

# Performance Appraisal of the Employees at Vani Organics Pvt Ltd Kolhar (Bidar)

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**Abstract**— Performance appraisal system is used in the organizations to measure the effectiveness and efficiency of their employees. Performance appraisal system is needed because every employee has different attitude to handle work. Performance appraisal tends to improve the work performance, communication expectations, determining employee potential and aiding employee counselling. In this we present the review of some popular performance appraisal techniques Ranking, Graphic rating scale, 360 degree.

**Keywords:** Quality, Performance, Job Satisfaction, Promotion, Motivation, Ranking, 360 Degree Appraisal

## I. INTRODUCTION

Performance appraisal is a systematic evaluation of employees work and understanding the abilities of future growth and development.

Performance appraisal has been synonymous with performance review, performance evaluation, performance assessment, performance measurement, employee evaluation, personnel review, staff assessment, service rating etc.

The success of any organization is depends on the quality and characteristics of its employees. The employees become a significant factor in any organization since they are heart of the company. Organization cannot achieve their goals and objectives without them. However, it is a fact that any employee for that matter needs something to induce him or look forward to so that he motivated to work at the best interest of the company.

Vani Pharma Labs Limited Previously known as Vani Chemical substances and Intermediates Ltd. In the year 1987 Vani Pharma labs set up a unit in the name of VANI ORGANICS as its sister concern in Bidar.

The business centers on the quality commercial facility of Energetic Pharmaceutical Materials (API) and numerous prescriptions.

The organization produces analginic essentials of Analgin and intermediates, different agro-based, modern, pharmaceutical intermediates.

The basic working strategy is that all the raw material are supplied by customer and converted into finished intermediates as per the requirement of the customer.

## II. THEORITICAL BACKGROUND OF THE STUDY PERFORMANCE ANALYSIS

Performance appraisal is a systematic evaluation of employees work and understanding the abilities of future growth and development.

Performance appraisal is used to identify the work behavior of employees towards their work and it also helpful to achieving meaningful organization goal.

It improves the motivation of employees and identifies the hidden potential of the employees.

PA helps to improve personal skills and identifies the strength and weakness of employees.

Performance appraisal gives employees overall feedback of their performance and identifies the needs like any technical training, preparation, development.

### A. Advantages:

- Promotion
- Motivation
- Self-development
- Job satisfaction

## III. LITERATURE REVIEW

- Diane Shoffer (2009) has composed on persuasive and execution related articles. Powered personnel are content with the undertaking and continue to be long in the relationship and must pursue a fruitful assessment technique and reward representatives who may have the best execution and targets.
- Watkins (2007) has built up the most recognized division business associations not given enough consideration regarding execution the board studies to enhance execution. Execution audits advantage the open department just like the private part to oversee individuals, utilizing execution objective estimations, advice and acknowledgment. Rouse possible staff with motivators.
- Gratton (1996) discussed about, recent year changing the scope of performance appraisal is an increasing focuses on employee development and how target achieved rather than achieved itself.
- Hendryetal (2001) proposed performance appraisal system is helps to improve performance by contributing to real developing.
- Williamz (2002) takes note of that the execution upgrading framework enhances the execution of employees in the association by fulfilling and compensating them for accomplishing hierarchical objectives.
- Andleeb, Assad Shahjehan (2010) discussed that, the motive behind the performance appraisal conducting in the organization is to achieve better result.
- McGregor (1957) describes the system of performance in the organization. Employer assessors should be engaged on a short-term basis rather than on traits that are related to managers and employees.

### A. Objectives of the Study

- It helps to identifying what methods are followed in VANI ORGANICS.

- To understand the any require training programmers of employees.
- To identify the strength and weakness of employees of what job are performed.
- To analyze the satisfaction level of employee's towards their job.

**B. Scope of the Study**

- It helps to improve the performance level in VANI ORGANICS.
- To understand the employee's roles and responsibilities.
- It helps to achieve an organization goal.

**IV. RESEARCH METHODOLOGY**

**A. Primary Data:**

It is a fresh data collected from the company using questionnaire survey method, framed questionnaire and contact personal of employees. Questionnaire consisting open ended questions and close ended question.

**B. Secondary Data:**

Data collected by company records  
Data collected by Internet

**C. Hypotheses Testing**

**1) Null Hypothesis:**

H0: There is no relationship between promotions is purely based on PAS and increases employee motivation

**2) Alternative Hypothesis:**

H1: There is a relationship between promotion is purely based on PAS and employee motivation.

**3) Hypothesis Test:**

**CHI-SQUARE TEST**

**a) Respondent**

NO. OF EMPLOYEES	YES	NO	TOTAL
Motivation	44	6	50
Promotion	30	20	50
	74	26	100

**b) Calculation of expected frequency**

No. of employees	YES	NO	TOTAL
Motivation	$50 \times 74 / 100 = 37$	$50 \times 26 / 100 = 13$	50
Promotion	$50 \times 74 / 100 = 37$	$50 \times 26 / 100 = 13$	50
			100

**c) Calculation of Chi-square**

Row	Column	Frequency	Expected	O-E	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
1	1	44	37	7	49	1.324
1	2	6	13	-7	49	3.769
2	1	30	37	-7	49	1.324
2	2	20	13	7	49	3.769
						10.178

$\chi^2 = \sum(O-E)^2/E$   
= 10.178

Degree of freedom (2×1) (2×1) = 1

Level of significance is 5%

Table value is 3.841

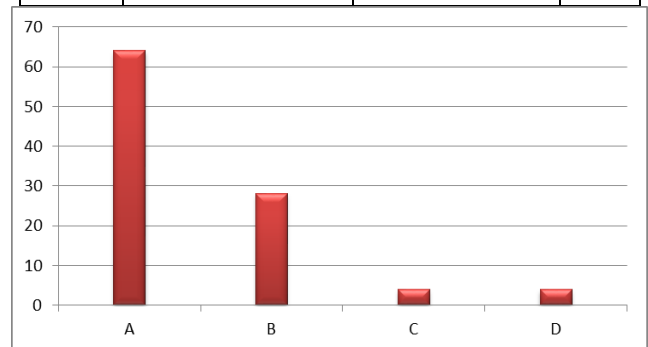
The calculated value is higher than table value.

Thus the alternative hypothesis accepted and null hypothesis is rejected.

**V. DATA ANALYSIS AND INTERPRETATION**

**A. What you mean by performance appraisal?**

Option	Response category	No. of responses	In %
A	Evaluation	32	64
B	Job satisfaction	14	28
C	Promotion	2	4
D	Others	2	4
	Total	50	100

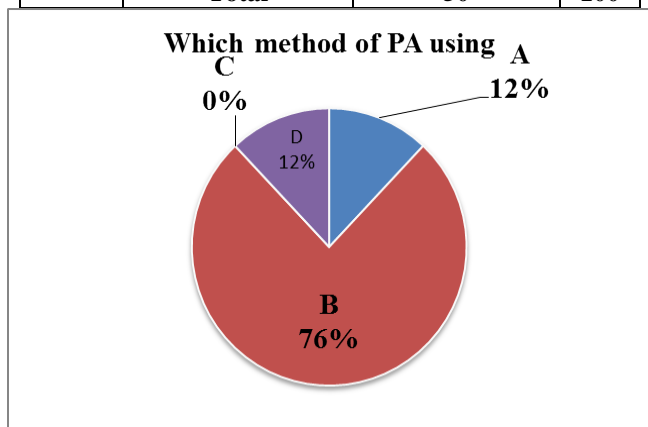


**1) Analysis and Interpretation:**

In this table 64% employees says performance appraisal means evaluation, 28% says job satisfaction, 4% says promotion and 4% says other. It can be interpreted performance appraisal means evaluation of work in the organization.

**B. Which method of performance appraisal is used in the organization?**

Option	Response category	No. of responses	In %
A	Ranking	6	12
B	Grading	38	76
C	Merit	0	0
D	Other	6	12
	Total	50	100



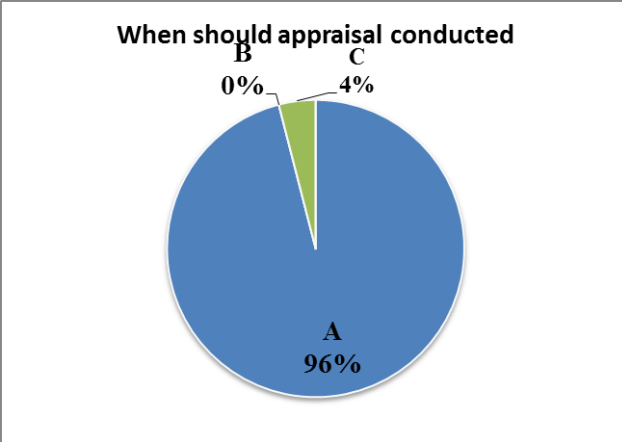
**1) Analysis and Interpretation:**

From the above table, employees says that 76% using grading method, 12% using ranking method, 12 employees says using other method and merit method not used in the organization.

It means to measure the performance of the employees in the organization using grading method.

**C. According to you when should appraisal conducted?**

Option	Response category	No. of responses	In %
A	Once in a year	48	96
B	Twice in a year	0	0
C	Can't say	2	4
	<b>TOTAL</b>	<b>50</b>	<b>100</b>

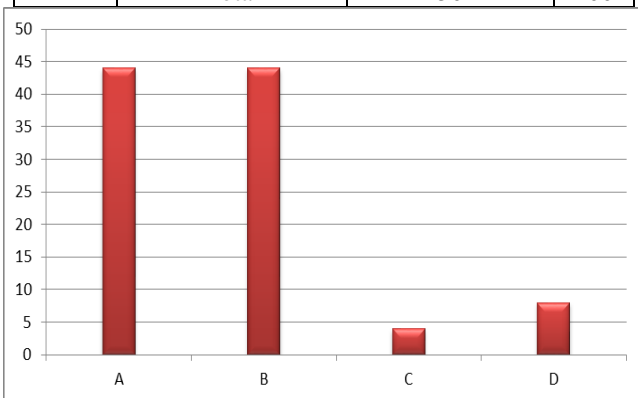


**1) Analysis and Interpretation:**

In the above table, 96% of employee says performance appraisal conducting once in a year, 4% of employees can't say about performance appraisal conducting in the organization. It can be interpreted that performance appraisal conducting once in a year, to evaluate the employees performance.

**D. Is there any motive behind performance appraisal done in your organization?**

Option	Response category	No. of responses	In %
A	Promotion	22	44
B	Remuneration	22	44
C	Technical training	2	4
D	Other	4	8
	<b>Total</b>	<b>50</b>	<b>100</b>

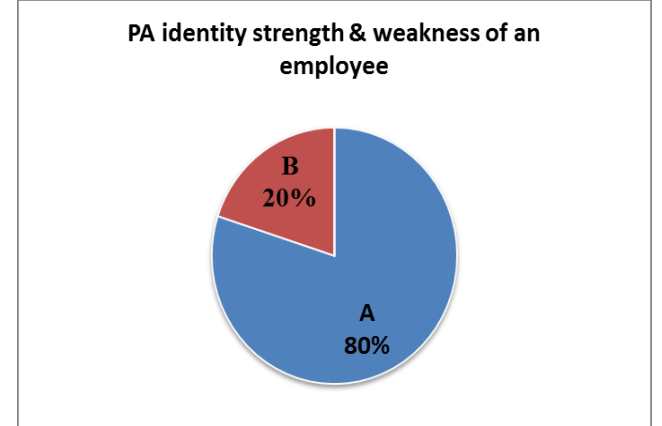


**1) Analysis and Interpretation:**

From the above table, 44% of employee says promotion is a motive behind the performance appraisal done in the organization, 44% of employee says remuneration, 4% says technical training and 8% of employee says other. It can be interpreted that the motive behinds the performance appraisal done in the organization is promotion and remuneration.

**E. Whether the performance appraisal helps to identify the strength and weakness of an employee?**

Option	Response category	No. of responses	IN %
A	Yes	40	80
B	No	10	20
	<b>TOTAL</b>	<b>50</b>	<b>100</b>

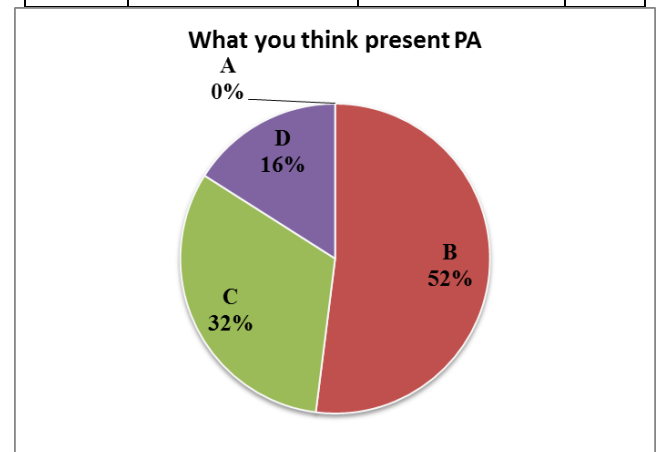


**1) Analysis and Interpretation:**

About 80% of representatives claim that execution proclamations help understand the qualities and disadvantages of personnel and 20% of personnel guarantee delivery does not help identify their qualities and disadvantages. It can be interpreted that performance appraisal identifies strength and weakness of an employees.

**F. What you think about present appraisal system?**

Option	Response category	No. of responses	In %
A	Full satisfied	0	0
B	Satisfied	26	52
C	Dissatisfied	16	32
D	Can't say	8	16
	<b>Total</b>	<b>50</b>	<b>100</b>

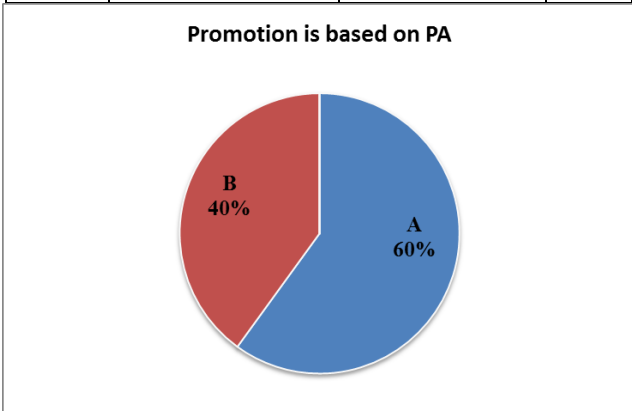


**1) Analysis and Interpretation:**

Table explain, 52% of employee says that they are satisfied with the present appraisal system, 32% of employee says dissatisfied with the present appraisal system and 16% of employee says they don't know about the present appraisal system. It can be interpreted that employees are quite satisfied with the present appraisal system. So the performance appraisal should be changed.

G. Promotion is purely based on performance appraisal?

Option	Response category	No. of responses	IN %
A	Yes	30	60
B	No	20	40
	TOTAL	50	100



1) Analysis and Interpretation:

Table shows that, 60% of employee says that promotion is purely based on performance appraisal and 40% of employee says that promotion is purely not based on performance appraisal. It can be interpreted that maximum employee says promotion is purely based on performance appraisal. It is a motivation to perform well.

VI. FINDINGS

- Grading method is used in the organization for performance appraisal.
- There is no Ambulance in the organization for the purpose of employee's safety.
- The performance appraisal system is increasing the employee motivation.
- Performance appraisal system is helps to achieve organizations total outputs.

VII. CONCLUSION

From the above study performance appraisal concluded that employees were satisfied with their present appraisal system and performance appraisal system helps them to improve personal skills. Company should provide healthy working environment to the employees. The company should give necessary training, preparation to employees for performing better in the organization.

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