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## A STUDY ON THE EFFECTIVENESS OF EXISTING PERFORMANCE APPRAISAL SYSTEM IN IT INDUSTRY

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### ABSTRACT

This study aims at examine the effectiveness of existing performance appraisal system in IT. A performance appraisal is thought by different term performance review. It's a way by that the duty performance of association degree worker is measured in terms of quality, quantity, cost, behaviour and time. It's conducted periodically by self, peers, subordinate and superiors. A performance appraisal may be a part of measurement, comparing, finding, guiding, correcting and managing career development of the staff. We take in regard up to performance and supreme strategy. Performance appraisal is a systematic approach method or performance calculation that of making certain that superiors and their employees search often to debate past and credit performance related problems and to agree what future is suitable on behalf. Employees has or might to be appraised by their intermediate superiors by one-on-one basis. The employee is being appraised once they meet to measure output inspired to appear ahead to boost and utilize strengths, redress weakness and examine however potentials, aspirations and effectiveness ought to match up. Here, in this the study is to spot the factors that motivate to supply the most performance towards structure development, the notice level of performance appraisal technique among the employees and to research the necessity and expectation of performance appraisal system within the organization.

**Key Words-** Performance appraisal, Manpower development, Information Technology

## INTRODUCTION

Performance appraisal is the efficient method of getting and recording collected information concerning the relative value of an employee. The main aim of the project is performance appraisal is rising the particular performance of the employee and functionally the long aim potential of the employee. "Performance appraisal may be a systematic method of reviewing, addressing the working, crediting the performance and assessing the output of an employee throughout the period of survey as a given amount of time and designing for future". It is a necessary tool to calculate, refine and reward the performance and giving feedback for the output obtained by the employee. It helps to research and identify such contribution towards the achievement of the obtained goals. It's a formal interaction structured between a subordinate and supervisor goes into the organization, that sometimes takes the shape of a periodic review which maybe annual or semi-annual which the work performance of the subordinate is examined and mentioned between with a read to characteristic weakness and strength such that there can be opportunities for improvement and skills development.

## REVIEW OF LITERATURE

**Devries, Morrison, Shullman and Gerlach (1981)** outline performance appraisal as a technique by that a corporation measures and evaluates a private employee's behaviour and accomplishments for a finite amount.

**Denhardt (1991)** defines performance appraisal as a selected analysis with reference to an individual's progress.

**Robert. G (2003)** democratic performance appraisal is a necessary part of a good and moral analysis of a private employee, once staff possess that means role within the appraisal method is powerfully increased.

**Eichel and Bender (1984)** The performance appraisal system has been shifted from tool systems which was supported by the management and has been changed to increasing trends towards personnel management and development

**Stonich (1984)** argued that performance appraisal in a corporation ought to be in tune with it's structure and culture. Since the character of the enterprises during which every trade is engaged varies, its structure sort, business policy, internal and external setting also are sometimes completely different.

## OBJECTIVE OF THE STUDY

The primary objective of the study is to determine the effectiveness of existing performance appraisal system in IT industry at Tamilnadu. The secondary objective of the study is to confirm the factors that influence to produce the foremost performance towards organisational development and also to

establish the attention level of performance appraisal technique among the staff and to identify the strength and weakness of the staff and also to investigate the necessity and expectation of performance appraisal system at intervals the corporate. These objectives will be helping me to attain the result.

## RESEARCH METHODOLOGY

### Sample Size:

The sample size of the research study is 140.

### Sources Data:

The research study used both primary data and secondary data.

### Sampling Techniques:

The Research study adopted a convenience sampling method and data collection was done through questionnaire methods.

### Structure of the Questionnaire:

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

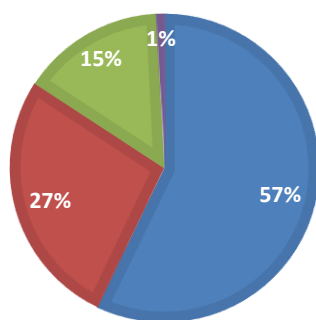
- Direct questions
- Close end questions
- Multiple choice questions

## DATA ANALYSIS AND INTERPRETATION

### I.Age of the Respondents

Year	No. of Respondents	Percentage
18 – 28 years	80	57%
29 – 38 years	38	27%
39 – 48 years	21	15%
49 and above	1	1%
<b>Total</b>	<b>140</b>	<b>100</b>

■ 18 - 28 years ■ 29 - 38 years ■ 39 - 48 years ■ 49 and above

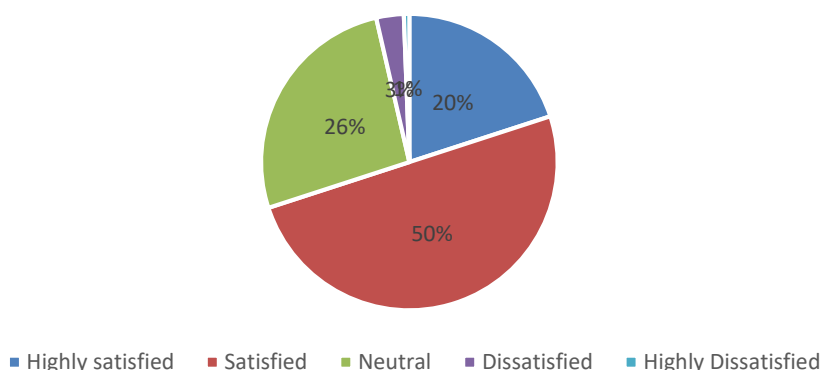


### Inference:

Majority (57%) of the respondents are in the age group of 18-28 years old.

### II. Respondent's satisfaction on the existing performance appraisal system that gives motivation and job satisfaction

Particulars	No. of Respondents	Percentage
Highly satisfied	28	20%
Satisfied	70	50%
Neutral	37	26%
Dissatisfied	4	3%
Highly dissatisfied	1	1%
<b>Total</b>	<b>140</b>	<b>100</b>



### Inference:

Majority (50%) of the respondents are satisfied that the performance appraisal would help in motivation and job satisfaction.

## CHI-SQUARE TEST

### III. Showing Chi-Square test between age of the respondents and the existing performance appraisal system that gives motivation and job satisfaction

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	25.353 <sup>a</sup>	12	.013
Likelihood Ratio	26.101	12	.010
N of Valid Cases	140		

a. 12 cells (60.0%) have expected count less than 5. The minimum expected count is .01.

#### Inference:

The results of the "Pearson Chi-Square" say that  $\chi^2(24) = 25.353$ ,  $p = 0.001$ . This tells us that there is a statistically significant association between age of the respondents and the existing performance appraisal system that gives motivation and job satisfaction.

### IV. Showing Chi-Square between age of the respondents and the satisfaction with the communication of the strengths, weakness and suggestions to improve performance

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	11.325 <sup>a</sup>	9	.254
Likelihood Ratio	10.271	9	.329
N of Valid Cases	140		

a. 9 cells (56.3%) have expected count less than 5. The minimum expected count is .01.

#### Inference:

The results of the "Pearson Chi-Square" say that  $\chi^2(9) = 11.32$ ,  $p = 0.001$ . This tells us that there is a statistically significant association between age of the respondents and the satisfaction with the communication of the strengths, weakness and suggestions to improve performance.

## ANOVA

### V. Hypothesis set between department of the respondents and the satisfaction with the communication of the strengths, weakness and suggestions to improve performance

ANOVA					
Efficient					
	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	4.811	3	1.604	.763	.517
Within Groups	285.875	136	2.102		
Total	290.686	139			

#### Interpretation:

The significance level is 0.517, which is more than 0.005, therefore, there is no statistically significant relationship between department of the respondents and the satisfaction with the communication of the strengths, weakness and suggestions to improve performance.

## FINDINGS

52% of the respondents are male, 50% of the respondents are satisfied that the performance appraisal would help in motivation and job satisfaction. The first Chi-Square test shows that there is statistically significant association between age of the respondents and the existing performance appraisal system that gives motivation and job satisfaction. The second Chi-Square test shows that there is a statistically significant association between age of the respondents and the satisfaction with the communication of the strengths, weakness and suggestions to improve performance. From the ANOVA test result shows that the significance level is 0.517, which is more than 0.005, therefore, there is no statistically significant relationship between department of the respondents and the satisfaction with the communication of the strengths, weakness and suggestions to improve performance.

## CONCLUSION AND RECOMMENDATIONS

This study analyses the effectiveness of performance appraisal. As per the reports the appraisal system helped in evaluation of the employees and it is helpful in achieving the objectives of the organization related to the study. In IT industry all the employees are aware of the organizational

goals, standards and norms of the organizational work as they expressed their interest in satisfaction of the appraisal system. The employees states that the appraisal system by helping to know more about their strengths and weakness. The appraisal system is helpful in empowering the efforts made by the employees and it is beneficial. Not only for company but also for individual employees as an organization is important. This study helped to know about the performance appraisal system assessing, prompting and boostup the performance of the employees in their work. And also multiply the strength and diminish the fragility through the performance appraisal system.

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