

A STUDY ON PERFORMANCE APPRAISAL AT HERITAGE FOODS LTD, HYDERABAD

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ABSTRACT

People have different abilities and aptitudes. There is always some difference between the quality and quantity of the same work on the same job being done by different people. Performance appraisals of Employees are necessary to understand every employee's abilities, competencies, and merit relative worth for the organization. The history of performance appraisal can be dated back to the 20th century and then to the second world war when the merit rating was used for the first time. An employer evaluating their employees is a very old concept. Performance appraisals are an indispensable part of performance measurement. Performance appraisal is necessary to measure the performance of the employees and the organization to check the progress towards the desired goals and aims. The latest mantra being followed by organizations across the world being – "get paid according to what you contribute" – the focus of the organizations 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. If the process of performance appraisals is formal and properly structured, it helps the employees to clearly understand their roles and responsibilities and give direction to the individual's performance. It helps to align the individual performances with the organizational goals and also review their performance. Performance appraisal takes into account the past performance of the employees and focuses on the improvement of the future performance of the employees. An attempt has been made to study the current global trends in performance appraisal.

KEYWORDS: Performance, Appraisal ,organizational goals, feedback

1. INTRODUCTION

A major concern of every organization should be to contribute positively towards the achievement of its objective. Organizational effectiveness is often equated with managerial efficiency. A manager can ensure organizational effectiveness only by guaranteeing the full utilization of human resources available through individual employees under his guidance. Hence, it is always required for a manager to monitor and measure the performance of employees.

Moreover, since the organization exists to achieve the goals, the degree of success that individual employees have in reaching this individual goal is important in determining organizational effectiveness. The assessment of how successful employees have been at meeting their individual goal to come a critical part of human resource management. This leads to concept of performance appraisal. A performance appraisal system functions as definition of performance.

Performance appraisal is a method of evaluating the behavior of employees in the work spot, including both qualitative and quantitative aspects of job performance indicate how an individual is fulfilling the job demands and it is always in terms of results. Under performance appraisal not only the performance of an employee but also his potential for development is evaluated.

“Performance Appraisal is a systematic description of an employee's job relevant strengths and weaknesses”.

1.1 SCOPE OF THE STUDY

In the present study an attempt has been made to know the actual implementation of performance appraisal techniques in general and some other aspects such as awareness of the workers, effectiveness of the performance appraisal system in particular.

Human resource projections are valid on appraisals. By improving job skills, the employees have lot of scope for development and prepare themselves for higher responsibilities.

A through analysis of the performance appraisal system will help the management to know the short comings, if any. It also help the company in knowing whether the performance appraisal techniques are used to full extent or not, there by the researcher can understand the effective implement of the performance appraisal system.

1.2 OBJECTIVES OF THE STUDY

The objective is to know how effective is the execution of appraisal system in **HERITAGE FOODS INDIA Ltd's.**, Hyderabad.

- To study about the Performance – Evaluation process at Heritage Food LTD, Hyderabad.
- To know how Performance evaluation plays as a motivating factor to increase the overall organizational and employees performances at Heritage Food LTD, Hyderabad.
- To summarize and suggest with suitable suggestions wherever required.

2.RESEARCH METHODOLOGY

The research methodology is a systematic way to solve the problem and it is an important component of the study without which researcher may not be able to obtain the facts and figures from the employees.

2.1 SOURCE OF DATA:

The study is based on primary as well as secondary data collected from different sources:

A). Primary Data:

The primary data is collected with the help of questionnaires, which consists of twenty questions each. The questionnaires are chosen because of its simplicity and liability. Researcher can expect straight answers to the questions. The respondents are informed about the significant of the study and requested to give their fair opinions.

B). Secondary Data:

Secondary data is collected through the documents provided by the personnel department. The documents include personnel manuals, books, reports, journal, etc.

2.2 SAMPLING

A). Sample Unit:

The executives and employed at HERITAGE FOODS INDIA Ltd's., Hyderabad constitute 'universe' of the present study. A part of it is taken as sample unit for the resent study. It includes JGMS, AGMS, manager and other employees of HERITAGE FOODS INDIA LTD, Hyderabad.

B). Sample Size:

The sample size consists of 100 respondents employed in HERITAGE FOODS INDIA Ltd's, Hyderabad. Of these 30 are executives, 20 are senior executives and the remaining 50 are employees.

2.3 PERIOD OF THE STUDY:

Since so many years HERITAGE FOODS INDIA Ltd's.Hyderabad has been following the same procedure of appraisals for their executives and employees and for the study of my project last one-year data has collected on performance appraisals.

3. REVIEW OF LITERATURE

Performance appraisal has been defined by different scholars in various ways. Some of the important definitions are as follows:

Dale S. Beach, “Performance appraisal is a systematic evaluation of the individual with respect to his or her performance on the job and his or her potential for development.”

Randall S Schhuler, “performance appraisal is formal structure system of measuring and evaluating an employee’s job related behavior and outcomes to discover how and why the employee is presently perfuming on the job and how the employee can perform more effectively in the future so that the employee, organization and society all benefits.”

Dale Yoder, “Performance appraisal includes all formal procedures used to evaluated personalities and contributions and potentials of group members in a working organization. It is a continuous process to secure information necessary for making correct and objective decisions on employees.”

H.C. Shiva Prasad (2010) done work to check the performance of Indian software professionals (SPs) Data were collected from 441 software and senior software engineers from eight Indian software firms. The team leaders assessed the performance of software and senior software engineers on 16 items. The exploratory and confirmatory factor analyses of scores on 16 items of the instrument suggest six dimensions of performance. They are work- efficiency, personal resourcefulness, inter- and intra-personal sensitivity, productivity orientation, timeliness, and business intelligence. The dimensions have reliability and high convergent validity. SPs having more years of experience, higher need for achievement, and higher need for social power are high performers. Human resource managers can evaluate the performance of SPs holistically on six dimensions for training, reward administration, job rotation, and promotion decisions.

4. DATA ANALYSIS AND INTERPRETATION

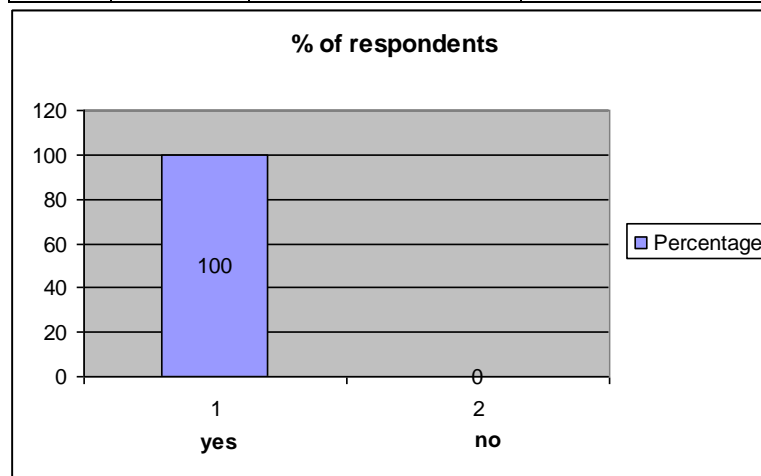
Data analysis has been done by arranging the data in a simple table form and percentages are calculated. The quantitative data has been represented by drawing out the charts where ever necessary.

1. Do you think performance appraisal is needed in a company?

(a) YES

(b) NO

s.no	Options	No. of Responses	Percentage
1	YES	50	100
2	NO	0	0
	TOTAL	50	100

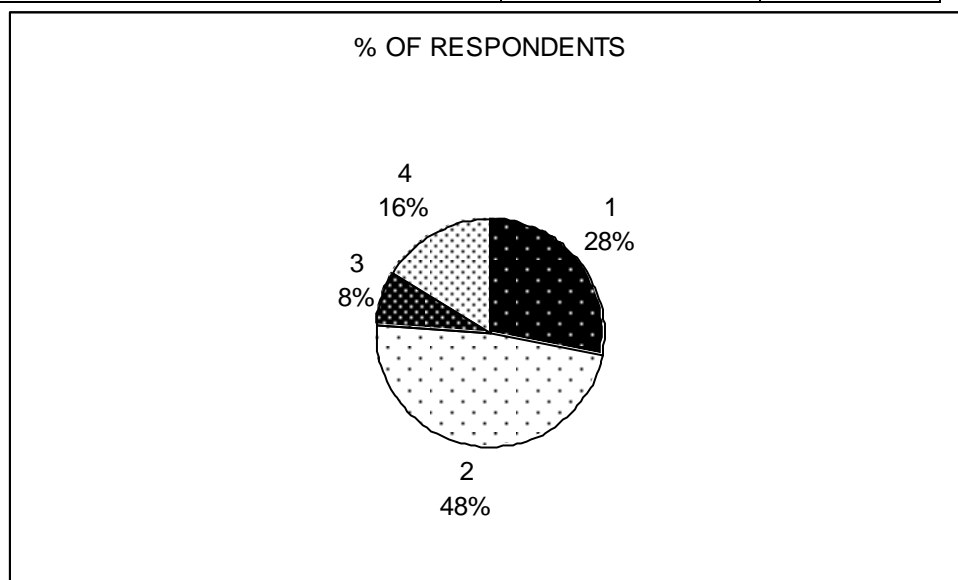


Interpretation:

To above question, almost 100% of the employees thought that the performance appraisal is needed in a company.

2. Performance appraisal rating is used to
- (a) Identify areas of improvement
 - (b) Identifying quality for unit of work
 - (c) Set performance target
 - (d) All the above

s.no	Options	No. of Responses	Percentage
1	Identify areas of improvement	28	28
2	Identify areas of training & development	48	48
3	Set performance target	8	8
4	All the above	16	16
	Total	100	100



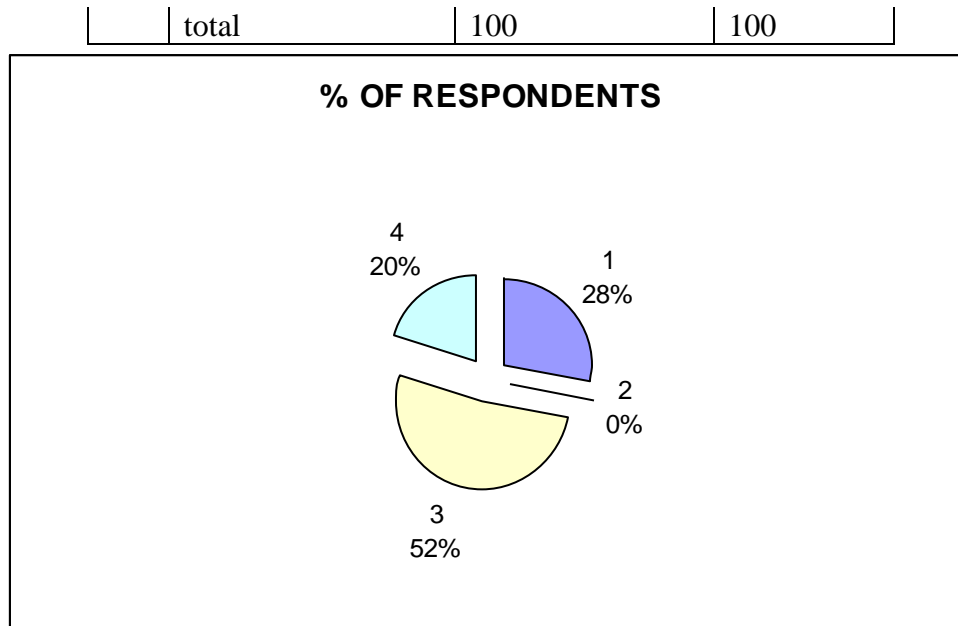
Interpretation:

About the useful of Performance appraisal system, 28% have said that appraisal system helped them to identify areas of improvement, to 48% it helped in identifying training & development needs, to 8% it helped in setting performance targets and to 16% it was helpful in all the above areas. By this we can say that P.A is helpful in one way or the other for the employees.

3. In your experience the outstanding Performance of an employee is due to:

- (a) Actual Performance
- (b) Qualification
- (c) Experience
- (d) All the above

s.no	Options	No. of Responses	Percentage
1	Actual Performance	28	28
2	Qualification	0	0
3	Experience	52	52
4	All the above	20	20



Interpretation:

Above 28% of the employees responded that the outstanding Performance appraisal is due to Actual Performance, 52% of the employees is due to Experience and 20% of the employees is due to all the above.

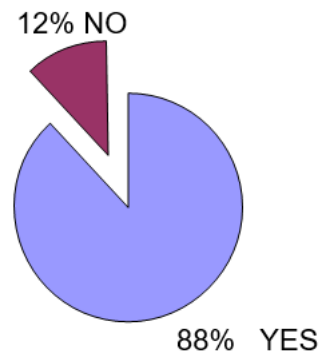
4. Do you think that a good workman gets motivated with frequent Performance Appraisal? Is conducted?

(a) YES

(b) NO

s.no	Options	No. of Responses	Percentage
1	YES	88	88
2	NO	12	12
	TOTAL	100	100

% of respondents



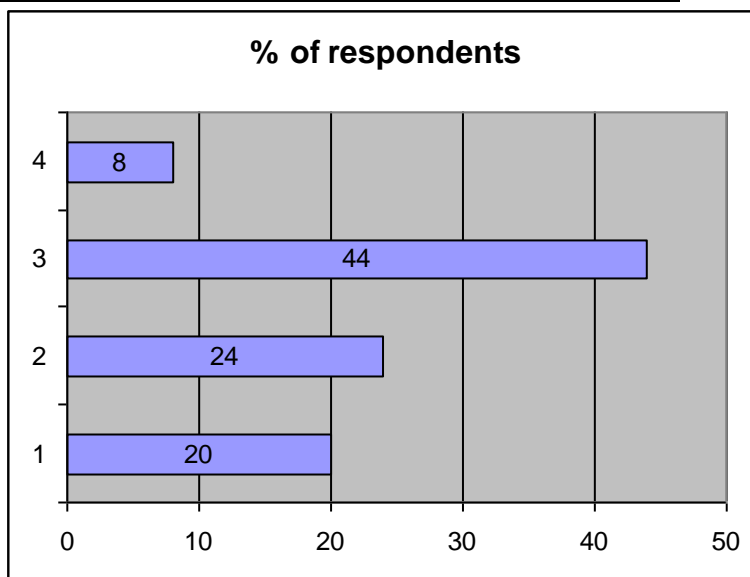
Interpretation:

A majority of 88% of the employees said that a good workman gets motivated with frequent Performance Appraisal and 12% of the employees are not satisfied with above.

5. What are the factors taken into consideration while appraising an individual?

- (a) Interpersonal effectiveness (b) Team building skills
 (c) Self motivate skills (d) leadership

s.no	Options	No. of Responses	Percentage
1	Interpersonal effectiveness	20	20
2	Teambuilding skills	24	24
3	Self motivate skills	44	44
4	Leadership	8	8
	Total	100	100



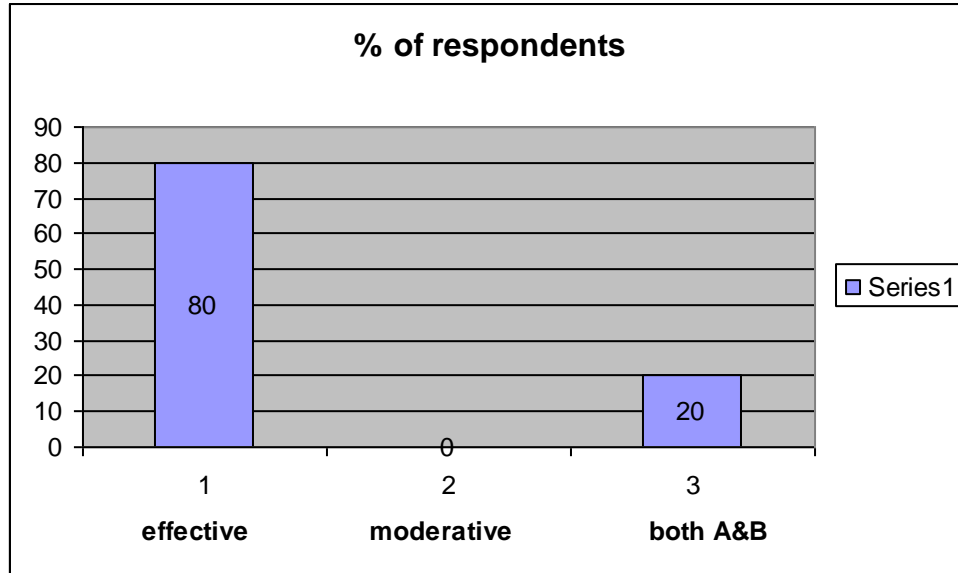
Interpretation:

About 20% of employees considered interpersonal effectiveness while appraising an individual, 24% of employees considered Teambuilding skills, 22% of employees considered self motivate skills and 8% of employees considered Leadership. By this we can say that these are the factors taken into consideration while appraising an individual.

6. In your opinion an employee should be:

- (a) Effective (b) Moderate (c) Both A & B

s.no	Options	No. of Responses	Percentage
1	Effective	80	80
2	Moderate	0	0
3	Both A & B	20	20
	Total	100	100



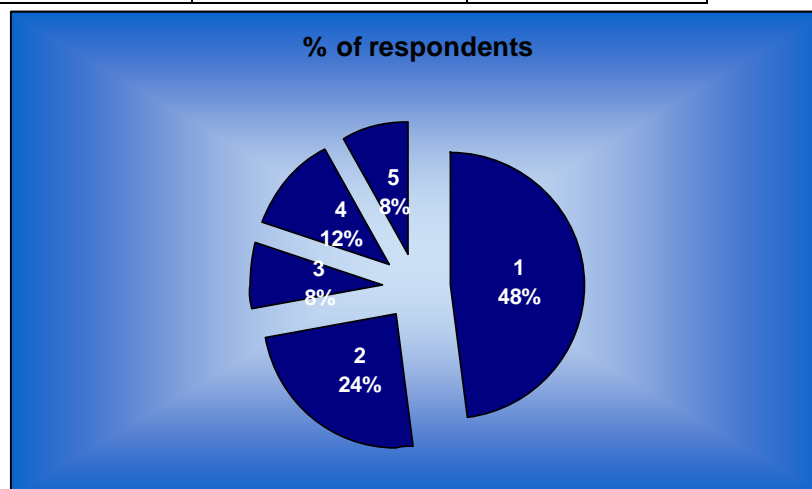
Interpretation:

About 80% of the employees opinion is that the employee should be effective and rest 20% of the employees opinion is that the employee should be effective and moderate.

7. Which method you are using for evaluating Performance?

- (a) 360 degree appraisal (b) MBO (c) Assessment centre
 (d) BARS (e) Any other

s.no	Options	No. of Responses	Percentage
1	360 degree appraisal	48	48
2	Mgmt By Objectives	24	24
3	Assessment centre	8	8
4	BARS	12	12
5	Any other	8	8
	Total	100	100



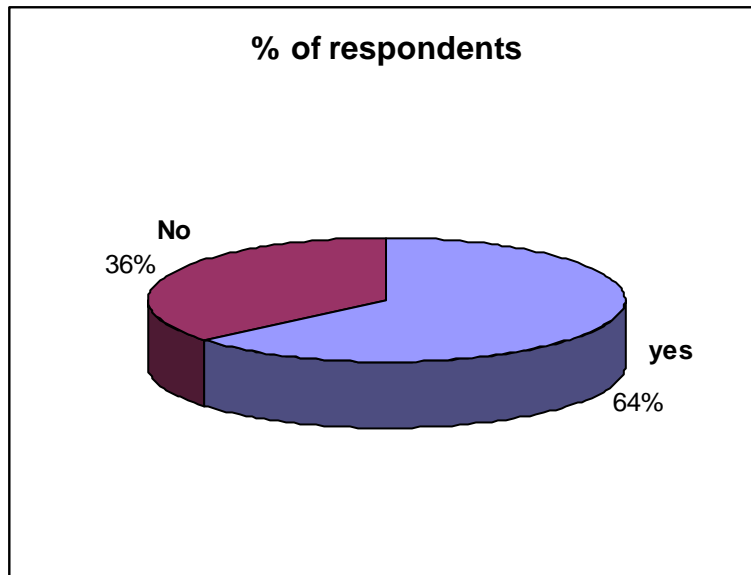
Interpretation:

About 48% of the employees using 360 degree appraisal method for evaluating Performance, 24% of the employees using Mgmt By Objectives 8% of the employees using Assessment centre, 12% of the employees using BARS, 8% of the employees using other method.

8. Is Appraisal process expensive and time consuming?

- (a) YES (b) NO

s.no	Options	No. of Responses	Percentage
1	YES	64	64
2	NO	36	36
	Total	100	100



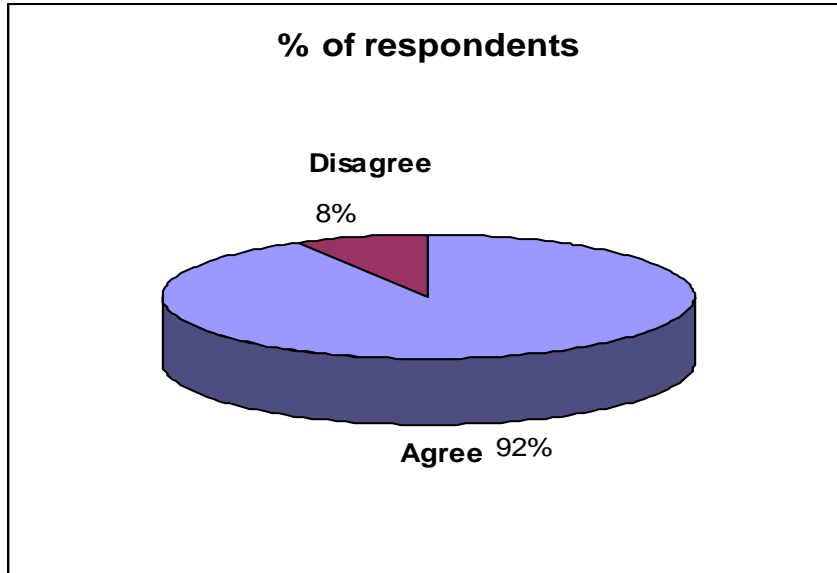
Interpretation:

About 64% of the respondents said that the performance appraisal is expensive and time consuming. And 36% of the respondents said that the Performance appraisal is not expensive and time consuming.

9. Do you agree with the assessment of your reviewing/reporting officers?

- (a) Agree (b) Disagree

s.no	Options	No. of Responses	Percentage
1	Agree	92	92
2	Disagree	8	8
	Total	100	100



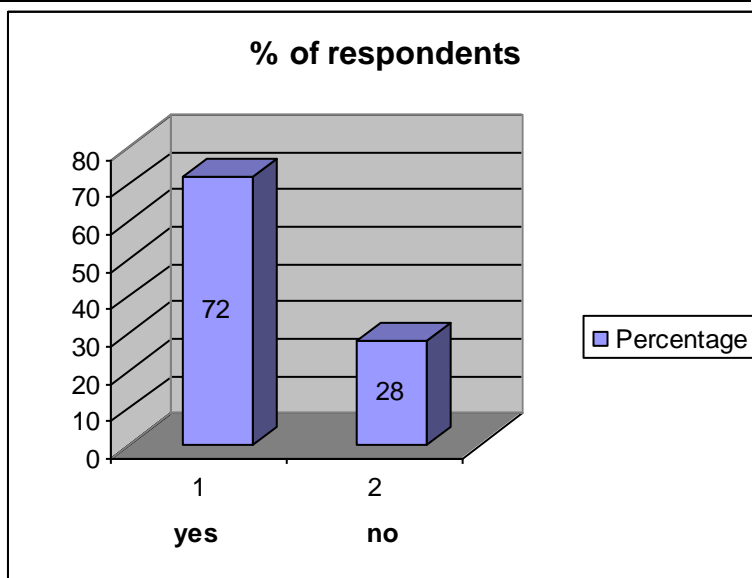
Interpretation:

Majority of 92% of the employees responded that reporting officer was good at grading the performance. Nearly 8% were disagreeing his duties as per the guidelines laid down.

10. Do you want any change in frequent between the appraisals?

- (a) YES (b) NO

s.no	Options	No. of Responses	Percentage
1	YES	72	72
2	NO	28	28
	Total	100	100

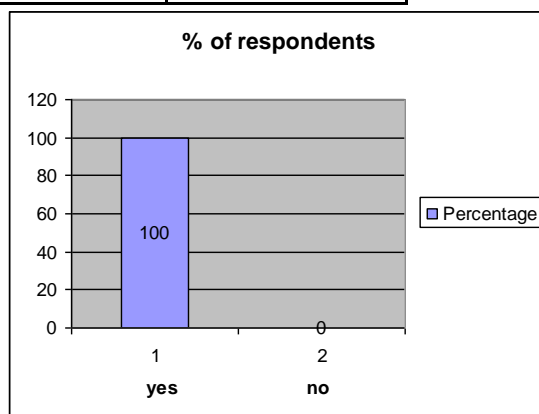


Interpretation:

About 72% of the employees want to change in frequent between the appraisals. And 28% of the employees don't want to change between the appraisals.

11. Have you been able to express all difficulties & problems which you have been facing Regarding your job & achievement of your performance area?
 (a) YES (b) NO

s.no	Options	No. of Responses	Percentage
1	YES	100	100
2	NO	0	0
	Total	100	100

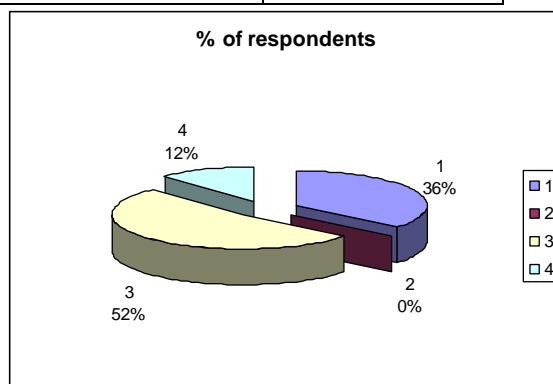


Interpretation:

About 100% of the employees are able to express all difficulties & problems which they have been facing regarding their job.

12. Frequency at which merit rating/Performance appraisal is conducted?
 (a) 1year (b) 2years (c) half yearly (d) Quarterly

s.no	Options	No. of Responses	Percentage
1	1YEAR	36	36
2	2YEARS	0	0
3	HALF YEARLY	52	52
4	QUATERTLY	12	12
	TOTAL	100	100



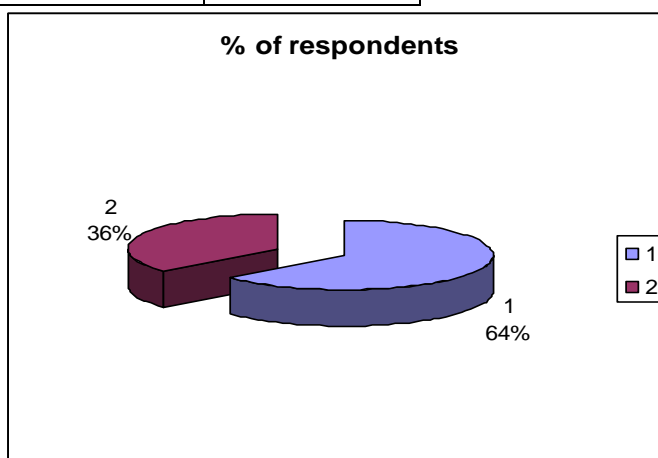
Interpretation:

About 36% of the employees conducted merit rating/performance appraisal at the frequency 1 year, 52% of the employees conducted at half yearly, 12% of the employees conducted at quarterly.

13. Are you satisfied with present Performance appraisal system?

- (a) YES (b) NO

s.no	Options	No. of Responses	Percentage
1	YES	64	64
2	NO	36	36
	TOTAL	100	100



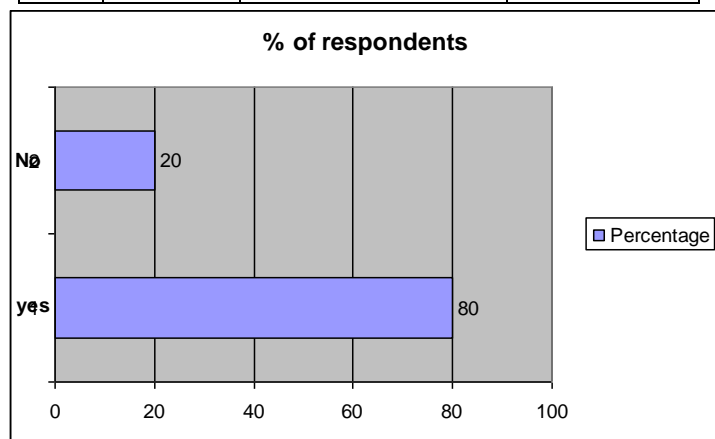
Interpretation:

About 64% of the employees were satisfied with present Performance appraisal system. Rest 36% of the employees was not satisfied with present system.

14. The appraisal is an opportunity for self review & reflection?

- (a) YES (b) NO

s.no	Options	No. of Responses	Percentage
1	YES	80	80
2	NO	20	20
	TOTAL	100	100



Interpretation:

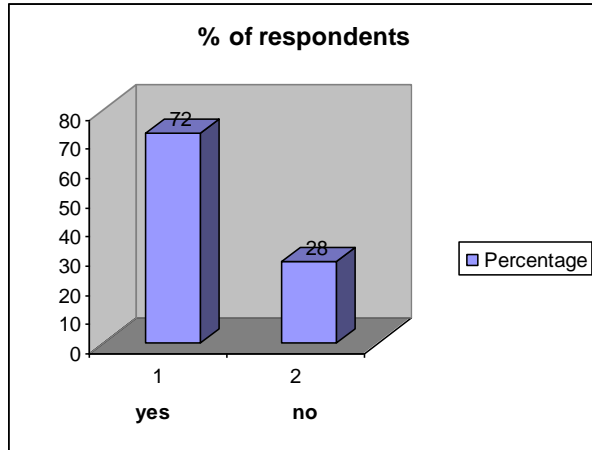
About 80% of the respondents have agreed that its an opportunity to review themselves. About 20% of

them said that it does not help them in reviewing themselves.

15. Do you think the reward system is fair and adequate?

(a) YES (b) NO

s.no	Options	No. of Responses	Percentage
1	YES	72	72
2	NO	28	28
	TOTAL	100	100



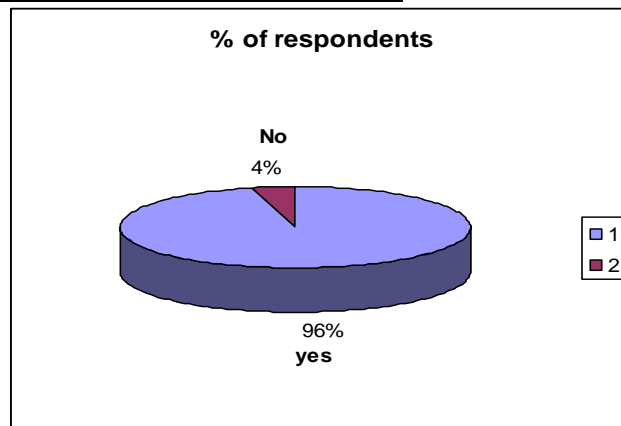
Interpretation:

About 72% said that the reward system is fair and adequate and 28% responded that it is not fair.

16. Do you have a good relationship with appraiser after Performance appraisal?

(a) YES (b) NO

s.no	Options	No. of Responses	Percentage
1	YES	96	96
2	NO	4	4
	TOTAL	100	100



Interpretation:

A Majority 96% of the respondents have the good relationship with appraiser after Performance appraisal. Rest 4% of the respondents is not having a good relationship with appraiser after Performance

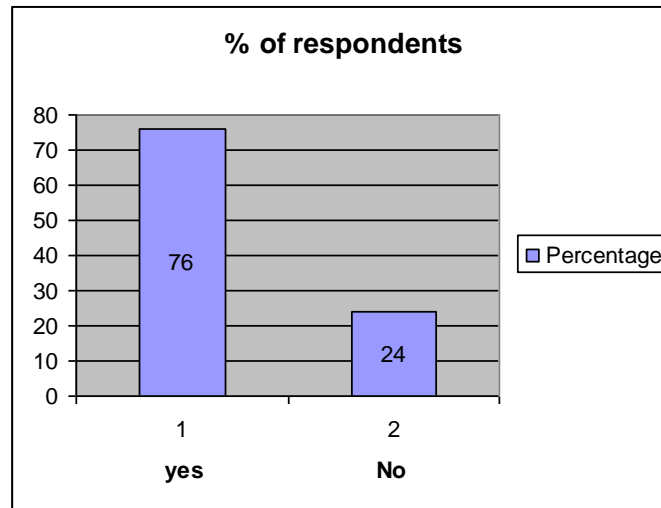
appraisal.

17. Do you feel Performance appraisal promote you?

(a) YES

(b) NO

s.no	Options	No. of Responses	Percentage
1	YES	76	76
2	NO	24	24
	TOTAL	100	100



Interpretation:

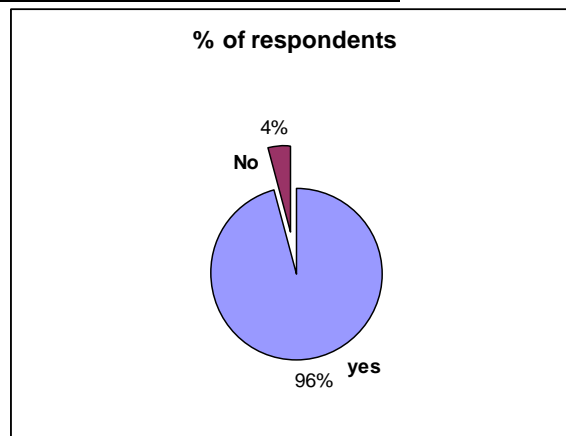
About 76% of the respondents feel that the Performance appraisal can promote the employee. Remaining 24% of the respondents are not agreed with the above sentence.

18. In your opinion PIDS (Process ID service) is necessary?

(a) YES

(b) NO

s.no	Options	No. of Responses	Percentage
1	YES	96	96
2	NO	4	4
	TOTAL	100	100

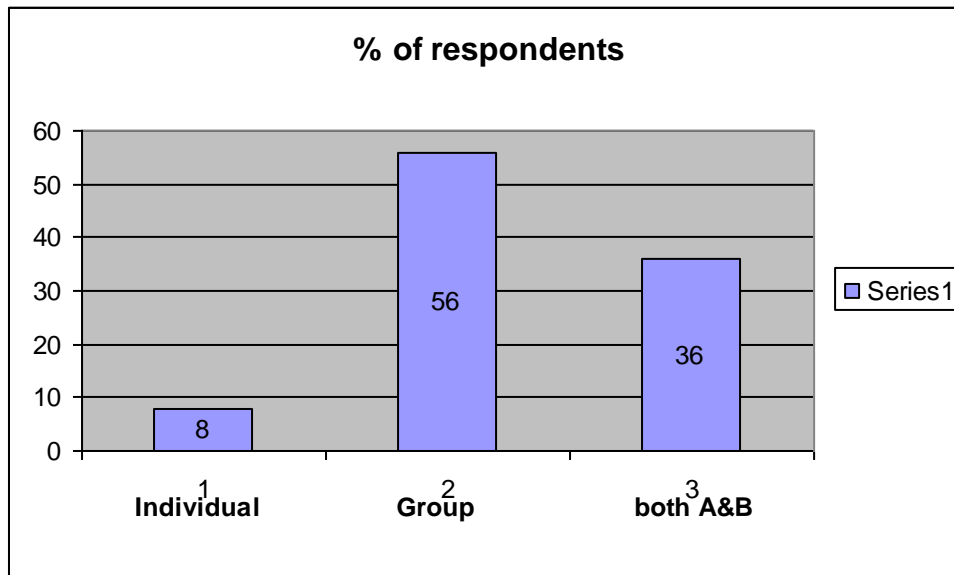


Interpretation:

Majority of 96% of the respondent’s opinion is that the PIDS is necessary.
 About 4% of the respondent’s opinion is that PIDS is not necessary

19. By which way you are consistent for Performance appraisal in organization?
 (a) Individual (b) Group (c) Both A & B

s.no	Options	No. of Responses	Percentage
1	Individual	4	8
2	Group	28	56
3	Both A & B	18	36
	Total	50	100

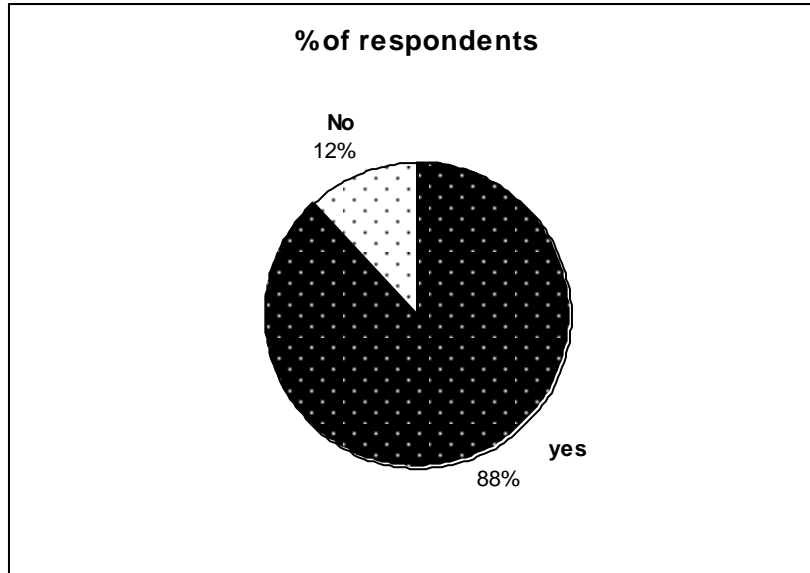


Interpretation:

About 8% of the respondents were consistent as a Individual for Performance appraisal, about 56% of the respondents were consistent as a group for Performing appraisal and 36% of the respondents were consistent as both individual and group for Performance appraisal.

20. Is Balance Score Card helps in improving the Performance?
 (a) YES (b) NO

s.no	Options	No. of Responses	Percentage
1	YES	44	88
2	NO	6	12
	Total	50	100



Interpretation:

About 88% of the respondents agrees that the Balance Score Card helps in improving the Performance. About 12% of the respondents disagrees that the BSC helps in improving the Performance.

FINDING

In the light of the above discussion the following findings are made.

- It is revealed that the executive are getting feedback on their performance though which they can review their performance. Sort on the problems and can overcome the difficulties.
- The management has a clear understanding about the problem that the workers are the best with moreover, they are eager to solve the problems of the workers as and when they arise.
- The management was giving requisite training to workers in the areas where they are weak.
- Workers awareness about the fact that the appraisal is one of the factors for promotion was cent percent.
- Performance appraisal system is considered as a means that aim at identifying the areas of improvement, identifying areas of training and development setting performance target for future.
- The management desire having cordial relations with the work to hold mutual discussions.
- The performance appraisal system it exists as it exists now is properly worked out and appropriately evolved. This revealed from the opinion given by the majority of the employees.

SUGGESTIONS

Based on the findings of the study and personal discussions held with various executives and employees at HERITAGE FOODS INDIA Ltd's., Hyderabad possible suggestions and recommendations are given:

- It is recommended that employees should be immediately communicated.
- The result of the appraisal particularly when they are negative.
- It is recommended that the supervisor should try to analyze the strengths and weaknesses of an employee and advise him on correcting the weakness.
- It is commended to counsel the employees appropriately regarding their strength and weaknesses and assist in developing them to realize their full potential in line with the company's goals.

- The top management is very much committed in implementing the performance appraisal system as it is. The performance appraisal system is considered as an essential tool for bridging gap between the top management and the executives it thus helps them to develop cordial relations and mutual understanding.
- It is recommended that the employees should be communicated information about his performance, again his acceptance of it and draw up a plan for future improvement, if necessary.
- It is recommended that the rater must be thoroughly well versed in the philosophy and of the rating system. Factor sales must be thoroughly defined, analyzed and discussed.

To conclude, it is imperative to immunize of the problems or hindrances to strengthen the system.

CONCLUSIONS

1. The rating instruments, which should strive for simplicity not complexity, are derived from job analysis.
2. Training is provided to all employees about the systems and to managers in its use.
3. The appraisal is grounded in accurate job descriptions and the actual ratings are based on observable performance.
4. Evaluations are completed under standardized conditions and are free of adverse impact.
5. Preliminary results are shared with the rate.
6. Some form of upper level review, including an appeal process, exists that prevents a single manager from controlling an employee's career.
7. Performance counseling and corrective guidance services exist.

While many systems may not compare favorably to such standards, recall that the crux of the appraisal problem is not system design. Instead, since evaluation is a matter of human judgment, the conundrum is how the plan and the information it generates is used.

As we peer into the century ahead, personnel appraisal will become either more or less complex. Should the long standing preference for person-centered evaluations persist, then organizational downsizing and workforce changes will likely complicate appraisals. The virtual workplace unbound by time and space is apt to exacerbate this situation.

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