

## **The Satisfaction Level of Employees towards the Prevailing Performance Appraisal System**

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### **Abstract**

Performance based analysis of an employee and understanding the capabilities of that person, and giving chance to grow is the appropriate technique to enhance employee carrier. Present work deeply concentrated on operative function in the HR sector is evaluated with respect to the Performance Judgement System of the organization. The present study was conducted with the aim to examine the awareness level, satisfaction level, and impact of Performance Appraisal System on employees' performance. Studies predict that performance-based analysing of employee capabilities gives favourable results and acceptable by employees, and from the results of regression model it is concluded that nearly 91.2 % difference in the dependent variable that is (increase productivity). The study suggested that women's contribution should be increased in all sectors, which results in the overall empowerment of women. Awareness of employees should be enhanced while assessing the performance appraisal task.

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**Keywords:** Performance appraisal system; satisfaction level; training programs; increments.

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### **1. Introduction**

Introduction to Human ResourceManagement

Human resources (HR) are the very important and separate property of an organization. Human Resource Management (HRM) is an operating structure in companies that maximizes employee presentation to achieve the employer's aims. In particular, Human Resource Management focuses on managing corporate employees, focusing on policies and systems. Human Resource Management in short: recruitment, personnel selection, orientation and introduction, placement of training and development of skills. Human resource management also includes the assessment of employees, such as performance evaluation, facilitating adequate reimbursement and assistances, inspiration, upholding relationships with workers and trade unions, and promising the safety, well-being, and health of workers through compliance with the labor rules of the state or country. The possibility of HR management is very broad. It includes all purposes that fall under the outstanding of human resource management. Aim of the HR planning was to find out the possible number of jobs and predicting whether company needs staff or already having excess number of staff members, and surpasses the obstacles. Job evaluation stated that the procedure of detailing and managing the specific tasks and necessities as well as the comparative value of these tasks for a specific activity. Job study plan is a job design course that evaluates the data collected for a job. It contains a detailed description of all individual jobs in the company. Regarding the information gathered from the job examination, the firm compiles and issues ads on various social media platforms. This is called employment. Several requests are established later the listing has been submitted, interviews organized and worthy employees carefully chosen. Staffing and picking are therefore further key areas of Human Resource Management (HRM). Once the employees have been designated, an introductory or welcome program will be planned. Employees are informed about the related, values, morals and work ethic of the company and familiarized to other employees. Employees must complete an exercise program that will assist them to perform well. Occasionally, experienced employees are being trained to recover their aids.

This is called refresher drill. Employees after spending about one year on the job, a performance review is conducted to verify their performance. Based on these assessments, future promotions, incentives, and salary increases will be determined. Compensation planning and compensation take into account various rules and regulations relating to compensation and related issues. It is the responsibility of Human Resources to investigate compensation and compensation planning.

## Performance Judgementsystem

It is very important to know and advance the presentation evaluation of the staff, which is the basis for the development of human resources. It is believed that performance appraisal is useful for deciding on the promotion/transfer of employees, salary increments, and the like. Its origins in the initial 20th century can be drawn back to Taylor's revolutionary time and motion studies. As an independent and official organization process to assess work performance, the assessment goes back to World War II - not over 60 years ago. In the broadest sense, however, the assessment preparation is a very old art. Historically, it could claim to be the second oldest profession in the world. Performance judgement dealings the qualitative and quantitative aspects of work routine. Without an organized evaluation system, there is slight option of warranting that the decisions taken are legal, fair, justified and correct. Performance evaluation systems commenced as a modest revenue adjustment method. That is, the score was utilized to agree whether the salary or salary of a single worker was legitimate or not. The process was closely linked to material outcomes. If it turns out that the performance of an employee is not optimal, this would lead to a pay cut. On the other hand, an increase was okay if her performance was better than expected. The development possibilities of the evaluation were hardly considered, if at all. If it is believed that a pay cut or increase should be the only necessary incentive to a staff member to enhance or proceed in the present position. Occasionally this elementary system prospered in achieving the intended consequences, but mostly it fails. The aim of the work is to study the impact of performance evaluation system on employees' performance. The study was determined the awareness of Performance Appraisal System among employees of Avani Textiles Ltd. and its impact on the satisfaction level of employees who are crucial for any organization to Upliftment in terms of further growth and prosperity.

## 2. Review of literature

A review of the related literature for the existing investigation has been offered in this section. It affords a vision into the numerous facets of the study problem as discovered by different investigators from time to time. In this chapter, a brief review of the research studies is presented under the following heading. Mount (1984) found that the differences in the aspects of the assessment process that are related to satisfaction with the assessment discussion compared to satisfaction with the overall assessment system. The results also showed differences between the opinions of managers and employees regarding the appraisal system. Ilgen et al. (1993) concluded, from their extensive review about concert appraisal that the four features need to be measured. In practice, performance judgement systems covered an extensive series of these characteristics and seldom have the similar flora and meanings. Martin et al. (1998) depicts that the actions to be taken and the areas to be monitored to help a performance appraisal system response to the needs of the organization. Although most organizations value individual performance in some form, few have well-designed systems to ensure that the assessment systems they use will still deliver the best results over time. Roberts (2002) reviews the theoretical basis for contribution, counting its fundamental motivational nature, the enlargement of accessible data, and the ability to intertwine the power of speech of employees. The curbing part of goal set and advice to increase partaking usefulness is outlined. The results of the study conclude with issues that mitigate the efficiency of contribution, including lack of drill, absence of Rater responsibility plans, and structural and regulatory opposition to truthful secondary response. Levy and Williams (2004) the study analyzed that as a arena, they seemed to be mobilizing in that way, however, the aim continued to be two-pronged: (1) gained a well considerate of the performance judgement process and (2) applied that heightened thoughtful of administrations so as to expand performance evaluations in use. The attention on the social context of performance appraisal took us dejected the appropriate road, but still numerous additional heaps to cover. Ovando and Ramirez (2007) in their education exposed that school leaders' leadership at all three stages set strong outlooks, nursing lessons over accompanying notes, and so long as professional growth openings that match the wishes of teachers. Besides, the cross-site analysis showed that principles rely on lesson-based training that is relevant to the needs of each class level. The findings also suggested that school leaders use the teacher's performance judgement system as a basis for improving teaching and improving students' performance. Jansirani et al. (2013) in their study concluded that human resources played an energetic cause of every organization. All members of staff in a body amplified the output and kindness of every firm. A worker, being a separately treated as resources in the organization. So, the association should mostly concentration on performance judgement techniques and its progress program. And the study mainly focused on the performance judgement technique which prevailed in the association is reasonable or not. Suresh and Mohideen (2013) examined the results which indicated that degree of satisfaction did not reach to the higher levels with the existing judgement method hence, it became imperative to tool a appropriate system of performance estimation in the commercial and

also assisted in smearing of inspiring mechanisms and reimbursing consideration to the incentive neck and neck of employees which could effect in employees' consummation of charge. Chouhan et al. (2016) inspected the learning to examine the necessity to substitute the old-style performance judgement system (PJS) in public sector enterprises by using a case study method that chooses a public company, Rajasthan State Mines and Minerals Limited. The research highpoints that employees view the PJS measures as objective, precise and balanced and that the PJS system is clear, performance- oriented and linked to employees' development chances. Momentous alterations were also created in the insight of workers and managers about the given adapted PJS constructs. Kim and Park (2017) revealed their study to identify the history of non-profit Public Service Motivation (NPSM) and employee conclusions with Korean non-profit getting of APJS survey data. We test an NPSM model and discover the idea through public service motivation (PSM) in the non-profit sector. Then, we smear outcomes of work motivation, PSM and performance assessment systems of quantitative research and trial different hypotheses on how (1) non-profit APAS effects and individually shape the enthusiasm of non-profit employees, (2) NPSM refers on association trust and (3) organizational features affect Korean non-profit employees. Bizzi (2018) reveals a new contradiction for HR managers: the significance of a social network employee enhances performance but hinders performance assessment by influencing supervisors' rating faults. Central employees can be mistakenly valued highly, even if they are not performing well, as supervisors incline to overstate their performance. Dissimilarity is made between the rating accuracy, which depends on the uncertainty of the supervisor concerning the recital of the employees, and the rating accuracy, which rest on the prejudice of the supervisor in favor of the employees. Employee importance is considered to be beneficial to accuracy, but detrimental to accuracy as it governs the dissemination of positive information, status, and power. All this distorts the capability and inspiration of supervisors to exactly assess performance. It is then claimed that assessment blunders caused by network criticality influence the combined perception of equity in organizations. When employees are closely linked in a impenetrable network, organizations have a durable and positive environment of justice.

#### Research gap

After going through literature review it has been found that a lot of studies have been conducted in the field of performance appraisal system at various organizations but very few has been conducted in the textile industry and no study has been conducted till date to evaluate the performance system in Avani Textile Ltd. Sangrur, Punjab.

#### Research methodology

Data entry and analysis were done in SPSS version 20. Descriptive and inferential statistics were used to describe the demographic characteristics of the sample. To interpret data, various tools like Percentage, Mean, Standard Deviation, Regression Model and ANOVA were used.

### 3. Results and discussions

The analysis and interpretation of data that were collected through the questionnaire. The survey was conducted among the current 60 employees of the Avani textiles in Sangrur, Punjab. Data were analyzed by SPSS20 version.

#### Socio-demographic findings of the respondents

From Figure 4.1.1 it is analysed that the elementary middling score (mean) the uppermost important factor is the existence of performance appraisal (3.83) followed by identification of key performance criteria (3.62) and the least factor is the Performance appraisal process supports the company strategy (3.12). The result reveals that majority of the respondents are aware about the existence of performance appraisal system in Avani Textiles Ltd. From the figure 4.1.2 which shows that Avani Textile has got an appraisal system in place and it has been agreed with the respondent that there is a proper appraisal system followed by Avani textile Ltd. The mean score (3.83) and standard deviation (0.642).

	<p>Std.Deviation</p> <p>Mean</p> <p>0.6 2</p> <p>3.8 3</p> <p>0.00 2.00 4.00 6.00</p>	
<p>Figure 4.1.1: Bar Graph showing the mean of various factors</p>	<p>Figure 4.1.2: Bar Graph showing the existence of a performance appraisal system at Avani Textiles</p>	<p>Figure 4.1.3: Bar Graph showing the mean and std. deviation basis of key performance criteria</p>
<p>Figure 4.1.4: Bar graph showing means and std. deviation based on necessary resources</p>	<p>Figure 4.1.5: Bar graph showing the up-to-date job description</p>	<p>Figure 4.1.6: Bar graph showing the necessity of a performance appraisal system</p>
<p>Figure 4.1.7: Bar graph showing the benefits and promotion opportunities</p>	<p>Figure 4.1.8: Bar graph showing the assessment tools about performance standards</p>	<p>Figure 4.1.9: Bar Graph showing the mean of various factors</p>

From figure 4.1.3, the mean score (3.62) and the standard deviation (0.761), and it is revealing that the performance criteria have been identified evidently in the judgement system. From the figure 4.1.4 that the mean score (3.55) and standard deviation (0.790). It is clearly shown that the in Avani textiles Ltd. necessary resources are available to implement the performance appraisal system. From the figure 4.1.5 it is clearly shown that the mean score (3.27) and standard deviation (0.954) and the performance criteria have been extracted from an up to date job description in Avani textiles Ltd. From the above figure 4.1.6 it shows that the mean score (3.37) and standard deviation (0.882). From the figure 4.1.7 it revealed that the mean score (3.35) and standard deviation (0.860). From the results it is evident that most of the employees were agreed with benefits and promotional opportunities that is given after the results of performance appraisal system. From the figure 4.1.8 the mean score (3.13) and standard deviation (0.853) and it is concluded that the smaller number of employees are feeling that the assessment tools are clearly explained. From the figure 4.1.9 it is analysed that the basic average score (mean) the highest influential factor is promotion opportunities (3.62) followed by a review of improves job performance (3.48) and the least factor is a fair performance system(3.23).

### Regression model

Regression analysis generates an equation for narrating the statistical relationship between one or more predictor variables. In this research study, linear regression was used to check the impact of independent variables on the dependent variable. Regression table dealings the quantity of total difference in the reliant on variable due to the autonomous variable. Dependent variable is (increase productivity) and independent variables are (increment policy, organizational atmosphere, behaviour of employees, team spirit among employees, reducing manpower

turnover, salary and fringe benefits, training program, interpersonal relationships, communication system).

Table 4.2.1: Impact of Performance Appraisal System on Employee's Performance

Sr. No.	Variables	Mean	Std. Deviation
1.	Increase Productivity (Dependent Variable)	2.77	0.767
2.	Increment Policy	2.22	0.524
3.	Organizational atmosphere	2.30	0.530
4.	Behaviour of employees	2.50	0.701
5.	The team spirit among employees	2.80	0.708
6.	Reducing employee turnover	2.70	0.671
7.	Salary and fringe benefits	2.47	0.650
8.	Training program	2.73	0.733
9.	Interpersonal relationship	2.53	0.812
10.	Communication System	3.03	0.637

Source: As per the SPSS Output

From the above table 4.2.1 of Descriptive Statistics shows that the mean score and standard deviation of independent variable and dependent variables for further Regression Model analysis. The table depicts the highest mean score (3.03) i.e. independent variable with a standard deviation (0.637) which is followed by team spirit among employees and mean score of this (2.80) with standard deviation (0.708) least score of mean for incremental policy(2.22)andstandarddeviation(0.524).Thetableshowsthemean scoreofdependentvariables i.e.(increaseproductivity) (2.77) and standard deviation (0.767).

Table 4.2.2: Coefficients of Multiple Linear Regression Model

Coefficients							
Variables	Unstandardized coefficients		Standardized coefficients	t-value	Significance Level	95.0% confidence interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
(Constant)	-0.147	0.185		-0.794	0.431	-0.518	0.225
1 Increment Policy	0.039	0.116	0.027	0.335	0.739	-0.195	0.272
2 organizational atmosphere	-0.044	0.125	-0.030	-0.349	0.728	-0.294	0.207
3 Behaviour of Employees	-0.109	0.132	-0.099	-0.824	0.414	-0.374	0.156
4 Team spirit among Employees	-0.116	0.132	-0.107	-0.881	0.383	0.382	0.149
5 Reducing employee's turnover	0.435	0.112	0.381	3.893	0.000	0.211	0.660
6 Salary and fringe Benefits	-0.045	0.145	-0.038	-0.310	0.758	-0.335	0.246
7 Training Programme	0.459	0.154	0.439	2.988	0.004	0.151	0.768
8 Interpersonal Relationship	0.333	0.105	0.353	3.186	0.002	0.123	0.544
9 Communication System	0.119	0.098	0.099	1.209	0.232	-0.079	0.316

a. Dependent Variable: Increase productivity

Source: As per the SPSS Output

The results of table 4.2.2 revealed that the beta value of the independent variable (increment policy) is 0.027 with t value 0.335 and significance level of 0.739. The beta value of the independent variable (organizational atmosphere) is -0.030 with t value -0.349 and significance level is 0.728. The beta value of the sovereign variable (behavior of employees) is -0.099 with t value -1.824 and significance level is 0.414. The beta value of the

independent variable (team spirit among employees) is -0.107 with t value -0.881 and significance level is 0.383. The beta value of the independent variable (employee's turnover) is 0.381 with t value 3.893 and significance level is 0.000. The beta value of the independent variable (salary and fringe benefits) is -0.038 with t value -0.310 and significance level is 0

.758. The beta value of the sovereign variable (training program) is 0 .439 with t value 2.988 and significance level is 0.004. The beta value of the independent variable (interpersonal relationship) is 0.353 with t value 3.186 and significance level is 0.002. The beta value of the independent variable (communication system) is 0.099 with tvalue

1.209 and significance level is 0 .232. The beta value indicates the amount of change in the in need of variable (increase productivity) due to change in independent variables (Increment Policy, Organizational atmosphere, Behaviour of employees, Team spirit among employees, Reducing employee's turnover, Salary and fringe benefits, Training Programme, Interpersonal relationship, Communication System)

Table 4.2.3 Model Summary for Regression Model

Model Summary								
R	R Square	Adjusted R Square	Std. An error of the Estimate	Change Statistics				
				R Square Change	F Change	df1	df2	Sig. F Change
0.962 <sup>a</sup>	0.925	0.912	0.228	0.925	68.971	9	50	0.000
a. Predictors: (Constant), Communication System, Salary and fringe benefits, Reducing employees turnover, Increment Policy, organizational atmosphere, Team spirit among employees, Interpersonal relationship, Behavior of employees, TrainingProgramme								
b. Dependent Variable: Increase productivity								

Source: As per the SPSS Output

The table 4.2.3 of the model summary shows that the value of the adjusted R square is 0.912. This value designates that there is an almost 91.2 % variation in the dependent variable (increase productivity) due to a one-unit alteration in the sovereign variables. F value is 68.971 at 0.000 significant levels, which shows that the model is a good fit as its value is less than 0.05.

Table 4.2.4: ANOVA

ANOVA					
	Sum of Squares	d.f.	Mean Square	F	Sig.
Regression	32.144	9	3.572	68.971	0.000 <sup>b</sup>
Residual	2.589	50	0.052		
Total	34.733	59			
a. Dependent Variable: Increase productivity					
b. Predictors: (Constant), Communication System, Salary and fringe benefits, Reducing employee turnover, crement Policy, organizational atmosphere, Team spirit among employees, Interpersonal relationship, Behavior of employees, Training Program					

Source: As per the SPSS Output

The ANOVA table 4.2.4 is explained in such a way about explaining how well the regression equations fit in the data. Here the regression model predicted the dependent variable significantly well.

## 5. Findings and Conclusions

The majorities of respondents (60%) belonged to age group 30-40 years. It was found that 78.3% respondents are married. The educational qualification of a majority of the respondents is Diploma holders i.e. 36.7%. It was found that at Avani textiles the majority of 60% of respondents earned a salary of Rs. 15,000-20,000. The majority

of the workers are pleased by the existence of performance judgement system. Avani textiles also include key performance criteria's like competencies, behaviour, results/outcomes while making performance appraisal. The results also conclude that many workers are not fairly concerned about the necessity of performance appraisal to be conducted in an organization. The majority of the employees are satisfied with promotion strategy and employees were satisfied with the performance review that improves the job performance of the employees. The results concluded that some employees feel motivated after getting the review of performance judgement. It is concluded that the majority (91%) respondents are fulfilled with the performance judgement system. From the findings of regression analysis, it is concluded that there is practically 91.2 % discrepancy in the reliant on variable that is (increase productivity). Younger employees are more concerned about their career and future growth rather than the existing working environment.

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