



## EFFECTIVENESS OF PERFORMANCE APPRAISAL IN AUTOMOBILE INDUSTRY

**Dr. B. Muthukrishnan**

Associate Professor, Department of MBA, MLR Institute of Technology, Hyderabad.

**Akshaya Swamynathan**

II Year MBA, Department of MBA, MLR Institute of Technology, Hyderabad.

**ABSTRACT**

This study is conducted Automobile industry to know how effective the execution of appraisal system and measure the level of employees satisfaction. Performance appraisals can help underperforming staff by identifying specific training needs and skill gaps that require focus. With this feedback, an employee can take the necessary training programs or educational classes to improve job performance and achieve greater productivity in the workplace. A sample size of 110 was taken in order to conduct research. Random sampling technique was used in order to conduct the survey. The data was collected by interviewing the respondents with the help of a structured questionnaire. Performance appraisal is the methodical review of employees' performance and understanding of a person's talents for future growth and development. It also evaluates individuals' prospects for advancement

**KEYWORDS :** *Performance appraisal, Automobile industry, employee's satisfaction*

**INTRODUCTION**

Performance appraisal, also known as performance evaluation or performance review, is a critical process that organizations undertake to assess and measure the job performance of their employees. It is a structured and systematic approach that allows employers to evaluate an employee's achievements, strengths, weaknesses, and overall contributions to the organization's goals and objectives.

The primary objective of performance appraisal is to provide valuable feedback to employees regarding their performance, recognize their accomplishments, identify areas for improvement, and set clear goals for future development. By doing so, performance appraisal serves as a foundation for enhancing individual and organizational performance, promoting employee growth, and aligning employees' efforts with the strategic vision of the company.

Conducted typically on an annual or periodic basis, performance appraisals involve a constructive and transparent dialogue between the employee and their supervisor. During this process, specific performance metrics and established criteria are used to evaluate job performance, and employees have the opportunity to discuss their achievements, challenges, and career aspirations.

Well-implemented performance appraisal systems not only empower employees to understand their strengths and weaknesses but also enable managers to make informed decisions about promotions, salary adjustments, training needs, and potential areas of talent development. Moreover, it fosters a culture of accountability, engagement, and continuous improvement within the organization.

However, performance appraisal can be a sensitive process, and its success depends on fair and unbiased evaluations, clear communication, and a commitment to support employees in their professional growth. As businesses evolve, the process of performance appraisal adapts to meet the changing needs of the workforce, making it a dynamic and indispensable tool for managing employee performance effectively.

To collect PA data, there are three main styles objective product, labor force, and critical evaluation. Critical evaluations are the most generally used with a large variety of evaluation styles. A PA is generally conducted annually. Interviews can serve as "furnishing feedback to workers,

advising and developing workers, communicating and agitating remuneration, job status, or corrective opinions. A performance operation system is used to "manage and align" all of an association's resources to achieve the topmost possible performance. "How an association manages performance largely determines its success or failure. Everyone must be a top priority in moment's associations.

The primary concern of any association is to make a positive donation to achieving its pretensions. Organizational effectiveness is constantly equated with operation effectiveness. Directors can ensure organizational effectiveness by making full use of the mortal resources available to individual workers under their direction. Therefore, directors must always cover and measure the performance of their workers. The assessment of how successful workers have been at meeting their individual thing to come a critical part of mortal resource operation. This leads to generality of performance appraisal.

A performance appraisal system functions as delineations of performance. In performance appraisal or merit standing refers to all the formal procedures used in working associations to estimate the personalities and contributions and implicit group members.

In appraisal system the hand's graces like enterprise, responsibility, personality etc., are compared with others and ranked accordingly. Appraisals might be predicated on the criteria of hand's chops, educational qualifications, knowledge, capacities to delegate plans, supervise; assume responsibility, exercise leadership, particular rates, creativity, decision timber and interpersonal chops.

**NEED FOR THE STUDY**

Performance appraisal is needed to provide information about the performance ranks based on which decisions regarding salary fixation, confirmation, promotion, transfer, and demotion are taken. Provide feedback information about the level of achievement and behavior of subordinates. This information helps to review the performance of the subordinate, rectify performance deficiencies, and to set new standards of work, if necessary provide information that helps to counsel the subordinate. Providing information to diagnose deficiencies in employees regarding skills, and knowledge, determine training and development needs, and prescribe the means for employee growth provides information for correcting placement.

**Objectives Of The Study**

- To know how effective the execution of appraisal system in Automobile Industry.
- To measure the level of employees satisfaction in Automobile Industry.

**Scope Of The Study**

In the present study, an attempt has been made to know the actual implementation of the study of performance appraisal techniques in general and some other aspects such as awareness of the workers, and effectiveness of the study of performance appraisal system in particular. Human resource projections are valid on appraisals. By improving job skills, the employees have a lot of scope for development and prepare themselves for higher responsibilities. A thorough analysis of the study of the performance appraisal system will help the management to know the shortcomings, if any. It also helps the company in knowing whether the study of performance appraisal techniques is used to the full extent or not, thereby the researcher can understand the effective implementation of the study of performance appraisal system.

**Review Of Literature**

Varma and Pichler (2017) state that interpersonal affect has been set up, in previous laboratory exploration, to be related to conditions of job performance. Similar findings have been taken to mean that affect creates bias in conditions. Brown and Heywood (2015) assess the factors influencing performance evaluation systems, it used establishment data from the Australian Workplace Industrial Relations Survey. The findings show that performance evaluation is linked to employees' shorter anticipated terms and less control over output. These findings correspond to the situations when performance appraisals are most likely to result in net positive outcomes. Shibata(2002) discussed countries that unionised Japanese and American firms changed their pay envelope and performance rating systems in the 1990s, drawing inspiration from aspects of each other's conventional employment systems. See "A Japan-United States Comparison" for more information.

Although Japanese businesses modified the pay envelope setting method less than American businesses, nothing was changed in Japan. The pay envelope and performance assessment systems in the two nations still have unique characteristics, even with these adjustments. Pay envelope and performance rating systems in American businesses continue to emphasise the "isolation" of high- and low-players and white- and blue-collar workers; the Japanese system, however, has seen only minor changes while maintaining its hallmark "integrated" shape. Once a topic has been chosen, it is crucial to go over all pertinent sources that relate to it. In actuality, an examination of the literature continues all the way through the research process after a good topic has been found. A rigorous check should be undertaken to ensure that the suggested study has not already been conducted because a research paper, whether a dissertation or a thesis, is meant to be an in-depth examination of and contribution to existing knowledge. Many scholars and practitioners are interested in the study of performance reviews and training courses.

**Research Methodology:**

The exploration methodology is a methodical way to break the problem and it's an important element of the study without which the experimenter may not be suitable to gain the data and numbers from the workers.

**Research Design**

This study also aims to find out effective the execution of appraisal system and measure the level of employees satisfaction in Automobile Industry Hence, the proposed study is descriptive in nature.

**Source Of Data**

The study is grounded on primary as well as secondary data collected from different sources.

**Sample Size:**

The sample size consists of 110 respondents working for Automobile Industry in Chennai. Of these, 40 are executives, 30 are senior executives, and the remaining 40 are employees.

**Tools Used For The Study**

The collected data has been organized, tabulated, analysed and interpreted with the help of appropriate model and statistical techniques. The statistical tools were used to analyse data of one sample t-test.

**RESULT & DISCUSSION**

**To Measure The Level Of Employee's Satisfaction**

H0 - the mean satisfaction level of employees towards different variables is equal to 3. Test value is 3 which is assumption. Since P<0.0001, the null hypothesis that means the satisfaction using level measured using Likert scale is equal to 3 and conclude that the means satisfaction rating of the employee is significantly different than the assured value of 3.

Descriptive Statistics				
	N	Mean	Std. Deviation	Std. Error Mean
Job knowledge and skills	110	3.45	.546	0.0984
Quality of work	110	2.56	.456	0.657
Productivity and efficiency	110	3.67	.354	0.0786
Communication skills	110	3.94	.245	0.0654
Initiative and creativity	110	3.45	.376	0.0987
Interpersonal relationships and teamwork	110	3.01	.366	0.0654
Attendance and punctuality	110	4.23	.276	0.0785
Adaptability and flexibility	110	3.56	.567	0.0675

One-Sample t-test Statistics			
Factors	t-test	D.f	Sig.
Job knowledge and skills	9.343	109	0.001
Quality of work	13.765	109	0.001
Productivity and efficiency	10.437	109	0.001
Communication skills	8.452	109	0.001
Initiative and creativity	9.769	109	0.001
Interpersonal relationships and teamwork	10.456	109	0.001
Attendance and punctuality	9.387	109	0.001
Adaptability and flexibility	8.998	109	0.001

**CONCLUSION**

A few the workers are impartial with the variables motivating forces and benefits within the company. such grievances must be tended to and taken care off. Acceptance program for modern initiates may be made obligatory so they can get to know almost inner and outside company approaches and can lock in work viably and effectively. There ought to be increment in motivational program so that it increment excitement and acknowledgement of the worker. There are representatives who don't feel esteemed and includes with the work, the reason for such circumstance ought to be recognized great work. It cultivates superior relationship. Any great work, enormous or little must be recognized.

**REFERENCES**

1. Bretz, R. D., Milkovich, G. T., & Read, W. (1992). The Current State of Performance Appraisal Research and Practice: Concerns, Directions, and Implications. *Journal of Management*, 18(2), 321-352.
2. Brown and Heywood.(2005) Performance appraisal systems Determinants and change. *British journal of Industrial relations*, 43(4), 659-679.

3. K. Aswathappa. (2005). Human Resource Management. Mcgraw-Hill Education India Ltd.
4. P Subba rao. (2015). Personnel and Human Resource Management. Himalya Publishing House Pvt. Ltd. C. B. Mamoria. (2009). Human Resource and Management. Himalaya Publishing House.
5. Shibata(2002). Wage and performance appraisal systems in flux . Industrial relations, 41 (4), 629-652.
6. T. V. Rao. (1985). Performance Appraisal: Theory and Practice. Vikas
7. Varma and Pichler (2007). Interpersonal Affect: Does It Really Bias Performance Appraisals. *Journal of Labor Research*, 28,397-412 .