



The Study of Performance Appraisal System of “Archies Ltd.”

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Abstract

Performance appraisal may be defined as a structured formal interaction between a subordinate and supervisor, that usually take the form of a periodic interview, in which the work performance of the subordinate is examined and discussed, with a view to identifying weakness and strengths as well as opportunities for improvement and skills development.

In many organizations, not all appraisal results are used, either directly or indirectly, to determine reward outcomes. That is, the appraisal results are used to identify the better performing employees who should get the majority of available merit pay increases, bonuses and promotions.

In this paper we tried how appraisal results are used to identify the power performers who may require some form of counseling, or in extreme cases, demotion, dismissal or decrease in pay.

Key words: appraisal, troublesome, boomerang, self-esteem.

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1. INTRODUCTION

The history of performance appraisal has its roots in the early 20th century and it can be traced to Taylor's pioneering Time and Motion studies. Performance appraisal systems began as simple methods of income justification.

That is, appraisal was used to decide whether or not the salary or wage of an individual employee was justified.

The process was firmly linked to material outcomes. If an employee's performance was found to be less than ideal, a cut in pay would follow. On the other hand, if their performance was better than the supervisor expected a pay rise was in order.

Little consideration, if any, was given to the developmental possibilities of appraisal. It was felt that a cut in pay, or a rise, should provide the only required impetus for an employee to either improve or continue to perform well.

As a result, the traditional emphasis on reward outcomes was progressively rejected. In the 1950s in the United States, the potential usefulness of appraisal as tool for motivation and development was gradually recognized. The general model of performance appraisal, as it is known today, began from that time.

2. MEANING AND DEFINITION OF PERFORMANCE APPRAISAL

Performance appraisal is the systematic evaluation of the individual with respect to his performance and his potential for development. Performance appraisal is concerned with determining the differences among the employees working in the organization. Generally, the evaluation is done by the individual's immediate supervisor in the organization and whose performance is reviewed in turn by his superior. Thus, everyone in the organization who rates others below him is also rated by his superiors. Performance appraisal employees rating techniques for comparing individual employees in the work group, in terms of personal qualities or deficiencies and the requirements of their respective jobs.

" Thus, it is the process of evaluating the performance and qualification of the employees in terms of the requirements of the job for which he is employed for purposes of administration including placement, selection for promotions providing financial regards and other actions which require differential treatment among the members of a group as distinguished from actions affecting all members equally".

3. OBJECTIVES OF PERFORMANCE APPRAISAL

- To effect promotions based on competence and performance.
- To confirm the services of probationary employees upon their completing the probationary period satisfactorily.
- To assess the training and development needs of employees.
- To decide upon a pay raise where regular pay scales have not been fixed.
- To let the employees know where they stand in so far as their performance is concerned and to assist them with constructive criticism and guidance for the purpose of their development.
- To improve communication. Performance appraisal provides a format for dialogue between the superior and the subordinate, and improves understanding of personal goals and concerns.

- Finally, performance appraisal can be used to determine whether HR programmes such as selection, training, and transfers have been effective or not.

3.1 Why Performance Appraisal?

The important reasons or benefits, which justify the existence of a system of performance appraisal in an enterprise, are as under:

1. A good system of performance appraisal helps the supervisor to evaluate the performance of his employees systematically and periodically. It also helps him to assign that work to the individuals for which they are best suited.
2. Performance rating helps in guiding and correction of employees.
3. The ability of the staff is recognized and can be adequately rewarded by giving them special increments.
4. Performance appraisal can be used as a basis of sound personnel policy in relation to transfers and promotions.
5. Performance appraisal provides an incentive to the employees to better their performance in a bid to improve their rating over others.
6. Systematic appraisals will prevent grievances and develop confidence amongst the employees.
7. Performance appraisal has a beneficial effect on both the persons doing the appraisal and being appraised in developing the subordinates.

3.2 Limitations of Performance Appraisal

Obstacles to the success of formal performance appraisal programs should be familiar to most managers, either from painful personal experience or from the growing body of critical literature. Here are the most troublesome and frequently cited drawbacks:

1. It is not possible to rate certain characters of an individual like- honesty, loyalty, quality of output etc.
2. Some of the factors are highly subjective like initiative and personality of the employees; so the actual rating may not be on scientific lines.
3. Supervisors often do not have critical ability in assessing the staff. Sometimes, they are guided by their personal emotions and likes. So ratings are likely to be biased.
4. Standards and ratings tend to vary widely and, often, unfairly. Some raters are tough, others are lenient. Some departments have highly competent people; others have less competent people.
5. Because of lack of communication, employees may not know how they are rated & why they are rated so.
6. Performance appraisal ratings can boomerang when communicated to employees. Negative feedback not only fails to motivate the typical employee, but also can cause him to perform worse.
7. Performance appraisals interfere with the more constructive caching relationship that should exist between a superior and his subordinates.

4. METHODS OF PERFORMANCE APPRAISAL

The Methods of appraisal are classified in two categories: Past - oriented methods and future oriented methods.

4.1 Past oriented methods :

4.1.1 Rating scales method: This is a simplest and most important method for appraising employee performance. The typical rating scale system consists of several numerical scales, each representing a job related performance criterion such as dependability, initiative, output, attendance, attitude, co-operation, and the like. Each scale ranges from excellent to poor. The rater checks the appropriate performance level on each criterion, then computes the employee's total numerical value. The **advantage** are of adaptability, relatively easy use and low cost criteria should be changed. The **disadvantages** of this method are several. The rater's are likely to influence evaluation, and the biases are particularly pronounced on subjective criteria such as co-operation, attitude and initiative.

4.1.2 Checklist: under this method, a checklist of statement on the traits of the employee and his or her job is prepared in two columns-viz, a "yes" column and a "No" column. All that the rater should do is tick the 'yes' column if the answer to the statement is positive and in column 'No' if the answer is negative. The **merits** of a checklist are economy, ease of administration, limited training of rater, and standardization. The **demerit** include susceptibility to rater's biases, use of personality criteria instead of performance criteria, misinterpretation of checklist items, and the use of improper weights by the HR dept. .

Checklist for operators:

Yes	No
a. Is the employee really interested in the job?	--
b. Is his or her attendance satisfactory?	--
c. Does he or she obey orders?	--
d. Does he or she evade responsibility?	--

4.1.3 Forced choice method: In this, the rate is given a series of statements about an employee. These statements are arranged in blocks of two or more, and the rater indicates which statement is most or least descriptive of the employee.

The **merit** of this method is the absence of personal bias in rating. The **demerit** is that the statements may not be properly framed- they may not be precisely descriptive of the rater's traits.

4.1.4 Forced Distribution Method: One of the errors in rating is leniency- clustering a large number of employees around a high point on a rating scale. The forced distribution method seeks to overcome the problem by compelling the rater to distribute the rates on all points on the rating scale.

4.1.5 Critical incident method: The critical incidents method of employee assessment has generated a lot of interest these days. The approach focuses on certain critical behaviors of an employee that make all the difference between effective and non- effective performance of a job. The superiors as and when they occur record such incidents.

4.1.6 Behaviorally Anchored Rating Scale: These are rating scales whose scale points are determined by the statements of effective and ineffective behaviors varying from the least to the most effective.

4.1.7 Field Review Method: This is an appraisal by someone outside the assessee's own department, usually someone from the corporate office or the HR dept.. The outsider reviews employee records and holds interview with him, his or her superior. The method is primarily used for making promotional decision at the managerial level.

4.1.8 Essay Method: In the essay method, the rater must describe the employee within a number of broad categories, such as, a) the rater's overall impression of the employee's performance, b) The promotability of the employee etc. The strength of the essay method depends on the writing skills and analytical ability of the rater. However, many raters do not have good writing skills. This method also depends on the memory power of the rater.

4.1.9 Confidential Method; These are mostly maintained in govt. dept., though its application in the industry is not ruled out.

ITI, for e.g., had followed this method for a long time. Called the Annual Confidential report, the approached had items like- attendance, technical ability, leadership, initiative, self-expression etc.

4.1.10 Comparative Evaluation Approach; These are a collection of different methods that compare one worker's performance with that of his or her co-workers. Comparative appraisals are usually conducted by supervisors. As these appraisals can result in a ranking from best to worst, they are useful in deciding merit-pay increases, promotions and organizational rewards. The usual comparative forms used in this kind of evaluation are the **Ranking and Paired comparison method.**

4.2 Future-Oriented Appraisals

4.2.1 Management by Objectives (MBO): In this approach employees are evaluated by how well they accomplish a specific set of objectives that have been determined to be critical in the successful completion of their job.

MBO is a process that converts organizational objectives into individual objectives. It can be thought of as consisting of four steps: **goal setting, action planning, self-control and periodic reviews.**

4.2.2 Psychological Appraisals: Large organizations employ full-time industrial psychologists. When psychologists are used for evaluations, they assess an individual's future potential and not past performance. The appraisal normally consists of in-depth interviews, psychological tests, discussions with supervisors and a review of other evaluations. From these evaluations, placement and development decisions may be made to shape the person's career.

4.2.3 Assessment Centers: An assessment centre is a central location where managers may come together to have their participation in job-related exercises evaluated by trained observers. The principal idea is to evaluate managers over a period of time, say one to three days, by observing their behavior across a series of select exercises or work samples. The characteristics assessed in a typical assessment centre include assertiveness, persuasive ability, communicating ability, self-confidence and energy level etc. The problem with the assessment centers is their cost.

4.2.4 360-Degree Feedback: Where multiple raters are involved in evaluating performance, the technique is called 360-degree appraisal. The 360-degree technique is understood as systematic collection of performance data on an individual or group, derived from a number of stakeholders- the stakeholders being the immediate supervisors, team members, customers, peers, and self.

The 360-degree appraisal provides a broader perspective about an employee's performance.

5. THE APPRAISAL PROCESS

The appraisal process begins with the **establishment of performance standards**. These performance standards evolved out of job analysis and job description should be clear and objective enough to be understood and measured. The expectations that a manager has from his subordinates should be clear in his mind so that he will be able to, at some later stage, communicate these expectations to their subordinates and appraise their performance against these previously established standards.

Once performance standards are established, it is necessary to **communicate these expectations**. It should not be the part of the employee's job to guess what is expected of them. Communication only takes place when the transference of information has taken place and has been received and understood by the subordinate. Satisfactory feedback is essential as it ensures that the subordinate has understood the information communicated by the manager.

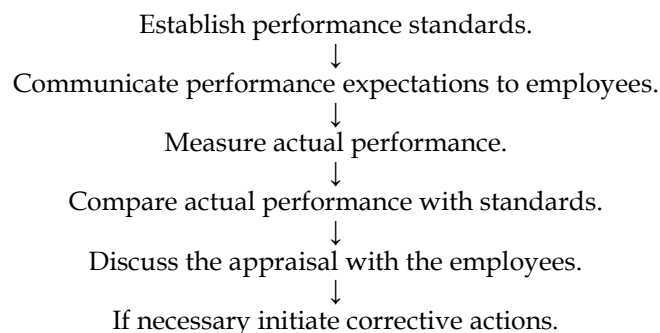
The **third step** in the appraisal process is **the measurement of performance**. To determine what actual performance is, it is necessary to provide information about it. Appraiser should be concerned with **how** to measure and **what** to measure. Managers to measure actual performance frequently use four common measures: personal observation, statistical reports, oral report and written reports.

The **fourth step** in the appraisal process is the **comparison of actual performance with standards**. The attempt in this step is to note deviation between standard performance and actual performance.

The **fifth step** is to **discuss the appraisal with the employees**.

One of the most challenging tasks facing managers is to present an accurate appraisal to the subordinate and then have the subordinate accept the appraisal in a constructive manner. Appraising performance touches on one of the most emotionally charged activities- the assessment of other individual's contribution and ability. The impression that subordinates receive about their assessment has a strong impact on their self-esteem and, very important, on their subsequent performance. Of course, conveying good news is considerably less difficult for both the manager and the subordinates than conveying the bad news that the performance has been below the expectations.

The final step is **the initiation of corrective action** when necessary. Corrective actions can be of two types: one is immediate and deals predominantly with symptoms. The other is basic and deals into causes. Immediate corrective action is often described as "putting out fires", whereas basic corrective action gets to the source of deviation and seeks to adjust the difference predominantly.

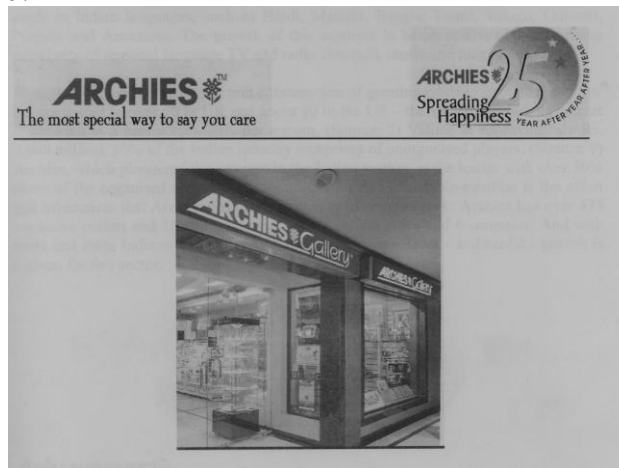


6. COMPANY PROFILE

ARCHIES IDEOLOGIES



- To maintain leadership in the Greeting Cards & Gift industry.
- To place the company's products on the global scene.
- To increase consumer satisfaction and loyalty by constant innovation, product extension and quality upgradation.
- To practice absolute honesty, integrity and ethics in all business activities.
- To tap the latent creative that is within all of us.
- To provide opportunity for individual initiative and personal growth.
- To work with passion, commitment and enthusiasm to bring happiness to millions of people in India and abroad.



ARCHIES- THE MOST SPECIAL WAY TO SAY YOU CARE!

If it's in your heart, it's on a greeting card". **Archies Ltd. is the no.1 greeting card & gifts company in India. When you want to say you care, celebrate special occasions in a wonderful**

way, or add something extra to ordinary days, there's nothing quite like an Archies, Paper Rose or Paper Magic card to make someone's day.

With an extensive range of cards for every occasion & reason, today the name "Archies" has become synonymous with FEELINGS.

While India is known for its many festivals, rituals & social occasions, Indians have traditionally been shy of expressing their emotions through greeting cards. However, rapid globalization & western influences, particularly in unborn India, are bringing about a change in attitudes. Today, gifting & greetings are an integral part of urbane interactions among Indians. Archies can justly take credit for fostering these habits among Indians and enabling them to be more mutually expressive of their emotions.

The biggest boost to the industry has come from the enthusiastic endorsement of **Valentine's Day** celebration in India. Apart from cards from traditional occasions such as **Birthdays, Anniversaries, New Year's Day** and the important festivals- **Diwali, Holi Id, Christmas** - they are now available for every possible emotion and occasion.

Today, Indians are celebrating **Mother's day,**

Father's day, April Fool's day, Friendship's day besides of course, **Raksha Bandhan, Bhaiya Dooj,** by sending cards to one another. Thus, ensuring a continuous stream of satisfied customers of all ages, culture, religions & regions.

It's now exploring a new market segment through cards in Indian languages, such as Hindi, Marathi, Bangla, Tamil, Gujarati, Punjabi and Assamese.

7. HISTORY

Archies was founded by **Anil Moolchandani** whose family owned a sari shop in Kamla Nagar, Delhi. After graduation from college, the youngster joined the family business. One day one of his customers presented him two posters that he had brought back from the US. Anil displayed these posters in the shop & was amazed when visitors inquired these posters were for sale. Not to pass up a business opportunity, Anil started putting up posters for sale. In **1979**, Anil set up Archies, a **mail order poster shop**, and started operating from an office measuring 200 sq.ft.

A major turning point in Archies life came in **1980** when the **company introduced its first line of greeting cards, called the Poster (P-Series)**, by reducing posters to smaller sizes.

To bring world's best Archies Ltd. has teamed up with international giants- Gibson Greetings Corpn., U.S.A. & American Greetings Corpn. It procured its first ever-foreign license from **Walt Disney, U.S.A. in 1984**. With this move, Archies offered its consumers some of the best-loved Disney characters- including **Mickey Mouse, Donald Duck** & others.

In 1984 company launched its first advertising campaign. As the Archies brand name grew into household name, the company diversified into gifting items. The **first** of its kind concept **Archies Gallery chain** opened its doors in **Kamla Nagar, Delhi, in 1987** & was an instant hit. By introducing organized franchising, Archies continued to grow in leaps & bounds. **1993** marked the opening of the **100th Archies Gallery store**. By 1990s, it had established itself as a clear market leader.

8. PRODUCTS

Archies **product portfolio** contains all-occasion **greeting cards, gift items** such as - curios, photo albums, photo frames, soft toys, mugs, quotations, key chains, lamps, clocks, perfumes and a wide range of **stationery**- posters, writing pads, diaries etc the list is endless! Emotions are at the



heart of Archies collections. Archies products are available at a variety of price points- from 3-inch mini card for Rs.4 to five-and-a half teddy bears for Rs 5000.



The company employs over 600 people, releases 7000/8000 new designs every year & produces more than 69 million cards each year.

In 2004-2005 its sales turnover was 68 crore which rose to Rs. 700 crore in 2014-15

The resounding success of the company is apparent from the ever- expanding franchising network of 404 Archies Gallery, Archies The Card Shops & Paper Rose Shoppe's spanning 120 cities in 6 countries.

9. OBJECTIVES OF THE STUDY

"Knowledge is the treasure once acquired, remains forever"

- To study the Performance Appraisal System at "Archies".
- To study the purpose and importance of Performance Appraisal System in an organization.
- To study the Employee's reaction about the current appraisal system in their organization.
- To study the effectiveness and shortcomings of Performance Appraisal System.

9.1 Performance Appraisal System at "Archies Ltd."

There are basically 2 types by which performance appraisal of an employee can be done in an organization:

1. Through self-appraisal form.
2. Through recommendations from Head of Department.

At Archies Ltd., performance appraisal is done on a yearly basis, which means once in a year and it depends on the budget made by the management.

An overall % of budget is fixed i.e. increase in the increment of the employees in the organization as a whole.

Job of the HR dept. here is that when the Management decides about the budget (i.e. the % fixed), then the HR dept. makes a list of the employees department-wise.

- Name of the employee
- His/Her last salary
- Last year's increment
- % of change in increment this year.

Then, the list goes to all the HODs of the organization who mention the increased amount of increment in front of the name of the employees after all the calculations are done.

The increase in the increment of an employee depends on one's performance in the work, target achieved, attendance, discipline, through other observations or previous records of the employees etc.

9.2 Suggested Performance Appraisal Process

1. **Self-Appraisal:** It's an important feature of the performance appraisal system. The appraisee should fill self-appraisal form containing a few key areas. The appraisee will report on the following;

- targets fulfilled.
- Constraints faced
- Special projects taken.

2. **HOD Observations:** The appraisal of an employee is not complete without HOD's observation. He observes the work of an employee & analysis his performance. Then, he suggests the increments according to work done, tasks fulfilled etc.

3. **Performance Review & Planning:** After the self-appraisal and HOD observation, performance review and planning should be done. It basically involves discussion between the appraisee and HOD regarding:

- the extent of targets fulfilled.
- Major strengths/ weaknesses of the appraisee.
- Suggestions for improvement of the individual.

The outcome of the discussion should be noted in a specific form and signed by both HOD and the appraisee.

4. **Performance Assessment:** Next, the performance of the appraisee will be assessed on a 10 point rating scale on the various factors:

a) **Performance factors:**

- Job knowledge & skills.
- Team spirit & coordination.
- Discipline.
- Targets fulfilled.
- Ability to learn.
- Any other relevance factor.

b). **Potential factor:**

- Communication.
- Initiative.
- Sense of responsibility.
- Problem analysis.

Now, the rating will be given to an employee for each of these factors. An overall summary sheet will be made indicating the overall score of the appraisee.

5. **Evaluating and Final Grading:** The HR dept. will help in compiling the total scores taking into view the weightage attached to each employee based on his/ her scores. Next, a list will

be prepared indicating the name of the employee and increments given to them on the basis of their performance.

9.3 Various Suggestions Given by Employees Are As Follows

- Self-appraisal system should be there in the organization. Because, they can analyze the causes of their success or failure more easily.
- There should be a proper format for the appraisal system.
- Management should be more responsible towards this system.
- It should be based on one's capability & work.
- It should extract their actual potential.
- It should be linked with rewards.

10. RESEARCH METHODOLOGY

10.1 Data Collection

- a) **Primary Data:** The primary data has been collected through a series of structured questionnaires.
- b) **Secondary data:** It has been collected through various sources namely; company records, brochures, company website (www.archiesonline.com)

10.2 Research Approach/Design

For this project, the type of research used is **Descriptive Research**. It's a fact-finding approach generalizing a cross-sectional study of the present situation. The basic aim here is to find the details of the topic i.e. who, what, when, why of the topic "Performance Appraisal". Our basic purpose here is to see the functioning of the present system -how it works, to find its effectiveness & shortcomings etc.

10.3 Research Tools

Structured questionnaires have been used to conduct the research.

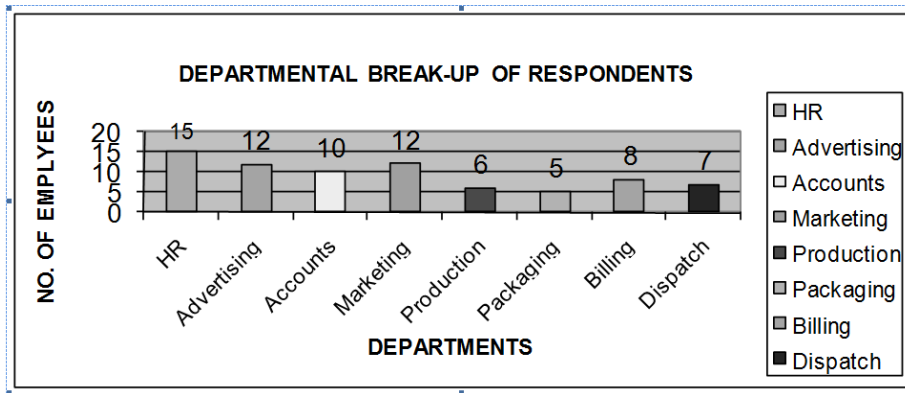
10.4 Sampling Technique

Simple Random Sampling has been used because the organization is large & it's not possible to collect data from each and every individual. Moreover, in this technique each and every individual has an equal chance of being selected.

10.5 Sample Size- 75

10.6 Sample Area- Departments of the organization:

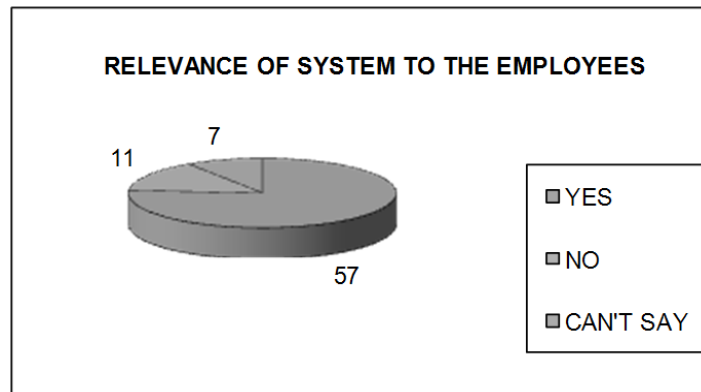
- HR
- Marketing
- Advertising
- Accounts
- Production
- Packaging
- Billing
- Dispatch



1) Relevance of Appraisal System to the Employees

SCALES	RESPONDENTS	% OF RESPONDENTS
Yes	57	76%
No	11	15%
Can't say	7	9%
TOTAL	75	100%

Source: Own survey

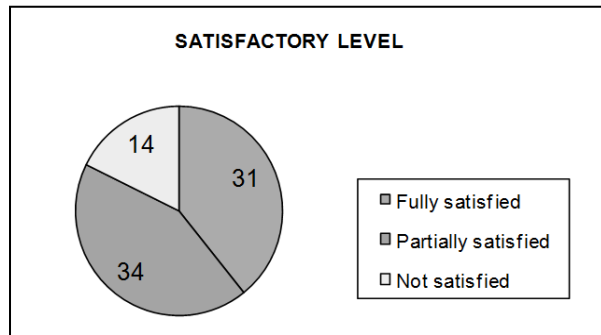


From the above graph, it is evident that most of the people (57) give relevance to the appraisal system in the organization-i.e. It's important to them.

2) Satisfaction Level with the Present Performance Appraisal System

SCALES	RESPONDENTS	% OF RESPONDENTS
Fully Satisfied	31	41%
Partially Satisfied	34	45%
Not Satisfied	10	14%
TOTAL	75	100%

Source: Own survey

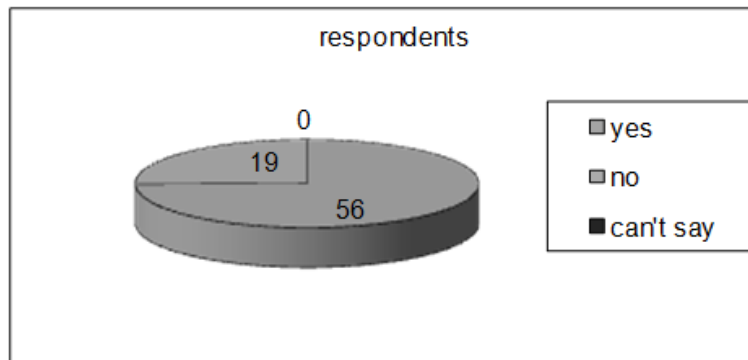


From the above pie- chart, it's evident that 34 people are fully satisfied with the system while 31 are partially satisfied. Hence, there is a very less gap between the fully satisfied & the partially satisfied.

3) Changes Necessary in the Present Appraisal System

SCALES	RESPONDENTS	%OF RESPONDENTS
Yes	56	75%
No	19	25%
Can't say	0	-
TOTAL	75	100%

Source: Own survey

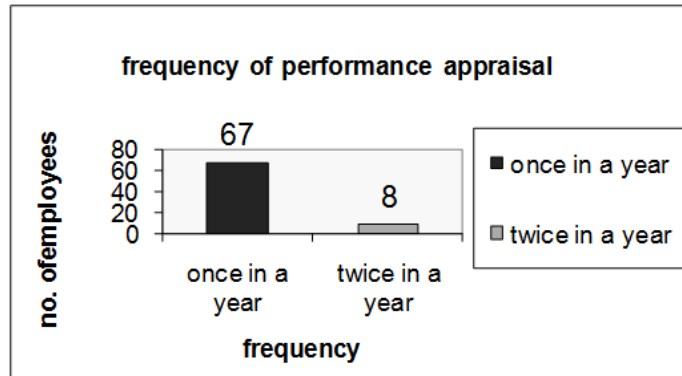


From the above, it's evident that most of the employees (56) are not satisfied with the performance appraisal system and want changes because of the loopholes present.

4) Frequency of Theappraisal System

SCALES	RESPONDENTS	%OF RESPONDENTS
Once in a year	67	89%
Twice in a year	8	11%
TOTAL	75	100%

Source: Own survey

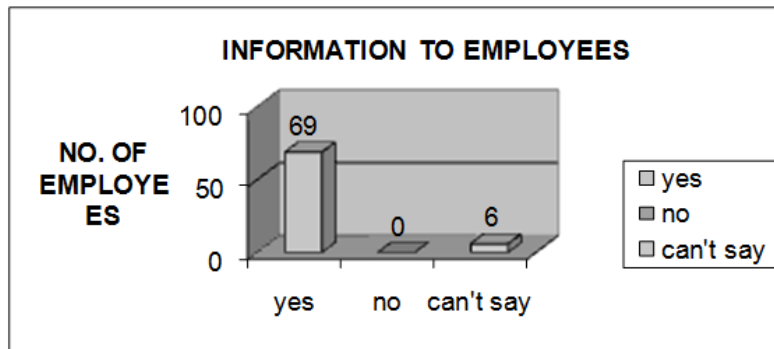


From the above, it's evident that, maximum employees are satisfied with the yearly appraisal that is present in the organization.

5) Should Employees be Informed About Their Ratings?

SCALES	RESPONDENTS	% OF RESPONDENTS
Yes	69	92%
No	0	-
Can't say	6	8%
TOTAL	75	100%

Source: Own survey

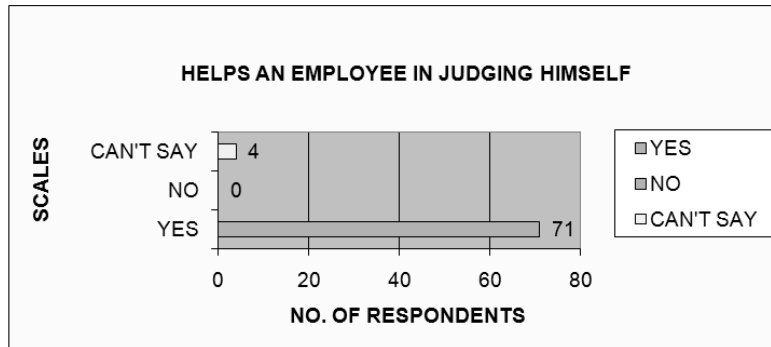


From the above chart, we can see that most of the people think that they should be informed about their ratings. This helps them in judging where they stand.

6) Helps Employees in Judging Where They Stand

SCALES	RESPONDENTS	%OF RESPONDENTS
Yes	71	95%
No	0	-
Can't say	4	5%
TOTAL	75	100%

Source: Own survey

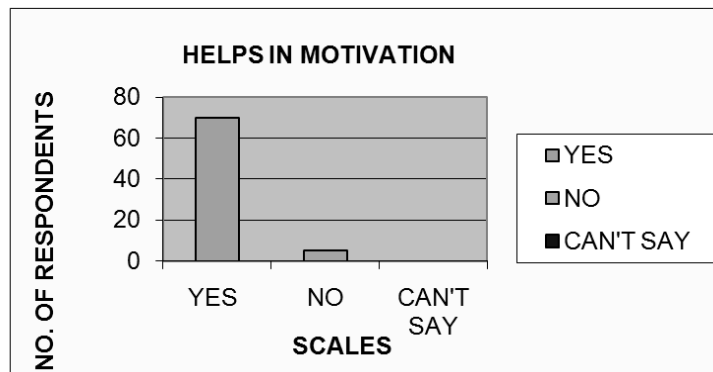


From above Bar- chart, we can see that most of the employees think that by their appraisal they definitely get to know where they stand and can improve their performance.

7) Performance Appraisal as A Motivator

SCALES	RESPONDENTS	% OF RESPONDENTS
Yes	70	93%
No	5	7%
Can't say	0	-
TOTAL		100%

Source: Own survey



Here, we can see that 70 out of 75 people agree that a Performance Appraisal system helps in motivating the employees and performing better.

8) Linkage of Rewards with Performance Appraisal

SCALES	RESPONDENTS	%OF RESPONDENTS
Yes	75	100%
No	0	-
Can't say	0	-
TOTAL	75	100%

Source: Own survey

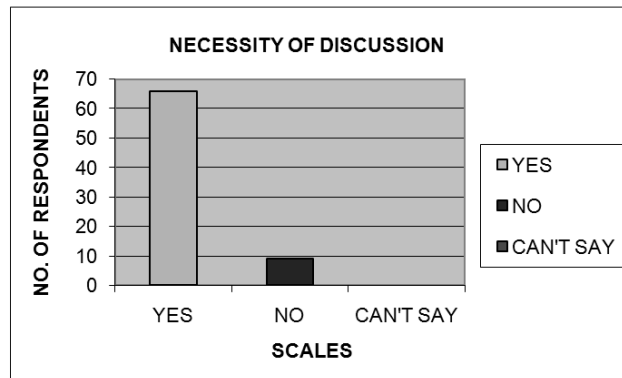


We can see that all the employees (100%) think that appraisal should be linked with rewards (monetary or non- monetary)

9) Necessity of Discussion Between Appraiser and Appraisee

SCALES	RESPONDENTS	% OF RESPONDENTS
Yes	66	88%
No	9	12%
Can't say	0	-
TOTAL	75	100%

Source: Own survey



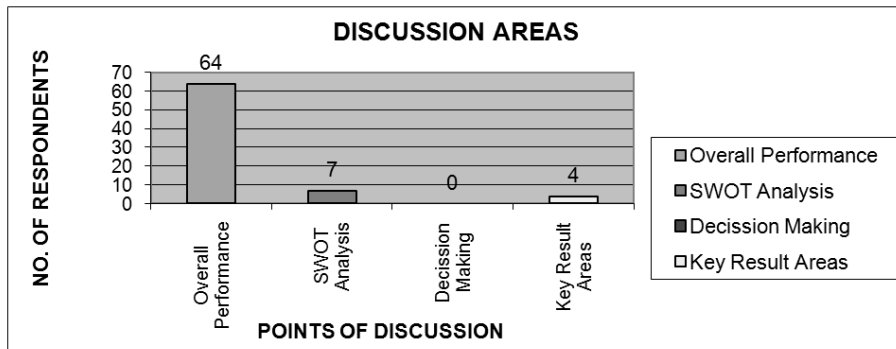
We can clearly see, that 66 employees out of 75 think that, after the appraisal of an employee there should be a discussion between the appraiser and the appraisee.

10) Areas of Discussion Between the Appraiser and the Appraisee

SCALES	RESPONDENTS	% OF RESPONDENTS
OVERALL PERFORMANCE	64	85%
SWOT ANALYSIS	7	9%
DECISSION MAKING	0	-
KEY RESULT AREAS	4	6%
TOTAL	75	100%

Source: Own survey



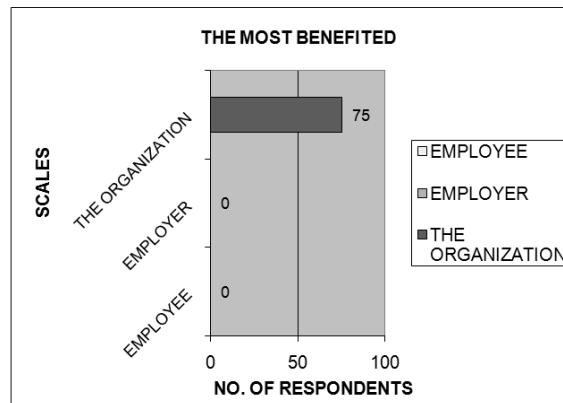


Here we can clearly see, that employees think that major area of discussion after the appraisal should be an employee's overall performance as a whole.

11) Who's Benefited the Most

SCALES	RESPONDENTS	% OF RESPONDENTS
THE EMPLOYEE	0	-
THE EMPLOYER	0	-
THE ORGANIZATION	75	100%
TOTAL	75	100%

Source: Own survey

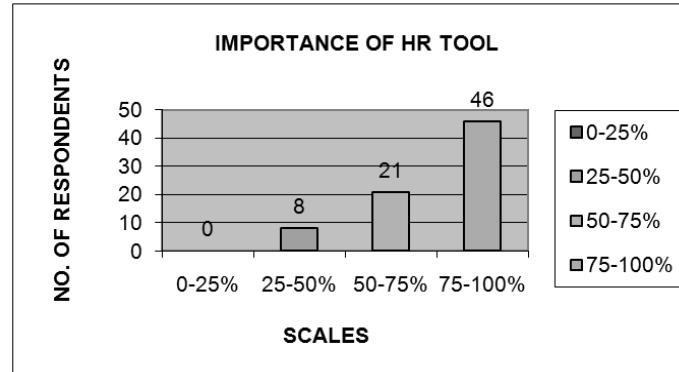


We can observe, that all the employees think that performance appraisal is a 2-way process and the organization as a whole is benefited from it.

12) Importance of HR Tool

SCALES	RESPONDENTS	% OF RESPONDENTS
0-25%	0	-
25-50%	8	11%
50-75%	21	28%
75%-100%	46	61%
TOTAL	75	100%

Source: Own survey



46 on 75 people think that it's an important HR tool.

11. SHORTCOMINGS OF THE APPRAISAL SYSTEM AT "ARCHIES LTD."

- No proper system is followed here.
- The appraisal of an employee is done by one's head (i.e. head of department) in that case the chances of bias are more.
- There is no system of self- appraisal in the organization.
- In case of one's appraisal only the head plays the important role in assessing his performance, and his colleagues etc. are not consulted for their opinion about him or his work. So basically, it's a one man's decision.
- The current system of appraisal in the organization has no proper format.

12. CONCLUSION

With the help of various graphs charts and the analysis of the questionnaire we conclude that:

- About 76% of the employees are of the view that Performance Appraisal is important to them because it gives systematic evaluation of their potential.
- About 45% of the employees are partially satisfied of the present system and about 14% are totally not satisfied.
- About 75% of the employees say that they want changes in the appraisal system and want a regular follow-up action.
- About 89% of the employees are of the view that performance appraisal should be done on a yearly basis so that they can get sufficient time to improve.
- About 92% of respondents say that final grading should be open to all employees.
- About 95% of the employees feel that appraisal makes them aware of their strengths, weaknesses etc.
- About 93% of them feel that appraisal acts as a motivator to them while 7% feel that it can demotivate the employees also, in case they are not satisfied of their ratings.
- About All the employees think that performance should be linked with rewards because rewards acts as a motivator to perform them better.
- About 88% of the respondents believe that discussion helps in knowing one, why has he got that rating and the area where he needs to improve while 12% think that it's wastage off time.

- Most of the employees are of the view that main emphasis during a discussion should be on the overall performance.
- All of the employees are of the view that by performance appraisal the whole organization is benefited because employees when satisfied give their best, ultimately increasing company's productivity.
- About 61% of the respondents are of the view that it's an important HR tool in motivating the employees.

Hence, we can conclude that, performance appraisal is important for the employees. But, they think that present Performance Appraisal system should be changed in the organization and a proper procedure should be followed.

13. RECOMMENDATIONS

- The results of the appraisal whether positive or negative should be communicated to the employees so that they may know which are the specific areas where improvement is required by them.
- After the appraisal has been done there should be regular follow up action.
- The appraiser should try to do a complete SWOT analysis of the employees.
- Appraisers should try to find out what are the specific areas in which the employees are performing badly and should find out the reasons behind his bad performance.
- If the employees who usually perform well are showing bad performance due to lack of knowledge in some specific areas then arrangements should be made to provide them training for the same.
- Those who have got poor rating should be given sufficient time to improve.
- During the discussion between the appraiser and the appraisee the main emphasis should be on overall performance of the employee and his key result areas.
- Such discussions should not last for more than 15-20 minutes and the main emphasis should be on the weak areas of the employees.
- There should be a relationship of mutual trust and confidence between the appraiser and the appraisee so that such discussions can bring positive results.
- Training programmes should be arranged for the appraiser so that he can use better methods of appraising the employees.

14. LIMITATIONS

- The time factor proved to be the biggest constraint in carrying out the research due to the size of the organization.
- It's human tendency to be diplomatic in revealing any vital information or complaints especially regarding their employers, and, thus, it makes the replies given not completely reliable.
- Unavailability of time with the employees also acted as a constraint.
- The subject of our study is basically related to "human beings" whose behavior cannot be judged with the utmost accuracy. Therefore, there can be a certain amount of subjectivity in the analysis.

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