

A STUDY ON ANALYSIS OF PERFORMANCE APPRASIAL SYSTEM

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ABSTRACT

This study aims to analyze the performance appraisal system implemented at Koso India Pvt. Ltd., a leading provider of industrial valves and automation solutions. Performance appraisal systems are critical in assessing employee performance, enhancing productivity, and aligning individual objectives with organizational goals. This research investigates the effectiveness, efficiency, and employee perceptions of the current appraisal system at Koso India Pvt. Ltd. The methodology involves a mixed-methods approach, combining quantitative data from employee performance records and qualitative insights from employee surveys and interviews. Key performance indicators (KPIs) and appraisal outcomes were analyzed to gauge the system's impact on employee development and organizational performance. Findings reveal that while the performance appraisal system at Koso India Pvt. Ltd. effectively identifies high performers and areas needing improvement, there are challenges related to consistency, transparency, and feedback mechanisms. Employees expressed concerns over the subjective nature of certain evaluation criteria and the lack of actionable feedback. Additionally, the study highlights the need for continuous training for appraisers to ensure fairness and objectivity. Recommendations include enhancing the transparency of the appraisal process, incorporating 360-degree feedback mechanisms, and providing regular training sessions for both employees and appraisers. By addressing these areas, Koso India Pvt. Ltd. can improve employee satisfaction, foster a culture of continuous improvement, and better align individual performance with the company's strategic goals.

INTRODUCTION

A performance appraisal is a systematic and periodic process that assesses an individual employee's job performance and productivity in relation to certain re-established criteria and organizational objectives. All organizations aim at being effective and achieving their goals, in order to do this, it is important to monitor or measure the performance of the employees on a regular basis. Effective monitoring also includes giving timely

feedback, reviewing performance according to pre-determined standards and timely recognition of the accomplishments, that motivates the employee to perform better each day. It is rightly said that, “Encouraged people achieve the best; dominated people achieve second best; neglected people achieve the least.” as recognition and reward at the right time is the best encouragement. All organizations aim at being effective and achieving their goals, in order to do this, it is important to monitor or measure the performance of the employees on a regular basis. Effective monitoring also includes giving timely feedback, reviewing the performance according to predetermined standards and timely recognition of the accomplishments, that motivates the employee to perform better each day. It is rightly said that, “Encouraged people achieve the best; dominated people achieve second best; neglected people achieve the least.” as recognition and reward at the right time is the best encouragement. People differ in their abilities and their aptitudes.

INDUSTRY PROFILE

Since its establishment in 1965, KOSO group has developed a wide range of high-quality control valves of diversified types, greatly contributing to the implementation of process automation (PA) in various industries. Global leader in supplying specially designed valves for most severe applications. KOSO INDIA is owned by Nihon KOSO Co. Ltd. of Japan, a global leader in the controls a process automation systems market. Originally formed in 1989 under the name Introl India, the company has evolved over the years, becoming stronger with each change and better positioned to meet the demands of a constantly changing exploration marketplace. KOSO India specializes in the supply of standard service control valves, severe service control valves, high-technology surface choke valves, segmental ball valves, metal seated ball valves and high- performance rotary valves for the oil and gas, petrochemical and power industries. In 1976 KOSO started to manufacture and sell automation system utilizing its abundant experiences and know- how earned by that time. Today even more strengthened, KOSO is able to offer a complete line of automation systems, including sensors, controllers and computers. KOSO stands ready to meet every need of clients who demand very best in the comprehensive automation systems. Through its vast experiences in creating the most advanced designs, for total systems to meet diverse needs across the spectrum, ranging from process automation to factory automation, the KOSO group has developed the technician finesse that is the guiding force enabling it to realize successful diversification of its operations.

COMPANY PROFILE

KOSO INDIA is owned by Nihon KOSO Co. Ltd. of Japan, a global leader in the controls and process automation systems market. Originally formed in 1989 under the name Introl India, the company has evolved over the years, becoming stronger with each change and better positioned to meet the demands of a constantly changing exploration marketplace. KOSO India specializes in the supply of standard service control valves, severe service control valves, high-technology surface choke valves, segmental ball valves, metal seated ball valves and high-performance rotary valves for the oil and gas, petrochemical and power industries. Since its establishment in 1965, KOSO group has developed a wide range of high-quality control valves of diversified types, greatly contributing to the implementation of process automation (PA) in various industries. Global leader in supplying specially designed valves for most severe applications. Since its establishment in 1965, KOSO group has developed a wide range of high-quality control valves of diversified types, greatly contributing to the implementation of process automation (PA) in various industries. Global leader in supplying specially designed valves for most severe applications. Specialist in the supply of standard service control valves, severe service control valves, high-technology surface choke valves and high-performance rotary valves for the oil and gas, petrochemical and power industries. Established in 2002, India Koso India Private Limited has gained immense expertise in supplying & trading of Valve, control valve, butterfly valve etc. The supplier company is located in Palakkad, Kerala and is one of the leading sellers of listed products. Buy Valve, control valve, butterfly valve in bulk from us for the best quality products and service. We offer high-performance, durable severe service valve solutions for every type of problematic application, from high pressure, high-temperature environments to sub-zero temperatures. We offer systems designed for velocity control, cavitation, flashing, erosion, contaminated fluids, corrosion, low shear, quick closing, anti-surge, vibration, low noise and energy dissipation. Koso India wholly owns an internationally accredited and fully equipped steel foundry in Coimbatore to supply world class castings in various metallurgy including alloy steel, stainless steel, Duplex, Inconel, C12A etc. to provide customized solution for our valve product lines. Koso India Private Limited is a Private incorporated on 03 June 2004. It is classified as non-govt company and is registered at Registrar of Companies, Mumbai. Its authorized share capital is Rs. 1,050,000,000 and its paid-up capital is Rs. 579,649,020.

REVIEW OF LITERATURE

Longenecker (1999) found that there are many reasons, why an organization needs a formal performance appraisal system; it is needed to take smart decisions regarding salary increases, promotions, demotions, terminations and transfers. Similarly, Valance (1999) advocated another major need that PA system is a tool that can assess and suggest improvements in employee productivity. Cokin (2004) put his opinion that PA system is important for organizations, as it mainly focuses on employees to develop their capabilities. Moreover, it does not only do capacity building but it helps managers in timely predictions and actions.

Milliman et al. (1994) maintained that 360-degree appraisal system is more effective as compared to the previous systems that were one sided and could be biased at times. In 360-degree appraisal system, information is obtained through several sources, it includes the boss, top management, assistants, coworkers, customers, dealers, advisors, and community officials. All these can be classified into internal and external parties. In 360-degree appraisal system, information can be obtained from anyone who interacts with the employee and can tell how that employee behaves with him. Similarly, Antonioni (2002) supported the idea that 360degree feedback encourages teamwork and smooth down the work relationships between employees and managers.

Mani (2002) has concluded by his research in East Carolina University that employees perceive appraisal system as a better tool for management decisions when they are satisfied with their supervisor and have trust on him. They do not perceive fairness of the system on the basis of the program's procedures. Roberts (2003) supported the idea that it is important that employees must have trust on the fairness of performance appraisal system and outcomes of the system would be acceptable for employees, only if they have trust on transparency and fairness of the system, otherwise these outcomes go as useless consequence by which the system becomes ineffective.

Rao (2008) stressed that in performance planning an employee structurally segregates his activities so that he can plan his own development and organizational outcomes. According to him identifying key performance areas and setting quantifiable targets for the improvement Rasheed et al. 3737 of his performance in future is the best technique for an employee to plan his performance. Performance of employees should be increased by performance management system. But unfortunately, performance appraisals become ineffective when management gives focus to evaluation but not to the performance improvement and development of employees.

OBJECTIVES

PRIMARY OBJECTIVE

- By focusing on innovation, quality, and customer satisfaction, Koso India Pvt. Ltd. strives to enhance operational efficiency, safety, and environmental sustainability for its clients.

SECONDARY OBJECTIVE

- To study the current performance appraisal system
- To study deficiencies of performance appraisal system
- Identifying strengths and weaknesses to facilitate personal growth and career planning

TOOLS AND TECHNIQUES

CHI-SQUARE TEST

The chi-square test is a statistical method used to determine if there is a significant association between two categorical variables. It compares observed frequencies in a contingency table to expected frequencies, assuming no association. Significant differences between observed and expected frequencies indicate a relationship. This test is widely used in social sciences, biology, and marketing to analyze survey data and experimental results.

ANOVA

ANOVA, or Analysis of Variance, is a statistical technique used to compare the means of three or more groups to determine if there are significant differences among them. It evaluates the variability within each group and between groups to see if the differences are due to random chance or specific factors. Commonly used in experiments and research across fields like psychology, biology, and marketing, ANOVA helps test hypotheses and understand the impact of different variables on an outcome.

RESEARCH DESIGN

DESCRIPTIVE RESEARCH

Descriptive research in cash management involves systematically describing and summarizing the characteristics, behaviours, and practices related to the management of cash within organizations. This type of research aims to provide a comprehensive overview of the current state of cash management, without necessarily seeking to establish causal relationships or test hypotheses

DATA ANALYSIS TECHNIQUES

The important tool used for the purpose of the study is;

HYPOTHESIS TEST

CHI- SQUARE TEST

Chi square test is applied in statistics to test the goodness of fit to verify the distribution of observed data with assumed theoretical distribution

O = observed frequency

E = expected frequency

$E = \text{Row total} * \text{column} / \text{total Grand total}$

Degree of freedom = (R-1) (C-1)

Level of significance is 5%

Chi square (χ^2) = $\sum (O - E)^2 / E$

HYPOTHESIS

H0- There is no significant relationship between Gender of Employees and performance appraisal system.

H1- There is significant relationship between Gender of Employees and performance appraisal system.

OBSERVED FERQUENCY

	Male	Female	Total
Strongly agree	4	2	6
Agree	11	4	15
Neutral	40	2	42
Disagree	0	0	0
Strongly disagree	0	0	0
Total	55	8	63

Computing statistics

The formula for calculation chi-square test is

$$\text{Chi square } (\chi^2) = \sum (O - E)^2/E$$

O = Observed frequency

E = Expected frequency

Degree of freedom = (r-1) (c-1)

Level of significant = 5%

E= (row total*columns total)/grand total

O	E	O-E	(O-E)²	(O-E)²/E
4	5.2	-1.2	-1.44	0.27
11	13.0	-2	-4	0.30
40	36.6	3.4	11.5	0.31
0	0	0	0	0
0	0	0	0	0
2	0.7	1.3	1.6	2.2
4	1.9	2.1	4.4	2.31
2	5.3	-3.3	-10.8	2.03
0	0	0	0	0
0	0	0	0	0
				7.42

Degree of freedom (r-1)*(c-1)

Level of significant

Significant level=5% =0.05

Degree of freedom=(row-1) (column-1) = (5-1) (2-1) = 4x1 = 4

Chi square value=7.42

Table value for 4 degrees of freedom =

Table value for 4 degrees of freedom =9.488

Here, the calculated value is less than table value, hence we accept the null hypothesis (H₀)

INTERPRETATION

The critical value for a chi-square distribution with 4 degrees of freedom at the 0.05 significance level is 9.488. Since the calculated chi-square value of 2.884 is less than the critical value of 9.488, we fail to reject the null hypothesis.

ANOVA SINGLE FACTOR

ANOVA

<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	144.55	3	48.18333	2.028772	0.150409	3.238872
Within Groups	380	16	23.75			
Total	524.55	19				

ANOVA

<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	144.55	3	48.18333	2.028772	0.150409	3.238872
Within Groups	380	16	23.75			
Total	524.55	19				

INTERPRETATION:

1. Sum of Squares (SS):

- **Between Groups (SSB):** 144.55
- **Within Groups (SSW):** 380
- **Total (SST):** 524.55

The total variation in the data (524.55) is partitioned into variation between groups (144.55) and within groups (380).

2. Degrees of Freedom (df):

- **Between Groups (dfB):** 3
- **Within Groups (dfW):** 16
- **Total (dfT):** 19

Degrees of freedom between groups is the number of groups minus one, and within groups is the total number of observations minus the number of groups. The total degrees of freedom is the total number of observations minus one.

3. Mean Squares (MS):

- **Between Groups (MSB):** 48.18333 (calculated as SSB / dfB)
- **Within Groups (MSW):** 23.75 (calculated as SSW / dfW)

Mean squares are the average of the sum of squares, calculated separately for between groups and within groups.

4. F-value:

- **$F = MSB / MSW = 2.028772$**

The F-value is a ratio of the mean squares. A higher F-value typically indicates greater variance between groups compared to within groups.

5. P-value:

- **P-value = 0.150409**

The P-value is the probability of observing an F-value as extreme as, or more extreme than, the one observed if the null hypothesis (no difference between group means) is true. A lower P-value indicates stronger evidence against the null hypothesis.

6. F critical value (F crit):

- **F crit = 3.238872**

The F critical value is the value that the test statistic must exceed to reject the null hypothesis at a specific significance level (usually 0.05). Here, the critical value is 3.2388

FINDINGS

- Most of the respondents are under below 30 years 47% of age.
- Most of the respondents are male 82% of gender.
- Most of the respondents have 58% with 5-10 years of work experience.
- Most of the respondents agree with 68% they observed.
- Most of the respondents agree with their expectations and goals of 68%.
- Most of the respondents are clear understanding they said neutral with 38%.
- Most of the respondents are agree with 55% of their respondents.
- Most of the respondents said agree with 50% of accessible for discussions.
- Most of the respondents are agree with performance evaluation of 50%

CONCLUSION

The analysis of the performance appraisal system at Koso India Pvt. Ltd. underscores its critical role in driving employee performance and organizational success. The current system effectively identifies high performers and areas for improvement, contributing to overall productivity and goal alignment. However, several areas need improvement to enhance the system's efficiency and employee satisfaction. The appraisal system is proficient in recognizing top performers and identifying areas where employees need development. Employees raised concerns about the subjective nature of certain evaluation criteria, which can lead to perceptions of bias and inconsistency. The current system's feedback mechanisms are insufficient, with employees reporting a lack of actionable feedback that hampers their ability to improve and develop. Introducing a 360-degree feedback system can provide a more holistic view of employee performance, incorporating inputs from peers, subordinates, and supervisors. By addressing these recommendations, Koso India Pvt. Ltd. can significantly enhance its performance appraisal system, leading to greater employee satisfaction and improved organizational performance. A robust and fair appraisal system not only helps in identifying and nurturing talent but also fosters a culture of continuous improvement and engagement. As Koso India Pvt. Ltd. implements these changes, it is likely to see a more motivated workforce, better alignment of individual and organizational goals, and sustained business success.

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