

A STUDY ON PERFORMANCE APPRAISAL AT KM INDUSTRIES

Submitted in partial fulfilment of the requirements for the award of

Bachelor of Commerce

by

V. ARUMUGAM

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SCHOOL OF BUSINESS ADMINISTRATION

SATHYABAMA

**INSTITUTE OF SCIENCE AND TECHNOLOGY
(DEEMED TO BE UNIVERSITY)**

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This is to certify that **Mr. ARUMUGAM V**, Register Number **41740069** is a Bonafide student of our Institution pursuing **3rd year BACHELOR OF COMMERCE in GENERAL** during the academic year **2023-2024**. He will be completing the course in the year **2024**.

This certificate is issued for the purpose of **APPLYING FINAL YEAR PROJECT**.



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DECLARATION

I **V. ARUMUGAM** Reg No. **41740069** hereby declare that the Project Report entitled “**A Study on Performance Appraisal System at Kudanthai Metal Industry**” done by me under the guidance of Dr. S. UMAMAHESWARI., Assistant Professor, Bachelor of Commerce is submitted in partial fulfilment of the requirements for the award of Bachelor of Commerce degree.

DATE: 12th March 2024

PLACE: Kumbakonam

V. ARUMUGAM

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V. ARUMUGAM

ABSTRACT

This study aims to examine the effectiveness of performance appraisal system. A performance appraisal is known by other terms like employee appraisal, performance review. It is a method by which the job performance of an employee is measured in terms of quality, quantity, cost, behaviour and time. It is conducted by self, peers, superior and subordinates. A performance appraisal is a part of measuring, comparing, finding, guiding, correcting and managing career development of the employees. It is about improving performance and ultimate effectiveness. Performance appraisal is a systematic means of ensuring that superiors and their staff meet regularly to discuss past and present performance issues and to agree what future is appropriate on both sides. Employees should be appraised by their immediate Superiors on one-to-one basis. The staff is being appraised when they are encouraged to look ahead to improve effectiveness, utilize strengths, redress weakness and examine how potentials and aspirations should match up. It is the process of gathering, recording information about the relative employees to the organization. Performance appraisal is the study of present achievements and failures, strengths and weakness and suitability for incentives, rewards and recognition, increased promotion or further training. The study is to identify the factors that influence to provide the maximum performance towards organizational development, the awareness level of performance appraisal technique among the employees and to investigate the need and expectation of performance appraisal system in the company. To obtain results convenient sampling method has been used. Data has been collected from 105 respondents. Statistical tools such as Chi square test, Percentage analysis are applied to data collected from 105 respondents. Respondents are satisfied that the existing performance appraisal gives motivation and job satisfaction.

CHAPTER -1

1.1 INTRODUCTION

A performance appraisal is a systematic and periodic process that assess an individual employee's job performance and productivity in relation to certain pre-established criteria and organizational objectives. All organizations aim at being effective and achieving their goals, in order to do this, it is important to monitor or measure the performance of the employees on a regular basis. Effective monitoring also includes giving timely feedback, reviewing the performance according to pre-determined standards and timely recognition of the accomplishments, that motivates the employee to perform better each day. It is rightly said that, "Encourage people achieve the best; dominated people achieve second best; neglected people achieve the least" as recognition and reward at the right time is the best encouragement. Appraising the performance of individuals, groups and organizations is a common practice of all societies. While in some instances these appraisals processes are structured and formally sanctioned, in other instances they are an informal and integral part of daily activities. Thus, teachers evaluate the performance of students, bankers evaluate the performance of creditors, parents evaluate the behaviour of their children, and all of us, consciously or unconsciously evaluate our own actions from time to time. It is 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 weakness and strength as well as opportunities for improvement and skills development. People differ in their abilities and their aptitudes.

There is always some difference between the quality and quantity of the same work on the same job being done by two different people.

Performance appraisals of employees are necessary to understand each employee's abilities, competencies and relative merit and worth for the organization.

Performance appraisal rates the employees in term of their performance.

Performance appraisal is a method of evaluating the behaviour of employees in the work spot, normally including both the quantitative and qualitative aspects of job performance. Performance here refers to the degree of accomplishment of the tasks that make up an individual's job. It indicates how well an individual is fulfilling the job demands. Often the term is confused with effort, but performance is always measured in terms of results and not efforts. A student, for e.g., may exert a great deal of effort while preparing for the examination but may manage to get a poor grade. In this case, the effort expended is high but performance is low. In order to find out whether an employee is worthy of continued employment or not his performance needs to be evaluated from time to time. According to a prominent personality in the field of Human Resources," performance appraisal is the systematic, periodic and an impartial rating of an employee's excellence in the matters pertaining to his present job and his potential for a better's job." Performance appraisal is a powerful tool to calibrate, refine and reward the performance of the employee. It helps to analyse his achievements and evaluate his contribution towards the achievements of the overall organizational goals. Performance appraisal is necessary to measure the performance of the employees and the organization to check the progress towards the desired goals and aims. Performance appraisal continues to be a subject of interest and importance to human resource specialists. For decades, performance appraisal has received

considerable attention in the literature, from both researchers and PR actioners alike. The latest mantra being followed by organizations across the world is “getting paid according to what you contribute” – the focus of the organization is turning to performance management and specifically to individual performance. Performance appraisal helps to rate the performance of the employees and evaluate their contribution towards the organizational goals.

1.1.1 Concept of Performance Appraisal

Virtually all organizations have some sorts of means of appraising their employees. Performance appraisal is one of the oldest, natural and most universal practices of management. The basic purpose of performance appraisal is to ascertain the behaviour of an employee anchored to performance and integrate with the organizational performance. It helps both the employers and employees to understand the responsibility in the organization. Performance appraisal system is focused to integrate the expectations, performance which gives a total clarity between the appraiser and appraisee. It is an instrument to create a conducive atmosphere in the organization. The purpose of any management is to build a very competitive and congenial work culture, which builds healthy competition, gives a sense of achievement to the employees and the stakeholders. Performance appraisal system is the right instrument that plays a vital role directly or indirectly in achieving the above. It improves the interpersonal relationship among the employees and employers in the organization. It reflects an evaluative judgement of the traits, characteristics and the work performance of the employees on jobs. It is a continuous process to reach the desirous goal of not only the organization but also the employees. Performance

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

Performance appraisal system is used to evaluate the traits or qualities of an employee systematically at regular intervals. Adequate and ample opportunities are provided to the employees to enable them to the maximum utilization of their strong qualities. Thus, performance appraisal plays a vital role such as “unity in diversity” in the utilization of organization. It contributes indirectly to the growth of GDP and per capita income through the development of employee as well as organization. It is the powerful instrument of the Human Resource personnel to take right decisions with respect to labour turnover and other related aspects. It helps the organization in the 3 ‘R’ process like Recruitment, Retention and Retirement. Performance Management is a new HR management model that takes away the management from command-and-control approach to a facilitation model of leadership. This shift in style has emerged from the realization that is very critical for the employees and the business to relate the work performance of employees to the long-term goals and mission of the organization as a whole. The process of PM provides an opportunity for the managers to discuss the developmental goals of the organization with the employees and jointly draw a path to achieve those goals. Such a collaborative approach fosters ownership among the employees at the level where the work is done for the chosen path and to that extent it makes achievement of goals simple.

1.1.2 Observing Employee Performance

Observing employee's performance and providing objective behavioural feedback about it should be a routine part of the performance management process. Feedback should be based on observed, factual, specific work-related behaviours, actions, statements, results and working relationships. Effective feedback helps the employee sustain good performance, develop new skills and improve performance when necessary. As a part of PM, managers must constantly observe the work performance and provide appropriate feedback to an employee. Feedback should be based on the observed work-related behaviour. Such observation of employee behaviour and the results of performance enable the management to identify the shortcomings and facilitate an employee to be successful at the job by continuously developing the skills, knowledge and competency. Wherever a manager cannot directly observe an employee's performance it is desirable to put in place a process that enables the management to know how they are functioning from time to time. The most critical part of PM is assessing, summarizing and developing the work performance of an employee. It is essential that every employee enjoys the benefit of looking at his performance appraisal at least once in a year. A manager should analyse the performance of the employee objectively against the set standards. It is desirable for the manager to meet and discuss with the employee about the appraisal process extent it enhances the employee's acceptance of the outcome. The manager haste reviews the draft of the performance appraised form and supporting comments with the concerned employee. Here it makes sense to discuss the employee's strengths first; covering each point in detail, for it sets a

positive tone to start the discussion. Identifying the functional areas requiring improvement is to be accomplished. Performance manager and the concerned employee must mutually identify areas in which education, training or their development opportunities are needed and design a strategy for developing skills and knowledge of the employee. Discussion with the employees, the steps to be taken by them to accomplish self-development goals, as well as how the department will help them to arrive at an agreement to be done. It always makes sense for managers to meet employees for such discussion in private.

1.1.3 Process of Performance Appraisal

The performance appraisal process has been used as a deciding factor for career development, and in most cases, the promotions and salary raise are directly dependent on it. If an employee manages to garner higher ratings, it indicates better performance by the employee and thus better growth of the organization. In case employee gets lower ratings, the organization can then help him to improve his performance by offering him training to improve his skills and knowledge. More and more organizations are leaning in Favor of conducting a performance appraisal process because it will help them to accomplish the business goals at a faster place.

The performance appraisal process should be calculated over some time so that both the employer and employee can have a better idea about his performance on an annual basis. The performance appraisal process is a formal interaction between an employee and his manager that takes the form of a structured interview to examine and discuss strengths and weakness. This is undertaken to improve current skills

and knowledge and offer further opportunities for improvement, development and growth. Performance appraisal is the process of evaluating manager's performance, aptitudes and other qualities necessary for successfully carrying out job. It is often linked with the compensation and development plans of the organization. Performance appraisals perform three important functions within companies. They provide feedback to a person on their overall contribution for a period. They identify development needs and opportunities for improvement. They help inform salary and bonus reviews.

A systematic performance appraisal goes through different steps. The steps are: - Establishing performance standards, Communicating the standards, determining who will conduct the appraisal, Measuring the actual performance, Communicating the concerned employee, Taking corrective actions. Performance appraisal can be undertaken either on informal basis or on formal and systematic basis. In comparatively smaller organizations, appraisal, either based on traits or performance or a combination of both, is done informally through the observation of concerned employees. In larger organizations, appraisal has to be more systematic and formal as it reveals various types of information which can be used for variety of purposes. A systematic performance appraisal goes through different steps.

1.2 Industry Profile

The Company “Kudanthai Metal Industries” was established in 1975.

It is started by one person with the investment of 8 lakhs

They are one of the leading metalware producers in the Tamil Nadu.

In this company they produce a quality brass, copper sheets and circles.

1.3 NEED FOR THE STUDY

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

1.4 SCOPE OF THE STUDY

- The main aim of the study is to find out the effectiveness of performance appraisal
- The study has been conducted with respect to performance appraisal system existing in the organization which is useful to know the strength and weakness of the employees.
- This study helps to know the level of importance of appraisal system.
- The sample size is 105. Therefore there is scope for the difference in the factors when the number of respondents increase.

1.5 OBJECTIVES OF THE STUDY

1.5.1 Primary Objective:

To identify the effectiveness of existing performance appraisal system in KM industry

1.5.2 Secondary Objective:

- To identify the factors that influence to provide the maximum performance towards organizational development.
- To identify the awareness level of performance appraisal technique among the employees.
- To identify the strength and weakness of the employees. To investigate the need and expectation of performance appraisal system in the company

1.6 LIMITATIONS OF THE STUDY:

- Some of the respondents can hide the real information.
- Some of the respondents could not give their proper response due to lack of time.
- Some of the respondents avoid to fill the form.
- A sample size cannot always represent the whole population.
- A survey should involve a large sample size otherwise the findings of the survey cannot be generalized. But a large sample size may increase the time and cost of collecting the primary data with the help of questionnaire.
- As the questionnaire were got fill through Google form, therefore 100% response was nor got despite several requests and reminders.
- The study population is limited to 105 respondents between of the lack of availability of time for the data collection.

CHAPTER – 2

REVIEW OF LITERATURE

2.1 INTRODUCTION

A literature review surveys scholarly articles, books, dissertations, conference proceedings and other resources which are relevant to a particular issue, area of research, or theory and provides context for a dissertation by identifying past research. Research tells a story and the existing literature helps us to identify where we are in the story currently. It is up to those writing a dissertation to continue that story with new research and new perspectives but they must first be familiar with the story before they can move forward

2.2 Author's Review

➤ **Edwin A. Locke:**

Locke's work emphasizes goal-setting theory in performance appraisal, highlighting the importance of clear and challenging objectives for motivating employees and improving performance outcomes.

➤ **Gary Dessler:**

Dessler's writings explore various performance appraisal methods and their applications in organizational settings, providing practical guidance on designing and implementing effective appraisal systems.

➤ **Daniel R. Ilgen:**

Ilgen's work focuses on the psychological aspects of performance appraisal, examining factors such as rater biases, cognitive processes, and individual differences that influence the accuracy and fairness of performance evaluations.

➤ **Wayne F. Cascio:**

Cascio's contributions to the literature address the strategic implications of performance appraisal, discussing how appraisal systems can be aligned with organizational goals and used to support performance-based rewards and talent management initiatives.

➤ **David W. Bracken:**

Bracken's research centers on 360-degree feedback and multisource assessment methods, exploring their effectiveness in providing comprehensive and balanced evaluations of employee performance from multiple perspectives.

➤ **Michael A. Campion:**

Campion's work examines performance appraisal from a legal and ethical perspective, discussing issues related to fairness, discrimination, and compliance with employment laws and regulations.

➤ **Robert D. Pritchard:**

Pritchard's writings focus on performance appraisal in cross-cultural contexts, exploring how cultural differences impact the design and implementation of appraisal systems in multinational organizations.

➤ **Jerry W. Gilley:**

Gilley's research emphasizes the importance of performance appraisal for organizational effectiveness and competitive advantage, highlighting how effective performance management practices contribute to strategic success.

➤ **Scott A. Snell:**

Snell's contributions to the literature address the integration of performance appraisal with other HR processes, such as recruitment, training, and succession planning, to create a cohesive and aligned talent management strategy

➤ **Robert L. Cardy:**

Cardy's research delves into the role of feedback in performance appraisal, emphasizing the importance of timely and specific feedback for facilitating employee development and performance improvement.

➤ **Eichel and Bender:**

Over the past quarter century, the purpose of performance appraisal has shifted from tools supporting the activities of management to an increasing trend towards personnel development.

CHAPTER- 3

RESEARCH METHODOLOGY

3.1 Research Design:

The research design stands for the advance planning of the methods to be adapted for collecting the relevant data and techniques to be used in the analysis. The study sample size is 105 workers working at KM Industries.

3.2 Sampling Techniques:

The sampling method used in this research is Convenient Sampling technique. The sample size is 105. The respondents are working at various department of different age group, employment status, educational criteria.

3.3 Sources of data:

For the purpose of study primary data and secondary data have been collected. Primary data collected through survey and secondary data from literature review.

3.4 Structure of Questionnaire:

The questionnaire has been framed and circulated to collect primary data. The questionnaire contains

- Direct questions
- Close end questions
- Multiple choice questions

3.5 Sample size:

The sampling method used in this research is Convenient Sampling technique. The sample size is 105.

3.6 Period of study:

The period of study was from February 2024 to April 2024.

3.7 Analytical Tools:

- Pie chars
- Chi square test

CHAPTER – 4

DATA ANALYSIS AND INTERPRETATION

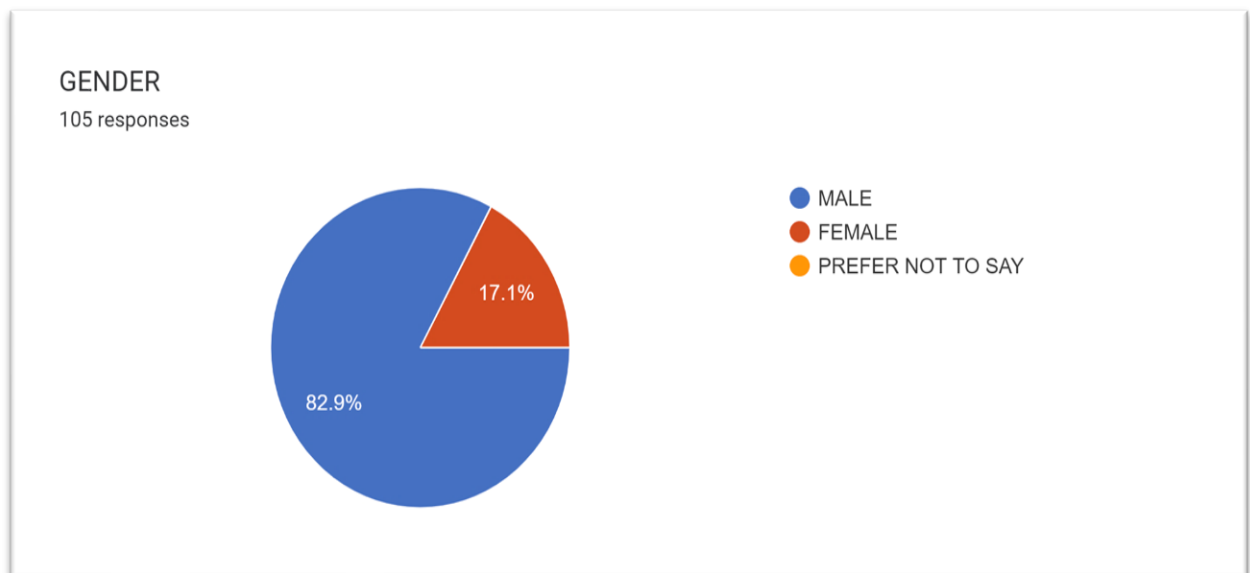
4.1 PERCENTAGE ANALYSIS

4.1.1 Showing gender of respondents

Table 4.1.1: Showing gender of respondents

GENDER	NO. OF RESPONDENT	PERCENTAGE
Male	87	82.9%
Female	18	17.1%
Prefer Not to Say	Nil	Nil
Total	105	100%

Chart 4.1.1: Showing gender of respondents



Interpretation: From the above table it is interpreted that 82.9% of the respondents are Male, 17.1% of the respondents are Female.

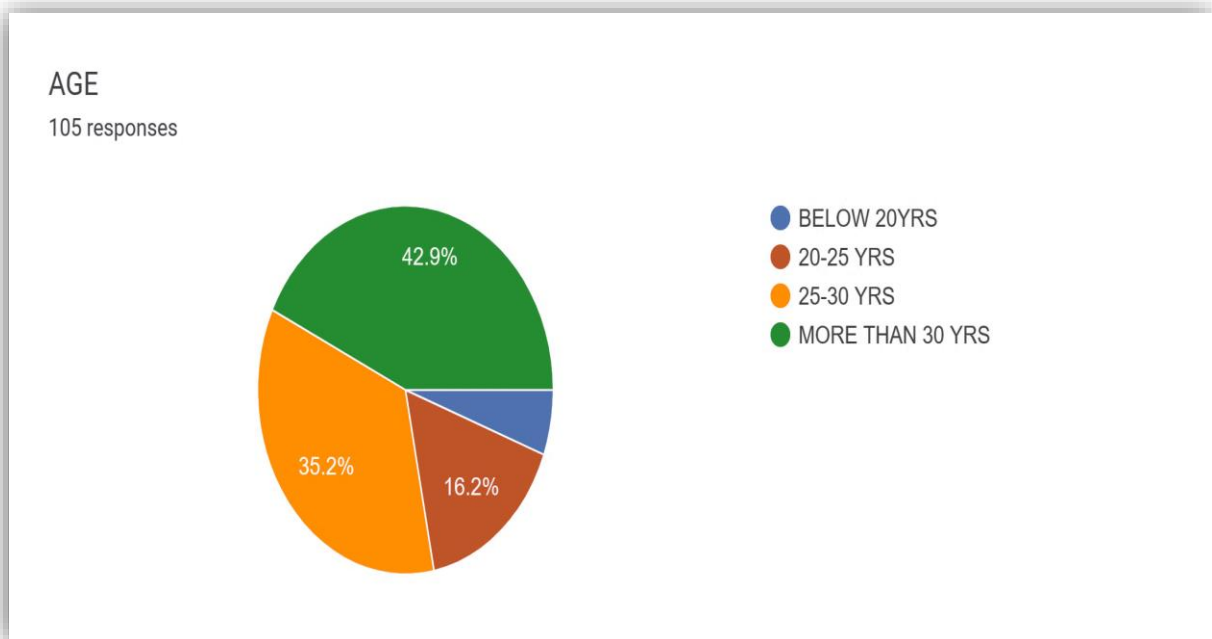
Inference: Majority (82.9%) of the respondents are Male.

4.1.2 Showing age of respondents

Table 4.1.2: Showing age of respondents

YEARS	NO. OF RESPONDENT	PERCENTAGE
Below 20yrs.	6	5.7%
20-25 yrs.	17	16.2%
25-30 yrs.	37	35.2%
More than 30 yrs.	45	42.9%
Total	105	100%

Chart 4.1.2: Showing age of respondents



Interpretation: From the above table it is interpreted that 5.7% of the respondents are Below 20years old, 16.2% of the respondents are 20–25 years old, 35.2% of the respondents are 25-30 years old, 42.9% of the respondents are More than 30 years old.

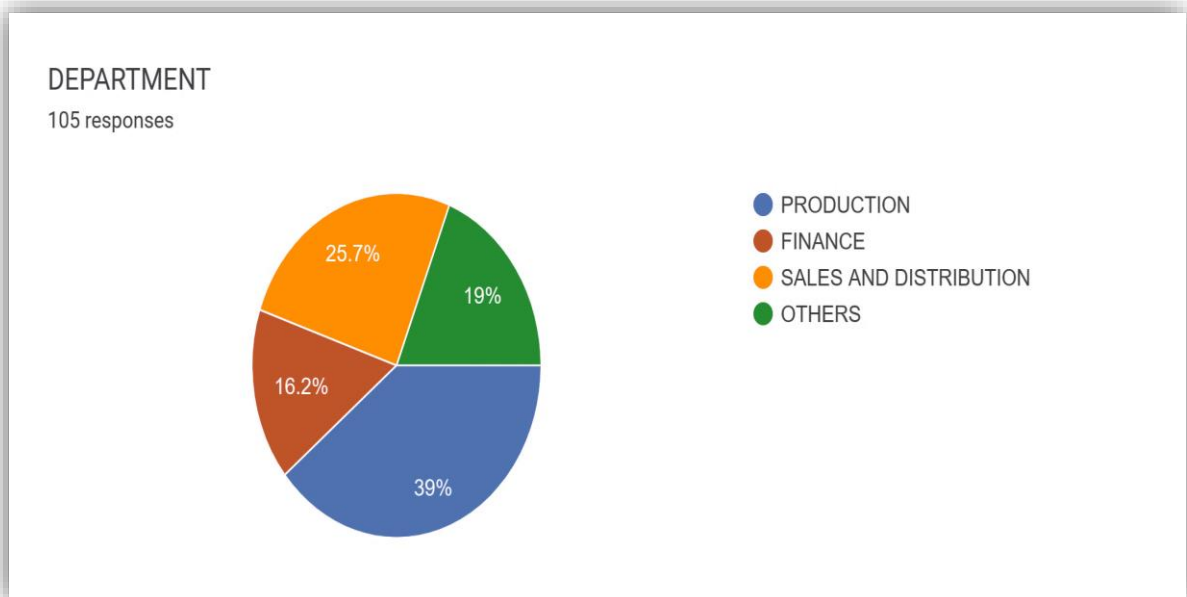
Inference: Majority (42.9%) of the respondents are in the age group of more than 30 years old.

4.1.3 Showing respondents department

Table 4.1.3: Showing respondents department

DEPARTMENT	NO. OF RESPONDENT	PERCENTAGE
Production	41	39%
Finance	17	16.2%
Sales and Distribution	27	25.7%
Others	25	19%
Total	105	100%

Chart 4.1.3: Showing respondents department



Interpretation: From the above table it is interpreted that 39.1% of the respondents are in Production department, 16.2% of the respondents are in Finance department, 25.7% of the respondents are in Sales and distribution department, 19% of the respondents are in Other department.

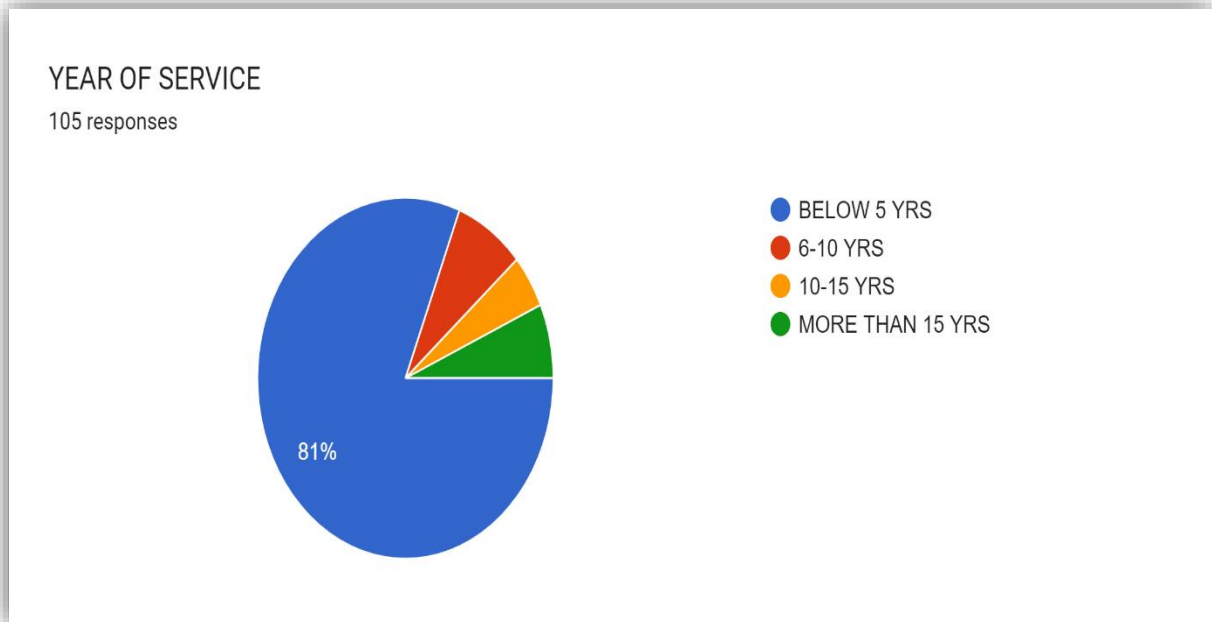
Inference: Majority (39.1%) of the respondents are in Production department.

4.1.4 Showing respondents Year of service

Table 4.1.4: Showing respondents Year of service

YEAR OF SERVICE	NO. OF RESPONDENT	PERCENTAGE
Below 5 yrs.	85	81%
6-10 yrs.	8	7.6%
10-15 yrs.	5	4.7%
More than 15 yrs.	7	6.7%
Total	105	100%

Chart 4.1.4: Showing respondents Year of service



Interpretation: From the above table it is interpreted that 81% of the respondents have below 5 years of service, 7.6% of the respondents have 6–10 years of service, 4.7% of the respondents have 10–15 years of service and 6.7% of the respondents have greater than 15 years of service.

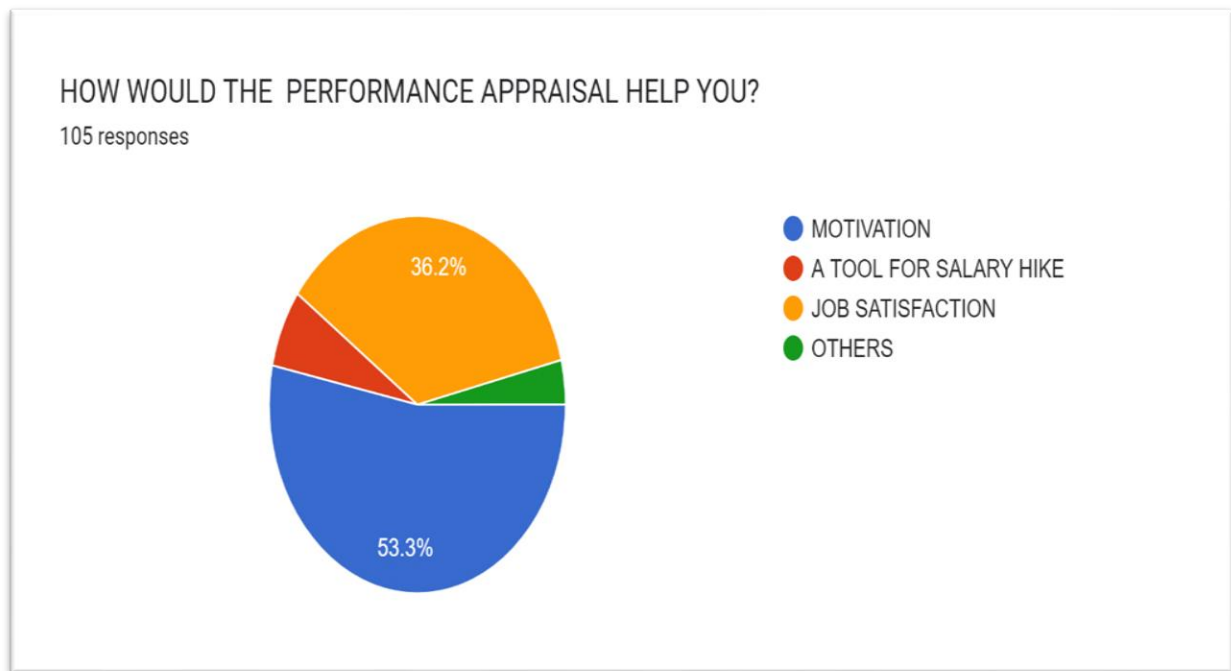
Inference: Majority (81%) of the respondents have below 5 years of service.

4.1.5 Showing Respondents view on the concept of performance appraisal would help in:

Table 4.1.5 Showing Respondents view on the concept of performance appraisal would help in:

PARTICULARS	NO. OF RESPONDENT	PERCENTAGE
Job Satisfaction	38	36.2%
A Tool for salary hike	7	6.7%
Motivation	56	53.3%
others.	4	3.8%
Total	105	100%

Chart 4.1.5 Showing Respondents view on the concept of performance appraisal would help in:



Interpretation: From the above table it is interpreted that 53.3% of the respondents are telling that performance appraisal would help in Motivation, 36.2% of the respondents saying that it would help in Job Satisfaction of the employees, 6.7% of the respondents are telling that it would help in a tool for salary hike, 3.8% of the respondents are telling that it would help in others.

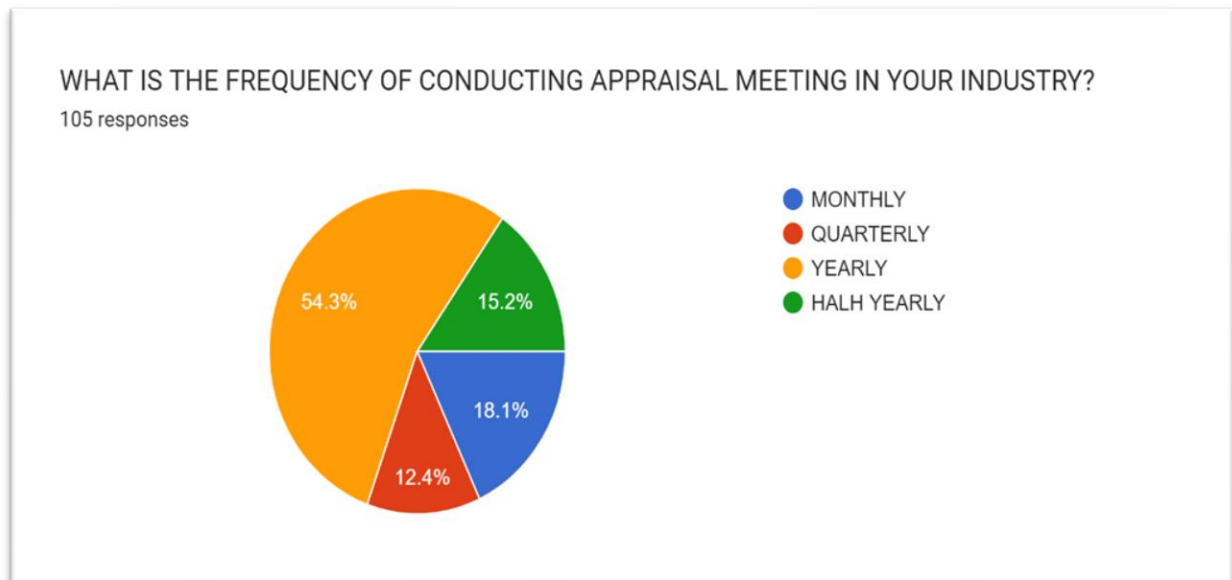
Inference: Majority (53.3%) of the respondents are telling that performance appraisal would help in Motivation.

4.1.6 Showing the frequency of conducting performance appraisal meeting in their organization:

Table 4.1.6 Showing the frequency of conducting performance appraisal meeting in their organization:

PARTICULARS	NO. OF RESPONDENT	PERCENTAGE
Yearly	57	54.3%
Half Yearly	16	15.2%
Quarterly	13	12.4%
Monthly	19	18.1%
Total	105	100%

Chart 4.1.6 Showing the frequency of conducting performance appraisal meeting in their organization:



Interpretation: From the above table it is interpreted that 54.3% of the respondents attending performance appraisal meetings yearly, 18.1% of the respondents attending monthly, 15.2% of the respondents attending half yearly and 12.4% of the respondents attending performance appraisal meetings quarterly.

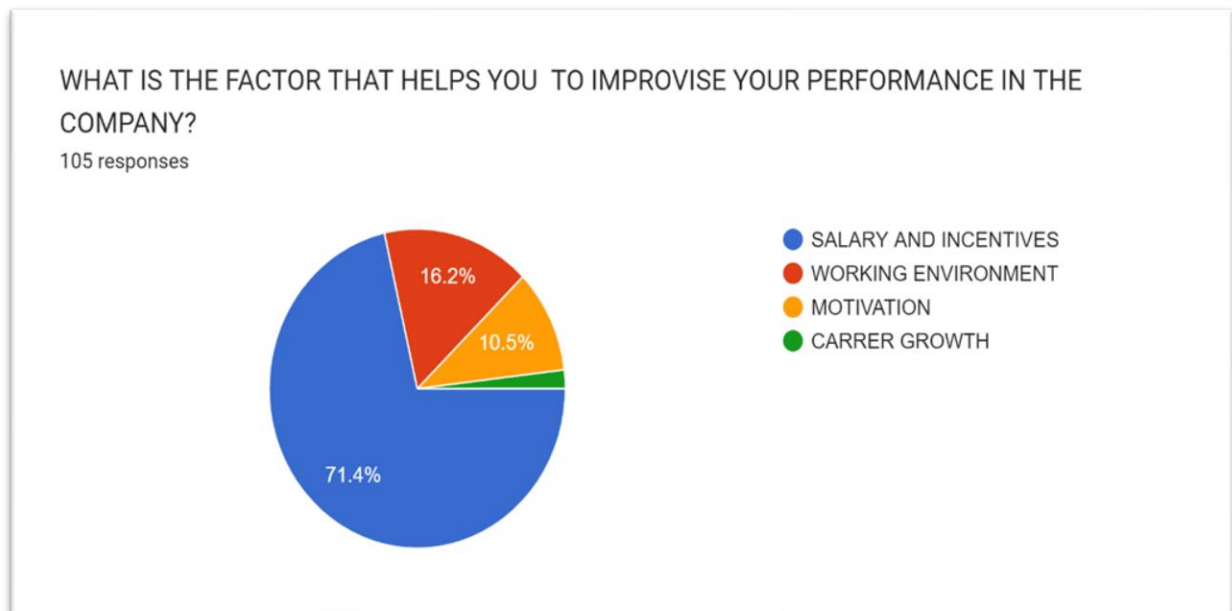
Interference: Majority (54.3%) of the respondents attending performance appraisal meetings yearly.

4.1.7 showing Respondents rating on the most suitable factor that helps to improvise their performance in the organization:

Table 4.1.7 showing Respondents rating on the most suitable factor that helps to improvise their performance in the organization:

PARTICULARS	NO. OF RESPONDENT	PERCENTAGE
Salary and Incentives	75	71.4%
Working environment	17	16.2%
Motivation	11	10.5%
Carrer Growth	2	1.9%
Total	105	100%

Chart 4.1.7 showing Respondents rating on the most suitable factor that helps to improvise their performance in the organization:



Interpretation: From the above table it is interpreted that the most suitable factor that helps to improvise their performance in the organization is salary and incentives .71.4% of the respondent are choose salary and incentives,16.2% of the respondent choose working environment,10.5% of the respondent select the motivation, and 1.9% of the respondent select the career growth.

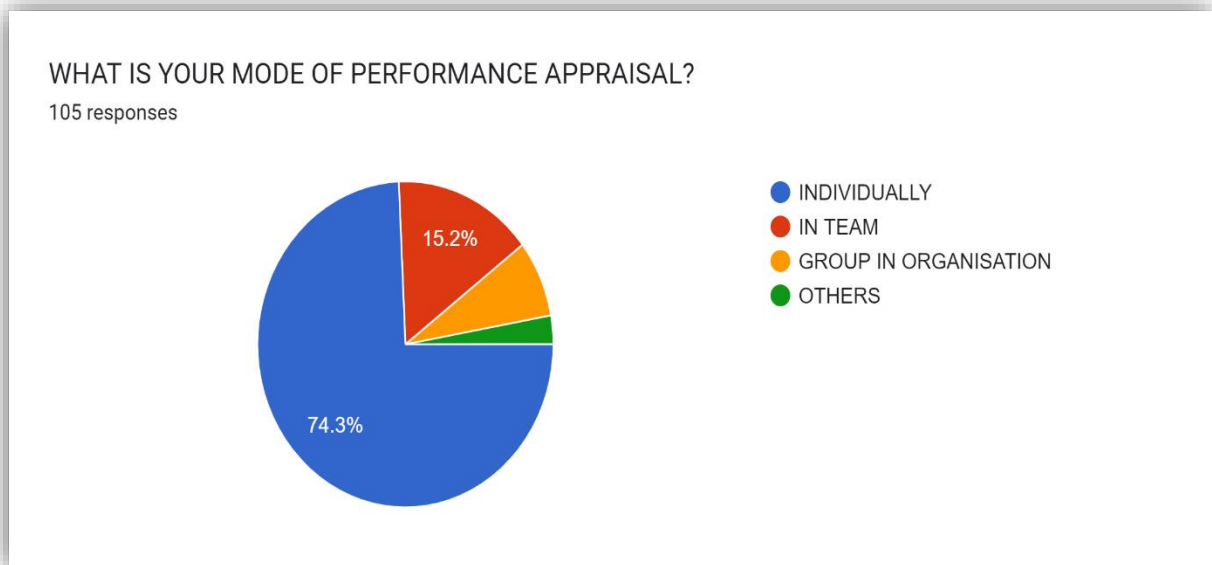
Inference: Majority (71.4%) of the respondents have rated for salary and incentives.

4.1.8 Showing the respondent's mode of performance appraisal:

Table 4.1.8 Showing the respondent's mode of performance appraisal:

PARTICULARS	NO. OF RESPONDENT	PERCENTAGE
Individually	78	74.3%
In Team	16	15.2%
Group in Organization	8	7.6%
Others	3	2.9%
Total	105	100%

Chart 4.1.8 Showing the respondent's mode of performance appraisal:



Interpretation: From the above table it is interpreted that 74.3% of the respondents are attending the performance appraisal individually, 15.2% of the respondents are attending in team, 7.6% of the respondents are attending group in organization and 2.9% of the respondents are attending others.

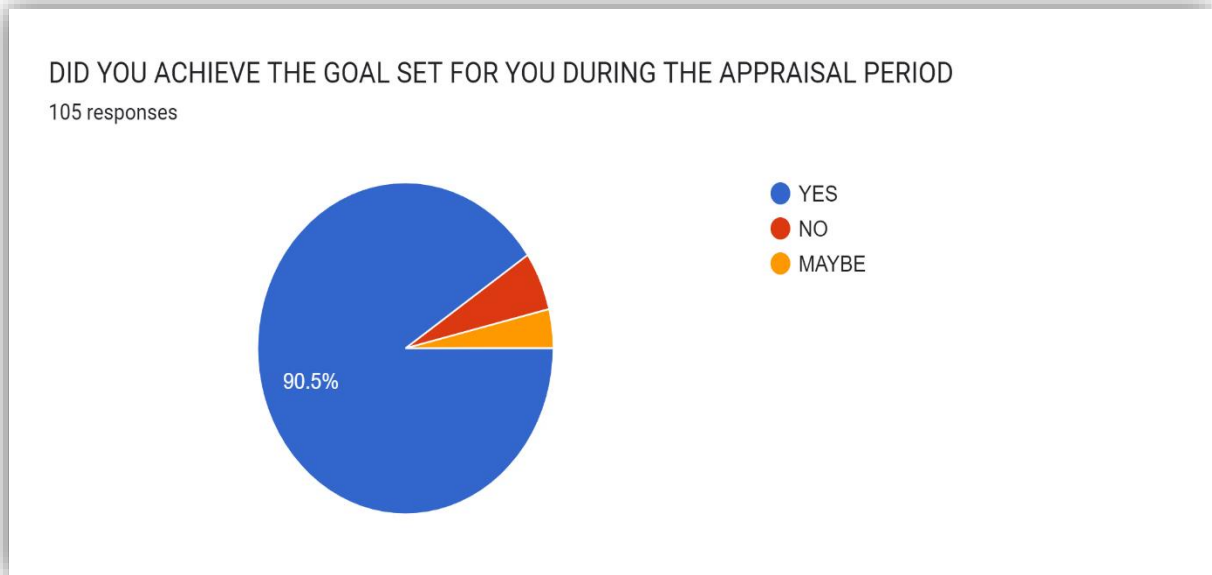
Inference: Majority (74.3%) of the respondents are attending the performance appraisal meeting individually.

4.1.9 Showing the respondent's achievement towards goal:

Table 4.1.9 Showing the respondent's achievement towards goal:

PARTICULARS	NO. OF RESPONDENT	PERCENTAGE
Yes	95	90.5%
No	6	5.7%
May be	4	3.8%
Total	105	100%

Chart 4.1.9 Showing the respondent's achievement towards goal:



Interpretation: From the above table it is interpreted that 90.5% of the respondents are achieved their goal, 5.7% of the respondents are not achieved their goal, 3.8% of the respondents are falls under may be category.

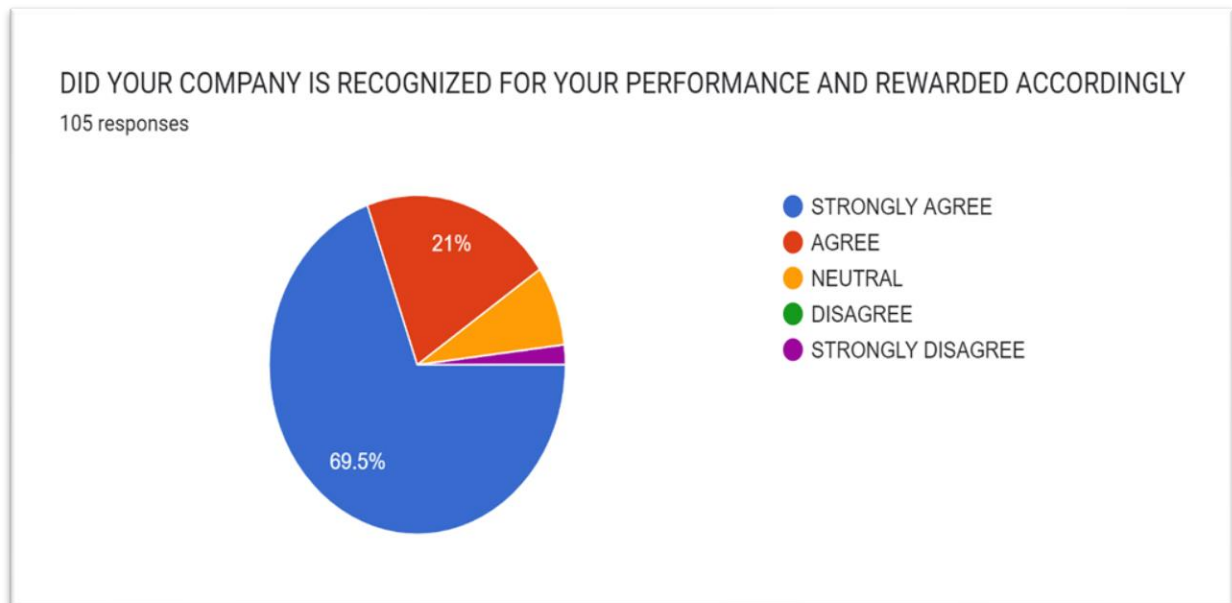
Inference: Majority (90.5%) of the respondents are achieved their goal.

4.1.10 showing Respondents view on the employees in their company are recognized for their performance and rewarded accordingly:

Table 4.1.10 showing Respondents view on the employees in their company are recognized for their performance and rewarded accordingly:

PARTICULARS	NO. OF RESPONDENT	PERCENTAGE
Strongly Agree	73	69.5%
Agree	22	21%
Neutral	8	7.6%
Disagree	Nil	Nil
Strongly Disagree	2	1.9%
Total	105	100%

Chart 4.1.10 showing Respondents view on the employees in their company are recognized for their performance and rewarded accordingly:



Interpretation: From the above table it is interpreted that 69.5% of the respondents are strongly agree that the employees in their company are recognized and rewarded accordingly, 21% of the respondents are agree, 7.6% of the respondents are neutral, 1.9% of the respondents are strongly disagree.

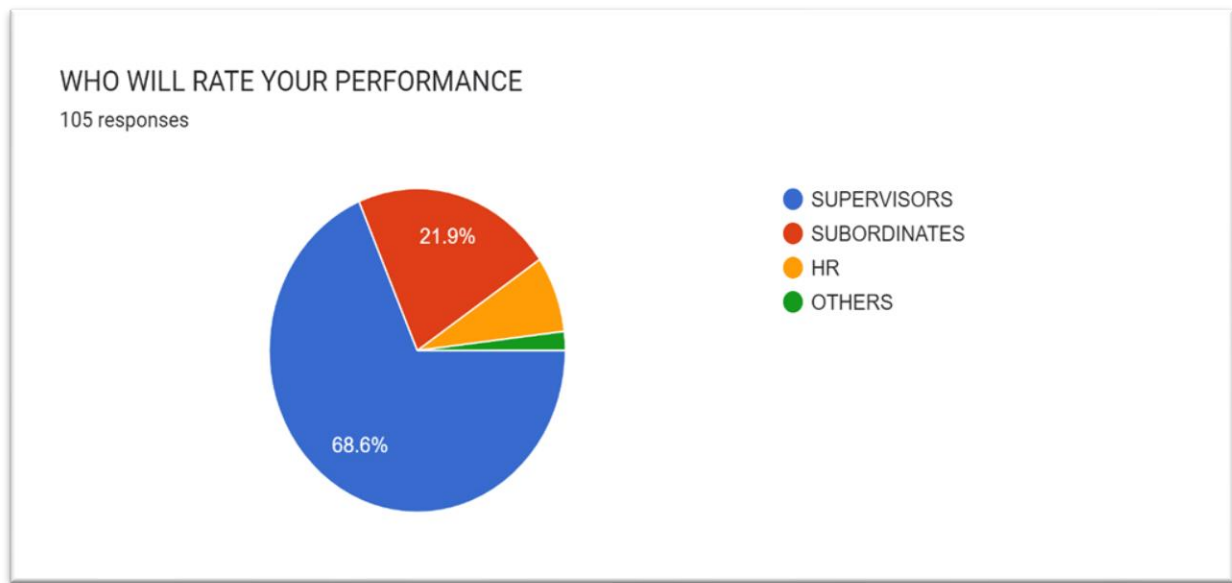
Inference: Majority (69.5%) of the respondents are strongly agree that the employees in their company are recognized and rewarded accordingly

4.1.11 Showing Respondents view on who rates their performances:

Table 4.1.11 Showing Respondents view on who rates their performances:

PARTICULARS	NO. OF RESPONDENT	PERCENTAGE
Supervisor	72	68.6%
Subordinates	23	21.9%
HR	8	7.6%
Others	2	1.9%
Total	105	100%

Chart 4.1.11 Showing Respondents view on who rates their performances:



Interpretation: From the above table it is interpreted that 68.6% of the respondent's performances are rated by supervisors, 21.9% of the respondent's performances are rated by subordinates, 7.6% of the respondent's performances are rated by HR and 1.9% of the respondent's performances are rated by others.

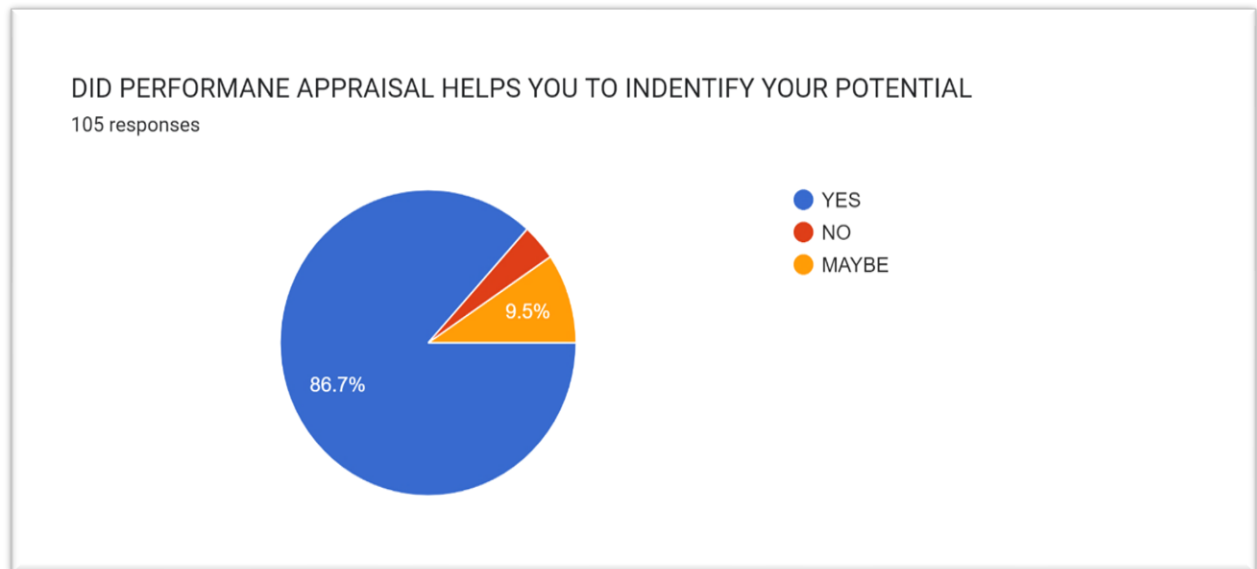
Inference: Majority (68.6%) of the respondents' performances are rated by supervisors.

4.1.12 Showing Respondents view on the performance appraisal leads to identification of potential of the employees:

Table 4.1.12 Showing Respondents view on the performance appraisal leads to identification of potential of the employees:

PARTICULARS	NO. OF RESPONDENT	PERCENTAGE
Yes	91	86.7%
No	4	3.8%
May be	10	9.5%
Total	105	100%

Chart 4.1.12 Showing Respondents view on the performance appraisal leads to identification of potential of the employees:



Interpretation: From the above table it is interpreted that 86.7% of the respondents are identify their potential with the help of performance appraisal, 9.5% of the respondents are selected maybe, 3.8% of the respondents are not able to find their potential.

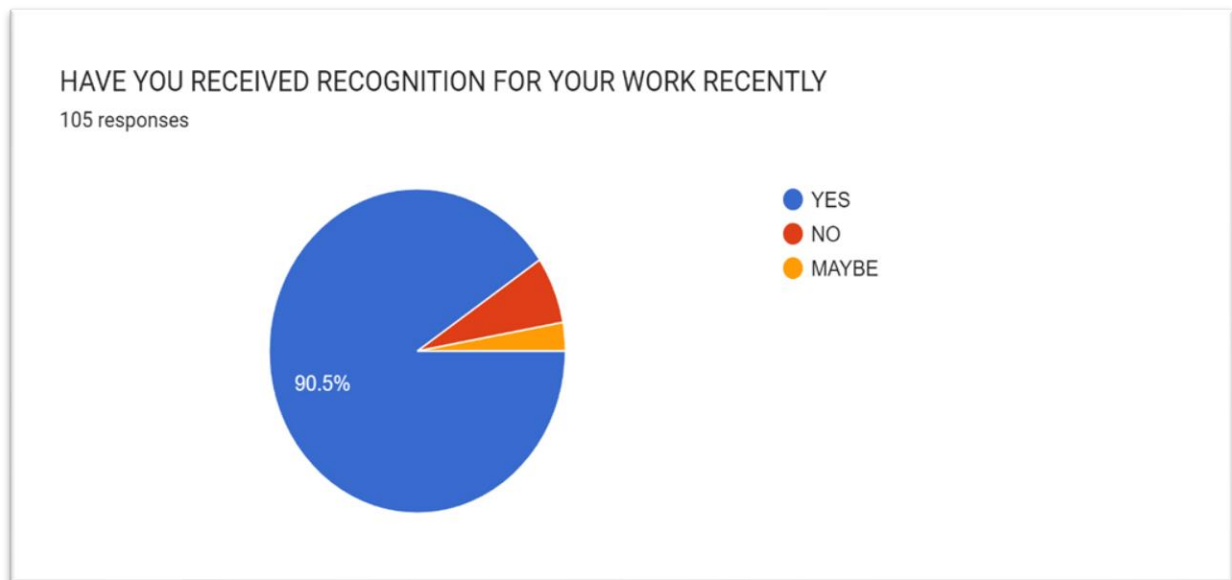
Inference: Majority (86.7%) of the respondents are able to find their potential with the help of performance appraisal.

4.1.13 Showing Respondents view on their recent recognition

Tabel 4.1.13 Showing Respondents view on their recent recognition

PARTICULARS	NO. OF RESPONDENT	PERCENTAGE
Yes	95	90.5%
No	7	6.6%
May be	3	2.9%
Total	105	100%

Chart 4.1.13 Showing Respondents view on their recent recognition



Interpretation: From the above table it is interpreted that 90.5% of the respondents are recognized for their work recently, 6.6% of the respondents are not recognized for their work, 2.9% of the respondents are falls under may be category.

Inference: Majority (90.5%) of the respondents are recognized for their work recently.

4.2 CHI SQUARE ANALYSIS

4.2.1: Chi square analysis between Gender of the respondent and various department of the respondent:

**GENDER OF THE RESPONDENTS
VS
VARIOUS DEPARTMENT OF THE RESPONDENT**

H0 (Null hypothesis)

There is no significant relationship between gender of the respondents and the various department of the respondent.

H1 (Alternate hypothesis)

There is a significant relationship between gender of the respondents and the various department of the respondent.

Showing Chi-Square test between Gender of the Respondent and The Various Department of the Respondent:

Case Processing Summary						
	Valid		Cases Missing		Total	
	N	Percent	N	Percent	N	Percent
GENDER * DEPARTMENT	105	100.0%	0	0.0%	105	100.0%

GENDER * DEPARTMENT			Crosstabulation				
			DEPARTMENT				
			FINANCE	OTHERS	PRODUCTION	SALES AND	Total
GENDER	FEMA	Count	4	3	8	3	18
		Expected Count	2.9	3.4	7.0	4.6	18.0
	MALE	Count	13	17	33	24	87
		Expected Count	14.1	16.6	34.0	22.4	87.0
	Total	Count	17	20	41	27	105
		Expected Count	17.0	20.0	41.0	27.0	105.0

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	1.406 ^a	3	.704
Likelihood Ratio	1.442	3	.696
N of Valid Cases	105		
a. 3 cells (37.5%) have expected count less than 5. The minimum expected count is 2.91.			

Symmetric Measures			
		Value	Approximate Significance
Nominal by Nominal	Phi	.116	.704
	Cramer's V	.116	.704
N of Valid Cases		105	

Interpretation:

At 5% level of significance and DF(3) the table value is 1.406

Calculated value = 0.704

Significance value ($p=0.005$) < calculated value

H1 is accepted.

Inference:

The results of the "Pearson Chi-Square" say that $\chi^2(3) = 1.406$, $p = 0.704$.

This tells us that there is a statistically significant association between gender of the respondents and various department of the respondent.

4.2.2: Chi square analysis between age of the respondent and various factor that helps them to improve their performance in the company:

AGE OF THE RESPONDENTS

VS

**VARIOUS FACTOR THAT HELPS THEM TO IMPROVISE
THEIR PERFORMANCE IN THE COMPANY**

H0 (Null hypothesis):

There is no significant relationship between Age of the respondents and the various factors that helps them to improvise their performance in the company.

H1 (Alternate hypothesis):

There is a significant relationship between Age of the respondents and the various factors that helps them to improvise their performance in the company.

Showing Chi-Square test between Age of the Respondent and The Various Factor that Helps them to Improvise their Performance in the company:

Case Processing Summary							
		Valid		Cases Missing		Total	
		N	Percent	N	Percent	N	Percent
AGE	* WHAT IS THE FACTOR THAT HELPS YOU TO IMPROVISE YOUR PERFORMANCE IN THE COMPANY?	105	100.0%	0	0.0%	105	100.0%

AGE		* WHAT IS THE FACTOR THAT HELPS YOU TO IMPROVISE YOUR PERFORMANCE IN THE COMPANY? Crosstabulation					
		WHAT IS THE FACTOR THAT HELPS YOU TO IMPROVISE YOUR PERFORMANCE IN THE COMPANY?					
			CARRER GROWTH	MOTIVATION	SALARY AND INCENTIVES	WORKING ENVIRONMEN T	Total
AGE	20-25 YRS	Count	0	0	13	4	17
		Expected Count	.3	1.8	12.1	2.8	17.0
	25-30 YRS	Count	1	7	24	5	37
		Expected Count	.7	3.9	26.4	6.0	37.0
	BELOW 20YRS	Count	0	0	6	0	6
		Expected Count	.1	.6	4.3	1.0	6.0
	MORE THAN 30 YRS	Count	1	4	32	8	45
		Expected Count	.9	4.7	32.1	7.3	45.0
Total	Count	2	11	75	17	105	
	Expected Count	2.0	11.0	75.0	17.0	105.0	

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	8.362 ^a	9	.498
Likelihood Ratio	11.547	9	.240
N of Valid Cases	105		

a. 11 cells (68.8%) have expected count less than 5. The minimum expected count is .11.

Symmetric Measures

		Value	Approximate Significance
Nominal by Nominal	Phi	.282	.498
	Cramer's V	.163	.498
N of Valid Cases		105	

Interpretation:

At 5% level of significance and DF(11) the table value is 8.362.

Calculated value = 0.498

Significance value ($p=0.005$) < calculated value

H1 is accepted.

Inference:

The results of the "Pearson Chi-Square" say that $\chi (11) = 8.362$,

$p = 0.498$. This tells us that there is a statistically significant association between age of the respondents and the various factors that helps them to improvise their performance in the company.

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CHAPTER – 5

5.1 Findings:

- 82.9% of the respondents are Male.
- 42.9% of the respondents are more than 30yrs.
- 39% of the respondents are in production department.
- 81% of the respondents are having below 5yrs service.
- 53.3% of the respondents have telling that performance appraisal would help them in motivation.
- 54.3% of the respondents attending performance appraisal meetings yearly.
- 74.3% of the respondents are attending the performance appraisal meeting individually.
- 69.5% of the respondents are strongly agree that the employees in their company are recognized and rewarded accordingly.
- 68.6% of the respondent's performances are rated by supervisors.

- 86.7% of the respondents are agree that the performance appraisal leads to identify the hidden potential of the employees.
- 71.4% of the respondents are satisfied that the performance appraisal salaries and incentives are the factor to improvise their performance.
- 90.5% of the respondent are agree that they were recognized for their work recently
- 90.5% of the respondent were achieved the goal set for their appraisal period
- The first Chi-Square test shows that there is statistically significant association between gender of the respondents and the various department of the respondent.
- The second Chi-Square test shows that there is a statistically significant association between age of the respondents and the various factors that helps them to improvise their performance in the company.

5.2 SUGGESTIONS:

- From the findings it is identified that 80% of the respondents are satisfied that the performance appraisal system that drive the employee to achieve the organizational objective with high performance.

- Performance appraisal system helps to evaluate the employees, motivate the employees and increase their performance level in their work.
- Provide proper training for the better performance the performance appraisal should identify strength and weakness in their job.
- They should Increase the strength and reduce the weakness through the performance appraisal system.
- Performance appraisals make chance to improve the employee's personal skills through training and regular supervisor suggestions.
- Performance appraisal helps to improve the personal skills for the individual employees.
- Supervisors should maintain cordial relationship with workers and offers recognitions of the employee's efforts and provide guidance to employees.
- Employee comments and suggestions should be considered during the appraisal.
- It will be better if the management provide performance and potential appraisal rewards accordingly

5.3 CONCLUSION:

This study analyses the effectiveness of performance appraisal. As per the reports the appraisal system would help in evaluation of the employees. It is helpful in achieving the objectives of the organization. In industry all the employees are aware of the goals and standards of the organizational work; they expressed their satisfaction towards the appraisal system. The employees believe that the appraisal system is helping them to know their strengths and weakness of the employees. The appraisal system is helpful in improving the efforts of the employees and it is beneficial not only for company but also for individual employees as an organization. Human resources are the vital source of every organization. Every employee in organization increases the productivity and goodwill of every company. An employee, being an individual is treated as assets in the organization. So, the organization should mainly emphasis performance appraisal technique and its development program. Both the appraiser and appraise should realize the principle and use the tool of appraisal system in a constructive way for the prosperity of the organization

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QUESTIONNAIRE

1) NAME

2) GENDER

- MALE
- FEMALE
- PREFER NOT TO SAY

3) AGE

- BELOW 20YRS
- 20-25 YRS
- 25-30 YRS
- MORE THAN 30 YRS

4) DEPARTMENT

- PRODUCTION
- FINANCE
- SALES AND DISTRIBUTION
- OTHERS

5) YEAR OF SERVICE

- BELOW 5 YRS
- 6-10 YRS
- 10-15 YRS
- MORE THAN 15 YRS

6) HOW WOULD THE PERFORMANCE APPRAISAL HELP YOU?

- MOTIVATION
- A TOOL FOR SALARY HIKE
- JOB SATISFACTION
- OTHERS

7) WHAT IS THE FREQUENCY OF CONDUCTING APPRAISAL MEETING IN YOUR INDUSTRY?

- MONTHLY
- QUARTERLY
- YEARLY
- HALH YEARLY

8) WHAT IS THE FACTOR THAT HELPS YOU TO IMPROVISE YOUR PERFORMANCE IN THE COMPANY?

- SALARY AND INCENTIVES
- WORKING ENVIRONMENT
- MOTIVATION
- CARRER GROWTH

9) WHAT IS YOUR MODE OF PERFORMANCE APPRAISAL?

- INDIVIDUALLY
- IN TEAM
- GROUP IN ORGANISATION
- OTHERS

10) DID YOU ACHIEVE THE GOAL SET FOR YOU DURING THE APPRAISAL PERIOD

- YES
- NO
- MAYBE

11) DID YOUR COMPANY IS RECOGNIZED FOR YOUR PERFORMANCE AND REWARDED ACCORDINGLY

- STRONGLY AGREE
- AGREE
- NEUTRAL
- DISAGREE
- STRONGLY DISAGREE

12) WHO WILL RATE YOUR PERFORMANCE

- SUPERVISORS
- SUBORDINATES
- HR
- OTHERS

13) DID PERFORMANCE APPRAISAL HELPS YOU TO IDENTIFY YOUR POTENTIAL

- YES
- NO
- MAYBE

14) HAVE YOU RECEIVED RECOGNITION FOR YOUR WORK RECENTLY

- YES
- NO
- MAYB



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To
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(DEEMED TO BE UNIVERSITY)
CHENNAI-600 119.

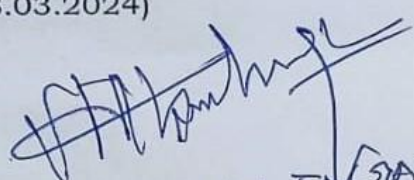
SUB: Accepting student for Project

Respected Madam/Sir,

KM Industries offers a project opportunity for students, we are pleased to select **Mr.Arumugam, Reg.No.41740069** from Sathyabama Institute of Science and Technology for doing project in our company (from 30.01.2024 to 28.03.2024)

Date : 28 Jan 2024

Place : Kumbakonam


CA. ATHMA LINGAM

KUDANTHAI METAL INDUSTRIES
19, Thirumanjana Street,
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Thanjavur District.

THANK YOU