



# A STUDY ON EMPLOYEE PERFORMANCE MANAGEMENT SYSTEM AT POWERICA LIMITED

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## ABSTRACT

This paper illustrates the employee performance management system at Powerica Limited operating in manufacturing sector. Aim of the study examines the system for evaluation of employee performance and their career development. The analysis carried out based on set objectives of the company, which are resulted in overall performance management system. The system of evaluating and managing employee development implemented at the organization in an extremely positive light by employees, who appreciates the effect it has on motivation in turn reflected in their work.

## INTRODUCTION

Performance Management System is complete process of managing people. It is also called as people management. If people do not participate, organization will not survive longer period. Performance Management System is basic tool for reviewing overall performance of the employee and improving the ability of the employee work performance. We carried out research on performance management system at Powerica Ltd.

Powerica Limited was established in the year 1984 under the dynamic leadership of visionary Mr. Naresh Oberoi. It is also promoted by Bharat Naresh Oberoi and Kharatiram Kharak Puri, who have been involved in the diesel generator set business for several decades. Powerica has evolved to become a leading end-to-end power solution provider in conventional diesel-based, standby and prime power applications. Dynamic growth across verticals has also led Powerica to have a strong footprint in renewable energy projects.

Powerica's power solutions are provided through its expertise in manufacturing, marketing, installation, commissioning, after-sales servicing & maintenance contracts. All auxiliary systems - acoustic enclosures, fuel & exhaust systems and power & control systems that are required for a complete diesel generator set are manufactured in the factories.

## REVIEW OF LITERATURE

1. **Prihatini Dewi and Utami Wiji and Priyono Agus (2019)**, Their research shows an evaluation of the effectiveness of performance measurement that has been applied is needed because performance management information is beneficial in preparing the next business development plan. Performance Management Analysis (PMA) is one of the business performance appraisal tools that can cover weaknesses that arise when business organizations only assess their financial performance.
2. **Rekha Shrivastava Rekha and Mathur Mathur and Barodiya Parmanand (2019)**, study explores PMS is an important tool in measuring and managing the performance of individuals as well as the teams. An organization which is aiming at improving its performance cannot ignore the performance of individuals and the teams. A PMS should be designed keeping in mind all the hurdles that may come in its way during the implementation.
3. **Brown CTravor and O'Kane Paule and Mazumdar Bishakha and McCracken Martin (2019)**, Their scoping review reveals that research in the field of PM is disproportionately distributed among elements of the process with PA elements such as format and psychometric properties more frequently explored and issues concerning feedback and goal alignment appearing less frequently.
4. **Sullivan W.David and Yim Junhyok (2019)**, Journal examines the relationship between aspects of PM and each evaluative criterion considered separately, very little work has examined the longer "value chains" of PM. This represents an important opportunity for future work. this model and review (including the propositions we develop) can be very helpful for advancing both research and practice in PM.

## PERFORMNCE MANAGEMENT SYSTEM

Performance Management System is complete process of managing people. It is also called as people management. If people do not participate, organization will not survive longer period. Performance Management System is basic tool for reviewing overall performance of the employee and improving the ability of the employee work performance.

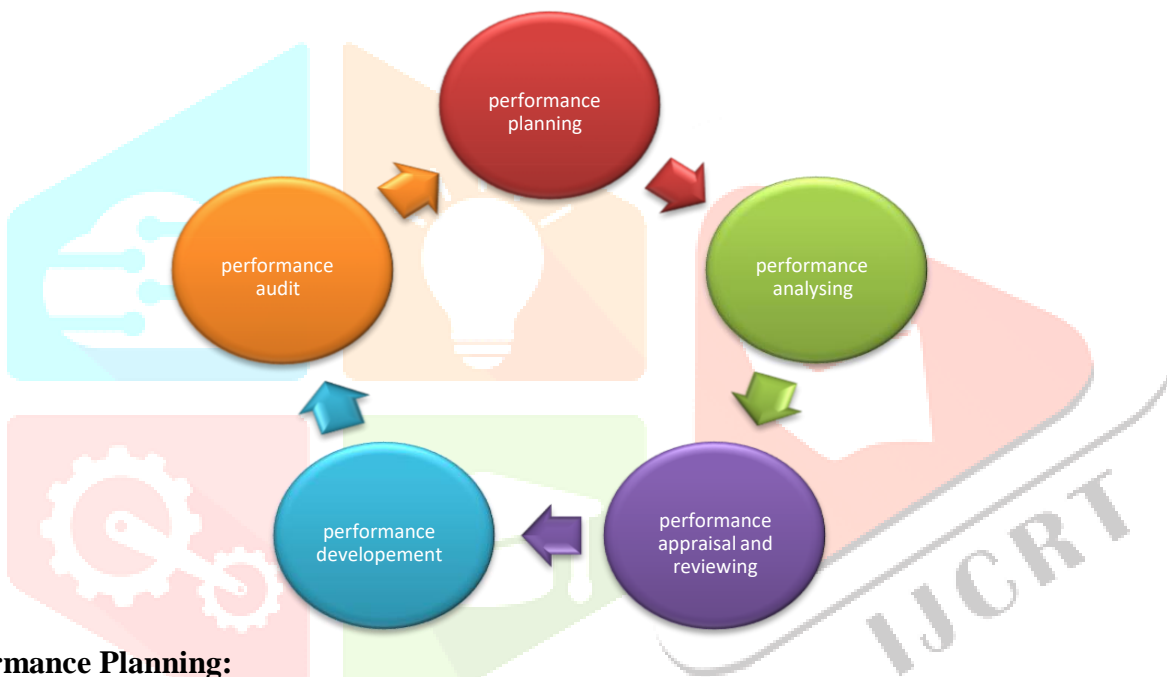
Performance Management System provide framework to the employee works. It helps the HR manager to get effective work from the employees and helps o maintain the overall performance of the employee.

### Performance Management Process

Performance Management Process is a complete structure of managing people or performance of the workers. It is a cycle of managing, planning, evaluating and improving the performance of the employees.

Performance management system is mainly divided into five phases it is shows the complete cycle of the performance management system of the organization.

Phase – 1



### Performance Planning:

Performance planning is the first step of performance management system. Performance planning is nothing but setting goals and objectives for groups or individual to achieve their organizational goals.

It helps employee to commit the works towards achieving the organizational goals. It is start with setting the task and establishing the strategic plan towards targeted results.

It provides the frame work for individual workers to perform their works and achieving their goals. It helps describe job of individual employee. It is a complete process of planning what has to done for managing the performance of the employee and how the employee’s works has to be improved.

Phase – 2

### **Performance Analyzing:**

Performance Analyzing includes complete process of the performance management process. Understanding the factors which influencing the performance management system.

Studying the actual performance and predict the future performance of the employee. It identifies the problems which involves the employee effective performance and helps to find out HR requirements such as recruitment, training, compensation and retention.

It identifies the need of the skills and methods and procedure has to be adopted for progress of the employee performance.

Phase – 3

### **Performance Appraisal:**

Performance appraisal is the very crucial stage of the performance management process.

In this stage HR manager interacted with the employee and get the feedback from the employee. He is going select the proper appraisal tool for evaluating the employee performance in the organization. He sets the standards for workers performance and evaluate actual performance and compare with the past performance and take the various decision regarding improve the skills of the employee.

In this stage HR manager has going to major decisions about fixing compensation, providing training facility and take the decision regarding rewards and awards.

Phase -4

### **Performance Development:**

Performance development is the important step in the performance management system. After the performance appraisal manager has find the results of performance of the workers so he has to take important decision about the training and skill development of the employee, if the performance is gong low of the employee.

Manager has to keep on studying the employee performance and behavior in the organization to develop their knowledge and career. It will help to maintain the employee interest towards the organization goal and build the positive environment in the organization.

## Performance Management review and audit

Performance Management review and audit is a continuous process of review and evaluation of the employee performance. It shows the actual performance of employee. In this stage HR manager going to take major decision regard compensation, rewards, awards, requirement and retention.

Interpret the general principles

Find out the individual employee expectation in the organization

Evaluate the training and development system n the organization

### OBJECTIVES OF THE STUDY

- 1) To study Performance management system of employees at Powerica Limited.
- 2) To know the useful needs of performance management system.
- 3) To analyze the process of performance management system.
- 4) To analyze the satisfaction level of employees towards performance management system.

### LIMITATION OF THE STUDY

- 1) The time duration is less therefore the information collected was limited, 2) The information given by the employees may or may not be true because in same course the employees very busy they don't give correct opinion regarding project.
- 3) Collecting data – the results depends on the present state of mind of the employees.
- 4) No employees want to reveal bad or negative things about the company.

### RESEARCH METHODOLOGY

The fundamental plan, which guides the data gathering analysis and phrase, is the framework. That specify the kind of information to be collected the sources of facts and collection process.

**RESEARCH INSTRUMENT:**

The following instruments are used in analysing the data collected from primary and secondary methods.

- Percentage Analysis
- Bar Diagrams and Charts.

**SOURCES OF DATA:****1)Primary Data:**

Data are collected from questionnaire and through personal interviews

**2)Secondary Data:**

Data was collected through various Books, Records, Journals, Brochure, and Company WebsiteS.

**SAMPLE SIZE:**

The size of the Sample is 50 employees.

**SAMPLE UNIT:**

The data is collected from the Lower level Employees.

**STATISTICAL TOOL:**

Chi-square statistical tool was used to perform the Analysis and Hypothesis.

**SAMPLING TECHNIQUE:**

Simple Random sampling.

**DATA COLLECTION METHOD**

Through a structured Questionnaire, which consist of 25 questions, Both open and close ended Questionnaires framed. The questionnaire was administered through set of respondents collected. As a whole 57 respondents were responded among those responses, 50 responses were taken for data analysis and interpretation.

**PROCESSING OF DATA AND PLAN OF ACTION:**

- Collection of data through questionnaires
- Checking
- Editing
- Coding
- Tabulation
- Analysis
- Interpretation through Graphs & Chart

**Sample Technique: The sample method used is random sampling method.**

|                            |                         |
|----------------------------|-------------------------|
| Research design            | Descriptive research    |
| Sampling technique         | Random sampling         |
| Sampling area              | Powerca Limited (India) |
| Sampling size              | 50                      |
| Data collection instrument | Questionnaires          |
| Hypothesis testing         | Non – Parametric test   |

## DATA ANALYSIS AND INTERPRETATION

### ANALYSIS 1:

Table shows the respondents opinion about performance appraisal increase efficiency of employees.

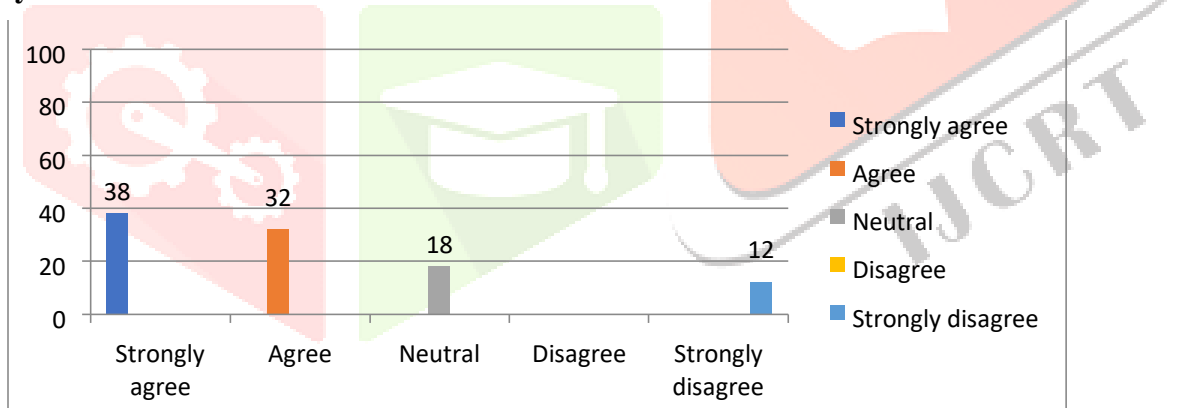
| RESPONSE          | NO. OF RESPONSE | PERCENTAGE |
|-------------------|-----------------|------------|
| STRONGLY AGREE    | 19              | 38         |
| AGREE             | 16              | 32         |
| NEUTRAL           | 9               | 18         |
| DISAGREE          | 0               | 0          |
| STRONGLY DISAGREE | 6               | 12         |
| TOTAL             | 50              | 100        |

### ANALYSIS:

From the above table, it can be analyzed that 38% of respondents strongly agreed, 32% were responded agree, 18% of respondents were neutral and 12% of respondents were strongly disagreed with the opinion performance appraisal increase efficiency of employees

### INTERPRETATION 1:

Graph shows the respondents opinion about performance appraisal increase efficiency of employees.



### INTERPRETATION:

From the above graph, it is interpreted that majority of respondents strongly agreed with performance appraisal increase their efficiency because knowing ones SWOT better helps to increase efficiency of employee towards work.



**ANALYSIS 2:**

Table shows the respondents opinion on how beneficial performance management system on employee career development.

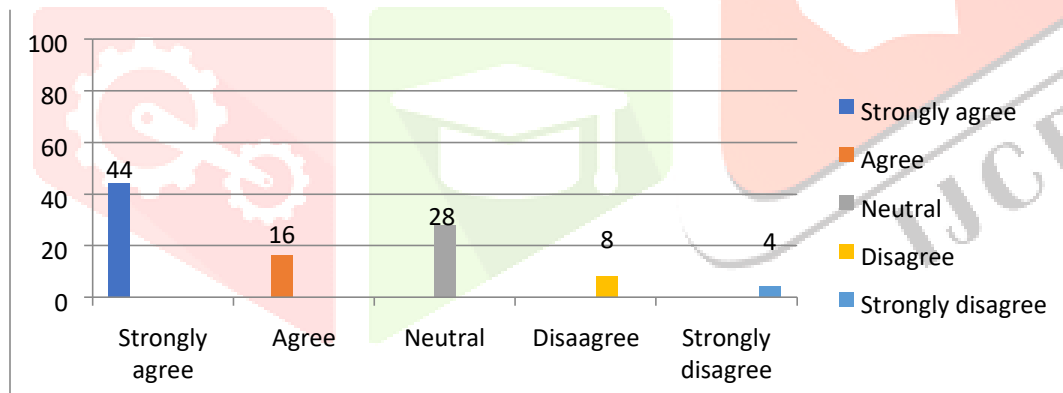
| RESPONSE          | NO. OF RESPONSE | PERCENTAGE |
|-------------------|-----------------|------------|
| STRONGLY AGREE    | 22              | 44         |
| AGREE             | 8               | 16         |
| NEUTRAL           | 14              | 28         |
| DISAGREE          | 4               | 8          |
| STRONGLY DISAGREE | 2               | 4          |
| TOTAL             | 50              | 100        |

**ANALYSIS:**

From the above table, it can be analyzed that 44% of respondents strongly agreed, 28% were responded neutral, 16% of respondents agreed, 8% were opinioned disagreeing and 4% of respondents owere strongly disagreed with the statement performance management is beneficial to their career development .

**INTERPRETATION 2:**

Graph shows the respondents opinion on how beneficial performance management system on employee career development.



**INTERPRETATION:**

From the above graph, it is interpreted that majority of respondents opinioned that performance management is beneficial to employee career development because of analysis in performance helps to boost up their career.

**HYPOTHEIS Hypothesis 1:**

Null hypothesis (H0): Performance appraisal will not increase efficiency of employees.

Alternate hypothesis (H1): Performance appraisal increase efficiency of employees.

| PARTICULAR        | RESPONDENTS | O-E | (O-E) <sup>2</sup> | (O-E) <sup>2</sup> /E |
|-------------------|-------------|-----|--------------------|-----------------------|
| STRONGLY AGREE    | 19          | 9   | 81                 | 8.1                   |
| AGREE             | 16          | 6   | 36                 | 3.6                   |
| NEUTRAL           | 9           | -1  | 1                  | 0.1                   |
| DISAGREE          | 0           | -10 | 100                | 10                    |
| STRONGLY DISAGREE | 6           | -4  | 16                 | 1.6                   |
| TOTAL             | 50          |     |                    | 23.4                  |

$$E = 50/5 = 10$$

$$\begin{aligned} \text{Degree of freedom} &= (n-1) \\ &= 5-1 = 4 \end{aligned}$$

**Critical values of the Chi-square distribution with  $d$  degrees of freedom**

| $d$ | Probability of exceeding the critical value |        |        | $d$ | Probability of exceeding the critical value |        |        |
|-----|---|--------|--------|-----|---|--------|--------|
|     | 0.05  | 0.01   | 0.001  |     | 0.05  | 0.01   | 0.001  |
| 1   | 3.841                                       | 6.635  | 10.828 | 11  | 19.675                                      | 24.725 | 31.264 |
| 2   | 5.991                                       | 9.210  | 13.816 | 12  | 21.026                                      | 26.217 | 32.910 |
| 3   | 7.815                                       | 11.345 | 16.266 | 13  | 22.362                                      | 27.688 | 34.528 |
| 4   | 9.488                                       | 13.277 | 18.467 | 14  | 23.685                                      | 29.141 | 36.123 |
| 5   | 11.070                                      | 15.086 | 20.515 | 15  | 24.996                                      | 30.578 | 37.697 |
| 6   | 12.592                                      | 16.812 | 22.458 | 16  | 26.296                                      | 32.000 | 39.252 |
| 7   | 14.067                                      | 18.475 | 24.322 | 17  | 27.587                                      | 33.409 | 40.790 |
| 8   | 15.507                                      | 20.090 | 26.125 | 18  | 28.869                                      | 34.805 | 42.312 |
| 9   | 16.919                                      | 21.666 | 27.877 | 19  | 30.144                                      | 36.191 | 43.820 |
| 10  | 18.307                                      | 23.209 | 29.588 | 20  | 31.410                                      | 37.566 | 45.315 |

INTRODUCTION TO POPULATION GENETICS, Table D.1  
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For 5% degree of freedom, the value from above table at degree of freedom 4 is 9.488 and the value calculated is 23.4. Here calculated value is greater than the table value Hence the null hypothesis formulated is rejected.

**Hypothesis 2:**

Null hypothesis (H0): Performance management system does not beneficiary for employee career development.

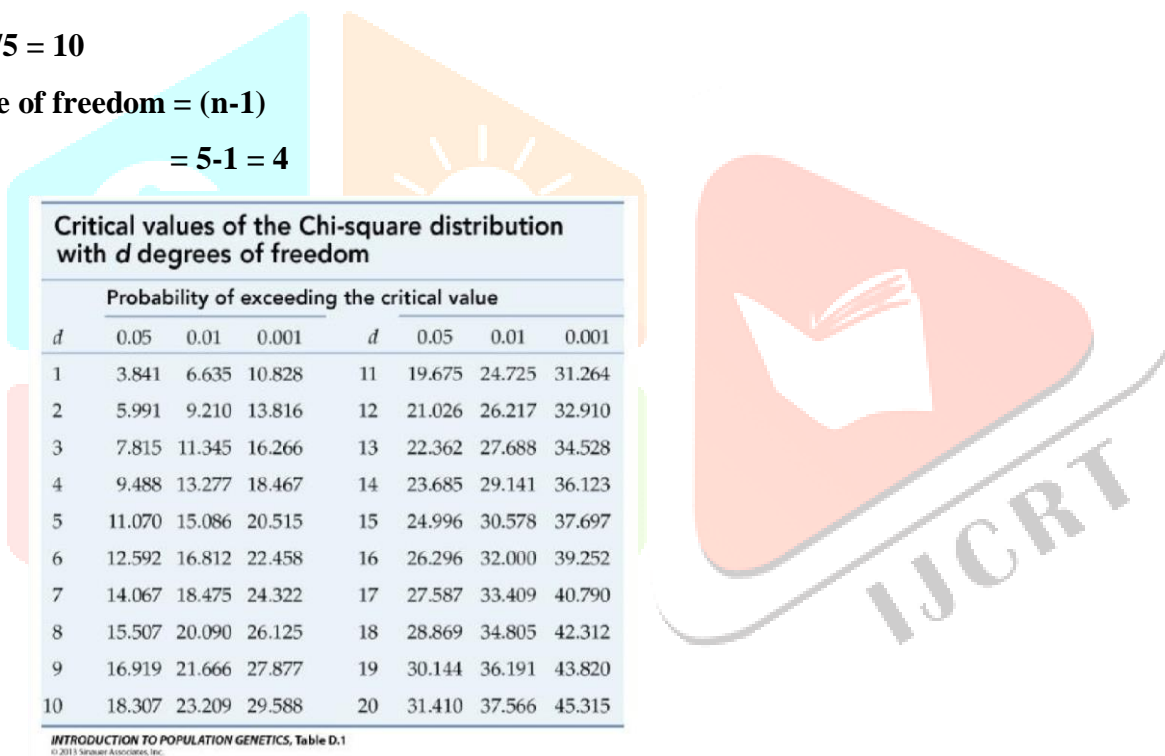
Alternate hypothesis (H1): Performance management system beneficiary for employee career development..

| PARTICULAR        | RESPONDENTS | O-E | (O-E) <sup>2</sup> | (O-E) <sup>2</sup> /E |
|-------------------|-------------|-----|--------------------|-----------------------|
| STRONGLY AGREE    | 22          | 12  | 144                | 14.4                  |
| AGREE             | 8           | -2  | 4                  | 0.4                   |
| NEUTRAL           | 14          | 4   | 16                 | 1.6                   |
| DISAGREE          | 4           | -6  | 36                 | 3.6                   |
| STRONGLY DISAGREE | 2           | -8  | 64                 | 6.4                   |
| TOTAL             | 50          |     |                    | 26.4                  |

$$E = 50/5 = 10$$

$$\text{Degree of freedom} = (n-1)$$

$$= 5-1 = 4$$



| Probability of exceeding the critical value |        |        |        |     |        |        |        |
|---|--------|--------|--------|-----|--------|--------|--------|
| $d$   | 0.05   | 0.01   | 0.001  | $d$ | 0.05   | 0.01   | 0.001  |
| 1   | 3.841  | 6.635  | 10.828 | 11  | 19.675 | 24.725 | 31.264 |
| 2   | 5.991  | 9.210  | 13.816 | 12  | 21.026 | 26.217 | 32.910 |
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| 7   | 14.067 | 18.475 | 24.322 | 17  | 27.587 | 33.409 | 40.790 |
| 8   | 15.507 | 20.090 | 26.125 | 18  | 28.869 | 34.805 | 42.312 |
| 9   | 16.919 | 21.666 | 27.877 | 19  | 30.144 | 36.191 | 43.820 |
| 10  | 18.307 | 23.209 | 29.588 | 20  | 31.410 | 37.566 | 45.315 |

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For 5% degree of freedom, the value from above table at degree of freedom 4 is 9.488 and the value calculated is 26.4. Here calculated value is greater than the table value. Hence null hypothesis formulated is rejected.

## FINDINGS

- 92% of respondents are opinioned organization follow formal performance management system.
- 70% of majority respondents opinioned performance appraisal increase efficiency of employees
- 74% of respondents said 6-10 times meetings will be scheduled to discuss employee performance in a year.
- 86% of respondents opinioned periodical check ups of employee performance is conducted.
- Majority of employees said that performance management set are effective for overall performance of employees.
- 60% of respondents agreed performance management is beneficiary on employee career development.

## SUGGESTIONS

- The company should give importance to know about most challenging issues of performance management.
- The company should conduct some activities in order to overcome communication problems , According to survey lack of communication lead to failure of performance management system.
- Organization should conduct employee development program, fiancé planning, programming etc. for better performance.
- I would suggest company to follow 360 degree appraisal method to access the overall development in the performance of employees.
- The organization needs to concentrate on improvization of employee competencies required for personal improvement , because it helps in maximization of employee performance.

## CONCLUSION

The project is mainly concentrated on employee performance management system at Powerica Limited, Banagalore. The study of performance management system is one of the significant aspects for the company that is how effectively employees are engaged and contributes organizational success. PMS plays prominent role in Human Resource Management System. Effective performance management includes continuous feedback, reward & recognitions, performance analytics, goals management and performance reviews.

I would like to conclude that without performance management system, employees do not get awareness about overall performance that would carry out in organization. So the management has to take a lead to design a best performance management system.

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### WEBSITES:

- [www.powericaltd.com](http://www.powericaltd.com)
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