

A STUDY ON ANALYSIS ON PERFORMANCE APPRAISAL SYSTEM IN FIVE-STAR BUSINESS FINANCE LIMITED

Submitted in partial fulfilment of the requirements for the award of

MASTER OF BUSINESS ADMINISTRATION

by

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**DEPARTMENT OF BUSINESS ADMINISTRATION
SCHOOL OF MANAGEMENT STUDIES**

SATHYABAMA

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

**Accredited with Grade "A" by NAAC | 12B Status by UGC | Approved by AICTE
JEPPIAAR NAGAR, RAJIV GANDHI SALAI, CHENNAI - 600 119**

NOVEMBER 2023



SATHYABAMA

INSTITUTE OF SCIENCE AND TECHNOLOGY
(DEEMED TO BE UNIVERSITY)
CATEGORY - 1 UNIVERSITY BY UGC

SCHOOL OF MANAGEMENT STUDIES

BONAFIDE CERTIFICATE

This is to certify that this Project Report is the bonafide work of **MONISHA.A 42410036** who carried out the Project Training “**A STUDY ON ANALYSIS ON PERFORMANCE APPRAISAL SYSTEM IN FIVE-STAR BUSINESS FINANCE LIMITED**” under my supervision from January 2023 to March 2023.

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Submitted for Viva voce Examination held on_____

Internal Examiner
DECLARATION

External Examiner

I **MONISHA.A (42410036)** hereby declare that the Project Report entitled “**A STUDY ON ANALYSIS ON PERFORMANCE APPRAISAL SYSTEM IN FIVE-STAR BUSINESS FINANCE LIMITED**” done by me under the guidance of **DR.K. DHIVYA SATISH** is submitted in partial fulfilment of the requirements for the award of Master of Business Administration degree.

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ACKNOWLEDGEMENT

I am pleased to acknowledge my sincere thanks to Board of Management of **SATHYABAMA** for their kind encouragement in doing this project and for completing it successfully. I am grateful to them.

I convey my sincere thanks to **Dr. G. Bhuvaneswari, MBA., Ph.D., Dean - School of Management Studies** and **Dr. A. Palani, M.Com., M.Phil., M.B.A., Ph.D., - Head - School of Management Studies** for providing me necessary support and details at the right time during the progressive reviews.

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I wish to express my thanks to all Teaching and Non-teaching staff members of the **School of Management Studies** who were helpful in many ways for the completion of the Training.

MONISHA.A

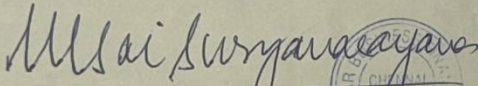
13-10-2023

Sub: Internship Completion letter

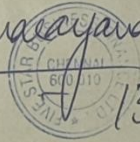
This is to certify that Ms. A. Monisha (Reg No:42410036) second year MBA student of Sathyabama Institute of Science & Technology , Chennai – 600 119 has successfully completed her internship in Human Resources at Five Star Business Finance Limited from 13th September 2023 to 13th October'2023.

We wish her all the best for her future endeavours.

For FIVE STAR BUSINESS FINANCE LIMITED



M. Sai Suryanarayana
Chief People Officer



13/10/23

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ABSTRACT

Performance appraisal (PA) is a crucial technique for improving the skills of employees and organisations. Organizations have implemented performance appraisal to monitor and supervise relationships, growth, and development of individuals and organisations to increase overall productivity and job satisfaction. The human resource department is tasked with employee recruitment, selection, and retention. Retaining personnel, particularly those who are talented and competent, has become a major challenge. Motivation initiates, guides, and maintains an individual's goal-oriented behaviour. Employee retention is mostly determined by motivation. To inspire and retain employees, PA guidelines are used to assess workers, develop their competence, improve their performance, and issue awards. The focus of this research is on a survey of several performance appraisal systems used in organisations. This paper focuses and analyses performance appraisal system in five-star business limited.

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CHAPTER 1 INTRODUCTION

1.1. INTRODUCTION:

Once the employee has been selected, trained and motivated, he is then appraised for his performance. Performance Appraisal is the step where the Management finds out how effective it has been at hiring and placing employees. If any problems are identified, steps are taken to communicate with the employee and remedy them.

“Performance Appraisal is a process of evaluating an employees performance in terms of its requirements.”

Performance Appraisal can also be defined as 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 purposes of administration including placement, selection for promotions, providing financial rewards and other actions which require differential treatment among the members of a group as distinguished from actions affecting all members equally.

NEED FOR PERFORMANCE APPRAISAL

- To provide adequate feedback to each person on his or her performance
- To serve as a basis for modifying or changing behaviour toward more effective working habits
- To provide data to managers with which they may judge future job assignments

OBJECTIVE OF PERFORMANCE APPRAISAL

Helps employees to set goals

Employees need to know what you expect them to do or improve upon, whether the goals are geared toward customer service, operations, or professional development.

It's also beneficial to write a game plan to help your employees meet and exceed their objectives. The goals should be specific, measurable, achievable, relevant, timely(SMART).



Motivate high-performing employees

Performance appraisals allow you to effectively communicate what superior performance looks like, whether that's short resolution times for service calls or thinking fast in a crisis and how employees can do more of it. Provide support for promotion and raises

By taking the time to measure how an employee is doing, whether or not they met last quarter's goals, it's much easier to determine how much you'll raise their salary or if they're ready for a promotion.

Improve organization performance

With a strong performance appraisal system that's organized and consistent across departments, you can instill the importance of superior employee performance from the top down. This synchronicity improves productivity and profitability.

PROS OF PERFORMANCE APPRAISAL

Performance improvement

Appraisal systems always aim at improving the performance of employees. It helps to analyse and evaluate opportunity factors such as technology and social process.

Development of employees

Appraisal systems determine which employee needs more training and becomes primary source of information regarding the strengths and potentialities of the employees.

Career planning

Performance appraisal serves as a valuable tool in the case of career planning to the employees, since it helps in preparing SWOT analysis of every employee.

CONS OF PERFORMANCE APPRAISAL

The halo effect

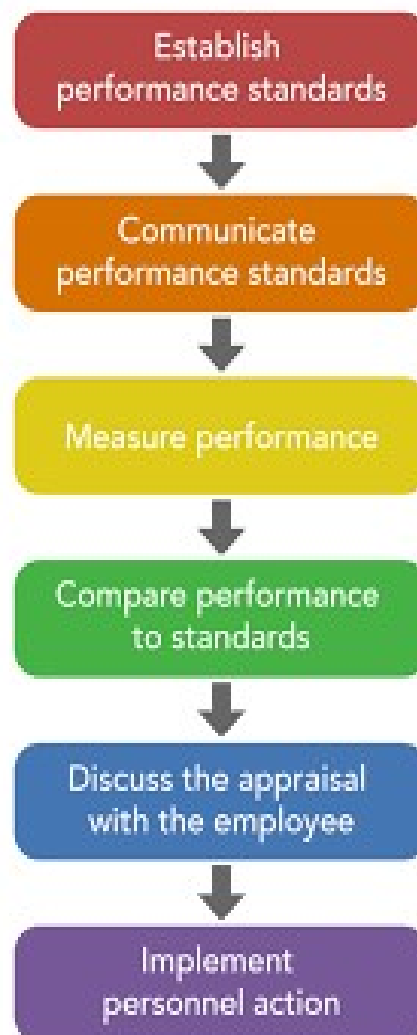
Halo effect is defined as the 'influence of a rater's general impression on ratings of specific rate qualities'. It tends to occur when an evaluation rates an employee high on all jobs criteria, even if he has performed well only in one area. Contrast error

The rating is always based on performance standards. The contrast error occurs when employee is rated without taking into account the performance standard. This can also occur if a rater compares an employees present performance with their past performance.

Rater bias

The rater's prejudices and biasness can also influence rating. For example, a supervisor can underrate an employee based on race, sex, religion, appearance and favouritism.

STEPS IN PERFORMANCE APPRAISAL



METHODS IN PERFORMANCE APPRAISAL



Ranking method

The ranking method is possibly one of the oldest employee performance appraisal methods. The process involves assessing an employee according to a set of parameters compared to all the other employees. Essentially, this places them in order of the most to the least productive. Although the ranking method has been around for quite some time, its advantages are limited and do not result in extremely useful outcomes. It is implemented in different variations, and each variation has its own benefits

RANKING METHOD				
Employee is evaluated by different Supervisors with ranks and then these ranks are grouped to see which employee is rated "BEST". E.g.				
Subordinates	A	B	C	Mean Rank
Mohan	2	4	3	3.0
Kumar	1	2	1	1.3
Sunil	3	1	2	2.0
Bharat	5	3	4	4.0
Ravi	4	5	5	4.6

Essay appraisal

Here, a manager draws out a relatively detailed essay about an employees performance. Several questions could be presented to the manager, who would then reflect the employees' performance in a written report. These types of appraisals generally address quite a few aspects of an employees contribution in their role. These essays are intended to explain and record an employees strengths and limitations in the workplace, as well as to identify problem areas and devise a strategy to address them.

Employee Appraisal Form – Essay Appraisal

Date: _____	
Name of Employee: _____	Completed By: _____
A. Most successful job accomplishments since last performance period:	
1. _____	
2. _____	
3. _____	
4. _____	
B Key strengths of employee:	
1. _____	
2. _____	
3. _____	
4. _____	
C. Problems since last performance	
1. _____	
2. _____	
3. _____	
4. _____	
D. Key areas that need improvement	
1. _____	
2. _____	
3. _____	
4. _____	

Paired comparison

This method involves comparing employees against each other, meaning one-on-one. This method traditionally selects a particular trait on which to focus. The process is quite simple. The designated 'rater' selects slips with two names on them, then proceeds to mark the one they believe is the better one. The number of times the employees name gets marked for specific traits decides how high up on the list they will be. The formula to determine how many pairs are possible for the number of employees is $N(N-1)/2$, where N = total employees being assessed

Paired Comparison Method

Employee Rated →

↑ Compared To

	Ramesh	Suresh	Adesh	Rakesh	Pritesh
Ramesh	-	😊	😊	😊	😞
Suresh	😞	-	😊	😞	😞
Adesh	😞	😞	-	😞	😞
Rakesh	😞	😊	😊	-	😞
Pritesh	😊	😊	😊	😊	-

Checklist method

Managers are provided with a set of questions. The questions can be yes/no type, statements, or even multiple-choice questions. The respondents can then select how much or how little they agree with that statement.



asanify

Example of a Checklist

- ☐ Follows instructions well
- ☐ Arrives late to work
- ☐ Finishes assignments on time
- ☐ Team player
- ☐ Helps other employees when they need help
- ☐ Sound technical knowledge for the job
- ☐ Pro-active by nature
- ☐ Doesn't work well in teams

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Critical incident method

This employee performance appraisal method focuses on fundamental behaviors that impact how a job is carried out. Critical incidents refer to incidents that either positively or negatively affect how a job function is performed. For example, in customer service, 'level of empathy' could be on the list. The process starts with listing specific behaviors that affect the job role. A panel of experts then sets about placing weightage on these particular behavior incidents. The next part is creating a checklist. Here, the 'rater' chooses and marks whether the employees specific behaviour leans towards good or bad.

Critical Incidents Method		
Ex: A fire, sudden breakdown, accident		
Workers	Reaction	scale
A	Informed the supervisor immediately	5
B	Become anxious on loss of output	4
C	Tried to repair the machine	3
D	Complained for poor maintenance	2
E	Was happy to forced test	1

Management by objectives

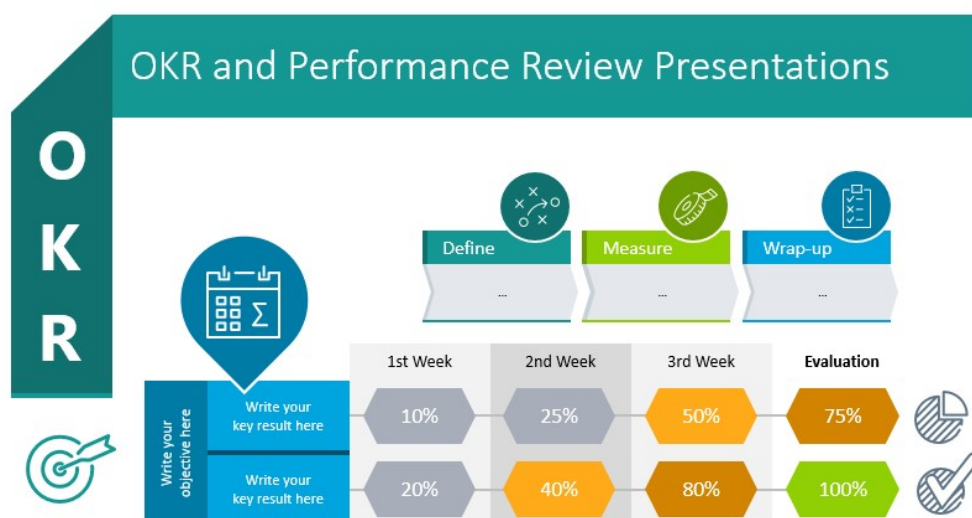
In the simplest terms, Management by Objectives is a method of creating an objective set of goals. The manager does this in collaboration with employees. The goals are then discussed and reviewed at specified intervals. MBO is one of the most sought-after and commonly implemented performance appraisal methods.

Behaviourally anchored rating scales

Behaviourally Anchored Rating Scales rate an employee's specific behavioral traits that relate to performance. Each statement or question has additional statements that describe the extent to which that employee displays that particular behavior. One of its distinguishing features is that it also considers an employee's intangible characteristics and maps them to a rating scale.

The OKR method

This modern performance appraisal method has gained immense relevance in recent times. In essence, the OKR method (Objectives and Key Results Method) is a performance management tool that outlines, communicates, and measures goals within an organization, thereby allowing all the employees to work towards a common goal. However, different levels of the organization set different goals and track different metrics.



360-degree appraisal

It involves collecting feedback on specified parameters about an employee from their peers, subordinates, managers, and others who may interact professionally with them. It also requires the employee to complete a self-evaluation. In simpler words, all-rounded feedback from everyone the employee is associated with. The report is then generated using average ratings from the respondents and can, in turn, be compared with the employee's self-evaluation. It is then used to create an action plan for them. Their performance is then reviewed periodically.

Cost accounting method

It is an efficient and practical modern method of performance appraisal and evaluation. The cost of that employee executing their job function, such as salary, benefits, and others, is compared to the monetary value they bring to the organization.

1.2. COMPANY PROFILE:

COMPANY OVERVIEW

Despite the numerous advancements that India has achieved over the last few decades and the significant strides that we as a country have made in the domain of financial services, a large portion of our country is still un-banked / underbanked.

We passionately believe in the fact that “un-banked” does not necessarily mean “un-bankable”. In a country as large and as diverse as ours, it takes efforts to access, understand and extend appropriate and responsible credit services to this segment. Over the last two decades, Five-star have been working as a specialized financial services company in addressing the needs of this segment, funding the people who were perceived to be unfundable. The businesses that we work with can be touched and felt in our everyday lives and are businesses that

create real impact on the ground. Our customers include all the way from small Shop owners, flower vendors, maids, masons to small and medium enterprises that form the backbone of India's economy.

SERVICES WE OFFER

Five-star provides Small Business loans and Small Mortgage loans to eligible borrowers to meet their business and personal needs, after due underwriting of their cashflows and backed by the collateral of their house property.

Five-star provides secured loans to micro-entrepreneurs and self-employed individuals for business purposes, as well as for asset creation such as home renovation or improvement, or for meeting expenses for significant economic events such as marriage, healthcare and education.

The typical loan ticket ranges between Rs 1 lakh to Rs 10 lakhs for a tenure up to 7 years. The repayments are to be made on a monthly equated basis."



Business Loans

**Loans provided to borrowers for furthering their existing businesses,
starting new businesses.**



Mortgage Loans

Loans provided for takeover from other institutions, to meet family needs like education requirements, medical emergencies.

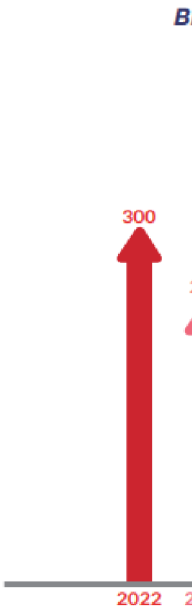
About company

- Credit ration:AA.
- Branches:373.
- Customer:294000.
- Portfolio:6915 cr.
- Employees:7347.

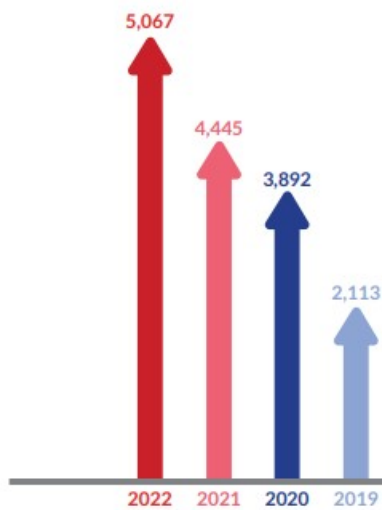
LOAN DISBURSEMENTS
(In Crores)



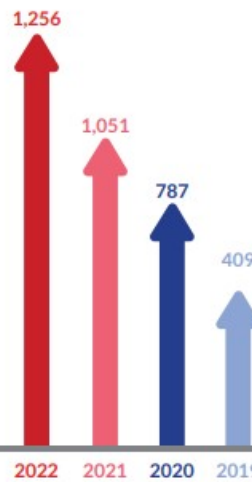
Business



LOAN PORTFOLIO
(In Crores)



REVENUES
(In Crores)



PROFIT AFTER TAX (PAT)
(In Crores)



Lending Relationships

Banks	NBFCs
Axis Bank	Aditya Birla Finance
AU Small Finance Bank	AK Capital
Bandhan Bank	Arka Fincap
Bank of Baroda	Bajaj Finance Ltd
Bank of India	Cholamandalam Inv & Fin Co Ltd
Bank of Maharashtra	Hero Fincorp
Central Bank of India	Hinduja Leyland Finance
City Union Bank	MAS Financial Services
CSB Bank	Nabkisan Finance
DCB Bank	Nabsamruddhi Finance
Equitas Small Finance Bank	Northern Arc Capital (formerly IFMR Capital)
Federal Bank	Sundaram Finance
HDFC Bank	Tata Capital
HSBC	
ICICI Bank	
IDFC First Bank	
Indian Overseas Bank	
IndusInd Bank	
Karnataka Bank	
Karur Vysya Bank	
Kotak Mahindra Bank	
Punjab National Bank	
RBL Bank	
SBM Bank	
State Bank of India	
Ujjivan Small Finance Bank	
Union Bank of India	
Utkarsh Small Finance Bank	
YES Bank	

Location:

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chennai - 600010.

Email : customercare@fivestargroup.in

Telephone : 044-23460957/8, +91-78255555

Vision

Reaching the Unreached through suitable credit solutions..

A large section of our country's population remains outside the realms of funding availability and Five-star aims to bridge the funding gap of this segment.



Mission

Provide appropriate credit solutions to the hitherto unreached segment of the market by developing a niche underwriting model, built towards evaluating the twin strengths of the borrowers' intention to repay and ability to repay, with the ultimate objectives of increasing customer satisfaction and maximising stakeholder returns.

- Reaching the unreacher
- world wide lone provider
- Open more new branches □ Incess capital

Small loans for Business & Other purposes.

Five-star provides secured loans to micro-entrepreneurs and selfemployed individuals for business purposes, as well as for asset creation such as home renovation or improvement, or for meeting expenses for significant economic events such as marriage, healthcare and education. The typical loan ticket ranges between Rs 1 lakh to Rs 10 lakhs for a tenure up to 7 years. The repayments are to be made on a monthly equated basis.

FIVE-STAR BUSINESS FINANCE LIMITED LOGO

FIVE STAR BUSINESS FINANCE IPO



1.3 STATEMENT OF THE PROBLEM

The study of research purpose is to know about the performance appraisal system carried in five-star business finance limited.

1.4 OBJECTIVES OF THE STUDY

Primary objective

- To study on analysis on performance appraisal system in Five-star business finance limited.

Secondary objective

- To know the methods of performance appraisal used in Five-star business finance limited.
- To know the employees opinion about performance appraisal procedure.
- To analyse whether there is any biased behaviour during performance appraisal process.
- Provide recommendations for improving the performance appraisal system

1.5 SCOPE OF THE STUDY

The scope of this report will be confined to performance appraisal system for retain the talent in the organization. By the study it can be possible to learn how to find out the talent from the existing organization, what sort of reward have to provide, what type of training have to provide for career growth, what type of motivation have to provide for job satisfaction for high productivity. What type of step should the organization take to build up a future leader and what type of objective have to fulfil by them. By the performance appraisal how the organization can achieve the organizational goal. The organization will be benefited from the study. It will be able to identify the weakness and strength of its performance appraisal system and will be able to take necessary steps to make their system more effective. An effective performance appraisal system will contribute to the human resource development process of the concerned organization.

1.6LIMITATIONS OF THIS STUDY

|| The study is restricted to only 100 employees of five-star business finance
|| limited.

The information provided by the respondents could also be biased or
|| inaccurate. No independent verification of the data was
|| possible. Time is a major constraint.

Information from more employees would have made this study more exhaustive
but due to time limitations it is not possible.

|| The respondents chosen were busy and have less time to answer the
questionnaires.

CHAPTER 2 REVIEW OF LITERATURE

2.1 REVIEW OF LITERATURE

In this Chapter, the researcher has made an attempt includes, understanding the basic concepts of Employee engagement and analysing research studies made by earlier researchers in respect of strategies that are used by company to make employee get engaged, for this, the researcher has used various books, research Journals and websites. The detailed list is further elaborated in the Bibliography. Through this Literature Survey researcher wants to find out which are the important parameters of employee engagement.

- **Venclova Katerina(2013)'IDENTIFICATION OF EMPLOYEE PERFORMANCE APPRAISAL METHODS IN AGRICULTURAL ORGANIZATION'**- The article focuses on employee performance appraisal methods used in Czech agricultural enterprises. The first section of the article looks into the theoretical underpinnings of the term "formal appraisal" as well as employee performance appraisal methodologies as described by Czech and international experts. Furthermore, the paper provides staff performance appraisal methodologies that are regarded relevant for agricultural enterprises in the Czech Republic, based on a questionnaire study. The purpose of this paper is to determine the current condition of formal employee appraisal in a sample group of agricultural enterprises, as well as to investigate the relationships between various qualitative qualities. Predetermined goal-based performance appraisal, predefined standard outcome-based performance appraisal, and assessment interviews are the most often utilised techniques of employee performance review in agricultural enterprises, according to the findings. Agricultural firms use these methods in particular because the results are applied to other aspects of human resource management, such as the reward system and staff planning. In statistical terms, the relationship between agricultural

organisations' approach of employee performance appraisal based on predefined goals and personnel planning (a human resources management area) has been established

- **Ashima Aggarwal, Gour Sundar Mitra Thakur (2013)'TECHNIQUES OF PERFORMANCE APPRASIAL'**- Performed a review of performance appraisal methods Ranking, Graphic Rating Scale, Critical Incident, Narrative Essays, Management By Objectives, Assessment Centers, BARS, 360 Degree, and 720 Degree are some of the performance appraisal approaches discussed, as well as their benefits and drawbacks. The traditional method of performance appraisal or the modern method of performance appraisal are used by the organisations. Organizations utilise a performance appraisal system to assess the efficacy and efficiency of their personnel. Because each individual approaches their task differently, a performance appraisal system is required. Workplace performance, communication objectives, estimating employee potential, and employee counselling are all benefits of performance appraisal. After the research, the authors came to the conclusion that determining whether methodology is better than another is challenging because it relies on the nature and size of the organisation. Each methodology has its advantages and disadvantages.
- **Peter R. Scholtes (1993) 'TOTAL QUALITY OR PERFORMANCE APPRAISAL'**- The research is based on a comparison of total quality or performance appraisals. TQM and performance appraisal, according to the author, are incompatible. Customer awareness, systems thinking, a grasp of variance, teamwork.
- **Archana V.Gaur and Shendge Rajendra(2021)'A LITERATURE REVIEW ON PERFORMANCE APPRAISAL METHODS / TECHNIQUES PJAE'**Appreciation, mastery of improvement methodologies, and a comprehension of the process of personal motivation and learning are all required for TQM. TQM's very requirements are thwarted by performance

appraisal. TQM necessitates that we comprehend, control, and improve processes in order to benefit the consumer. The goal of performance appraisal is to ensure that an individual's behaviour is controlled to the satisfaction of his or her boss. Managers must choose between the two approaches: one or the other, but not both.

- **Rocio de Andres (2010) 'PERFORMANCE APPRAISAL BASED ON DISTANCE FUNCTION METHODS'**-looked into Distance function approaches are used to evaluate performance. Some companies use performance appraisal to analyse their employees' efficiency and production in order to plan their promotion, wage, and layoff policies, among other things. Initially, only the executive staff carried out this procedure, but it has since grown into an evaluation process based on the opinions of many reviewers, supervisors, collaborators, consumers, and the employees themselves (360-degree method). Reviewers analyse several signs connected to an employees performance appraisal in such a process. The authors of this research proposed an evaluation system in which diverse groups of reviewers participate in the evaluation process. Given that reviewers have varying levels of knowledge about the employee being evaluated, it appears reasonable to provide a flexible framework in which reviewers can express their opinions on multiple finite scales based on their expertise. The ultimate goal is to create a global appraisal for each employee that the management team may use to make decisions about human resources strategy. In this way, the authors suggested a mechanism for aggregating individual valuation in a framework measure in order to achieve a global evaluation for each employee. The underlying optimization problems can be simplified to a fairly simple Extended Goal Programming formulation in this application.
- **Yee C. C. and Y.Y.Chen(2009) 'EVALUATION OF THE EMPLOYEE CORE COMPETENCIES INFLUENCING THE PERFORMANCE APPRAISAL'**-The Multifactorial Evaluation Model was studied in relation to the Performance Appraisal System. Employee performance evaluation is critical in managing an organization's human resource. Maintaining talented

knowledge workers is crucial as the economy shifts to information-based capitalism. However, deciding whether a performance is "excellent," "bad," or "average" is a difficult issue for management. Furthermore, in the absence of a formal appraisal system, superiors may prefer to rate their subordinates' work performance informally and arbitrarily. The authors of this work suggested a performance appraisal system that uses a multifactorial evaluation model to deal with appraisal grades that are frequently expressed in ambiguous linguistic ways. The proposed methodology is for assessing employee performance based on predetermined performance appraisal criteria. The project was a partnership with one of Malaysia's leading information and communication technology companies on its performance rating procedure.

- **Angelo DeNisi & Caitlin E. Smith(2014) 'LITERATURE REVIEW ON PERFORMANCE APPRAISAL METHODS / TECHNIQUES'** Researched the design and implementation of performance assessment and management systems to improve efficiency. The study focuses on a model that demonstrates how enhanced performance requires solid HR practises, fair assessment systems, effective performance management, and a clear understanding of an organization's overall strategic goals. The model is supported by three pillars: motivation, evaluation, and results management. The model depicts a perception of a relationship between effort put in and expected outcomes, as well as a perception of a relationship between the achieved result and the expected level of assessment, and a perception of a link between the level of evaluation and the evaluation's outcome. These connections lay the groundwork for figuring out how assessment and input might lead to better results. After analysing the academic and practise classes, the researcher determined that utilising a motivating method was the best way to incorporate the numerous minutes and parts that had been obtained, and offered a research framework based on the findings. A
- **Rafiqui (2006)** ' According to this notion, an effective performance evaluation system is a tool for evaluating employee performance and

recommending ways to increase individual and organisational efficiency. Employee performance evaluations using the AHP (analytic hierarchy process) on ISMS personnel are the topic of this case study. AHP can be used to assess employee output in terms of quantity and quality of work, planning and organisation, initiative and commitment, collaboration and cooperation, communication, and external influences. The usage of AHP in the ISMS Company has a number of benefits, including the fact that it is quick and easy to adopt due to its standardisation, and it may meet subjective needs. It instantly assembles a team of decision-makers to address a specific issue.

- **Abteen Ijadi Maghsoodi (2018) 'Ranking and selecting the best performance appraisal method using the MULTIMOORA approach integrated Shannon's entropy'**-The selection of appropriate Performance Appraisal (PA) techniques and financing scales for organisations in today's dynamic and agile environments is a challenging subject. Performance appraisal has evolved into a strategic strategy to merging company policies with human resource activities in modern enterprises. Finding the best PA approach is more difficult due to the presence of various elements in the decisionmaking process. The current study uses a multiple criteria decision analysis method, MULTIMOORA integrated Shannon's entropy significant coefficient, to examine PA methods. Using correlation coefficients of the final entropy values, the final rankings of the organizational components are compared to TOPSIS and TOPSIS incorporated Shannon's entropy approaches. A case study on the optimal PA method selection is analysed by identifying the criteria and alternatives based on the literature and expert comments of the case study using two approaches, MULTIMOORA and Entropy MULTIMOORA. Finally, the selected optimal method used in the case study and results are displayed and detailed with a thorough example after determining the ideal PA technique, which is 360-degree feedback.
- **Manish Khanna(2014) 'Employees Performance Appraisal and its techniques'**- Performance appraisal is significant since it is an important

part of any company's human resource strategy. Managing individual and team performance to accomplish corporate goals has a clear value. Performance appraisal is a significant instrument in the hands of personal management because it achieves the department's major goal of appraising the individual's worth, which is the major goal of the department of people development. Employees and their supervisors can collaborate to improve job results and satisfaction through the performance management process. When both the employee and the supervisor take an active role and work together to achieve the organization's goals, this approach is most effective. The management and the employee meet once a year for an appraisal. However, various trends are altering the appraisal's style and interaction. The authors reviewed certain unstructured appraisal methodologies, classic methodologies, and new performance appraisal strategies in this paper.

- **Yoganandan, Saravanan and Priya (2013) 'A STUDY ON PERFORMANCE APPRAISAL SYSTEM IN EID PARRY'**- A pilot study of 56 employees focused on the performance evaluation system and the organization's growth. It looked at how the present PAS aids employee career development as well as employee participation in the performance evaluation process. The current evaluation method, which uses the IBHAR software, is well received by employees. Participation of employees in the development of performance assessment goals and priorities. The value of an employees strengths and faults is underlined during the appraisal process. The result is good, indicating that employees are always improving in order to reach the company's growth goals
- **Devries, Morrison, Shullman and Gerlach (1981) 'PERFORMANCE APPRAISAL ON LINE'**- define performance appraisal as a process by which an organization measures and evaluates an individual employees behavior and accomplishments for a finite period.
- **Eichel and Bender (1984)'THE ROLE OF THE INTERVIEW IN THE PERFORMANCE APPRAISAL PROCESS'**- 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.

- **Churchill et al., (1985) 'THE DETERMINANTS OF SALESPERSON PERFORMANCE: A META-ANALYSIS'**- Appraisals are generally considered to have a positive influence on performance, but they also may have a negative impact on motivation, role perceptions, and turnover when they are poorly designed or administered.
- Scheneier, Richard & Lloyd (1986) is concerned with three possible measures namely assessing results, behaviors, and personal characteristics. Each dictates a specific type of appraisal format based on competency or job related behavior. These forms of appraisals are made by single or multi rater (two or more of supervisor/peer/self/subordinate/outsider)
- **Prince and Lawler (1986) 'DOES SALARY DISCUSSION HURT THE DEVELOPMENTAL PERFORMANCE APPRAISAL?'**- found that the constructs "work planning and goal setting" and "discuss performance attributes" exerted a positive influence on employees' satisfaction with and perceived utility of the performance appraisal. In contrast, the construct "career development" showed little influence on performance appraisal satisfaction.
- **Cleveland, Murphy, and Williams, (1989) 'MULTIPLE USES OF PERFORMANCE APPRAISAL: PREVALENCE AND CORRELATES'**- Development provided by the immediate supervisor has been shown to be an important and common use of performance appraisal.
- **Vroom (1990) 'CIVIL SERVANT'S PERFORMANCE APPRAISAL INFLUENCING EXPECTANCY'**- states that formal performance appraisal plans can be designed to meet the following key needs: (a) the organization; (b) the supervisor; and © the employee. He stresses the need for effective evaluation as it can effectively serve these critical areas.
- **Denhardt (1991) 'A STUDY ON EFFECTIVENESS OF PERFORMANCE APPRAISAL SYSTEM IN MANUFACTURING INDUSTRIES IN INDIA'**-

defines performance appraisal as a specific evaluation with respect to an individual's progress in completing specified tasks.

- Wanna et al (1992) 'define the objective of staff appraisals as "to improve planning and service delivery at the general level, but also to provide feedback to individual officers".
- **Cleveland, Murphy, and Williams (1989) 'MULTIPLE USES OF PERFORMANCE APPRAISAL'**- Argued that there is a relationship between organizational characteristics and the uses of a performance appraisal system. Stonich (1984) also argued that performance measurement in an organization should be in tune with its structure and culture. Since the nature of the enterprises in which each industry is engaged varies, its organizational type, business policy, internal and external environment are also usually different. The purpose of this study is to conduct a direct comparative analysis of performance appraisal system in the service and manufacturing industries.
- **Apart from organizational control, Ilgen, Barnes-Farrell, and McKellin (1993) 'PERFORMANCE APPRAISAL PROCESS RESEARCH'**- concluded, from their extensive review of the literature since the 1980s about performance appraisal, that there are four aspects that need to be considered. In practice performance appraisal systems cover a wide range of these aspects, and seldom have exactly the same nature and functions. In order to integrate findings in the area, Chu (2002) proposed a comprehensive framework including six categories, namely, appraisal purposes, appraises personnel, appraisal criteria, appraisal methods, appraisal timings, and appraisal feedback. This study will adopt this framework to compare performance appraisal systems in the service and manufacturing industries
- **Cherry (1993) 'EFFECTS OF PERFORMANCE APPRAISAL'**- however sees the appraisal process as fundamental to the success of organizational change initiatives citing the work of the "powerful formative effects (of

performance management) on the organisational power structure, on the workforce skill profiles and on corporate culture”

- **Moulder (2001) ‘ENHANCING ORGANIZATIONAL EFFECTIVENESS BY PERFORMANCE APPRAISAL, TRAINING, EMPLOYEE PARTICIPATION, AND JOB DEFINITION’**-states that performance appraisals are valued for defining expectations and measuring the extent to which expectations are met. She goes on to state that appraisals can make clear to employees where they are having success and where they need to improve performance. Moulder indicates that appraisals are useful in setting goals and in fostering improved communications among work groups and between employees and supervisors
- **ICMA (2005) ‘PERFORMANCE APPRAISAL FUNDAMENTALS’**- states that almost all employees are eager to know how well they are doing in their jobs, but many dread the meetings in which their performance is to be discussed.
- **According to Angelo S. DeNisi and Robert D. Pritchard (2006) ‘PERFORMANCE APPRAISAL, PERFORMANCE MANAGEMENT AND IMPROVING INDIVIDUAL PERFORMANCE’**-"Performance appraisal" is a discrete, formal, organizationally sanctioned event, usually not occurring more frequently than once or twice a year, which has clearly stated performance dimensions and/or criteria that are used in the evaluation process. Furthermore, it is an evaluation process, in that quantitative scores are often assigned based on the judged level of the employees job performance on the dimensions or criteria used, and the scores are shared with the employee being evaluated.
- **Lillian, Mathooko & Sitati (2011) ‘EVALUATING ORGANISATIONAL USES OF PERFORMANCE APPRAISAL SYSTEM’**- The information gathered and performance appraisal provide basis for recruitment and selection, training and development of existing staff, and motivating and maintaining a quality human resource through correct and proper rewarding of their performance.

- **Sharma (2012) 'A STUDY ON IMPACT OF PERFORMANCE APPRAISAL ON EMPLOYEE PERFORMANCE'**-these methods are less structured than the traditional method which is less focused on the rankings and ratings and more emphasis on arranging meetings between employees and supervisor.

CHAPTER 3 RESEARCH METHODOLOGY

3.1. METHODOLOGY:

Research methodology is mainly needed for the purpose of framing the research process and the designs and tools that are to be used for the project purpose. Research methodology helps to find Employee engagement in the company. This time research methodology is framed for the purpose of finding the level of Employees in the Current System. To know the attitude of the Employees data is collected through a structured questionnaire.

3.2. RESEARCH DESIGN:

Descriptive Research Design

Descriptive research is a study designed to depict the participants in an accurate way. More simply put, descriptive research is all about describing people who take part in the study.

3.3. SAMPLING TECHNIQUE:

Convenience sampling method

A convenience sample is one of the main types of non-probability sampling methods. A convenience sample is made up of people who are easy to reach.

3.4. SOURCES OF DATA:

In this research, internal and external source of data are used. Collected raw materials through facts and figure of researcher's works. Collecting data from company records and document, these are all internal data and other data are external.

In data collection, there are 2 types

➤ **Primary Data**

It is a source of collecting data by first-hand information through observation, direct communication or personal interviews of respondent's customers. In this, questionnaire is used for conducting personal interviews and for collecting the data.

➤ **Secondary Data**

It is collected from standard books, internal sources, magazines and newspapers and also collecting data from external and internal sources from the company annual reports, company additional profile and company internal website.

3.5. STRUCTURE OF QUESTIONNAIRE:

Questionnaire was divided into two sections. First part was designed to know the general information about EMPLOYEES and the second part contained the respondent 's opinions about performance appraisal system in five-star business finance limited.

3.6. SAMPLE SIZE

The sample size for this research project is 100

SAMPLE DESIGN

It is a particular definite plan formulation before collecting the data from population.

The research should select a particular sample. In sampling, there are 2 types- probability sampling and non-probability sampling. In this research, only nonprobability sampling is used.

➤ **Sampling**

- Sampling design : Non-probability sampling
- Sampling technique: convenience sampling

- Sample unit : Employees
- Sample size : 100 respondents

3.7. PERIOD OF STUDY

The period of the study is to determine that research process is carried out for 1month.

3.8. AREA OF THE STUDY:

The targeted people are the employees worked in Five-star business finance limited head office.

3.9. HYPOTHESIS:

HYPOTHESIS - 1

- ▶ H0: There is no significant difference between the age of the employees and their experience.
- ▶ H1: There is a significant difference between the age of the employees and their experience.

HYPOTHESIS - 2

- ▶ H0: There is no significant difference between years of experience in five-star business finance limited and method of performance appraisal employees prefer.
- ▶ H1: There is a significant difference between years of experience in five-star business finance limited and method of performance appraisal employees prefer.

3.10. TOOLS FOR ANALYSIS:

Questionnaire was created in order to receive the necessary response required from the sample to achieve the research objective. The tools used for this are

3.10.1. PERCENTAGE ANALYSIS

Research questions are always answered with a descriptive statistic: generally, either percentage or mean. Percentage is appropriate when it is important to know how many of the participants gave a particular answer. Generally, percentage is reported when the responses have discrete categories.

3.10.2. ANALYTICAL TOOLS(SPSS)

Tool for testing the Hypothesis (SPSS)

- Anova

- Correlation

ANOVA TEST

One-Way ANOVA ("analysis of variance") compares the means of two or more independent groups in order to determine whether there is statistical evidence that the associated population means are significantly different. One-Way ANOVA is a parametric test. This test is also known as: One-Factor ANOVA

CORRELATION

Correlation analysis in research is a statistical method used to measure the strength of the linear relationship between two variables and compute their association.

➤PEARSON CORRELATION

The Pearson correlation coefficient (r) is the most common way of measuring a linear correlation. It is a number between -1 and 1 that measures the strength and direction of the relationship between two variables.

**CHAPTER 4 DATA ANALYSIS AND INTERPRETATION 4.1.
PERCENTAGE ANALYSIS TABLE 4.1.1**

PARTICULARS	NUMBER OF RESPONDENTS	PERCENTAGE
FEMALE	46	46
MALE	54	54
TOTAL	100	100

GENDER OF THE RESPONDENTS

SOURCE:

Primary Data

INTERPRETATION:

Table 4.1 indicates that 46% of the respondents were female and the remaining 54% of the respondents were male.

CHART 4.1.1

GENDER OF THE RESPONDENTS

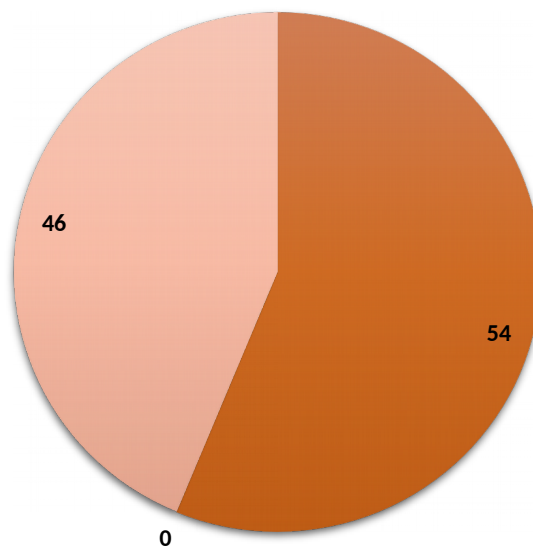


TABLE 4.1.2

AGE OF THE RESPONDENTS

PARTICULARS	NUMBER OF RESPONDENTS	PERCENTAGE
18-25 YEARS	26	26
26-45 YEARS	53	53
MORE THAN 45 YEARS	21	21
TOTAL	100	100

SOURCE:

Primary Data

INTERPRETATION:

Table 4.2 indicates that 26% of the respondents belong to the category 18-25 years, 53% of the respondents belong to the category 26-45 years and the remaining 21% of the respondents falls under the age group of above 45 years.

CHART 4.1.2

AGE OF THE RESPONDENTS

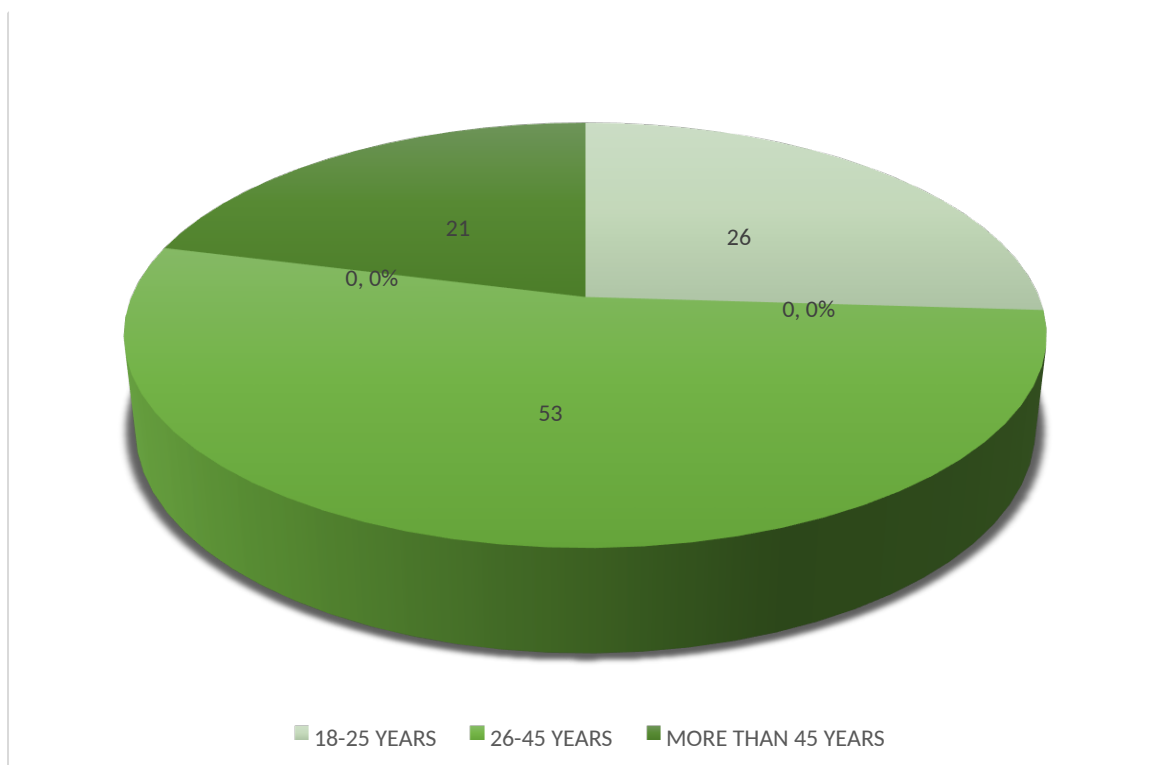


TABLE 4.1.3

EXPERIENCE OF THE RESPONDENTS

PARTICULARS	NUMBER OF RESPONDENTS	PERCENTAGE
less than 1 year	11	11
2-4 years	40	40
5-7 years	29	29
above 7 years	20	20
Total	100	100

SOURCE:

Primary Data

INTERPRETATION:

Table 4.3 indicates that 11% of the respondents have the experience of less than 1 year, 40% of the respondents have the experience of 2-4 years, 29% of the respondents have the experience of 5-7 years and the remaining 20% of the respondents have the experience of above 7 years.

CHART 4.1.3

EXPERIENCE OF THE RESPONDENTS

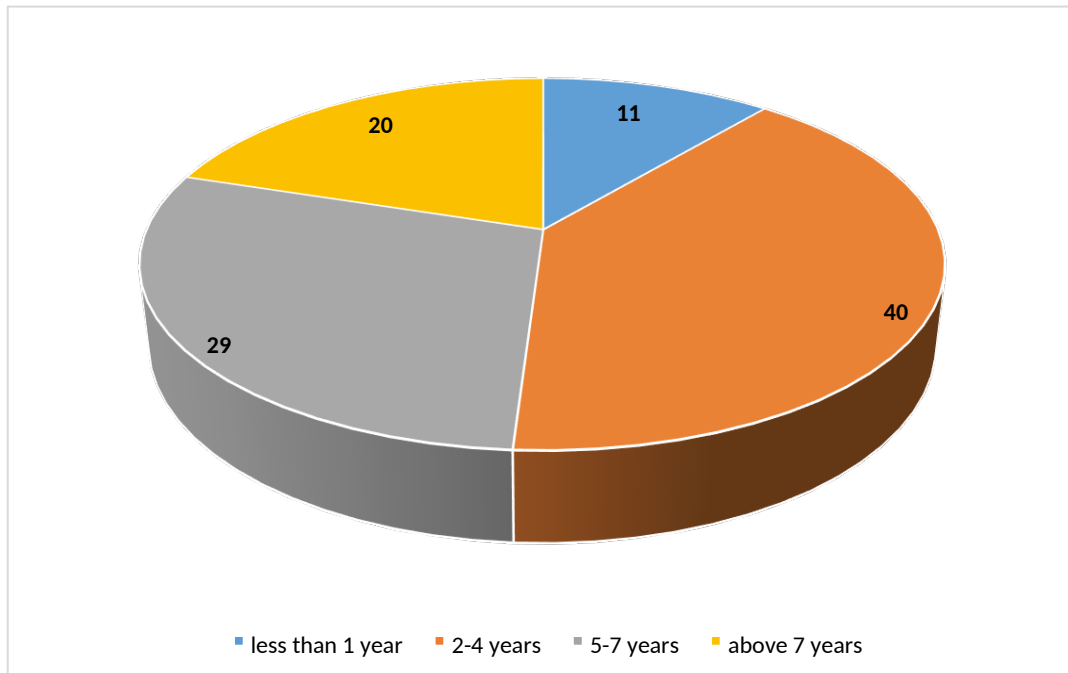


TABLE 4.1.4

**NUMBER OF YEARS THE RESPONDENTS HAVE BEEN
WORKING IN THIS ORGANIZATION**

PARTICULARS	NUMBER OF RESPONDENTS	PERCENTAGE
1 YEAR	7	7
2-4 YEARS	25	25
5-7 YEARS	47	47
MORE THAN 7 YEARS	21	21
TOTAL	100	100

SOURCE:

Primary Data

INTERPRETATION:

Table 4.4 indicates that 7% of the respondents have been working in this organization for less than 1 year, 25% of the respondents have been working in this organization for 2-4 years, 47% of the respondents have been working in this organization for 5-7 years and the remaining 21% of the respondents have been working in this organization for more than 7 years.

1.4

NUMBER OF YEARS THE RESPONDENTS HAVE BEEN WORKING IN THIS ORGANIZATION

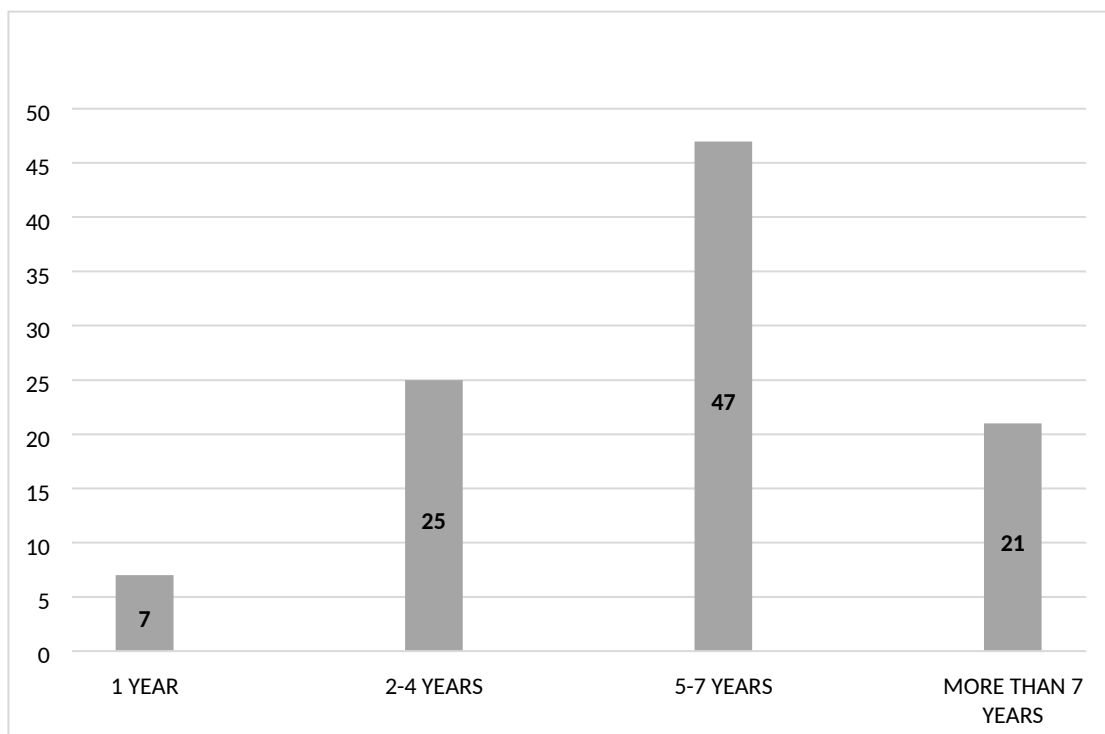


TABLE 4.1.5

CHART 4.

WHEN PERFORMANCE APPRAISAL IS MADE

PARTICULARS	NUMBER PF RESPONDENTS	PERCENTAGE
Monthly	2	2
Quarterly	97	97
Yearly	1	1
Total	100	100

SOURCE:

Primary Data

INTERPRETATION:

Table 4.5 indicates that 2% of the respondents says that performance appraisal is made monthly, 97% of the respondents says that performance appraisal is made quarterly and the remaining 1% of the respondents says that performance appraisal is made yearly.

1.5

WHEN PERFORMANCE APPRAISAL IS MADE

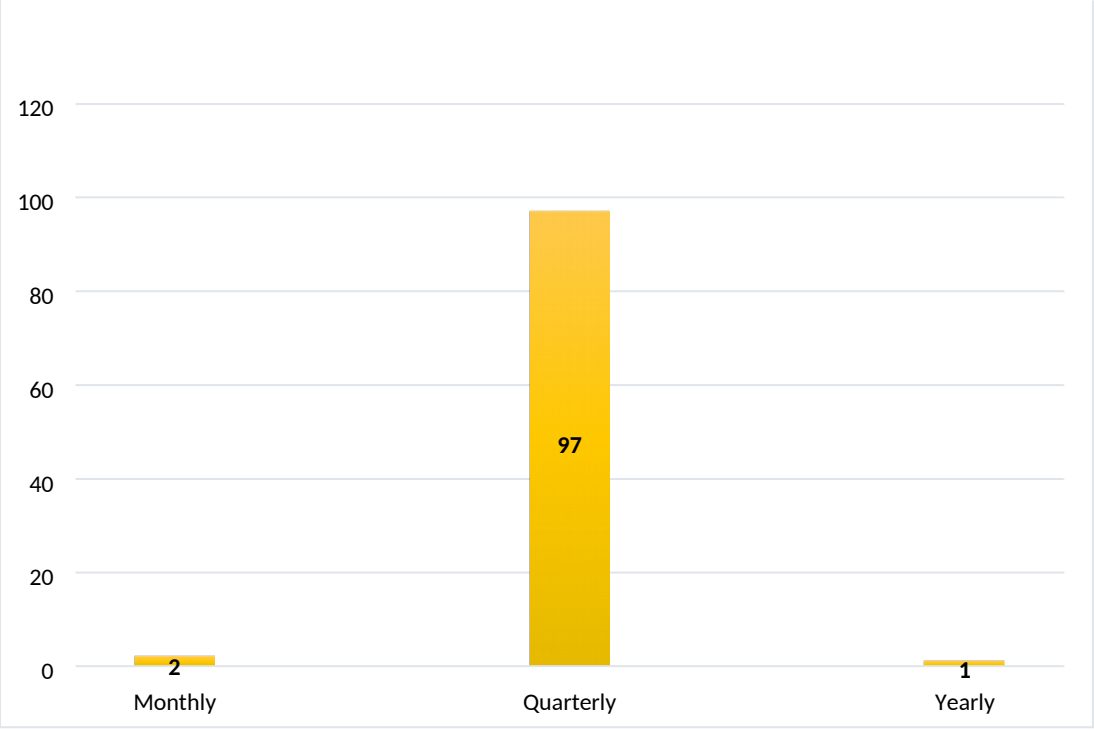


CHART 4.

1.6

CONFLICT BETWEEN EMPLOYEES AFTER PERFORMANCE APPRAISAL IS MADE

PARTICULARS	NUMBER OF RESPONDENTS	PERCENTAGE
Frequently	27	27
Sometimes	58	58
Never	15	15
Total	100	100

SOURCE:

Primary Data

INTERPRETATION:

Table 4.6 indicates that 27% of the respondents says that there is frequently conflict between employees after performance appraisal is made, 58% of the respondents says that sometimes there is conflict between employees after performance appraisal is made and the remaining 15% of the respondents says that there is no conflict between employees after performance appraisal is made.

TABLE 4.

1.6

**CONFLICT BETWEEN EMPLOYEES AFTER PERFORMANCE
APPRAISAL IS MADE**

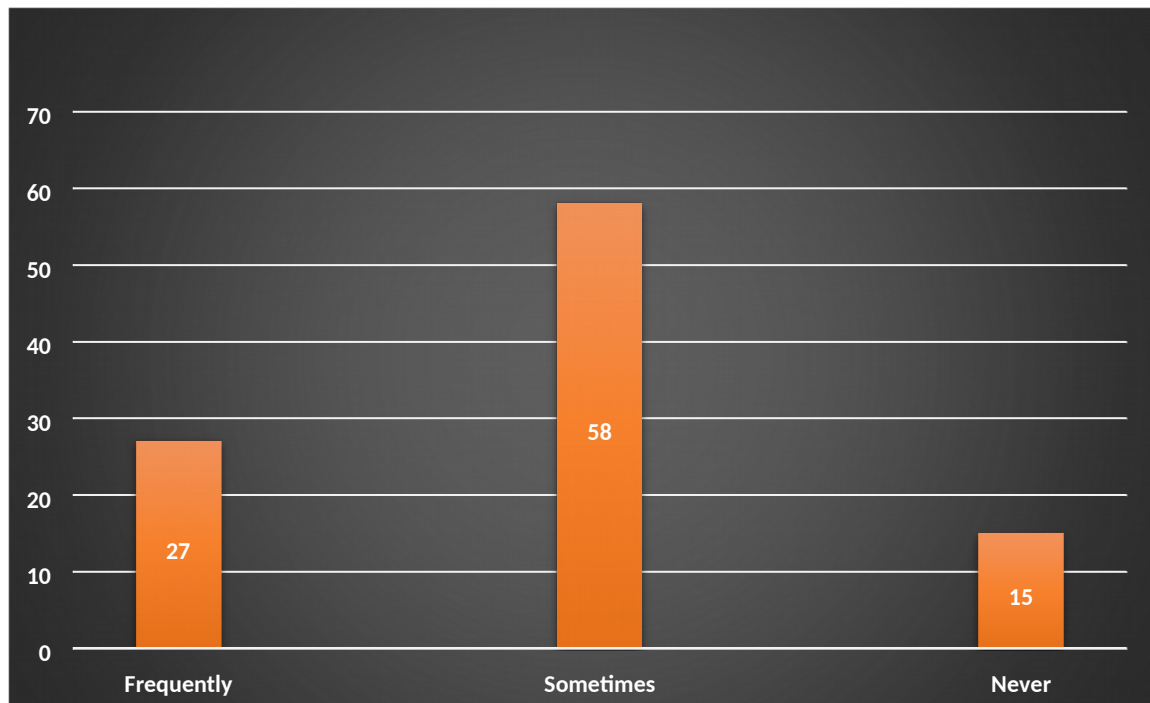


CHART 4.

1.7

PERFORMANCE APPRAISAL METHOD PREFERRED BY EMPLOYEES

PARTICULARS	NUMBER OF RESPONDENTS	PERCENTAGE
Graphic rating scale	15	15
360-degree feedback	28	28
Behavioral observation scale	49	49
Management by objectives	8	8
Total	100	100

SOURCE:

Primary Data

INTERPRETATION:

Table 4.7 indicates that 15% of the respondents prefers graphic rating scale, 28% of the respondents prefers 360-degree feedback, 49% of the

TABLE 4.

respondents prefers behavioural observation scale and the remaining 8% of the respondents prefers management by objectives.

1.7

PERFORMANCE APPRAISAL METHOD PREFERRED BY EMPLOYEES

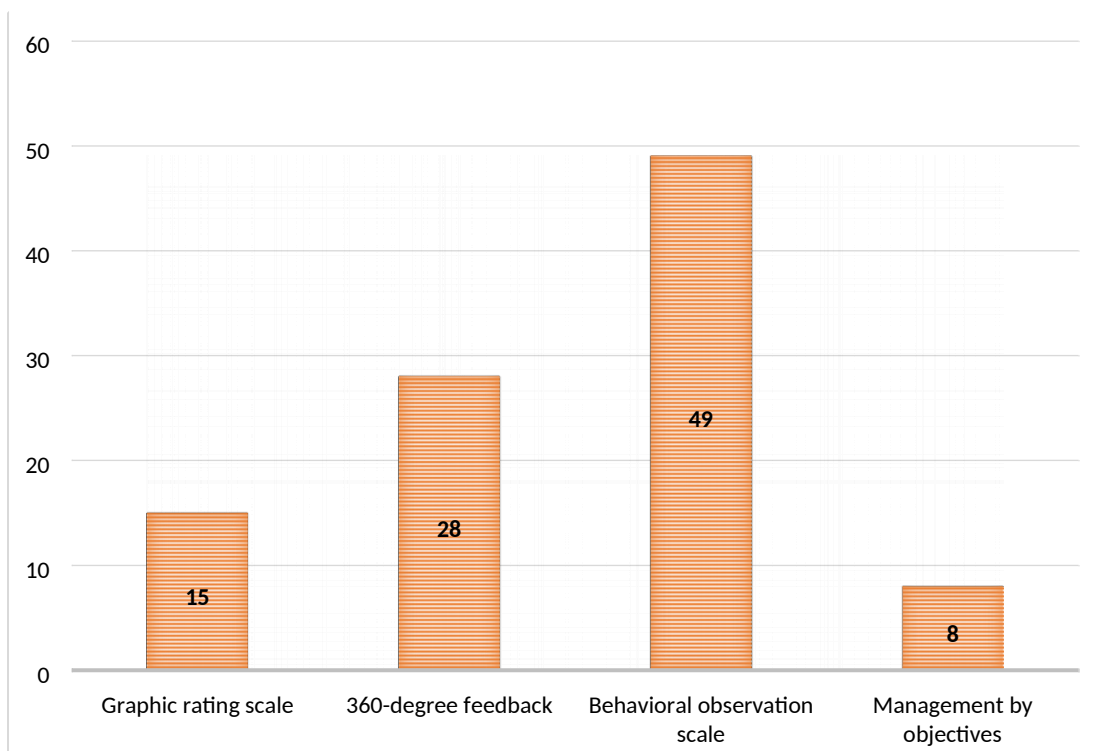


CHART 4.

1.8

CHOICE OF CRITERIA USED TO EVALUATE EMPLOYEE PERFORMANCE

PARTICULARS	NUMBER PF RESPONDENTS	PERCENTAGE
Quality of work	20	20
Quantity of work	35	35
Attendance and punctuality	37	37
Communication skills	8	8
Total	100	100

SOURCE:

Primary Data

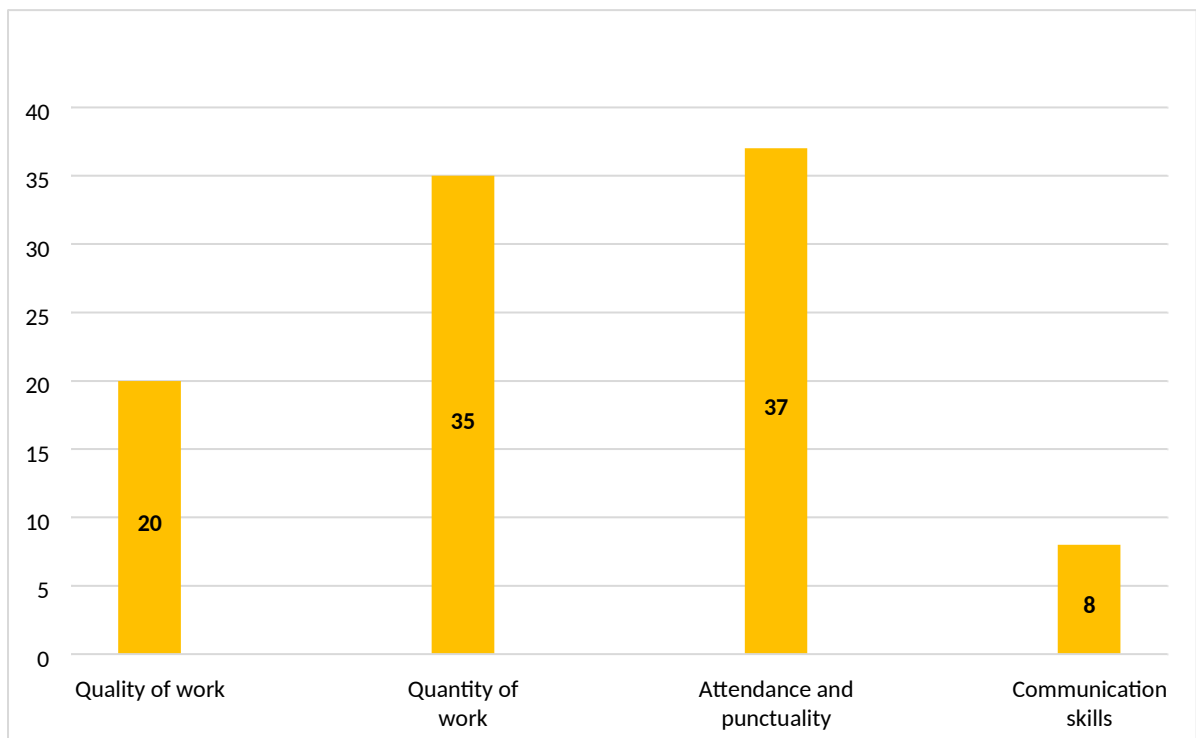
INTERPRETATION:

TABLE 4.

Table 4.8 indicates that 20% of the respondents chooses quality of work to evaluate employees performance, 35% of the respondents chooses quantity of work to evaluate employees performance, 37% of the respondents chooses attendance and punctuality to evaluate employees performance and the remaining 20% of the respondents chooses communication skills to evaluate employees performance.

CHART 4.1.8

**CHOICE OF CRITERIA USED TO EVALUATE EMPLOYEE
PERFORMANCE**



1.9

**PERSON INVOLVED IN PERFORMANCE APPRAISAL
PROCESS**

TABLE 4.

PARTICULARS	NUMBER OF RESPONDENTS	PERCENTAGE
direct supervisor only	7	7
direct supervisor and HR representative	8	8
direct supervisor and HR representative and employees peer	83	83
direct supervisor and HR representative and employees peer and subordinates	2	2
TOTAL	100	100

SOURCE:

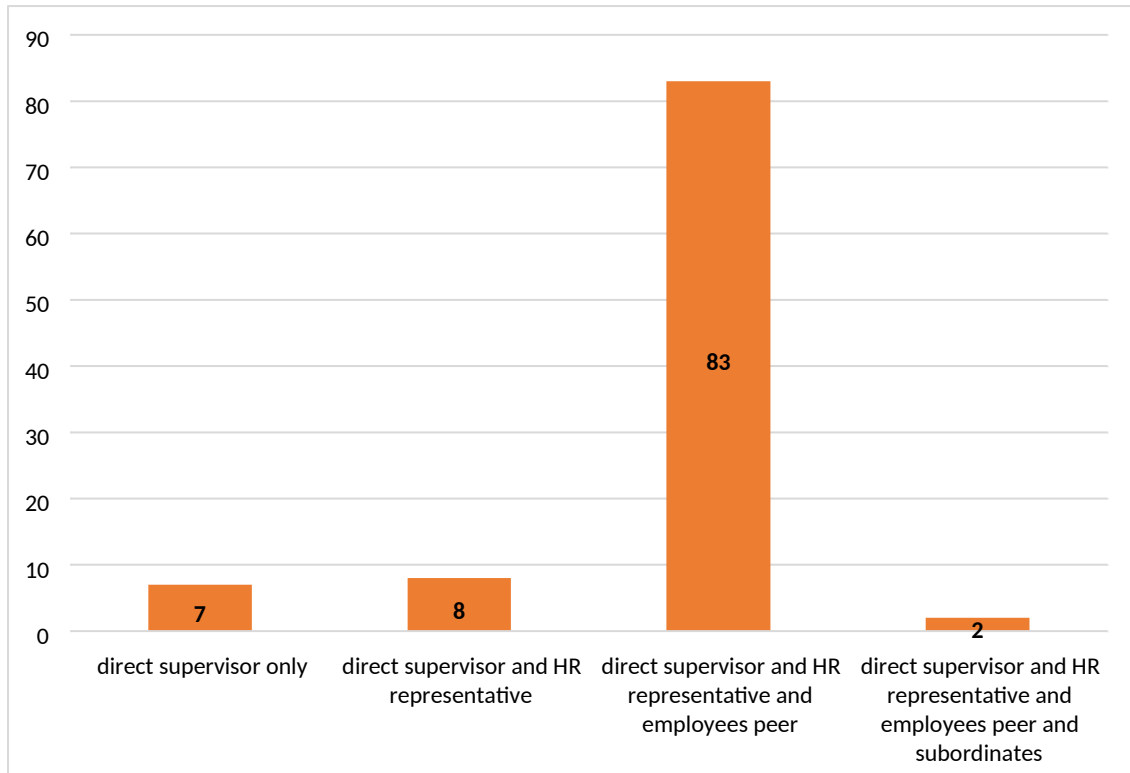
Primary Data

INTERPRETATION:

Table 4.9 indicates that 7% of the respondents says that only direct supervisor should be involved in performance appraisal process, 8% of the respondents says that direct supervisor and HR representative should be involved in performance appraisal process, 83% of the respondents says that direct supervisor, HR representative and employees peer should be involved in performance appraisal process and the remaining 2% of the respondents says that direct supervisor, HR representative , employees peer and subordinates should be involved in performance appraisal process.

CHART 4.1.9

**PERSON INVOLVED IN PERFORMANCE APPRAISAL
PROCESS**



1.10

EMPLOYEES OPINION ON PERFORMANCE APPRAISAL TIED TO COMPENSATION DECISION

PARTICULARS	NUMBER OF RESPONDENTS	PERCENTAGE
yes, completely	14	14
yes, partially	33	33
no, not at all	36	36

TABLE 4.

it depends on employees role and level	17	17
total	100	100

SOURCE:

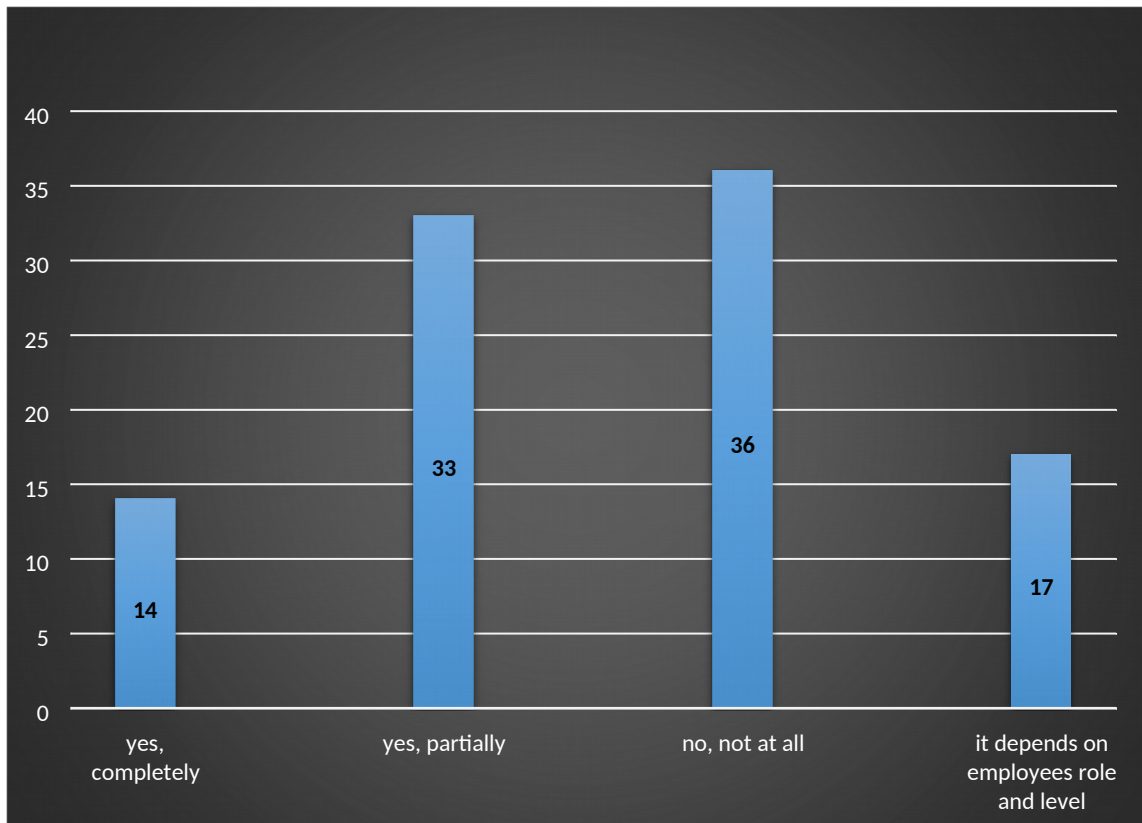
Primary Data

INTERPRETATION:

Table 4.10 indicates that 14% of the respondents agreed completely on performance appraisal tied to compensation decision, 33% of the respondents agreed partially on performance appraisal tied to compensation decision, 36% of the respondents not agreed on performance appraisal tied to compensation decision and the remaining 17% of the respondents says that it depends on employees role and level on performance appraisal tied to compensation decision.

CHART 4.1.10

**EMPLOYEES OPINION ON PERFORMANCE APPRAISAL TIED
TO COMPENSATION DECISION**



1.11

EMPLOYEES OPINION ON FEEDBACK DELIVERY DURING PERFORMANCE APPRAISAL

PARTICULARS	NUMBER OF RESPONDENTS	PERCENTAGE
In a formal written report	17	17

TABLE 4.

In a face to face meeting	27	27
Through online platform	23	23
Through combination of written and verbal communication	33	33
Total	100	100

SOURCE:

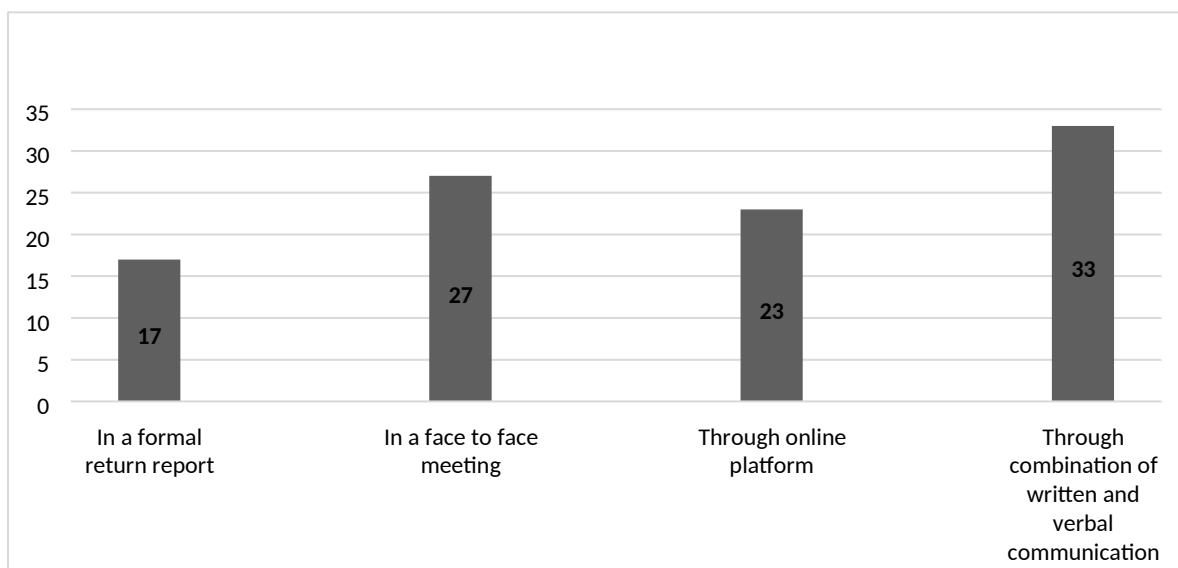
Primary Data

INTERPRETATION:

Table 4.11 indicates that 17% of the respondents wanted the feedback delivery during performance appraisal in a formal written report, 27% of the respondents wanted the feedback delivery during performance appraisal in a face to face meeting, 23% of the respondents wanted the feedback delivery during performance appraisal through online platform and the remaining 33% of the respondents wanted the feedback delivery during performance appraisal through combination of written and verbal communication.

CHART 4.1.11

**EMPLOYEES OPINION ON FEEDBACK DELIVERY DURING
PERFORMANCE APPRAISAL**



1.12

EMPLOYEES OPPORTUNITY TO PROVIDE SELF ASSESSMENT DURING PERFORMANCE APPRAISAL

PARTICULARS	NUMBER OF RESPONDENTS	PERCENTAGE
Yes,always	25	25
No, not necessary	40	40
It depends on employees performance	35	35

TABLE 4.

Total	100	100
--------------	------------	------------

SOURCE:

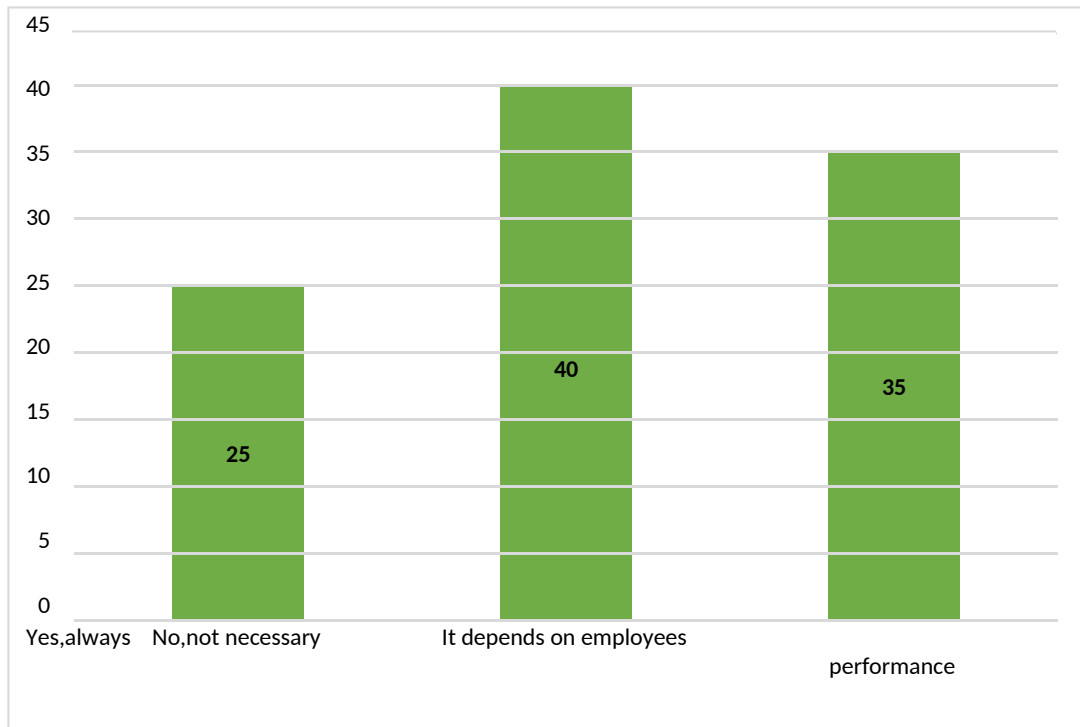
Primary Data

INTERPRETATION:

Table 4.12 indicates that 25% of the respondents were saying that it is necessary for employee opportunity to provide self-assessment during performance appraisal, 40% of the respondents were saying that it is not necessary for employee opportunity to provide self- assessment during performance appraisal and the remaining 35% of the respondents were saying that it depends on employee performance for employee opportunity to provide self-assessment during performance appraisal.

CHART 4.1.12

**EMPLOYEES OPPORTUNITY TO PROVIDE SELF
ASSESSMENT DURING PERFORMANCE APPRAISAL**



**TABLE 4.1.13 EMPLOYEES OPINION ON INCLUDING FUTURE
GOAL SETTING DECISION DURING PERFORMANCE
APPRAISAL**

PARTICULARS	NUMBER OF RESPONDENTS	PERCENTAGE
Yes	32	32
No	39	39
It depends on employees performance	29	29
Total	100	100

SOURCE:

Primary Data

INTERPRETATION:

Table 4.13 indicates that 32% of the respondents were agreeing to include future setting decision during performance appraisal, 39% of the respondents were not agreeing to include future setting decision during performance appraisal and the remaining 29% of the respondents were saying that It depends on employees performance to include future setting decision during performance appraisal.

CHART 4.1.13

**EMPLOYEES OPINION ON INCLUDING FUTURE GOAL
SETTING DECISION DURING PERFORMANCE APPRAISAL**

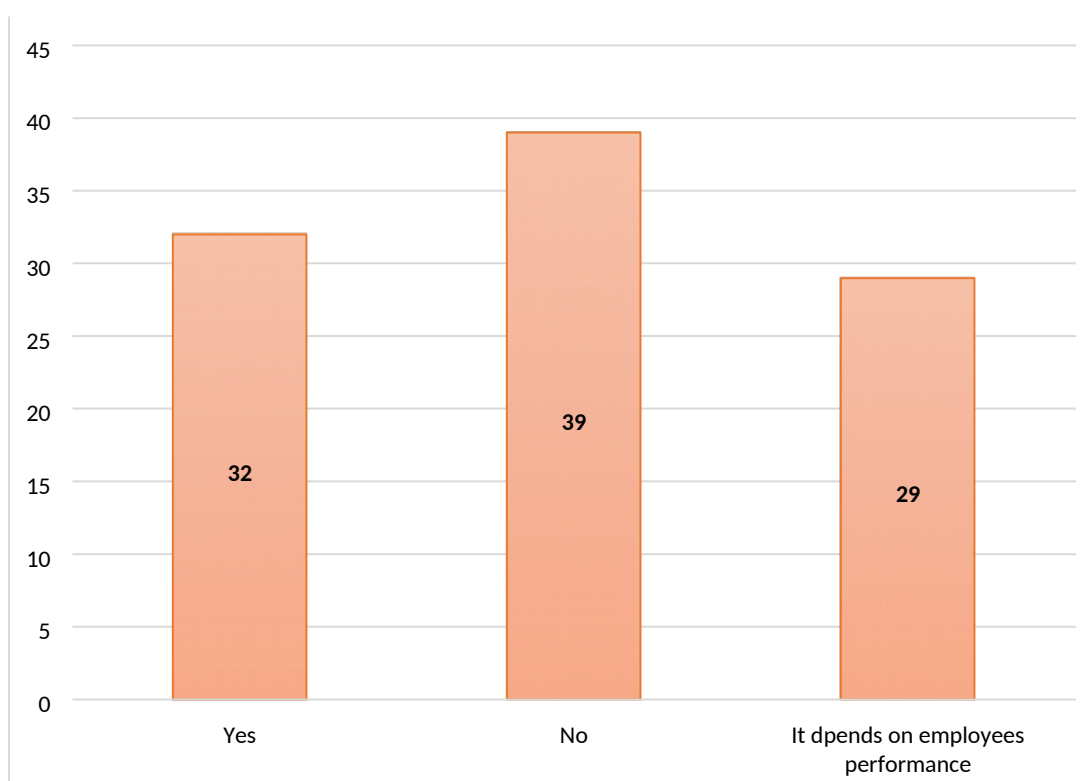


TABLE 4.1.14

DOCUMENTATION OF PERFORMANCE APPRAISAL

PARTICULARS	NUMBER OF RESPONDENTS	PERCENTAGE
-------------	-----------------------	------------

In a standardized form	45	45
In a narrative form	35	35
Through digital platforms	20	20
Total	100	100

SOURCE:

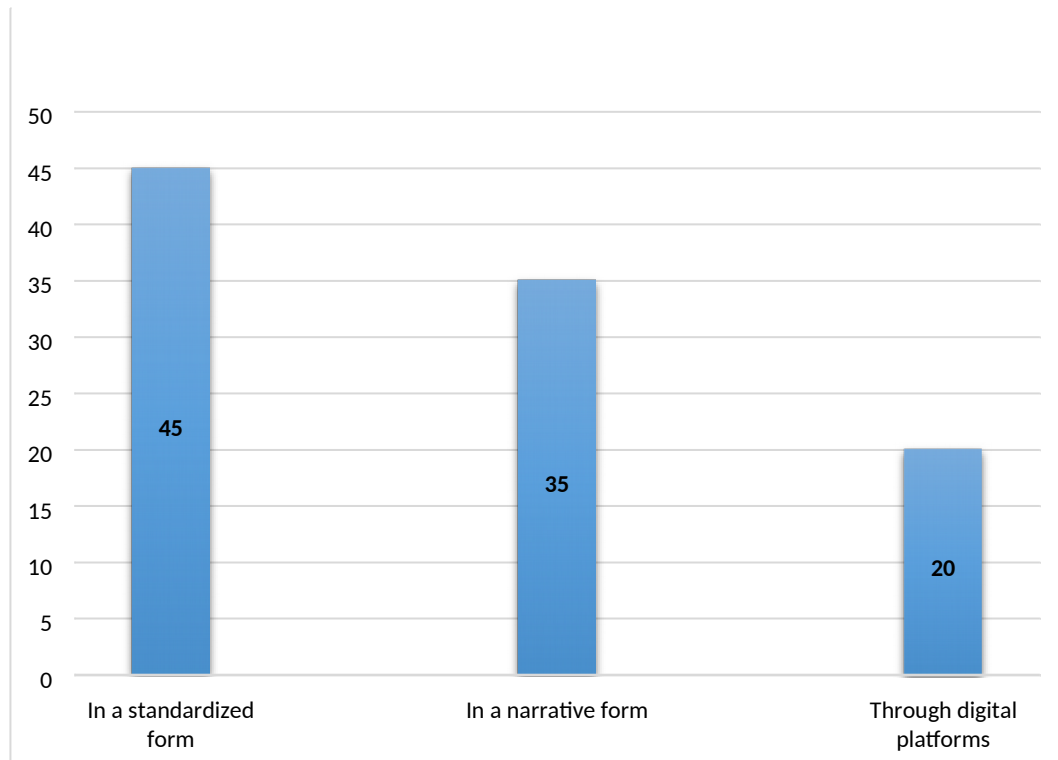
Primary Data

INTERPRETATION:

Table 4.14 indicates that 45% of the respondents wanted to document the performance appraisal in a standardized form, 35% of the respondents wanted to document the performance appraisal in a narrative form, and the remaining 20% of the respondents wanted to document the performance appraisal through digital form.

CHART 4.14

DOCUMENTATION OF PERFORMANCE APPRAISAL



HYPOTHESIS - 1

- H0 : There is no significant difference between the age of the employees and their experience.
- H1 : There is a significant difference between the age of the employees and their experience.

4.2 ANOVA

ANOVA

AGE

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.459	2	.230	.481	.619
Within Groups	46.291	97	.477		
Total	46.750	99			

INTERPRETATION

The p value is 0.619 which is greater than the significance value (0.05) hence null hypothesis (H0) is accepted. And H1 is rejected

INFERENCE

Therefore, there is a no significant difference between the age of the employees and their experience.

□ HYPOTHESIS – 2

- H0: There is no significant difference between years of experience in five-star business finance limited and method of performance appraisal employees prefer.
- H1: There is significant difference between years of experience in five-star business finance limited and method of performance appraisal employees prefer.

4.3 CORRELATION

Correlations

		EXPERIENCEIN FIVESTAR BUSINESSFINA NCELIMITED	METHODOFPER FORMANCEAPP RAISAL
EXPERIENCEIN FIVESTAR BUSINESSFINA NCELIMITED	Pearson Correlation	1	-.088
	Sig. (2-tailed)		.389
	N	99	97
METHODOFPER FORMANCEAPP RAISAL	Pearson Correlation	-.088	1
	Sig. (2-tailed)	.389	
	N	97	97

Interpretation

The p value is -0.088 which is less than the significance value (0.05) hence alternative hypothesis (H1) is accepted. Therefore, there is a significant difference between years of experience in five-star business finance limited and method of performance appraisal employees prefer.

CHAPTER 5 FINDINGS, SUGGESTIONS AND CONCLUSION

5.1. FINDINGS

- Majority 54% of the respondents are male
- Majority 53% of the respondents belong to the age category of 26-45 years
- Majority 40% of the respondents have the experience of 2-4 years

- Majority 47% of the respondents have the experience of working in five-star business limited of 5-7 years
- Majority 97% of the respondents said that performance appraisal is made quarterly
- Majority 58% of the respondents said that sometimes there will be conflict between employees after performance appraisal is made
- Majority 49% of the respondents prefers behavioural observation scale methods of performance appraisal
- Majority 37% of the respondents chooses attendance and punctuality for evaluating employees performance
- Majority 83% of the respondents chooses direct supervisor, HR representative and employees peer to be involved in performance appraisal process
- Majority 36% of the respondents says that performance appraisal is not tied with compensation decision
- Majority 33% of the respondents chooses combination of both written and verbal communication as feedback delivery during performance appraisal
- Majority 40% of the respondents said that there is no need for employees opportunity to provide self-assessment during performance appraisal
- Majority 39% of the respondents said that employees opinion on including future goal setting decision during performance appraisal is not needed
- Majority 45% of the respondents said that performance appraisal should be documented in a standardized form
- By using anova for finding the relationship between the age of the employees and their experience that the p value is 0.443 which is greater than the significant level (0.05). Hence, H_0 is accepted and H_1 gets rejected.
- By using the Correlation for finding the relationship between years of experience in five-star business finance limited and method of performance appraisal employees prefer. we found that there is a Negative correlation underlies between both the factors with the value of 0.05 level of significance and also found that strong relationship (-0.088) found between each variable

5.2 SUGGESTIONS

- It could be better if the company adopts 360-degree appraisal system.
- Since most of the employees said that there is conflict between employees after performance appraisal is made, the supervisor should have a conversation with each employee and discuss about the reason for the problem and solve it.
- The method of the company should change periodically so that the employees have no chance to complain about the method
- To my knowledge some of the employees felt that the performance appraisal system is biased, so those biased situations should be addressed by the management and take necessary measures.
- The management can provide many other uses of performance appraisal like salary administration, determination of promotion and assistance in goal.

5.3. CONCLUSION

- It is true that no work is completed in itself. In fact, completion of one job is actually the beginning of another job. Likewise, performance Appraisal is never ending process. It is essential for personal & professional development.
- This project has been considering all possible aspects mentioned in the project booklet. The project is made very clear and precise with the help of the relevant data gathered from the company, company website & through various annexure.
- The most used method of performance appraisal in five-star business limited is behavioural rating scale method.
- In five-star business finance limited performance appraisal is made on quarterly basis.
- Most of employees expects determination of promotion from performance appraisal.
- They analyse both quantity and quality of work for performance appraisal.
- By using anova for finding the relationship between the age of the employees and their experience that the p value is 0.443 which is greater than the significant level (0.05). Hence, H_0 is accepted and H_1 gets rejected.

- By using the Correlation for finding the relationship between years of experience in five-star business finance limited and method of performance appraisal employees prefer. we found that there is a Negative correlation underlies between both the factors with the value of 0.05 level of significance and also found that strong relationship (-0.088) found between each variable.

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**ANNEXURE – QUESTIONNAIRE A STUDY ON ANALYSIS ON
PERFORMANCE APPRAISAL SYSTEM IN FIVE STAR BUSINESS
FINANCE LIMITED**

1. Name

2. Gender

- a. Male
- b. Female

3. Age

- a. 18-25
- b. 26-45

c. More than 45

4. Experience

a. Less than 1 year

b. 2-4 years

c. 5-7 years

d. More than 7 years

5. How many years have you been working with this organisation?

a. Less than 1 year

b. 2-4 years

c. 5-7 years

d. More than 7 years

6. When performance appraisal is made in the organisation?

a. Monthly

b. Quarterly

c. Yearly

7. How do you feel about your workplace performance in these areas? (1- least preferred, 5- most preferred)

Particulars	Preference
Punctuality	
Work commitment	

Work conduct and ethics	
Team	

8. Is there any conflict arise between employees after performance appraisal is made?

- a. Frequently
- b. Sometimes
- c. Never

9. Which performance appraisal method do you prefer?

- a. Graphic rating scale
- b. 360-degree feedback
- c. Behavioural observation scale
- d. Management by objectives

10. What do you expect from performance appraisal?

Particulars	Preference
Salary administration and benefits	
Determination of promotion	
Decision on layoff	
Assistance in goal	

11. What criteria should be used to evaluate employee performance?

- a. Quality of work
- b. Quantity of work

- c. Attendance and punctuality
- d. Communication skills

12. Who should be involved in the performance appraisal process?

- a. Direct supervisor only
- b. Direct supervisor and HR representatives
- c. Direct supervisor, HR representatives and employees peer
- d. Direct supervisor, HR representatives, employees peer and subordinates

13. Should performance appraisal be tied to compensation decision?

- a. Yes, completely
- b. Yes, partially
- c. No, not at all
- d. It depends on employees role and level

14. How should feedback be delivered during performance appraisal?

- a. In a formal written report
- b. In a face to face meeting
- c. Through online platforms
- d. Through combination of written and verbal communication

15. Should employees have the opportunity to provide self-assessments during performance appraisal?

- a. Yes, always
- b. No, not necessary
- c. It depends on employees performance

16. How should performance improvement plans be handled during performance appraisal?

- a. They should be discussed openly and collaboratively
- b. They should be presented as directives from management
- c. They should be avoided altogether
- d. It depends on the severity of the performance issues

17. Should performance appraisal include future goal-setting decision?

- a. Yes
- b. No
- c. It depends on employees performance

18. How should performance appraisal be documented?

- a. In a standardized form
- b. In a narrative form
- c. Through digital platforms

