifies the areas of deficiency	39
7	Table showing the Present System Eliminates Deficiencies Identified	41
8	Table showing the Level of Bias of Appraiser Affects Promotion and Salary Decision	43
9	Table showing the Present Appraisal System provides scope for Self Evaluation	45
10	Table showing whether the Traits evaluated under the system is adequate.	47
11	Table showing whether the present system provides opportunity for expressing views and opinions.	49
12	Table showing whether the Top Management is committed to the development of the Employees	51
13	Table showing whether the present system identifies the training needs.	53
14	Table showing whether the existing working condition helps in improving performance	55
15.	Table showing whether the existing Performance Appraisal System requires change.	57

LIST OF GRAPHS

LIST OF GRAPHS

Sl. No.	Particulars	Page No.
1	Graph showing Classification Based on the Age group	30
2	Graph showing Classification Based on the Education Qualification	32
3	Graph showing Classification Based on Years of Service	34
4	Graph showing the Effectiveness of Appraisal System	36
5	Graph showing the Performance Appraisal System improves Motivation	38
6	Graph showing Present System properly identifies the areas of deficiency	40
7	Graph showing the Present System Eliminates Deficiencies Identified	42
8	Graph showing the Level of Bias of Appraiser Affects Promotion and Salary Decision	44
9	Graph showing the Present Appraisal System provides scope for Self Evaluation	46
10	Graph showing whether the Traits evaluated under the system is adequate	48
11	Graph showing whether the present system provides opportunity for expressing views and opinions	50
12	Graph showing whether the Top Management is committed to the development of the Employees	52
13	Graph showing whether the present system identifies the training needs.	54
14	Graph showing whether the existing working condition helps in improving performance	56
15.	Graph showing whether the existing Performance Appraisal System requires change.	58

INTRODUCTION

BACKGROUND

Research is a systematized effort to gain knowledge. The research methodology adopted for the study is described in this chapter. The methodology includes objectives, sampling, data collection and data analysis. The research design adopted for the study is DESCRIPTIVE RESEARCH. Research is undertaken with an idea to know about the effectiveness of existing performance appraisal system at Dr.Reddy's Lab.

OBJECTIVES OF THE STUDY

The study is conducted to fulfill the following objectives.

Primary Objectives

The primary objectives are

- To evaluate the effectiveness of existing performance appraisal system.
- To analyze the factors affecting the performance appraisal system.
- To make suitable suggestions and recommendations to improve the situation.

Secondary Objectives

- To formulate training and development programme.
- To identify the strength and weakness of employees.

SCOPE OF THE STUDY

The success of any industrial or business establishment depends on the performance of its employees. So periodic assessment of performance is of utmost importance to any establishment. The Reddy's Lab values human resources as a very important element in creating an environment of technological and management excellence. The company provides its employees with a number of opportunities to grow, as the company accelerates ahead.

The findings of the study will be useful for Reddy's Lab to adopt latest performance appraisal techniques or correct the existing performance appraisal system. It may help in policy implications to correct the existing performance appraisal system. The study of the performance evaluation system prevailing in Reddy's Lab therefore has vast scope and great utility.

METHODOLOGY

SAMPLING

Sampling may be defined as the selection of some part of an aggregate or totality on the basis of which a judgement is made. The sample size selected for the study is 120 employees from the total population of 550 employees. They were selected on convenient basis.

DATA COLLECTION

The study uses both primary as well as secondary data. The primary data were collected through questionnaire. A detailed structured questionnaire was prepared with multiple-choice questions. Five point scaling technique was used. Secondary data were collected from existing company records and journals.

Personal interview technique was adopted to meet every officer to collect data. Proper rapprochement was established from meeting the respondents so that perfect information required for the study can be collected.

DATA ANALYSIS

Analysis is the computation of certain indices or measures along with the searching for patterns of relationship that exist among the data groups. The collected primary data were subduced into tables for the purpose of analysis. Statistical tool like percentage and hypothesis technique tool like chi square was used for analysis.

LIMITATIONS

There were many limitations of the study conducted regarding the effectiveness of existing performance appraisal system. The time limit was one of the limitations. The study was conducted on a short period of time. Another limitation was from the respondent's side. The respondents were mainly officers and due to their busy schedule data collection was time consuming. Some of the respondents were replying from their memory so their will be a chance of bias.

CHAPTER SCHEME

The chapter scheme includes an overall view of the project work. The report of the project work is organized into five chapters. The first chapter is an overview about the performance appraisal. It includes the definition, purpose, objectives, factors affecting performance appraisal, performance appraisal process, methods of performance appraisal, barriers to effective appraisal and steps to overcome these barriers.

The second chapter discusses the profile of the company. It includes the mission, objectives, quality policy, organization profile, hierarchy of executives, achievements and uniqueness of the firm, human resource department's description like HR mission, HR vision, HR value statement and HR philosophy.

The research methodology adopted for the study is prescribed in the third chapter. It includes introduction, statement of problem, objectives of the study, sampling, data collection, data analysis, scope of the study, limitations of the study and the chapter scheme.

The analysis and interpretation of the data are discussed in chapter four. This chapter is further divided into two chapters. The first chapter includes the measurement of performance appraisal and the second chapter includes factors influencing performance appraisal.

The last chapter contains a summary of the findings. It also gives some policy implications to be implemented in the company to improve the existing appraisal system.

ORGANIZATION PROFILE

HISTORY OF THE ORGANIZATION

Dr. Reddy's Laboratories was founded by Dr Anji Reddy, a entrepreneur-scientist, in 1984. The DNA of the company is drawn from its founder and his vision to establish India's first discovery led global pharmaceutical company. In fact, it is this spirit of entrepreneurship that has shaped the company to become what it is today.

Dr Anji Reddy, having moved out of Standard Organics Limited, a company he had successfully co-founded, started Dr. Reddy's Laboratories with \$ 40,000 in cash and \$120,000 in bank loan! Today, the company with revenues of Rs.1947 crore (US \$446 million), as of fiscal year 2005, is India's second largest pharmaceutical company and the youngest among its peer group.

The company has several distinctions to its credit. Being the first pharmaceutical company from Asia Pacific (outside Japan) to be listed on the New York Stock Exchange (on April 11, 2001) is only one among them. And as always, Dr. Reddy's chose to do it in the most difficult of circumstances against widespread skepticism. Dr. Reddy's came up trumps not only having its stock oversubscribed but also becoming the best performing IPO that year.

Dr. Anji Reddy is well known for his passion for research and drug discovery. Dr. Reddy's started its drug discovery programme in 1993 and within three years it achieved its first breakthrough by outlicensing an anti-diabetes molecule to Novo Nordisk in March 1997. With this very small but significant step, the Indian industry went through a paradigm shift in its image from being known as just 'copycats' to 'innovators'! Through its success, Dr. Reddy's pioneered drug discovery in India. There are several such inflection points in the company's evolution from a bulk drug (API) manufacturer into a vertically integrated global pharmaceutical company today.

Today, the company manufactures and markets API (Bulk Actives), Finished Dosages and Biologics in over 100 countries worldwide, in addition to having a very promising Drug Discovery Pipeline. When Dr. Reddy's started its first big move in 1986 from manufacturing and marketing bulk actives to the domestic (Indian) market to manufacturing and exporting difficult-to-manufacture bulk actives such as Methyldopa to highly regulated overseas markets, it had to not only overcome regulatory and legal hurdles but also battle deeply entrenched mind-set issues of Indian Pharma being seen as producers of 'cheap' and therefore 'low quality' pharmaceuticals. Today, the Indian pharma industry, in stark contrast, is known globally for its proven high quality-low cost advantage in delivering safe and effective pharmaceuticals. This transition, a tough and often-perilous one, was made possible thanks to the pioneering efforts of companies such as Dr. Reddy's.

Today, Dr. Reddy's continues its journey. Leveraging on its 'Low Cost, High Intellect' advantage. Foraying into new markets and new businesses. Taking on new challenges and growing stronger and more capable. Each failure and each success renewing the sense of purpose and helping the company evolve.

With over 950 scientists working across the globe, around the clock, the company continues its relentless march forward to discover and deliver a breakthrough medicine to address an unmet medical need and make a difference to peoples lives worldwide. And when it does that, it would only be the beginning and yet it would be the most important step. As Lao Tzu wrote a long time ago, 'Even a 1000 mile journey starts with a single step.'

Our Core Purpose :

“To Help People lead healthier Life”

Our Vision :

“To become a discovery led global Pharmaceutical company”

QUALITY POLICY :

We strive for excellence in everything we think, say and do.

Quality:

We are dedicated to achieving the highest levels of quality in everything we do to delight customers, internal & external, every time

- **Respect for the Individual:** We uphold the self esteem and dignity of each other by creating an open culture conducive for expression of views and ideas irrespective of hierarchy
- **Innovation & Continuous Learning:** We create an environment of innovation and learning that fosters, in each one of us, a desire to excel and willingness to experiment
- **Collaboration & Teamwork:** We seek opportunities to build relationships and leverage knowledge, expertise and resources to create greater value across functions, businesses and locations
- **Harmony & Social Responsibility:** We take utmost care to protect our natural environment and serve the communities in which we live and work
- **Our business practices are guided by the highest ethical standards of truth, integrity and transparency.**

Achievements of the Organization

- 2006** Acquires betapharm- the fourth-largest generics company in Germany for a total enterprise value of € 480 million.
- 2005** Acquires Roche's API Business at the state-of-the-art manufacturing site in Mexico with a total investment of USD 59 million. Announces the formation of Perlecan Pharma: India's First Integrated Drug Development Company. Announces India's first major co-development and commercialization deal for its molecule

Balaglitazone (DRF 2593), with Rheoscience. Announces a unique partnership for the commercialization of ANDAs with ICICI Venture.

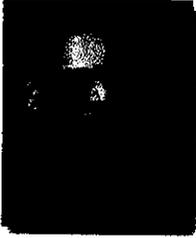
- 2004** Acquires access to Drug Delivery Technology Platforms in the Dermatology segment through the acquisition of Trigenesis
- 2003** Announces a 15-year exclusive product development and marketing agreement for OTC drugs with Leiner Health Products in the US
Launches Ibuprofen, first generic product to be marketed under the “Dr. Reddy’s” label in the US
- 2002** Conducts its first overseas acquisition – BMS Laboratories Limited and Meridian Healthcare in UK
- 2001** Becomes the first Asia Pacific pharmaceutical company, outside Japan, to list on the New York Stock Exchange. Listed with the symbol ‘RDY’ on April 11, 2001. Out-licenses DRF 4158 to Novartis for up to US \$55 million upfront payment
Launches its first generic product, Ranitidine, in the US market
Becomes the first Indian pharmaceutical company to obtain an 180-day exclusive marketing rights for a generic drug in the US market with the launch of Fluoxetine 40 mg capsules on August 3, 2001
- 2000** Dr. Reddy's Laboratories becomes India's third largest pharmaceutical company with the merger of Cheminor Drugs Limited, a group company
Reddy US Therapeutics, a wholly-owned subsidiary, is established at Atlanta, US to conduct target based drug discovery
- 1999** Acquisition of American Remedies Limited, a pharmaceutical company based in India.

- 1998** Licenses anti-diabetic molecule, DRF 2725 (Ragaglitazar), to Novo Nordisk
- 1997** Licenses anti-diabetic molecule, DRF 2593 (Balaglitazone), to Novo Nordisk. Becomes the first Indian pharmaceutical company to out-license an original molecule. First ANDA filed with the United States Food and Drug Administration for Ranitidine
- 1995** Sets up of a Joint Venture in Russia.
- 1994** Makes a GDR issue of USD 48 million Foundation stone laid for a finished dosages facility to cater to the highly regulated markets such as the US.
- 1993** Dr. Reddy's Research Foundation established. The company drug discovery programme starts.
- 1991** First formulation exports to Russia commence
- 1990** Dr. Reddy's, for the first time in India, exports Norfloxacin and Ciprofloxacin to Europe and Far East.
- 1988** Acquires Benzex Laboratories Pvt. Limited to expand its Bulk Actives business.
- 1987** Obtains its first USFDA approval for Ibuprofen API Starts its formulations operations
- 1986** Dr. Reddy's goes public. Dr. Reddy's enters international markets with exports of Methyldopa
- 1984** Dr Anji Reddy establishes Dr. Reddy's Laboratories with an initial capital outlay of Rs.25 lakhs



MANAGEMENT

WHOLE TIME DIRECTORS



Dr. Anji Reddy

Chairman



G V Prasad

Vice Chairman &
Chief Executive Officer



Satish Reddy

Managing Director & Chief
Operating Officer

INDEPENDENT & NON WHOLE TIME DIRECTORS



Dr. Omkar Goswami



PN Devarajan



Ravi Bhoothalingam

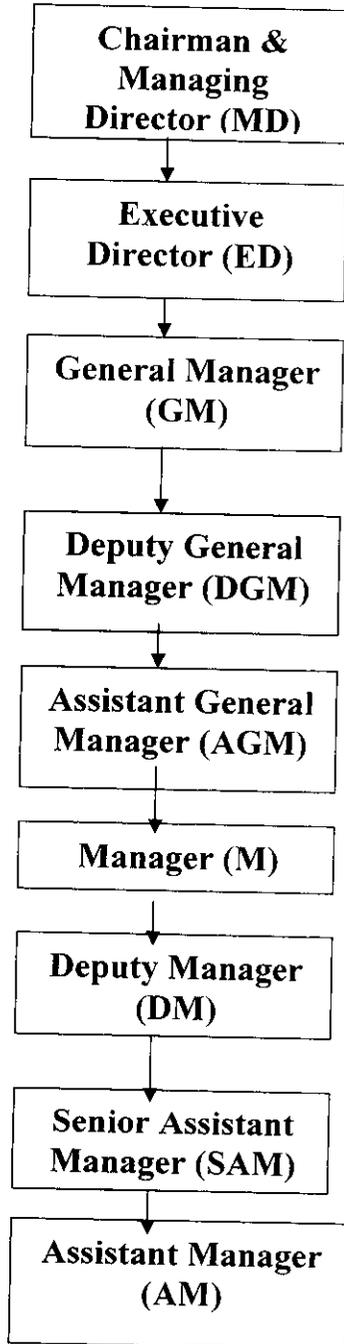


Dr. Krishna Palepu



Anupam Puri

ORGANIZATION STRUCTURE



PRODUCTS PROFILE

We, at Dr. Reddy's, bank on the strength of our products. Not only are they the logical results of our efforts, they are also our means of achieving our end purpose of 'helping people lead healthier lives'. Products are the only aspect of our pharmaceutical value chain, which directly touch people's lives.

Our discovery centric philosophy, along with our internationally ratified facilities, enables us manufacture a range of products that are known for their quality and efficacy. Dr. Reddy's product portfolio spans an impressive mix of Active Pharmaceutical Ingredients, Generics and Branded Formulations as well as Biologics.

<u>Product Name</u>	<u>Therapeutic Area</u>	<u>US DMF</u>	<u>Canadian PMF</u>	<u>EDMF</u>	<u>CEP/CDMO</u>
Abacavir Sulphate	Anti Virai	</	</	</	</
Alendronate Sodium	Others	</	</	</	</
Amlodipine Besylate	Anti Hypertensive	✓	✓	✓	✓
Amlodipine Maleate	Anti Hypertensive	✓	</	✓	</
Atorvastatin Calcium	Antihyperlipoproteinemic	</	</	</	</
Azithromycin Dihydrate	Anti Bacterial	</	</	</	</
Bicalutamide	Others	</	</	</	</
Carisoprodol	Muscle Relaxant	</	</	</	</
Carvedilol	Anti Hypertensive	✓	</	✓	</
Celecoxib	Anti Inflammatory	</	</	</	</
Cetirizine HCL	Anti Histaminic	</	</	✓	✓
Chlorpheniramine Maleate	Anti Histaminic	</	</	</	</
Chlorzoxazone	Muscle Relaxant	</	</	</	</
Cinitapride	Gastroprokinetic	</	</	</	</
Ciprofloxacin	Anti Bacterial	✓	</	✓	</
Ciprofloxacin HCl	Anti Bacterial	✓	✓	✓	✓
Cis Lactam	Others	</	</	</	</

Cisapride Monohydrate	Gastroprokinetic	</	</	</	</
Clopidogrel Bisulphate	Anti Thrombotic	✓	</	✓	</
Clotrimazole	Anti Fungal	</	</	</	</
Danofloxacin Mesylate	Anti Bacterial	</	</	</	</
Dextromethorphan	Anti Tussives	✓	</	✓	</
Dextromethorphan HBr	Anti Tussives	✓	</	</	</
Diclofenac Sodium	Anti Inflammatory	</	</	</	</
Diltiazem HCl	Anti Hypertensive	</	</	</	✓
Dobutamine	Cardiovasculars	</	</	</	</
Domperidone	Anti Emetic	✓	</	✓	✓
Domperidone Maleate	Anti Emetic	</	✓	✓	✓
Donepezil HCl	Nootropic	✓	</	</	</
Doxazosin Mesylate	Anti Hypertensive	✓	✓	✓	</
Enalapril Maleate	Anti Hypertensive	✓	</	✓	</
Enalaprilat	Anti Hypertensive	✓	</	</	</
Enrofloxacin	Anti Bacterial	</	</	</	</
Esmolol HCL	Anri Arrhythmic	</	</	</	</
Esomeprazole Mg	Anti Ulcerant	✓	</	</	</
Esomeprazole Pellets 8.5%	Anti Ulcerant	</	</	</	</
Ethambutol	Anti Bacterial	</	</	</	</
Ezetimibe	Antihyperlipoproteinemic	</	</	</	</
Famotidine	Anti Ulcerant	✓	</	✓	</
Fexofenadine HCL	Anti Histaminic	✓	</	✓	</
Finasteride	Others	✓	</	✓	</
Fluconazole	Anti Fungal	✓	</	✓	</
Fluoxetine HCl	Anti Depressant	✓	✓	</	✓
Galantamine	Anti Psychotic	✓	</	</	</
Gatifloxacin	Anti Bacterial	✓	✓	</	</
Glimepiride	Anti Diabetic	✓	</	✓	</

Ibuprofen	Anti Inflammatory	✓	✓	</	✓
Irbesartan	Anti Hypertensive	</	</	</	</
Itraconazole Pellets	Anti Fungal	</	</	</	</
Itraconazole Powder	Anti Fungal	</	</	</	</
Ketoconazole	Anti Fungal	</	</	</	</
Ketoprofen	Anti Inflammatory	</	</	</	</
Ketorolac Tromethamine	Anti Inflammatory	✓	✓	</	</
Lamivudine	Anti Viral	</	</	</	</
Lamotrigine	Anti Convulsant	✓	</	✓	</
Lansoprazole	Anti Ulcerant	✓	✓	</	</
Lansoprazole Pellets	Anti Ulcerant	</	</	</	</
Levetiracetam	Anti Convulsant	✓	</	</	</
Levofloxacin Hemihydrate	Quinolone	✓	</	</	</
Lomefloxacin	Anti Bacterial	</	</	</	</
Loperamide	Anti Diarrheal	</	</	</	</
Loratadine	Anti Histaminic	</	</	✓	</
Losartan Potassium	Anti Hypertensive	</	</	✓	</
Meloxicam	Anti Inflammatory	✓	</	</	</
Methyl Dopa	Hypotensive	</	</	</	</
Montelukast	Anti Asthmatic	</	</	</	</
Mosapride	Gastroprokinetic	</	</	</	</
Moxifloxacin HCl	Anti Bacterial	✓	</	</	</
Naproxen	Anti Inflammatory	✓	✓	</	✓
Naproxen Sodium	Anti Inflammatory	✓	</	✓	</
Naratriptan	Anti Migraine	✓	</	✓	</
Nateglinide	Anti Diabetic	✓	</	</	</
Nimesulide	Anti Inflammatory	</	</	</	</
Nizatidine	Anti Ulcerant	✓	✓	✓	✓
NMSM (1-Methyl Amino 1-Methyl Thio 2-Nitroethene)	Others	✓	</	</	</

Norfloxacin	Anti Bacterial	</	</	✓	✓
Ofloxacin	Anti Bacterial	</	</	</	</
Olanzapine	Anti Psychotic	✓	✓	</	</
Omeprazole	Anti Ulcerant	✓	✓	✓	✓
Omeprazole Magnesium	Anti Ulcerant	✓	</	</	</
Omeprazole Pellets	Anti Ulcerant	</	</	</	</
Omeprazole Sodium	Anti Ulcerant	</	</	✓	</
Ondansetron	Anti Emetic	✓	</	✓	</
Ondansetron HCl	Anti Emetic	✓	✓	✓	</
Ornidazole	Anti Infective	</	</	</	</
Oxaprozin	Anti Inflammatory	✓	</	</	</
Pantaprazole Sodium	Anti Ulcerant	✓	</	✓	</
Pefloxacin	Anti Bacterial	</	</	</	</
Pioglitazone HCl	Anti Diabetic	✓	</	</	</
Propofol	Anesthetic	</	</	</	</
Pyrazinamide	Anti Bacterial	</	</	</	</
Quetiapine Fumarate	Anti Psychotic	✓	</	</	</
Quinapril	Anti Hypertensive	</	</	</	</
Rabeprazole Sodium	Anti Ulcerant	✓	</	</	</
Raloxifene HCl	Anti Osteoporotic	✓	</	</	</
Ramipril	Anti Hypertensive	✓	✓	✓	</
Ranitidine HCl	Anti Ulcerant	✓	</	✓	✓
Repaglinide	Anti Diabetic	✓	</	</	</
Risperidone	Anti Psychotic	✓	✓	✓	</
Rivastigmine	Nootropic	✓	</	</	</
Rofecoxib	Anti Inflammatory	</	</	</	</
Rosiglitazone Maleate	Anti Diabetic	✓	</	</	</
Rosuvastatin	Anti Lipemic	</	</	</	</
S + Ibuprofen	Others	</	</	✓	</
Saibutamol Sulphate	Anti Asthmatic	</	</	</	</

Salmeterol Xinafoate	Bronchodilator	</	</	</	</
Setraline HCL	Anti Depressant	✓	✓	✓	</
Sibutramine Hcl	Others	</	</	</	</
Sildenafil Citrate	Others	</	</	</	</
Sparfloxacin	Anti Bacterial	</	</	</	</
Sulfamethoxazole	Anti Bacterial	</	</	</	</
Sulindac	Anti Inflammatory	✓	</	</	</
Sumatriptan Succinate	Anti Migraine	✓	✓	✓	</
Tadalafil	Others	</	</	</	</
Tamsulosin	Anti Hypertensive	✓	</	</	</
Terazosin Dihyd	Anti Hypertensive	</	</	</	</
Terazosin HCl	Anti Hypertensive	</	</	</	</
Terbinafine HCl	Anti Fungal	✓	✓	✓	</
Terbutaline Sulfate	Bronchodilator	</	</	</	</
Ticlopidine HCl	Anti Thrombotic	</	</	</	</
Tizanidine HCl	Anti Inflammatory	✓	</	</	</
Tolteridone Tartrate	Others	✓	</	</	</
Topiramate	Anti Convulsant	✓	✓	✓	</
Trimethoprim	Anti Bacterial	</	</	</	</
Valsartan	Anti Hypertensive	</	</	</	</
Venlafaxine Mesylate	Anti Depressant	</	</	</	</
Zaleplon	Others	</	</	</	</
Ziprasidone	Anti Psychotic	✓	</	</	</
Zolpidem Tartrate	Others	</	</	</	</
Zonisamide	Anti Convulsant	✓	</	</	</
Zopiclone	Others	</	</	</	</

Competitors Strength of the Company

Generic-drug stocks have been making brand-name gains. One notable example: Dr. Reddy's Laboratories (RDL), an outfit based in Hyderabad, India, with generic and brand-name pharmaceutical businesses, hit a 52-week high of \$27.65 on Feb. 1. That represents a sizzling 85% leap from its 12-month low of \$14.91 on May 3.

While it has receded slightly from its peak, the stock's recent advance, along with those made by larger generics companies like Barr Pharmaceuticals (BRL) and Teva Pharmaceutical Industries (TEVA), highlights this solidly growing segment of the otherwise moribund pharmaceutical sector.

STRENGTH IN DIVERSITY. Founded by Anji Reddy in 1984 with an initial stake of \$160,000 (according to the company), Dr. Reddy's went public in the U.S. in 2001 and has annual revenues of about \$470 million, paced by sales of generics like fluconazole, an antifungal agent.

Dr. Reddy's stock performance owes, no doubt, to the company's improved year-over-year revenues for each of the last three quarters. But that may be only one part of the story. The generic is also involved in diversification efforts that could buoy it against larger competitors.

Ian Platts, the editor of a generic-drug newsletter published by British market researcher Espicom Group, wrote in an e-mail that Dr. Reddy's has, at least to some degree, found a way to counter the effects of the highly competitive generics market in North America: emphasizing its global reach. As its U.S. income has slipped due largely to pricing pressure, the company has posted improved numbers in countries as disparate as China, Turkey, and Mexico.

THE ROCHE CONNECTION. Dr. Reddy's could not be reached for comment, but Platts wrote that the company still has the potential to compete well in North America and has filed 51 generic-drug applications with the U.S. Food and Drug Administration.

The bulk of these applications will be financed with assistance from ICICI Venture, the private-equity arm of India's largest financial-services group. According to a statement from Dr. Reddy's, ICICI will cover development and legal costs associated with commercializing most of the company's generic drugs in the U.S. and will receive royalty payments on approved drugs. The agreement, Platts wrote, enables Dr. Reddy's to develop new product lines while "minimizing the risks."

Dr. Reddy's has other moves afoot to expand its nongeneric business. Platts notes that in November, Dr. Reddy's said it agreed to acquire a Cuernavaca, Mexico, facility for manufacturing active pharmaceutical ingredients from Swiss drug giant Roche. Dr. Reddy's said the deal represents an effort to boost its custom pharmaceuticals services business, which supplies the components of new drugs to the companies that actually develop them.

NO DELAYS. Dr. Reddy's appears to emphasize diversification, including the development of its own drug pipeline, but its core generics market still holds considerable promise. Al Rauch, an analyst with A.G. Edwards who follows the generics segment -- though not specifically Dr. Reddy's -- said drugs that generated about \$16 billion in sales in 2005 are coming off patent this year, more than twice the figure for last year.

These drugs constitute a potential treasure chest for the outfits who work most aggressively in their commercialization efforts. The compounds include Merck's (MRK) cholesterol drug Zocor and Pfizer's (PFE) antidepressant Zoloft.

Rauch says generics outfits are growing bolder about challenging existing drug patents. He notes that generics companies are growing increasingly capable of launching drugs aimed squarely at bigger outfits' patented offerings. One factor in the generics' favor: They now have the resources to launch products immediately after the patent protection of the major pharma's compounds ends. But major pharma groups still manage to

guard their intellectual property. Recent unsuccessful attempts to bring drugs off patent include plays by generics for Pfizer's Lipitor, the blockbuster cholesterol drug.

POTENTIAL THREAT However, "competition due to the lack of market exclusivity will put pressure on prices and bottom lines," Rauch says, and perhaps result in smaller generics players getting acquired.

SG Cowen analyst Ken Cacciatore -- who, like Rauch, spoke about the generics sector but not Dr. Reddy's in particular -- sees the segment heading in a different direction, with less merger-and-acquisition activity. "We're seeing the larger [generics] companies differentiating themselves and adding market share," he says, which could hurt outfits like Dr. Reddy's in the U.S. market.

With the stakes growing for generics players, it's up to the good Doctor to show that global reach can have advantages.

FUTURE PLANS

Dr Reddy`s to play generic card again

Dr Reddy`s ended FY02 with 58 per cent growth in revenues, driven mainly by generic sales in the US, at Rs 1,550 crore. Net profit grew to Rs 459.6 crore against Rs 144.5 crore for the same period year before.

The Q4 net profit of the pharma major improved by 138 per cent at Rs 101.18 crore on net sales of Rs 410.04 crore (Rs 285.37 crore). The other income for the quarter were at Rs 13.92 crore against Rs 3.49 crore.

The company`s chairman Dr Anji Reddy and other top management presented the company`s future plans and prospects at the analyst meet held in Mumbai on June 5. The highlights of the meet are given below:

Research

Dr Reddy's Laboratories' new anti-diabetes molecule DRF-2725 (NN622) is expected to be commercially available by March 2004. Clinical trials of DRF-2725 (NN622) are being conducted by Novo Nordisk under a licensing deal. The molecule will enter phase III clinical study by the end of CY 2002, that is around October/November 2002.

It's nearest competitor AstraZeneca's molecule is expected to follow in a year and half. Merck is also expected to launch its anti-diabetes drug by CY 2005.

Dr Reddy's expects the market size for anti-diabetes segment to be around \$10 billion in 2005.

The company's anti-cancer molecule DRF 1042 is in phase I clinical study in Hyderabad. The molecule will enter phase II by September 2002. The study will be carried out in five centres in India. The second anti-cancer molecule DRF1644 is expected to enter phase I clinical study soon.

Aurigene

Aurigene Discovery Technologies, wholly-owned subsidiary of Dr Reddy's, will focus on structural biology, structure-based drug design, molecular biology, medicinal chemistry and protein expression.

The company's revenue model is based on contract services, R&D collaborations that will develop intellectual property (IP) and internal drug discovery programme.

Custom chemical services

Being a low-cost producer, Dr Reddy's has entered the lucrative market of custom chemical services, as many multinational companies are outsourcing their chemical requirements. Currently, the market size of this segment is around \$5 million and is growing at a fast rate.

Para 4 ANDA

Many patent products with branded market size of \$30 billion are expected to go off patent by 2005, while the generic market size is expected to increase to \$22.5 billion in 2005 from the current \$11.2 billion. Hence, Dr Reddy's sees vast potential in this market.

The company believes the omeprazole 40 mg capsule story is not over. Even if the company does not get the 180 days exclusivity status, the potential for this molecule is vast. Omeprazole has a branded market size of \$200 million.

It also believes that it has the first-to-file status for Ciprofloxacin 100 mg tablets. Ciprofloxacin has a branded market size of \$100 million and is going off patent in December 2003. The company also has first-to-file status for Olanzapine 20 mg tablets and Ondansetron, all strengths.

Investment in R&D

The company will invest eight per cent of its turnover on research and development activities. The areas of investment are discovery research, abbreviated new drug application (ANDA) filing and clinical studies. It will invest \$5 million in clinical studies for Amlodipine Maleate filed under Section 505 (b) (2).

Outlook

For the current fiscal, the company is expecting to grow at the rate of at least 25 per cent.

HR DEPARTMENT

The main objective of the HR department is to deal with the human resource effectively and lead the work properly in the right direction.

HR OBJECTIVES

- Exercise leadership in modeling and implementing successful HR policies & practices that help unleash employee potential.

- Create an organization ambience where talents can bloom and support the management's effort to foster a high performance work force.
- Support local efforts to recruitment, development and retain highly qualified workforce.

Provide competitive terms and conditions of the employment to the workforce through building up a reward and recognition mechanism.

HR VISION

Fostering employee excellence in support of building the nations best health care company.

HR MISSION

- To provide company wide leadership in formulating human resource policies and programmes that enhance the quality of employee services.
- To collaborate with all the departments in supporting effective recruitment development and maintenance of a highly competent work force.
- To be strategic partner in creating a work environment which fosters individual achievement, teamwork, integrity, Professionalism and accountability.
- To foster a meaningful environment friendly and productive work environment and ensure positive contribution to the community.

HR VALUE STATEMENT

Reddy's Lab consider employees as the most valuable assets and are committed to provide full encouragement and support to them to enhance their potential and contribution to the company's business.

HR PHILOSOPHY

- They believe in the potential of their most valuable assets-their employees.
- They believe and trust their employees.
- They believe that their employees can make them or break them.
- They strive for excellence.
- They exhibit the values of honesty, integrity and respect among our employees
- and public in our work and conduct.

MACRO AND MICRO ANALYSIS

MACRO & MICRO ECONOMIC ANALYSIS

It's back to the days of cash is trash. As any attribution analysis would show, cash has been the largest negative contributor to performance in any equity portfolio over the past few months. With the opportunity cost of holding cash so high in a runaway, broad-based bull market, portfolio managers across the world currently have the lowest cash holdings in recent memory.

Given our style of investing, which is to perennially worry about risks, we have been prudent when it comes to shunning of cash and when we scroll down the list of our equity holdings we are still comfortable with the valuations of our core stocks. The underlying earnings momentum is strong, driven by one of the most powerful domestic and global economic recoveries presently underway.

What is important though, particularly when sentiment is so ebullient, is to keep track of the fundamental drivers of the bull market. Here in India, the temptation is to believe that this new dawn for equities is specific to the country. While there are some distinguishing factors that favour Indian equity out-performance, it is more than just coincidence that the defining characteristics of the bull market are common to those cited in almost every emerging market in the world.

The macroeconomic profile is similar across emerging markets, with growth accelerating, inflation dormant and liquidity abundant. From Brazil to Taiwan, foreign fund flows have powered the rally and retail investors have shown greater reluctance to participate. Corporate governance has improved in many economies with promoters respecting shareholder wealth more after they were all starved of capital for many years following a capex binge. The IPO pipeline is now building rapidly from China to Egypt and India too should see virtually an IPO a week in the months ahead.

Many analysts still don't fully comprehend the deep effect global trends have on the local marketplace. For instance, the sharp rally in commodity stocks, the out-performance of small-cap stocks over large-cap stocks and the search for exotic ideas across the world, seemingly very different themes in

play, are in a large way being driven by the extremely accommodative monetary policies of the US and China.

It is critical then to keep a watch on such variables apart from continuing with the usual focus on company analysis. Looking at the portfolio on a sector-basis, our biggest overweight is now in the power sector where our basket comprises of BHEL, ABB, Siemens and Neyveli Lignite. Based on our company analyses, our largest overweight positions are SBI, Hero Honda and Container Corporation. At this stage, we remain mindful of the global risks though, and any change in the fundamental drivers of the market would have us running for the cover of cash.

*DATA ANALYSIS AND
INTERPRETATION*

DATA ANALYSIS AND INTERPRETATION

The analysis and interpretation of the collected data are discussed in this chapter. For analyzing the collected data, statistical tool like percentage and hypothesis technique tool like Chi Square was used.

The chapter is divided into two. The first chapter contains the measurement of performance appraisal and the second chapter contains the factors influencing performance appraisal.

TABLE NO: 4.1

SHOWING THE CLASSIFICATION BASED ON THE AGE GROUP OF THE RESPONDENTS

SERIAL NO	AGE GROUP	AGE OF RESPONDENTS	PERCENTAGE
1	20-30	39	32.5
2	30-40	48	40
3	40-50	30	25
4	50-60	3	2.5
		120	100

INTERPRETATION:

From the above table it is inferred that:-

- a) 40% of the employees are in the age group of 30-40 years.
- b) 2.5% of the employees are in the age group of 50-60 years.

CHART NO: 4.1

SHOWING THE CLASSIFICATION BASED ON THE AGE GROUP OF THE RESPONDENTS

AGE OF RESPONDENTS

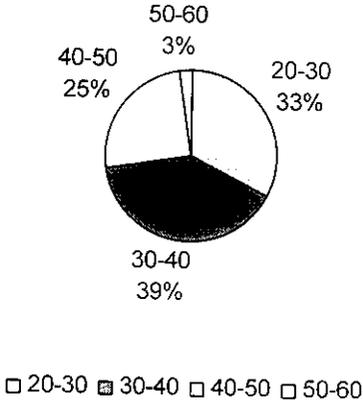


TABLE NO 4.2

**SHOWING THE CLASSIFICATION BASED ON
EDUCATIONAL QUALIFICATION ON THE
RESPONDENTS**

SERIAL NO	EDUCATIONAL QUALIFICATION	NO OF RESPONDENTS	PERCENTAGE
1	BELOW SSLC	0	0
2	SSLC	0	0
3	PRE DEGREE	0	0
4	DEGREE	17	14.17
5	TECHNICAL	103	85.83
		120	100

INTERPRETATION:

From the above table it is inferred that:-

- a) 86% of the employees are under the educational qualification - technical.
- b) No employees have educational qualification below SSLC.

CHART NO 4.2

SHOWING THE CLASSIFICATION BASED ON EDUCATIONAL QUALIFICATION ON THE RESPONDENTS

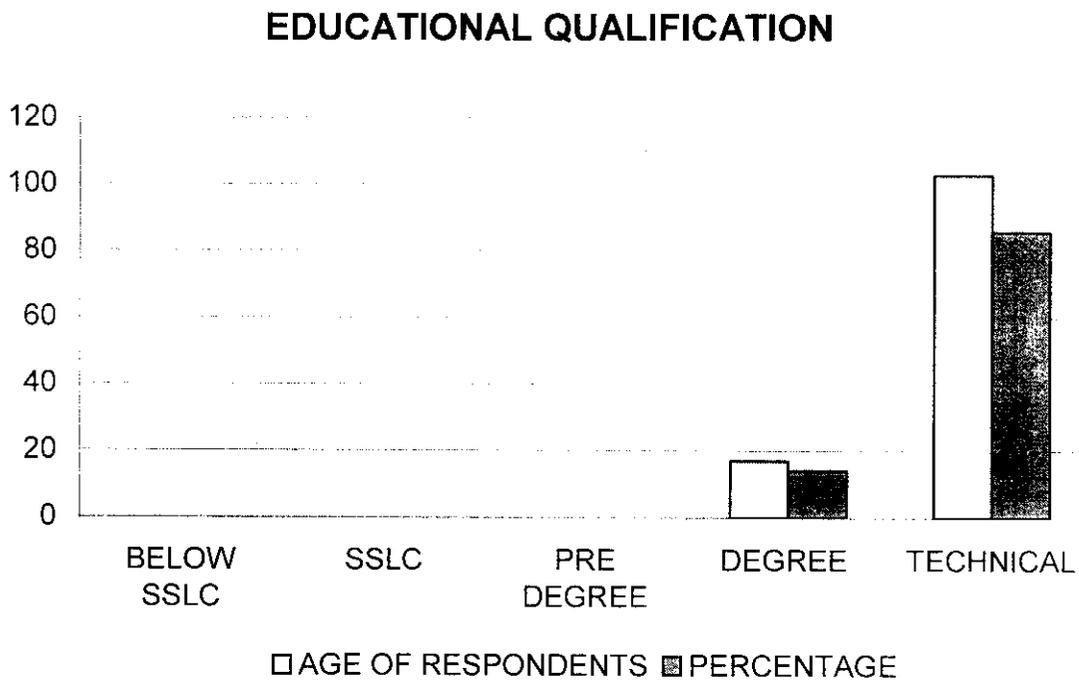


TABLE NO 4.3

SHOWING THE CLASSIFIOICATION BASED ON YEARS OF SERVICE OF THE RESPONDENTS

SERIAL NO	YEARS OF SERVICE	NO OF RESPONDENTS	PERCENTAGE
1	0--5	28	23
2	5--10	36	30
3	10--15	39	33
4	15--20	15	13
5	ABOVE 20	2	2
		120	100

INTERPRETATION:

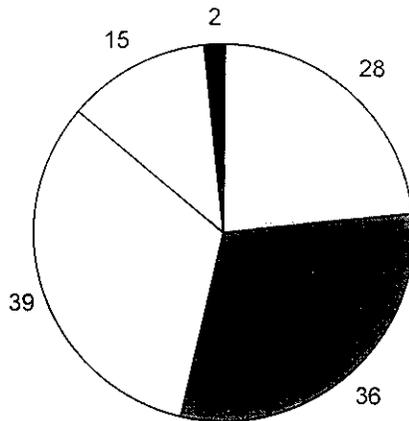
We Can Infer from the table that

33% OF THE EMPLOYEES ARE HAVING WORKING EXPERIENCE BETWEEN 10-15 YEARS 2. 1.67% OF THE EMPLOYEES ARE HAVING WORK EXPERIENCE ABOVE 20 YEARS.

CHART NO:4.3

SHOWING THE CLASSIFICATION BASED ON YEARS OF SERVICE OF THE RESPONDENTS

NO OF RESPONDENTS



□ 0-5 ■ 5-10 □ 10-15 □ 15-20 ■ ABOVE 20

TABLE NO 4.4

**SHOWING THE EFFECTIVENESS OF PRESENT
APPRAISAL SYSTEM**

SERIAL NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
1	STRONGLY AGREE	4	3.33
2	AGREE	84	70.00
3	NEITHER AGREE/NOR DISAGREE	16	13.33
4	DISAGREE	14	11.67
5	STRONGLY DISAGREE	2	1.67
		120	100

INTERPRETATION:

IT IS KNOWN FROM THE ABOVE TABLE THAT

- 70% OF THE EMPLOYEES AGREES THAT THE EXISTING PERFORMANCE APPRAISAL SYSTEM IS EFFECTIVE.
- 1.67 % OF THE EMPLOYEES STRONGLY AGREES THAT THE EXISTING PERFORMANCE APPRAISAL SYSYTEM IS EFFECTIVE.

CHART NO 4.4

SHOWING THE EFFECTIVENESS OF PRESENT APPRAISAL SYSTEM

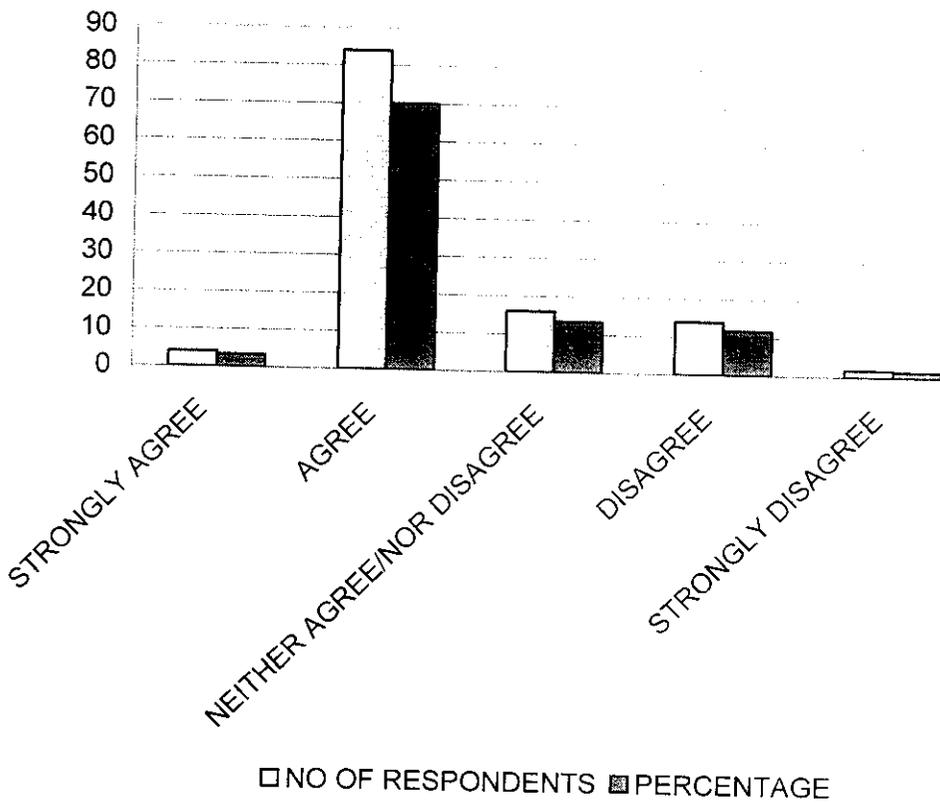


TABLE NO 4.5

SHOWING THAT THE PERFORMANCE APPRAISAL SYSTEM IMPROVES MOTIVATION OF EMPLOYEES

SERIAL NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
1	STRONGLY AGREE	4	3.33
2	AGREE	75	62.50
3	NEITHER AGREE/NOR DISAGREE	28	23.33
4	DISAGREE	10	8.33
5	STRONGLY DISAGREE	3	2.50
		120	100

INTERPRETATION:

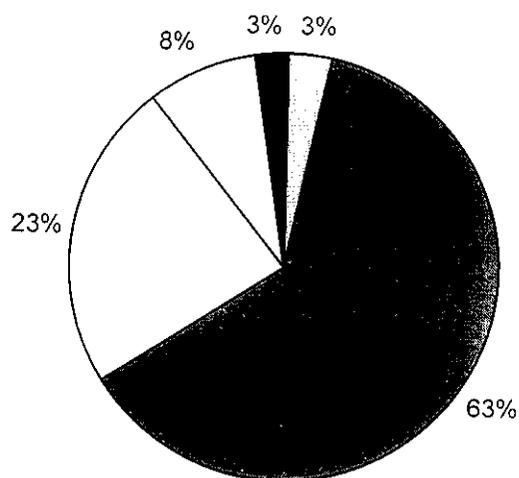
IT IS SHOWN IN THE TABLE THAT

- 62% OF THE EMPLOYEES AGREES THAT THE PRESENT PERFORMANCE APPRAISAL SYSTEM IMPROVES MOTIVATION OF EMPLOYEES.
- 2% OF THE EMPLOYEES STRONGLY
- DISAGREES THAT THE PRESENT APPRAISAL SYSTEM IMPROVES MOTIVATION OF EMPLOYEES

CHART NO 4.5

SHOWING THAT THE PERFORMANCE APPRAISAL SYSTEM IMPROVES MOTIVATION OF EMPLOYEES

NO OF RESPONDENTS



- STRONGLY AGREE
- AGREE
- NEITHER AGREE/NOR DISAGREE
- DISAGREE
- STRONGLY DISAGREE

TABLE NO 4.6

**SHOWING PRESENT SYSTEM PROPERLY IDENTIFIES
THE AREAS OF DEFICIENCY**

SERIAL NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
1	STRONGLY AGREE	14	11.67
2	AGREE	55	45.83
3	NEITHER AGREE/NOR DISAGREE	28	23.33
4	DISAGREE	21	17.50
5	STRONGLY DISAGREE	2	1.67
		120	100

INTERPRETATION:

FROM THE ABOVE TABLE IT IS INFERRED THAT

- 46% OF THE EMPLOYEES AGREES THAT THE PRESENT SYSTEM IDENTIFIES THE AREAS OF DEFICIENCY.
- 1.67% OF THE EMPLOYEES STRONGLY DISAGREES THAT THE PRESENT SYSTEM IDENTIFIES THE AREAS OF DEFICIENCY.

CHART NO 4.6

SHOWING PRESENT SYSTEM PROPERLY IDENTIFIES THE AREAS OF DEFICIENCY

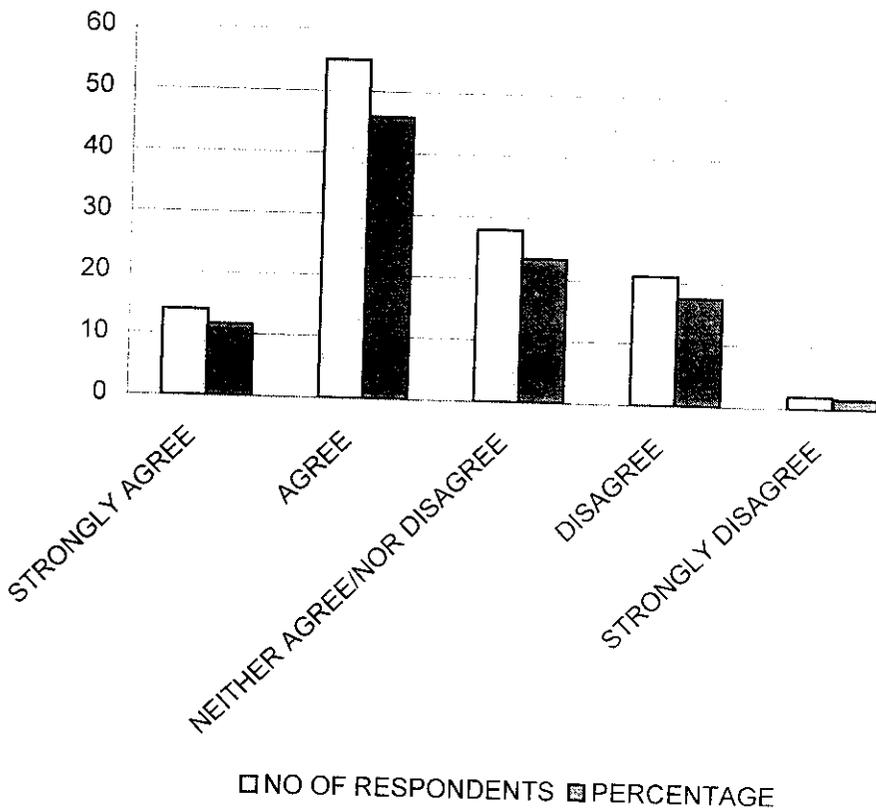


TABLE NO 4.7

SHOWING THAT THE PRESENT SYSTEM ELIMINATES DEFICIENCIES IDENTIFIED

SERIAL NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
1	STRONGLY AGREE	2	1.67
2	AGREE	67	55.83
3	NEITHER AGREE/NOR DISAGREE	23	19.17
4	DISAGREE	25	20.83
5	STRONGLY DISAGREE	3	2.50
		120	100

INTERPRETATION:

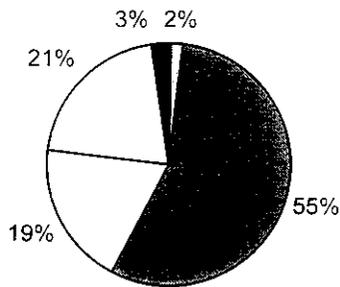
IT IS UNDERSTOOD THAT

- 55% OF THE EMPLOYEES AGREES THAT THE PRESENT SYSTEM ELIMINATES DEFICIENCIES IDENTIFIED
- 1.67% OF THE EMPLOYEES STRONGLY AGREES THAT THE PRESENT SYSTEM ELIMINATES DEFICIENCIES IDENTIFIED.

CHART NO 4.7

SHOWING THAT THE PRESENT SYSTEM ELIMINATES DEFICIENCIES IDENTIFIED

NO OF RESPONDENTS



- STRONGLY AGREE
- AGREE
- NEITHER AGREE/NOR DISAGREE
- DISAGREE
- STRONGLY DISAGREE

TABLE NO 4.8

**SHOWING THAT THE LEVEL OF BIAS OF APPRAISER
AFFECTS PROMOTION AND SALARY DECISION**

SERIAL NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
1	STRONGLY AGREE	6	5.00
2	AGREE	60	50.00
3	NEITHER AGREE/NOR DISAGREE	43	35.83
4	DISAGREE	11	9.17
5	STRONGLY DISAGREE	0	0.00
		120	100

INTERPRETATION:

IT IS SHOWN IN THE TABLE THAT

- 50% OF THE EMPLOYEES AGREES THAT THE LEVEL OF BIAS OF APPRAISER AFFECTS THE PROMOTION AND SALARY DECISION.
- 5% OF THE EMPLOYEES STRONGLY AGREES THAT THE LEVEL OF BIAS OF APPRAISER AFFECTS THE PROMOTION AND SALARY DECISION.

CHART NO 4.8

SHOWING THAT THE LEVEL OF BIAS OF APPRAISER AFFECTS PROMOTION AND SALARY DECISION

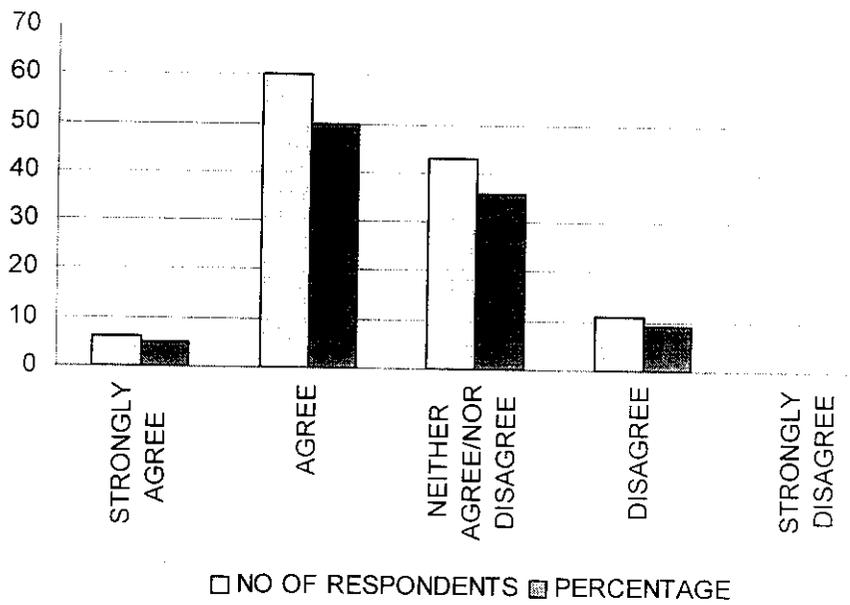


TABLE NO 4.9

SHOWING THAT THE PRESENT APPRAISAL SYSTEM PROVIDES SCOPE FOR SELF EVALUATION

SERIAL NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
1	STRONGLY AGREE	19	15.83
2	AGREE	63	52.50
3	NEITHER AGREE/NOR DISAGREE	28	23.33
4	DISAGREE	9	7.50
5	STRONGLY DISAGREE	1	0.83
		120	100

INTERPRETATION:

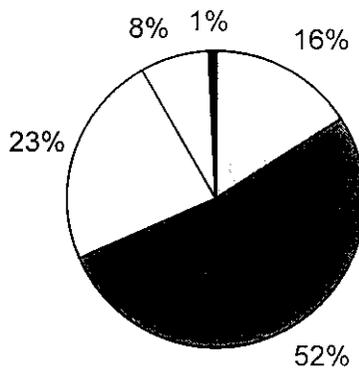
FROM THE ABOVE TABLE IT IS INFERRED THAT

- 52% OF THE EMPLOYEES AGREES THAT THE PRESENT SYSTEM PROVIDES SCOPE FOR SELF EVALUATION.
- 0.83% OF THE EMPLOYEES AGREES THAT THE PRESENT SYSTEM PROVIDES SCOPE FOR SELF EVALUATION.

CHART NO 4.9

SHOWING THAT THE PRESENT APPRAISAL SYSTEM PROVIDES SCOPE FOR SELF EVALUATION

NO OF RESPONDENTS



- STRONGLY AGREE
- AGREE
- NEITHER AGREE/NOR DISAGREE
- DISAGREE
- STRONGLY DISAGREE

TABLE NO 4.10

**SHOWING WHETHER THE TRAITS EVALUATED
UNDER THE SYSTEM IS ADEQUATE**

SERIAL NO	PARTICULARS	NO OF RESPONDENT S	PPERCENTA GE
1	STRONGLY AGREE	9	7.50
2	AGREE	77	64.17
3	NEITHER AGREE/NOR DISAGREE	20	16.67
4	DIEAGREE	13	10.83
5	STRONGLY DISAGREE	1	0.83
		120	100.00

INTERPRATATION:

IT IS UNDERSTOOD FROM THE TABLE THAT

- 64% OF THE EMPLOYEES AGREES THAT THE TRAITS EVALUATED UNDER THE SYSTEM ID ADEQUATE.
- 0.83% OF THE EMPLOYEES DISAGREES THAT THE TRAITA EVALUATED UNDER THE SYSTEM IS ADEQUATE.

CHART NO 4.10

SHOWING WHETHER THE TRAITS EVALUATED UNDER THE SYSTEM IS ADEQUATE

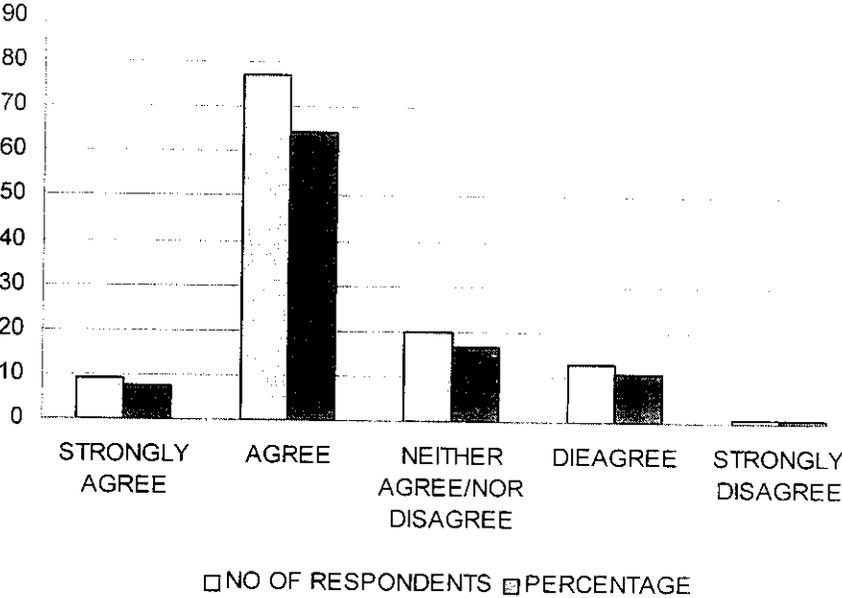


TABLE NO 4.11

SHOWING WHETHER THE PRESENT SYSTEM PROVIDES AN OPPURTUNIOTY FOR EXPRESSING VIEWS AND OPINION

SERIAL NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
1	STRONGLY AGREE	7	5.83
2	AGREE	64	53.33
3	NEITHER AGREE/NOR DISAGREE	22	18.33
4	DIEAGREE	27	22.50
5	STRONGLY DISAGREE	0	0.00
		120	100.00

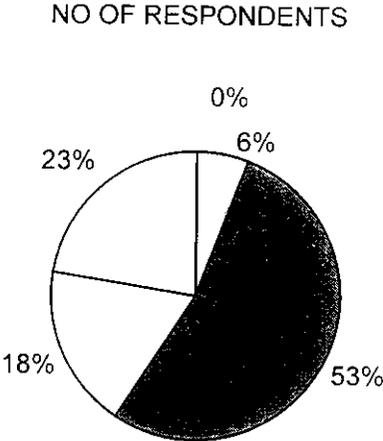
INTERPRETATION:

WE CAN INFER THAT

- 53% OF THE EMPLOYEES AGREES THAT THE PRESENT SYSTEM PROVIDES AN OPPURTUNITY FOR EXPRESSING THEIR VIEWS AND OPINION
- 5% OF THE EMPLOYEES STRONGLY AGREES THAT THE PRESENT SYSTEM PROVIDES AN OPPURTUNITY FOR EXPRESSING THEIR VIEWS AND OPINION.

CHART NO 4.11

SHOWING WHETHER THE PRESENT SYSTEM PROVIDES AN OPPURTUNIOTY FOR EXPRESSING VIEWS AND OPINION



- STRONGLY AGREE
- AGREE
- NEITHER AGREE/NOR DISAGREE
- DISAGREE
- STRONGLY DISAGREE

TABLE NO 4.12

**SHOWING WHETHER THE TOP MANAGEMENT IS
COMMITTED TO THE DEVELOPMENT OF THE
EMPLOYEES**

SERIAL NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
1	STRONGLY AGREE	23	19.17
2	AGREE	80	66.67
3	NEITHER AGREE/NOR DISAGREE	12	10.00
4	DISAGREE	5	4.17
5	STRONGLY DISAGREE	0	0.00
		120	100.00

INTERPRETATION:

FROM THE ABOVE TABLE IT IS INFERRED THAT

- 67% OF THE EMPLOYEES AGREES THAT THE TOP MANAGEMENT IS COMMITTED TO THE DEVELOPMENT OF EMPLOYEES.
- 4.17% OF THE EMPLOYEES DISAGREES THAT THE TOP MANAGEMENT IS COMMITTED TO THE DEVELOPMENT OF EMPLOYEES.



CHART NO 4.12

SHOWING WHETHER THE TOP MANAGEMENT IS COMMITTED TO THE DEVELOPMENT OF THE EMPLOYEES

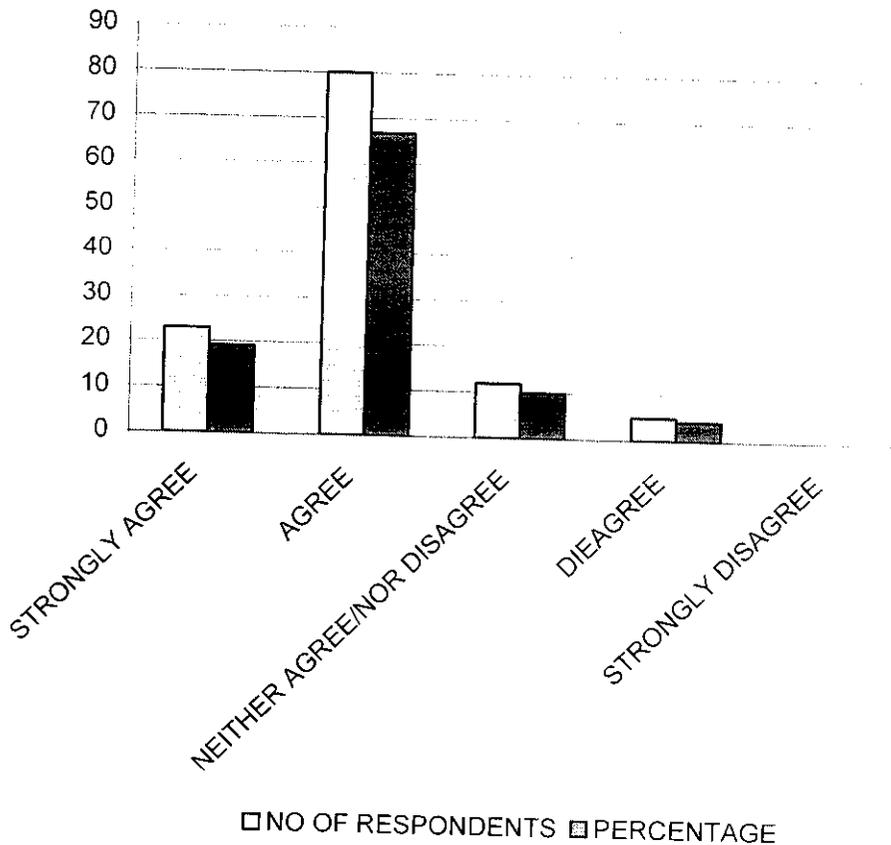


TABLE NO 4.13

**SHOWING WHETHER THE PRESENT SYSTEM
IDENTIFIES THE TRAINING NEEDS**

SERIAL NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
1	STRONGLY AGREE	14	11.67
2	AGREE	84	70.00
3	NEITHER AGREE/NOR DISAGREE	11	9.17
4	DISAGREE	11	9.17
5	STRONGLY DISAGREE	0	0.00
		120	100.00

INTERPRETATION:

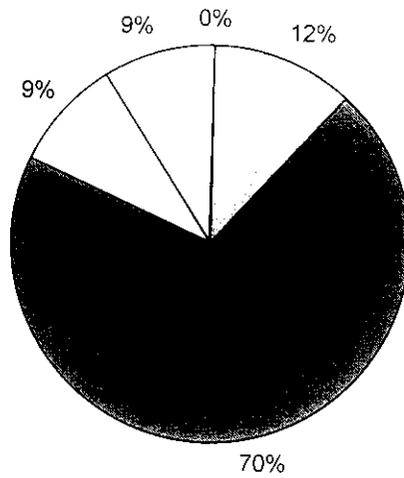
IT IS SHOWN IN THE TABLE THAT

- 70% OF THE EMPLOYEES AGREES THAT THE PRESENT SYSTEM IDENTIFIES THE TRAINING NEEDS.
- 9% OF THE EMPLOYEES DISAGREE THAT THE PRESENT SYSTEM IDENTIFIES THE TRAINING NEEDS.

CHARTNO 4.13

SHOWING WHETHER THE PRESENT SYSTEM IDENTIFIES THE TRAINING NEEDS

NO OF RESPONDENTS



- STRONGLY AGREE
- AGREE
- NEITHER AGREE/NOR DISAGREE
- DISAGREE
- STRONGLY DISAGREE

TABLE NO 4.14

**SHOWING WHETHER THE EXISTING WORKING
CONDITION HELPS IN IMPROVING PERFORMANCE.**

SERIAL NO	PARTICULARS	NO OF RESPONDENTS PERCENTAGE	
1	STRONGLY AGREE	18	15.00
2	AGREE	76	63.33
3	NEITHER AGREE/NOR DISAGREE	13	10.83
4	DISAGREE	11	9.17
5	STRONGLY DISAGREE	2	1.67
		120	100.00

INTERPRETATION:

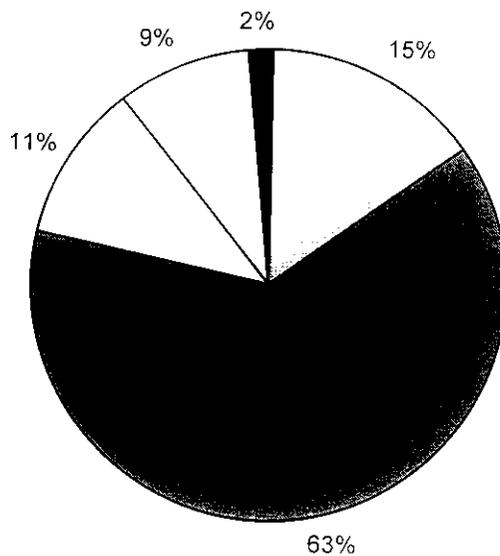
IT IS UNDERSTOOD FROM THE TABLE THAT

- 63% OF THE EMPLOYEES AGREES THAT THE EXISTING WORKING CONDITION HELPS IN IMPROVING PERFORMANCE.
- 1.67% OF THE EMPLOYEES DISAGREES THAT THE EXISTING WORKING CONDITION HELPS IN IMPROVING PERFORMANCE.

CHART NO 4.14

**SHOWING WHETHER THE EXISTING WORKING
CONDITION HELPS IN IMPROVING PERFORMANCE.**

NO OF RESPONDENTS



- STRONGLY AGREE
- AGREE
- NEITHER AGREE/NOR DISAGREE
- DISAGREE
- STRONGLY DISAGREE

TABLE NO 4.15

SHOWING WHETHER THE EXISTING PERFORMANCE APPRAISAL SYSTEM REQUIRES CHANGE

SERIAL NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
1	STRONGLY AGREE	18	15.00
2	AGREE	68	56.67
3	NEITHER AGREE/NOR DISAGREE	24	20.00
4	DISAGREE	10	8.33
5	STRONGLY DISAGREE	0	0.00
		120	100.00

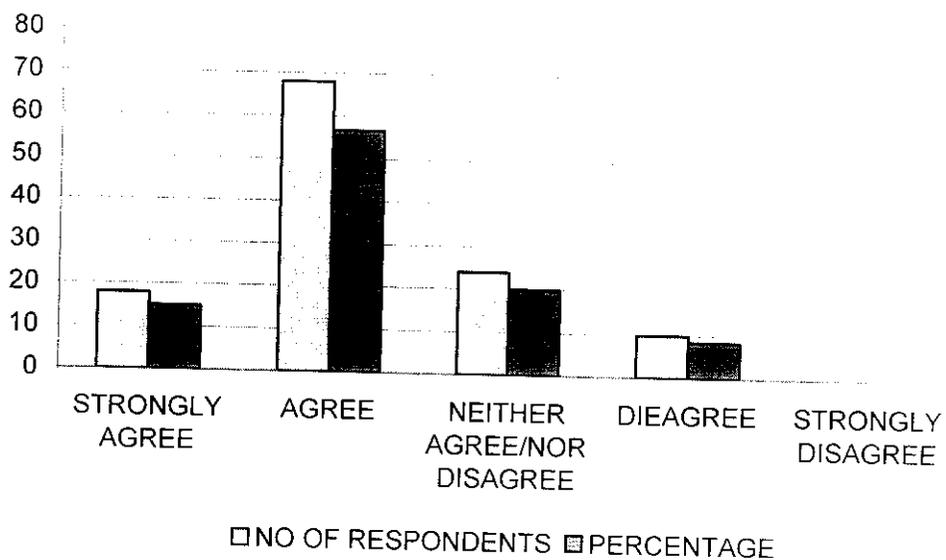
INTERPRETATION:

WE CAN INFER FROM THE TABLE THAT

- 57 % OF THE EMPLOYEES AGREES THAT THE PRESENT APPRAISAL SYSTEM REQUIRES CHANGE.
- 8% OF THYE EMPLOYEES DISAGREES THAT THE PRESENT APPRAISAL SYSTEM REQUIRES CHANGE.

CHART NO 4.15

SHOWING WHETHER THE EXISTING PERFORMANCE APPRAISAL SYSTEM REQUIRES CHANGE



CONCLUSION

CONCLUSION

The research has been carried out in the objective of studying the effectiveness of existing performance appraisal system. Appraisal is the evaluation of worth, quality or merit. In the organization view performance appraisal is a systematic evaluation of personnel by superior or others familiar with their performance.

Various factors like age of the officers, educational qualification and years of service are compared with various factors affecting appraisal of performance. The various factors include work standards, feedback, motivation, promotion and salary decision, training needs. These factors are compared with the performance of employees. Performance appraisal helps in activities such as training and development, salary increase, transfer etc. it also serves as a feedback to the employees, providing incentives to employees etc. various recommendations are made for improving the situation.

RESULTS

PERCENTAGE ANALYSIS

- It is inferred that 40% of the employees are in the age group between 30-40.
- Most of the respondents are having the educational qualification technical.
- 33% of the employees are having 10-15 years of experience.
- 70% of the employees are satisfied with the effectiveness of existing performance appraisal system.
- Majority of the employees agrees that the work standard set by the organization is performable.
- It is found out that 43% of the employees agrees that timely and adequate feedback is given to employees and timely feedback helps in improving performance.
- 62% of the employees agrees that present appraisal system improves motivation of employees.
- It is understood that 46% of the employees agrees that the present system properly identifies the areas of deficiency.
- It is found out that 55% of the employees agrees that the present appraisal system eliminates deficiencies identified.
- 50% of the employees agrees that the level of bias of appraiser affects promotion and salary decision.

- Among the respondents 52% of the employees agrees that the present appraiser system provides scope for self evaluation.
- Most of the employees agrees that the present system helps in reviewing their career plans in light of strengths and weaknesses.
- The company informs the employees about their duties and responsibilities.
- Most of the employees are satisfied with the traits evaluated under the present system.
- 53% of the employees agrees that the present system provides an opportunity for expressing views and opinion to the appraiser.
- Majority of the employees agrees that the present system identifies the training needs.
- Most of the employees are satisfied with the top-level managements commitment.
- 54% of the employees agrees that present appraisal system is based on objective assessment.
- We can inferred that 60% of the employees agrees that the present system provides an opportunity for them to review their work related behaviour.
- The company provides the employees good working condition.
- 22.57% of the employees agrees that the present appraisal system requires change.

RECOMMENDATIONS

Various recommendations are given to the management for improving the existing system. The feedback system of the organization has to be improved. Because feedback tells the employees where they stand. It helps them in improving their performance. So the feedback system provides him satisfaction that his work is meaningful. The work standards and their duties and responsibilities have to be specified early. Timely and adequate feedback has to be given to the employees. For improving motivation of the employees certain monetary and non-monetary benefits can be given. The area of deficiencies has to be identified and eliminated.

The traits evaluated under the system can be modified by including some other factors. Training programmes can be organized for improving the performance of employees. The stress level of managers can be reduced. The level of bias of appraiser has to be reduced so that it does not affect the promotion and salary decision.

BIBLIOGRAPHY

BIBLIOGRAPHY

- Effective Performance Appraisals
- **Robert B Maddux**
- The Complete Guide to Performance Appraisal
- **Richard C. Grote, Dick Grote**
- Human Resource Management Theory and Practice, Second Edition
- **John Bratton, Jeffrey Gold**