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## Study And Analysis Of Effective Performance Appraisal Systm

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### Abstract:

*IAC Pvt. Ltd provides Performance Appraisal facilities to employees by improving their quality of product & there improvement will help thrust to objective of IAC directly and indirectly there by increasing and improving production and productivity.*

### INTRODUCTION:

The topic covers study made by analysis present performance system, impact of satisfaction level and morale of employees and Approach towards the labour performance.

### COMPANY PROFILE:

US based auto component manufacturer International Automotive Components (IAC) Group has opened a new manufacturing facility in Chakan Pune. The company has invested around Rs. 68 core in this unit. The new plant that produces products including instrument panels, floor consoles, interior and exterior garnish trim, air distribution vents and door panels for Mahindra and Mahindra Navistar vehicles. IAC has its expertise in the design, engineering and manufacturing of vehicle interior and exterior components and systems. With the help of company expert workforce, they are manufacturing a wide range of automotive parts available in different sizes, thickness and width, these are suitable for heavy, medium and light duty applications.

### REVIEW OF LITERATURE

Human are considered as the blood of any organisation. Human resource can be thought of as “The total Knowledge, Skill, creative abilities, talent and aptitudes of an organization workforce as well as the value, attitudes and beliefs of individual involved”. Performance appraisal of employee is an effective advertising and also a method of buying the gratitude and loyalty of employee. Employee performance is a comprehensive term including various services, benefits and training offered by the employee. The basic purpose of performance appraisal is to enrich the good quality product and keep improve the production of company. Performance appraisal menace improving qualitative addition or doing well.

Research is systematic and logical study of an issue or a problem or phenomenon through scientific method. The research was carried out using the primary data and secondary data for purpose of analysis. The method of sampling used was the co incident or accidental method and the stratified method

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in order to obtain the satisfied efficiency of the data. The study is based on the information collected from responding through questionnaire. The data analysis is presented in the form of graph and on the basis of that conclusion is made. At last the required suggestions are given.

### **Purpose of Performance Appraisal**

Performance Appraisal is being practiced in 90% of the organizations worldwide. Self-Appraisal and Potential Appraisal also form a part of the Performance Appraisal Processes.

### **Typically, Performance Appraisal is aimed at:**

- 1.To review the Performance of the Employees over a given period of time.
- 2.To judge the gap between the actual and the desired Performance.
- 3.To help the Management in exercising Organizational control.
- 4.To diagnose the training and development needs of the future.
- 5.To provide information to assist in the HR decisions like promotions, transfer
- 6.To provide clarity of the expectations and responsibilities of the functions to be performed by the Employees.
- 7.To judge the effectiveness of the other Human Resource functions of the organization such as Recruitment, Selection, Training and Development.
- 8.To reduce the grievances of the Employees.
- 9.Helps to. strengthen the relationship and communication between Superior - subordinates and Management-Employees.

### **OBJECTIVES**

To study the performance Appraisal Process in international Automotive India Pvt.Ltd.

To Study & analyze the effectiveness of Performance Appraisal method being followed in Organization.

### **SCOPE OF STUDY**

This project has been carried out in the human resource department of International Automotive Component Pvt. Ltd. to study the current status of performance Appraisal and process of Performance Appraisal and how to improve performance appraisal system.

I was conducted a survey for employees as well as the manager of international Automotive Component Pvt. Ltd. In which I had interview with manger of HR department also I made observation in shop floor.

### **NEED OF THE STUDY**

This project is focusing mainly on the present situation and existence of the Appraisal team system in the IAC. To improve the performance of employee for better production in organisation is the basic need of study.

### **PERFORMANCE APPRAISAL IN IAC Pvt. Ltd. COMPANY**

The existing system of Performance Appraisal was introduced from the year 1978 & started from the dated of 5th January 1979. The question of improving the Appraisal system & introducing revised system was under consideration. Based on the study of Performance Appraisal system in vogue in other companies, a revised annual Performance Appraisal system as explained below has been prepared & approved for implementation form financial year 1992-93.

A Glimpse of Performance Appraisal System in IAC Prior to 1992-93 & Since 1992-93

In International Automotive India Pvt. Ltd. Performance Appraisal of the Employees is beingdone form its inception. In the beginning it was done in the form of “Confidential Reports” which were written on an annual basis, from 1978 onwards, the Management introduced twotypes of forms.

Form A & B for Workmen & Supervisor/ Officer respectively. The system was a partial opensystem i.e. it provided for self-evaluation by the Employee. The system required that periodical Appraisal meetings be held for each employee by his/her appraiser, twice in a year, once in June/July and once in December/January. After the periodical Appraisal meeting, the assessment of related issues is made

by the supervisor and show to the subordinate and the latter is required to sign the same. While assessing the Performance of 'Workmen' & Supervisor/ Officers parameters were taken into account is different, which is accordance with their job need. Apart from the parameter, there were two other columns in the form which required to be filled by the 'Appraise' citing his achievement and shortfalls with reasons. The parameters were to be ranked under anyone of the following categories

- 1.High
- 2.O.K
- 3.Needs improvement

Overall assessment of Performance was rated as

- 1.Excellent
- 2.Good
3. Fair

#### **LIMITATION**

1. The duration of two month for project was insufficient.
2. Lack of time to interact with the employee's because they were busy with their work.
3. Information or past records given by company were not sufficient.
4. The employee is having fear to make interaction! communication with us (MBA trainers).
5. The employee are also afraid to give us information about the present condition of work where feel that their name will disclose.

#### **FINDINGS**

Most of the employees are aware of the Performance Appraisal criteria but few employees are not clearly aware about Performance Appraisal criteria.  
There is no transparency rating in Performance Appraisal system.  
Proper feedback is given to the employees after Performance Appraisal System.  
Most of the employees get proper training III weak areas after Performance Appraisal System.  
The employee get enough support from manager to improve their performance. There is lot of bias in Performance Appraisal system there for the employee believed that the Performance Appraisal criteria should be made more objective.

#### **SUGGESTIONS & RECOMMENDATIONS**

1. The employee of suggested they want Performance Appraisal review on Half Yearly bases.
2. The criteria use for Performance Appraisal should be more objective and quantifiable goals so that the bias in Performance Appraisal can be minimized.
3. The employee should be communicated criteria clearly and at the time of Performance Appraisal system the manager should explain the employee how the rating given to them so that there will be transparency in performance.
4. Performance Appraisal program would be designed in such a way that, the Employer would be able to analyse the contribution of the Employee to the organisation periodically and all the Employees who have been Performing well would be rewarded suitably eitherby an giving Certificate to Employee/ Increment timely.
5. The Management will take the Initiative ideas from Employees & give the Rewards for good ideas. Create a belief in Employees mind that he is respected person & his ideas have a value. The employees are given chance to lead the team.
6. The Management should emphasis on Training programme which they provided, theymake changes in that. Introduce new programme like Vestibule Training, Stress Management, and Role Playing for effective Performance.

#### **CONCLUSION**

Appraisal can then become a way of life, not concerned simply with the regulation of Rewards & the identification of potential, & motivation, but also concerned with improving the Performance of the

Company. The benefits of Appraisal in these terms are immediate & accurate to the Company as a whole. With Rewards being directly linked to achievement of Objectives, Goal setting & Performance Appraisal assumes utmost importance. The Performance Appraisal system has been professionally designed & it is monitored by Personnel Department. The implementation is the responsibility of each & every Employee along with their Supervisor. In conclusion, a Performance review is important as it gives an opportunity to get an overall view of job Performance & Staff development. It encourages systematic & regular joint - stocking & planning for the future. Good Performance reviews therefore don't just summarize the past they help to determine future Performance with following parameters.

Self-Appraisal for each level Employee.  
Superior Appraisal.  
Peer / Colleague Appraisal.  
Subordinate Appraisal.  
Clients/ Customer Feedback

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