

Impact on Employee's Promotion through PMS

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Abstract: Performance appraisal and performance management system are one of the nascent issues of 21st century. In recent decades, however, the process of managing people has become more specialized. Many of the old performance appraisal methods have been absorbed into the concept of Performance Management, which aims to be a more extensive and comprehensive process of management. Some of the developments that have shaped Performance Management in recent years are the differentiation of employees or talent management, management by objectives and constant monitoring and review. In this paper, authors describe that how PMS helps the employees to work for promotion. This paper also highlights the employee's attitude towards present performance management system. To achieve these objectives, author use descriptive study by using sample of fifty employees of the organisation and to check the reliability chi – square test was used.

KEYWORDS: PMS, Promotion, performance appraisal, Goal attainment

Introduction

Performance management is a system designed to identify the commitment of employees towards organizational goals through continuous evaluation and feedback resulted in improvement of employee performance. Performance management and performance appraisal are not like terms, both are differentiated from each other. Performance management system are the tools for annual evaluation process and this strengthen the employee to achieve organization goals as well as for individual growth also. On the other hand Performance appraisal is evaluating the employees and whole organization to see how well they are performing.

Performance management has many benefits that the traditional annual evaluation does not. Luecke identifies three reasons “why performance management matters:”

1. Shareholders (those with a vested interest in the organization) observe better results, because the human assets of the organization are top-notch and working in unison toward key goals.
2. Managers are more successful, because their subordinates are doing the right things correctly.
3. Employees experience greater job security, career advancement, and fatter paychecks, thanks to outstanding performance.

Godrej Company is established in 1897. With 7 major companies with interests in real estate, FMCG, industrial engineering, appliances, furniture, security and agro based products. Their presence in more than 60 countries ensures that their customers are at home with Godrej no matter where they go. With brands you can believe in, service excellence you can count on and the promise of brighter living for every customer. Godrej Group is an Indian conglomerate headquartered in Mumbai, Maharashtra, India. It was founded by Ardeshir Godrej and Pirojsha Godrej in 1897, Lalbaug, Mumbai. It operates in diverse sectors such as real estate, consumer products, industrial engineering appliances, furniture, security and agricultural products, to name a few.

Review of literature

Author	Description
DDI (1997)	Performance Management Practices is the most recent performance management study. It proves that successful organizations realize that performance management is a critical business tool in translating strategy into results
Robert and Angelo, (2001)	Human resource managers in the public sector business concerns should embark on periodic performance management reviews of their employees in order to re-position their business organizations though owned by government for better performance and improved competitiveness.
Watson Wyatt Worldwide (2004)	PM systems should recognize high performers and confront poor performers as soon as possible, eliminate paper forms, and utilize a user-friendly automation.
Hewitt Associates (1994)	The impact of performance management on organizational success substantiates that performance management system can

	have a significant impact on financial performance and productivity.
Bernthal, P.R., Sumlin, R., Davis, P., & Rogers, R. (1997).	Organizations are using a consistent performance management system with a higher percentage of their workforces.
Sung & Ashton,(2005)	It is the business strategy that gives the high performance working practices their dynamism and provides the framework against which performance can be evaluated and improved.
Leena Toppo, Twinkle Prusty (2012)	Studied that many organizations have shifted from employee's performance appraisal system to employee's performance management system. Performance management eliminates the shortcomings of performance appraisal system to the some extent.

RESEARCH METHODOLOGY

The study was based on survey method. The aim of the study is to find out the performance level and promotion of employees through PMS. This study is descriptive in nature. Convenience sampling method is used in this research.

OBJECTIVES OF THE STUDY

1. To study the present profile of employees for promotion system in the GODREJ AGROVET LTD.
2. To study the effect of productivity and performance of employee on the promotion mechanism.
3. To provide suggestions for the correlation of promotion system with the performance management system.

HYPOTHESES OF THE STUDY

- Let us take the null hypothesis that there is no significant difference between Qualification of the employee and Promotion system.
- Let us take the null hypothesis that there is no significant difference between Experience of the employee and Feedback.

SAMPLE SIZE

The sample size of this study is fifty respondents.

PERIOD OF STUDY

This study on employee motivation was conducted during the period of 45 days.

SOURCES OF DATA

In this study primary data was collected through personal interview by using questionnaire. The questionnaire was filled from fifty employees of GAVL. The secondary data was collected from books, websites, and research reports and documents /records Godrej Agrovet.

TOOLS OF THE STUDY In this study, authors used percentages and likert scale for analyzing the data and chi square test was used to test the goodness of fit.

The formula for the chi-square statistic used in the chi square test is:

$$\chi_c^2 = \sum \frac{(O_i - E_i)^2}{E_i}$$

LIMITATION OF THE STUDY

1. This is subjected and prejudices of the respondents, hence 100% accuracy cannot be assured.
2. The research was carried out in a short span of time, where in the research could not widen the study.

3. The period of study was too short. So it was not possible to collect the relevant information within the period.
4. The findings are based on the answers given by the employees, so any error or bias may be affect the validity of findings.

ANALYSIS AND INTERPRETATION

TABLE 1
QUALIFICATION OF THE EMPLOYEE.

Qualification	No. of employees	Percentage
Below metric	8	16%
10+2	10	20%
Graduation	14	28%
Post Graduation	18	36%
Total	50	100%

Table1 shows that most of the employees at GAVL are literate that is 36% of the employees are post graduated, 28% are graduated. Very less number of employees are below metric and 10+2 i.e.16% and 20% respectively.

TABLE 2
EXPERIENCE OF THE EMPLOYEE.

Experience	No. of employees	Percentage
Less than 1 year	0	0
2-4 years	20	40%
5-7 years	13	26%
More than 7 years	17	34%
Total	50	100%

Table2 shows that, No employee is employed with experience less than 1 year. Maximum number of employees i.e. 40% employees having experience of 2-4 years. 26% employees having experience of 5-7 years and 34% of the employees are having the experience of more than 7 years.

TABLE 3
SATISFACTION LEVEL OF THE EMPLOYEES WITH THE SYSTEM THAT PROMOTION DEPENDS ON PMS

Options	No. of respondents	Percentage	Mean value
Highly satisfied(5)	15	30%	1.5
Satisfied(4)	25	50%	2
Neutral(3)	5	10%	0.3
Dissatisfied(2)	3	6%	0.12
Highly dissatisfied(1)	2	4%	0.04
Total	50	100%	3.96

According to sample shown in Table 3, 90% of the employees shows satisfactory result that promotion must be depend on PMS. Only 10% of them declined to this statement. Likert scale value of 3.96 also cleared that most of the employees are satisfied with this.

HYPOTHESIS-1

Let us take the null hypothesis (Ho) that there is no significant difference between Qualification level of the employee and Promotion system of the organization.

Options/Qualification	Below metric	10+2	Graduation	Post Graduation	Total
HS	2	2	3	5	12
S	6	7	8	11	32
N	0	1	3	2	6
D	0	0	0	0	0
HD	0	0	0	0	0
Total	8	10	14	18	50

Observed Frequency(O)	Expected Frequency(E)= R*C/N	(O-E) ²	(O-E) ² /E
2	1.92	0.0064	0.0033
6	5.12	0.7744	0.1512
0	2.4	0.16	0.0667
7	6.4	0.36	0.0562
1	1.2	0.04	0.0333
3	3.36	0.1296	0.0385
8	8.96	0.9216	0.1028
3	1.68	1.7424	1.0371
5	4.32	0.4624	0.1070
11	11.52	0.2704	0.0234
2	2.16	0.0256	0.0118
TOTAL			1.6313

Degree of freedom= (R-1) (C-1) = (5-1) (4-1) = 12. Therefore, $X_{0.05} = 21.03$

As, calculated value is less than table value. Therefore, Hypothesis is accepted.
This means qualification of the employee has no impact on promotion system of the organization.

TABLE 4
SATISFACTION LEVEL OF EMPLOYEES WITH ANY FORMAL FEEDBACK REGARDING THEIR PERFORMANCE.

Options	No. of respondents	Percentage	Mean value
Highly satisfied(5)	5	10%	0.5
Satisfied(4)	32	67%	2.56
Neutral(3)	6	13%	0.36
Dissatisfied(2)	5	10%	0.2
Highly dissatisfied(1)	2	0	0.04
Total	50	100%	3.66

Table 4 shows that more than half of the employees are satisfied i.e. 67% and 26% of the employees is highly satisfied with any formal feedback regarding their performance. Only few numbers of employees is dissatisfied.

HYPOTHESIS- 2

Let us take the null hypothesis (Ho) that there is no significant difference between experience of the employee and Feedback regarding their performance.

Options/Experience	Less than 1 year	2-4 years	5-7 years	More than 7 years	Total
HS	0	6	1	3	5
S	0	17	10	14	41
N	0	2	20	0	4
D	0	0	0	0	0
HD	0	0	0	0	0
Total	0	20	13	17	50

Observed Frequency(O)	Expected Frequency(E)= R*C/N	(O-E) ²	(O-E) ² /E
1	2	1	0.5
17	16.4	0.36	0.0219
2	1.6	0.16	0.1
1	1.3	0.09	0.0692
10	10.66	0.4356	0.0408
2	1.04	0.9216	0.8861
3	1.7	1.69	0.9941
14	13.94	0.0036	0.0002
TOTAL			2.6123

Degree of freedom= (R-1) (C-1) = (5-1) (4-1) = 12. Therefore, $X_{0.05} = 21.03$

As, calculated value is less than table value. Therefore, Hypothesis is accepted. This means experience has no effect on the feedback generation.

FINDING AND SUGGESTIONS

- All the respondents told that their organization is running a formal organization system.
- The review process is aimed at providing you with feedback on your performance and helping you improve on your development areas.
- Most of the respondents are believe that current performance management system improves their performance.
- Most of the respondents told that they are fairly treated by their superior.
- PMS is having “developmental focus” with appropriate training system to cater the training need of employees.
- Out of resources used in business the manpower is most important and money is ranked second.

SUGGESTIONS

- HR professionals of the organization should apply strategic & integrative approach to performance management.
- The process should be monitored efficiently addressing the doubts and queries of the employees.
- Persuasive sessions should be organized to emphasize the need of performance management.
- Make sure employee goals and objectives bond to the goals of the organization. Clear objectives improve communication, as well as the organizational structure.
- The most proficient way to get ready for a review is by taking notes using a performance log for each employee. A performance log includes notes of both appropriate and inappropriate behaviors of that particular employee.

CONCLUSION

Performance management is a continual process, not something that occurs only annually. Individual and organizational performance depends largely on the relationship between the supervisor and the individual employee. Effective performance management will be a key to ensuring that design efforts in areas like compensation are successfully supported and implemented. This team will also evaluate discipline, dismissal and appeal rights. Performance deficiencies are addressed promptly and effectively through training, coaching and corrective action if necessary.

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