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**EFFECTIVENESS OF THE PERFORMANCE
APPRAISAL SYSTEM IN NADIPPISAI PULAVAR
K.R.RAMASAMY CO-OP SUGAR MILLS LTD,
THALAINAYAR, NAGAPATTINAM DISTRICT OF TAMIL NADU**

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Abstract:-In today's world, almost every organization whether it is public or private sector, requires a performance appraisal system to assess the performance of its employees. Moreover, in work settings performance appraisal system is also utilized for several important administrative and developmental decisions, like, pay, promotion, training, and also documentation for legal purposes. So performance appraisal system is declared as an integral part of organizational human resource management functions.

Keywords:organization whether , Effectiveness , developmental decisions.

INTRODUCTION:

The success or failure of an organization is determined by means through which employees' performance is managed in that organization. So an efficacious performance appraisal system can play vital role in success of an organization. On the other hand, designing and implementing an effective performance appraisal system in an organization is indeed a complicated process and also it may be expensive. It is exigent to construct an efficacious performance appraisal system that has valid, reliable and objective performance measures.

STATEMENT OF THE PROBLEM

When an organizational activity is not monitored, proper evaluation cannot be made. Deviations from the established standard may threaten the existence of the organization. A good control system must always provide objective feedback for further management action. Thus, when an organization's objectives are not met, it is possible that the control system of any one or more organizational activity has broken down. With the growth of Indian sugar industry in today's complex and changing business environment, it is of utmost necessity for the institution to know that what was effective and efficient several years ago in assessing the performance of employees may not be as effective and efficient today.

To this end, an appraisal system that moves with the times must be put in place so that the development and training needs of employees could be properly identified and addressed. Ineffective appraisal systems can be very expensive. Though the actual costs may be difficult to estimate, some of the costs are low morale among the employees, high turnovers, low productivity, and

demotivation. When performed correctly, performance appraisals are a valuable management tool to increase job satisfaction. Performance appraisal has been used as a strategic tool to improve or increase productivity of employees.

In this world of competition as organizations effort to remain competitive and sustainable, human resources professionals and strategic planners should collaborate strongly in designing strategies which are more productive and useful. So the role of human resource becomes more and more vital which includes personnel related areas such as job design, resource planning, performance appraisal system, recruitment, selection, compensations and employee relations.

The Indian sugar industry as green industry its future determines the livelihood of millions of farmers. The growth of these companies plays a prominent role in the economic development of the nation. The growth of an industry is based on its success and productivity. It is the primary test of the success of an industry. The consumers and the government are directly or indirectly involved in this industry. If the productivity is more, there will be the technological innovations and the economic will be growth high. The productivity and efficiency of the employee mainly depend upon the effective implementation of performance appraisal system of the industry. Productivity and better efficiency help to set the industry in the pace of its higher growth. The analysis of performance appraisal system has necessities to increase productivity of sugar industry.

It was in the light of the above that the study sought to investigate the effectiveness of performance appraisal systems of employee in NKPRR co-operative sugar mills Ltd., Thalainayar in Nagapattinam district of Tamil Nadu.

RESEARCH METHODOLOGY

In Tamil Nadu there are there are 46 Sugar Mills in Tamil Nadu consisting of 16 Sugar Mills in Co-operative Sector, 3 Sugar Mills in Public Sector and 27 Sugar Mills in Private Sector. Among the 16 Co-operative Sugar Mills the NADIPPISAI PULAVAR K.R.RAMASAMY CO-OP SUGAR MILLS Ltd, is one of them. This is the only sugar mill situated in the Nagapattinam district, no other cooperative, public sector and private sector sugar mills are situated in the study area. Therefore, NADIPPISAI PULAVAR K.R.RAMASAMY CO-OP SUGAR MILLS Ltd, is chosen for the study. The data was collected in NKPRR co-operative sugar mills Ltd., Thalainayar in Nagapattinam district of Tamil Nadu.

For the purpose of the analysis, the employees are classified as Top level management, Middle level management and Lower level management. The sugar mill consists of 658 employees, of which 56 are belong to top level management, 238 employees are belong to middle level management and 364 workers are belong to lower level management. A sample of 150 employees, 50 employees from each category was selected on the basis of stratified random sampling method.

RESULT AND DISCUSSION

Assessment of employees' performance is one of the common practices in almost every organization, a necessary phenomenon for the better performance of employees and the organizations. For better performance of the organizations satisfied employees play a vital role. Therefore, the perception of the employees about the performance appraisal system practiced in the study unit is discussed in the succeeding pages.

The perception of the respondents about performance appraisal system practiced in the study unit is discussed in the succeeding pages. The variables Organizational strategy (6 items), Goals & performance measures (10 items), Performance Standard (7 items), Performance appraisal system and feedback (24 items), Performance Rating (17 items), Performance appraisal and Training and development (13 items), Performance appraisal and Reward (6 items) were selected, thus a total of 83 items were framed to measure the perception of the respondents about the performance appraisal systems practiced in the study unit. The high level of perception leads to high level of satisfaction with performance appraisal systems. The mean scores obtained by the respondents for overall performance appraisal system of the study unit is shown in table 1.

TABLE: 1
OVERALL PERCEPTION ABOUT PERFORMANCE APPRAISAL SYSTEMS

Category	Mean score	Mean score (%)
Top level Management	262.51	63.26
Middle level management	128.26	30.91
Lower level Management	81.76	19.70
Average (N=150)	113.48	27.34

Source: Primary data

Table 1 shows the overall perception of the respondents about performance appraisal system practiced by the study unit. The average mean score obtained by the respondents in respect of overall performance appraisal system was 27.34 per cent. The top level management have obtained the mean score of 63.26 per cent, middle level management and lower level management have secured 30.91 per cent and 19.70 per cent respectively. It can be inferred from the table that the employees of top level management have moderate perception whereas the employees of middle and lower level management perceive poor perception about overall performance system of the study unit.

The level of overall level perception of the respondents about performance appraisal systems practiced in the study unit is shown in table 2.

TABLE: 2
LEVEL OF OVERALL PERCEPTION ABOUT PERFORMANCE APPRAISAL SYSTEMS

Level of perception	No. of Respondents			
	Top level Management	Middle level Management	Lower level Management	Total
Low	20 (40.00)	39 (78.00)	42 (84.00)	101 (67.33)
Moderate	26 (52.00)	09 (18.00)	06 (12.00)	41 (27.33)
High	04 (08.00)	02 (04.00)	02 (04.00)	08 (05.34)
Total	50 (100.00)	50 (100.00)	50 (100.00)	150 (100.00)

Source: Primary data, Figure in the bracket is percentage to total

It is observed from the table 2 that 52 per cent and 40 per cent of the top level employees revealed moderate and low level of perception about overall performance appraisal system. Among the respondents of middle level management, 78 per cent and 18 per cent of the respondents expressed low and moderate perception. In case of lower level management, 84 per cent and 12 per cent of the respondents perceive low and moderate perception about overall performance appraisal system. Therefore, it can be inferred from the table that middle and lower level employees perceive

poor satisfaction whereas top level employees perceive moderate perception about overall performance appraisal system of the study unit.

In order to analyze whether there is any significant relationship between the perception of the top, middle and lower level employees, a null hypothesis is framed and tested with the help of t-test.

Null hypothesis: Irrespective of category, all the employees perceive same level of perception about overall performance appraisal system

TABLE: 3
DESCRIPTIVE STATISTICS-OVERALL HUMAN RESOURCE
MANAGEMENT PRACTICES

Category	Mean	S.D	t-value	Result
Top level Management and Middle level Management	262.51	17.54	2.4320	Significant
	128.26	11.50		
Top level Management and Lower level Management	262.51	17.54	3.6965	Significant
	81.76	5.82		
Middle level Management and Lower level Management	128.26	11.50	1.328	Not significant
	81.76	5.82		

Source: compiled by the researcher

It is inferred from table 3 that there is a significant difference between level of perception of Top level Management and Middle level Management, Top level Management and Lower level Management about overall performance appraisal system. However, there is no significant difference between level of perception of the Middle level Management and Lower level management about overall performance appraisal system of the study unit. To find out whether there is any significant difference between individual demographic variables such as sex, age, educational qualifications, departments, work experience and income of the respondents and their level of perception, a null hypothesis is framed and tested with the help of ANOVA test.

Null hypothesis: There is no significant difference between individual demographic variables and the level of perception about performance appraisal system.

The result is given in Table 4.

TABLE: 4
ANOVA TEST

		SS	df	MS	F	Significance
Sex and level of perception	Between sample	5923.00	2	2961.50	1.76	Not significant
	With in sample	5048.50	3	1682.83		
	Total	10971.50	5			
Age and level of perception	Between sample	3948.67	2	1974.33	6.09	*Significant
	With in sample	1945.33	6	324.22		
	Total	5894.00	8			
Educational qualifications and level of perception	Between sample	2961.50	2	1480.75	1.81	Not significant
	With in sample	7376.75	9	819.64		
	Total	10338.25	11			
Department-wise distribution and level of perception	Between sample	2961.5	2	1480.75	3.44	Not significant
	With in sample	3868.75	9	429.86		
	Total	6830.25	11			
Experience and level of perception	Between sample	3948.67	2	1974.33	3.29	Not significant
	With in sample	3603.33	6	600.55		
	Total	7552.00	8			
Income and level of perception	Between	3948.67	2	1974.33	3.21	Not significant
	Within	3691.33	6	615.22		
	Total	7640.00	8			

*Significant – Significant at 5 per cent level

The result of the ANOVA test reveals that there is no significant difference between sex and level of perception, educational qualifications and level of perception, department-wise distribution and level of perception, experience and level of perception, income and level of perception. There is a significant difference between age and level of perception about performance appraisal system of the study unit.

SUGGESTIONS

Based on the major findings of this study, some recommendations have been made to increase effectiveness of performance appraisal system in the study unit. The recommendations are highlighted in the succeeding pages.

The evaluation of performance in the organization can be done by seniors as well as the self for all the grades of employees. Introduction of self-appraisal will help in executive development, which is the main purpose of performance evaluation.

An increase in the extent of goal based appraisal in the company can be introduced so as to motivate the employees even in the lower level management to attain the targets more efficiently and effectively.

The management should ensure that appraisers have adequate knowledge and direct experience of the employee's performance.

The management should offer adequate support and assistance to each employee such as professional development opportunities in order to improve their performance.

In the organization performance appraisal should not be perceived just as a regular activity but its important should be recognized and communicated down the line to all the employees

particularly middle and lower level management.

The management should review of job analysis, job design and work environment based on the performance appraisal of the employees and performance system of the organization should provide more empowerment to the employees. The management should give feedback to employees regarding their appraisal. This will help them to improve on their weak areas. The management should use of modern appraisal techniques like 360 degree appraisal, assessment centers which are more effective.

CONCLUSION

The result of the study reveals that middle and lower level employees perceive low perception whereas top level management perceive moderate perception, it implies that middle and lower level employees perceive poor satisfaction whereas top level employees perceive moderate satisfaction about overall performance appraisal system of the study unit

In general, performance appraisal has increasingly become part of a more strategic approach to integrating HR activities and business policies and may now be seen as a generic term covering a variety of activities through which organizations seek to assess employees and develop their competence, enhance performance and distribute rewards. The principal purpose of an appraisal system should be to improve the employee and the organizational performance. The system must be based on a deep regard for people and recognize that employees are the most important resource. The system should first of all contribute to the satisfaction of all the employees. This tenet will require a continuous effort in counseling, coaching and honest, open communications between the employee and supervisors. The implementation effective performance appraisal system is one of the vital factors for the organization to survive in the highly competitive business environment.

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