



Journal Homepage: - [www.journalijar.com](http://www.journalijar.com)  
**INTERNATIONAL JOURNAL OF  
 ADVANCED RESEARCH (IJAR)**

Article DOI: 10.21474/IJAR01/4096  
 DOI URL: <http://dx.doi.org/10.21474/IJAR01/4096>



### RESEARCH ARTICLE

#### A study on the Perception of Performance Appraisal of Employees at RANE (TRW) Steering Systems Private Limited, Chennai

**Dr. T. Leo Alexander<sup>1</sup>, T. Maria Monica<sup>2</sup> and K Siva Naga Raju<sup>3</sup>**

1. Associate Professor, Department of Statistics, Loyola College, Chennai – 34, India.
2. II MA (HRM), Madras School of Social Work, Egmore, Chennai – 08, India.
3. Research Scholar, Department of Statistics, Loyola College, Chennai – 34, India.

#### Manuscript Info

##### Manuscript History

Received: 07 March 2017  
 Final Accepted: 09 April 2017  
 Published: May 2017

##### Key words:-

Communication, Employees, Impact of performance appraisal, Methods of performance appraisal, Organization, Process of Performance appraisal.

#### Abstract

In this paper, we analyzed the different types of performance appraisal systems, namely, process of performance appraisal, methods of performance appraisal and impact of performance appraisal of employees. Also the linear relationship among all the above appraisal types. The advantages and disadvantages of each system are discussed. For our study we approached “RANE (TRW) Steering Systems Private Limited”, Chennai. A sample of 100 employees administered with questioner to collect sample information using simple random sampling technique and analyzed using statistical methods.

Copy Right, IJAR, 2016,. All rights reserved.

#### Introduction:-

Performance appraisal may be defined as an evaluation made by the employer or the top management of “RANE (TRW) STEERING SYSTEMS PRIVATE LIMITED, CHENNAI”. The purpose of implementing or carrying out performance appraisal activity is to judge the overall performance of the employees in the business organization (Aswathappa, K, 1997). It is by means of this activity that the aspects, whether the employee has essentially required skills, knowledge and attitude to perform the current tasks or the assignments to be given in the future, are to be determined periodically. Moreover, it is through the process the capacity of the employees to grow and develop in course of time is to be assessed (Brown, M., and Benson, J., 2003). In this way, performance appraisal programme provides factual information to be used as a basis to make differentiation between efficient and inefficient employees in the business organization (Chris Obisi, 2011).

It revolves if performance appraisal gives a positive impact or a negative impact to the employees. It shows whether the employees get motivated to perform better, if they receive a good feedback or do they get de-motivated and loose interest in their job. So far, we have come across the purpose, uses of PA in the organization, but the perception (Francis O. Boachie-Mensah, et.al., 2012). i.e. the understanding of Performance Appraisal is not taken into consideration in most cases which is important for the employee as well as the organization (Mamoria C B and Gankar S V, 1999).

It is said that performance appraisal is an investment for the company which can be justified by following advantages:

**Corresponding Author:- Dr. T. Leo Alexander**

Address:- Associate Professor, Department of Statistics, Loyola College, Chennai – 34, India

**Promotion:-**

Performance Appraisal helps the supervisors to chalk out the promotion program's for efficient employees. In this regards, inefficient workers can be dismissed or demoted in case.

**Compensation:-**

Performance Appraisal helps in chalking out compensation packages for employees. Merit rating is possible through performance appraisal. Performance Appraisal tries to give worth to a performance. Compensation packages which include bonus, high salary rates, extra benefits, allowances and pre-requisites are dependent on performance appraisal. The criteria should be merit rather than seniority.

**Employees Development:-**

The systematic procedure of performance appraisal helps the supervisors to frame training policies and programs. It helps to analyze strengths and weaknesses of employees so that new jobs can be designed for efficient employees. It also helps in framing future development programs.

**Selection Validation:-**

Performance Appraisal helps the supervisors to understand the validity and importance of the selection procedure. The supervisors come to know the validity and thereby the strengths and weaknesses of selection procedure. Future changes in selection methods can be made in this regard.

**Communication:-**

For an organization, effective communication between employees and employers is very important. Through performance appraisal, communication can be sought for in the following ways:

- Through performance appraisal, the employers can understand and accept skills of subordinates.
- The subordinates can also understand and create a trust and confidence in superiors.
- It also helps in maintaining cordial and congenial labor management relationship.
- It develops the spirit of work and boosts the morale of employees.

All the above factors ensure effective communication.

**Motivation:-**

Performance appraisal serves as a motivation tool. Through evaluating performance of employees, a person's efficiency can be determined if the targets are achieved. This very well motivates a person for better job and helps him to improve his performance in the future.

**Industry Profile:-**

RANE(Madras) Limited, was started in 1996 in technical collaboration with M/sTRW, UK. The factory has a total area of 73008 Sq. meters and builds up area of 4025 Sq.meters. The plant started with supply manual Rack and Pini onto Maruti Suzuki small 10% share of business. Since then it has then grown significantly. The plant currently manufactures manual Rack and Pinion Steering gear, steering suspension and link age products for passenger car application.

**Objectives of the Study:-**

- To study about the perception of performance appraisal of employees
- To study about the demographic profile of respondents
- To understand the process of performance appraisal
- To know the methods of performance appraisal used in the organization
- To assess the impact of performance appraisal of employees

**Research Methodology:-**

In this paper, we study the different types of performance appraisal on the employees of the organizations. We adopted Simple Random Sampling method for collecting relevant data from various department of the organization (Kothari C R, 2004). The data collected from 100 respondents, who were in Junior Management, Middle Management and Senior Management cadres respectively from various departments which would constitute the size of the sample for the research. The sample has been chosen from "RANE (TRW) STEERING SYSTEMS PRIVATE LIMITED, CHENNAI". The data used for the evaluation is primary data collected through questionnaire filled by the employees. There are different type of statistical techniques used for analyzed the data. S.C. Gupta and V.K.

Kapoor (2007) and S.C. Gupta and V.K. Kapoor (2012). The following are the hypotheses farmed to study perception performance appraisal of employees.

H<sub>01</sub>: To test the process of performance appraisal of employees with respect to demographic profile.

H<sub>02</sub>: To test the methods of performance appraisal of employees with respect to demographic profile.

H<sub>03</sub>: To test the impact of performance appraisal of employees with respect to demographic profile.

H<sub>04</sub>: To test the linear relationship among process of performance appraisal, methods of performance appraisal and impact of performance appraisal.

The above hypotheses are tested using the following statistical methods:

1. **t-Test** - can be used to compare two groups of data with homogeneous character.
2. **Analysis of Variance (ANOVA)** - used to determine whether there are any significant differences between the means of three or more independent (unrelated) groups.
3. **Chi-Square Test** - used to test the association between two variables which are categorical.
4. **Linear coefficient of correlation** – used to measure the amount of relationship between the variables.

#### Statistical Analysis:-

In this study, we use Statistical software SPSS for analyzing the data (Sapsford Roger and Jupp Victor, 1996) The responses are tabulated corresponding to the various factors for calculating the score on each factor in order to explore the main objective, namely, to study “Perception of Performance Appraisal of Employees”.

In order to study the above main objective, three factors namely Process of performance appraisal, Methods of performance appraisal and Impact of performance appraisal with respect to Demographic profiles are considered.

We have analyzed Perception of Performance Appraisal of Employees based on the above factors mentioned and provided a few following outcomes in Table 5.1, Table 5.2, Table 5.3 and Table 5.4 based on Statistical tools. Rest of the outcomes are mentioned in Section 6.

#### t- test

**Table 5.1:-** Methods of performance appraisal with respect to Gender

	Gender	N	Mean	Std. Deviation	t value	Significance Value	Result
Methods of performance appraisal	Male	81	9.0617	2.47157	.810	.024	Significant
	Female	19	8.5789	1.60955			

From above Table 5.1, we observe that the methods of performance appraisal are not satisfied equally to male and female. The male respondents are satisfied highly the methods of performance appraisal than female because the mean value of male is higher than the female.

#### ANOVA

**Table 5.2:-** Impact of performance appraisal with respect to Experience

Impact of performance appraisal	N	Mean	Std. Deviation	F Value	Significance Value	Result
1 - 10 years	50	16.3400	3.83118	.173	.841	Not Significant
11 - 20 years	20	15.9000	2.73188			
21 years and above	30	16.5667	4.70277			
Total	100	16.3200	3.90255			

From the above Table 5.2, we infer that there is no significance difference in impact of performance appraisal with respect to experience. Whatever may be experience the impact of performance appraisal will not be changed. The impact of performance appraisal level is distributed irrespective of the experience categories.

**Chi-Square Test:-****Table 5.3:-** Awareness of the steps of the performance appraisal process with respect to Gender

Chi-Square Tests			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.650 <sup>a</sup>	2	.438

From the above Table 5.3, we infer that there is no association between awareness of the steps of the performance appraisal process and gender. Either male or female, the awareness of the steps of the performance appraisal process is not discriminated.

**Linear coefficient of correlation:-****Table 5.4:-** The linear relationship among process of performance appraisal, methods of performance appraisal and impact in performance appraisal.

		Impact of performance appraisal	Method of performance appraisal	Process of performance appraisal
Impact of performance appraisal	Pearson Correlation	1	.344**	.075
	Sig. (2-tailed)		.000	.458
	N	100	100	100
Method of performance appraisal	Pearson Correlation	.344**	1	.337**
	Sig. (2-tailed)	.000		.001
	N	100	100	100
Process of performance appraisal	Pearson Correlation	.075	.337**	1
	Sig. (2-tailed)	.458	.001	
	N	100	100	100

\*\*. Correlation is significant at the 0.01 level (2-tailed).

From above Table 5.4, we observe that the following:-

- There is linear relationship between impact of performance appraisal and methods of performance appraisal.
- There is no linear relationship between impact of performance appraisal and process of performance appraisal.
- There is linear relationship between process of performance appraisal and methods of performance appraisal.

**Main Findings:-****Based on t-Test:-**

- There is no discrimination between male and female with respect to process of the performance appraisal.
- The impact of performance appraisal is not satisfied equally to male and female. The male respondents are satisfied highly with the impact of performance appraisal than female because the mean value of male is higher than the female.

**Based on Analysis of Variance (ANOVA):-**

- Whatever may be age group, the process performance appraisal will not be changed. The process of performance appraisal level is distributed irrespective of the age groups.
- There is no significance difference in methods performance appraisal with respect to designation categories. Whatever may be designation the methods of performance appraisal will not be changed. The methods of performance appraisal level are distributed irrespective of the designation categories.

**Based on Chi-Square Test:-**

- There is no association between awareness of the steps of the performance appraisal process and gender. Either male or female the awareness of the steps of the performance appraisal process is not discriminated.
- There is no association between Methods of performance appraisal and Gender. The satisfaction level of Methods of performance appraisal is not discriminated based on the Gender of the employees.
- There is no association between Methods of performance appraisal and designation. The satisfaction level of Methods of Performance Appraisal is used in the company depends on the designation of the employees.
- There is no association between the Impact performance appraisal helped to identify the strength and weakness of the employees verses age and employees verse gender of the respondents.

**Conclusion:-**

Organizations should face realities that performance appraisal is incomplete unless the appraisee is told what are his strengths and weaknesses, his performance cannot improve in the subsequent future, which obviously defeats the very objective of periodic appraisals. Such a process of discussion with the subordinates focusing on the entire performance (tasks and behaviors) during the particular period is called performance appraisal counseling.

This study on perception of performance appraisal of employees in Rane TRW Steering Systems Private Limited (Chennai), shows perception of performance appraisal of employees is more effective in the origination and it brought long term benefits to the company. Therefore for the counseling process to bear any fruit, it needs to be immediate and continuous and the more attention a manager or supervisor pays to counseling his subordinates, the more time he is likely to gain in the long run as a result of improved capabilities of the subordinates.

Yet, today's employees want to know not only how they fit in with the goals of the organization for which they work but also what aspects of self-improvement are needed in their performance.

We wish to conclude that organizations cannot grow if individuals that work in the organizations are not deliberately encouraged and supported through genuine performance appraisal. It needs to be remembered that performance appraisal is a means not an end. This means human resource development would be better off if performance appraisal is genuinely conducted.

**Reference:-**

1. Aswathappa, K (1997). "Human Resource and Personnel Management", 4<sup>th</sup> Edition, (1997), Tata McGraw-Hill Publications.
2. Brown, M., & Benson, J. (2003). Rated to exhaustion? Reactions to performance appraisal processes. *Industrial Relations Journal*, 34(1), 67–81. <http://dx.doi.org/10.1111/1468-2338.00259>
3. Chris Obisi (2011). Employee performance appraisal and its implication for individual and organizational growth, *Australian Journal of Business and Management Research*, Vol.1 No.9 [92-97]
4. Francis O. Boachie-Mensah, et.al. (2012). Employees' Perception of Performance Appraisal System: A Case Study, *International Journal of Business and Management*, Vol. 7, No. 2.
5. Kothari C R (2004). "Research Methodology – Methods and Techniques", 2<sup>nd</sup> Edition, New Age International Publishers, New Delhi.
6. Mamoria C B and Gankar S V "Personnel Management" (1999). 2<sup>nd</sup> Edition, Himalaya Publishing House, Mumbai.
7. Sapsford Roger and Jupp Victor (1996). "Data collection and Analysis", 1<sup>st</sup> Edition, Sage Publication, Delhi.
8. S.C. Gupta and V.K. Kapoor (2007). *Fundamentals of Mathematical Statistics*, Sultan Chand and Sons
9. S.C. Gupta and V.K. Kapoor (2012). *Fundamentals of Applied Statistics*, Sultan Chand and Sons