

A THEORETICAL STUDY ON PERFORMANCE MANAGEMENT**MRS A SANTOSHI****Assistant Professor**M.C.Gupta College of Business
Management**A MANASA****MBA Student**M.C.Gupta College of Business
Management**ABSTRACT**

The Performance Management System (PMS) in an important aspect of any organization that being to measure the employees' performance as against the vision, mission, developmental goals of an irrespective of the sector or type of an organization. The PMS is just not limited to performance appraisal system but also includes learning and development, training requirement, to enhance communication across the organization and its bridge between employee and employer for organizational development. In the recent past behavioral aspect of an employee, psychological, employee performance deviations, performance measurement and employee training needs to improve performance of organization as a whole included in the performance management of an organization. This study discusses an important aspect of the how to measure one of the performance management system components — employee performance using performance appraisal. This study also discusses various types of performance appraisal system measurements and their merits and demerits and suggested solutions to relieve the misery of untold stories. The study concludes providing meaningful suggestions on measurement of performance appraisal system

Performance Management refers to a comprehensive scientific approach to ensure a link between efforts to individual employees with vision and goals of the organization, to achieve excellence in organization on one side and satisfaction and growth of employees on the other side. Therefor performance management system is an important instrument to facilitate organization to accomplish its goal. Both Individual skills and contributions and organizational objective measurement is needed to develop the important element of the organization, which is human capital

INTRODUCTION

Performance management systems are used to achieve employee progress, performance, and development in relation to meet the company's goals. Companies use performance management systems to facilitate expressive and ongoing discussions between managers and direct reports to employees. The performance management system is most commonly implemented by the Human Resource Management team to support manager-level supervise throughout various divisions at company estimate employees, conduct performance reviews, maintain a record of discussion topics, and facilitate 360-degree feedback.

Many performance management systems offer organizational planning capabilities that help Human Resource teams ensure certain skill sets are present within the company and plan for succession contingencies in case of employee departure. The performance management system can be implemented either as a standalone solution or as part of an integrated Human Resource management suite. Performance management system frequently integrates with compensation management software so that employee performance reviews can directly impact compensation decisions.

So clearly, there's a purpose to performance management—an objective.

- Encourages employee reward and recognition and includes employee incentive programs
- Boosts employee productivity and engagement

- Helps in the creation of development strategies
- Promotes an environment for feedback
- Encourages team building

perform their job to the best of their ability.

Performance management is not aimed at improving all skills. In fact, good performance management focuses on improving the skills that help an employee do their job better. This means that it is about the strategic alignment of one's work to the group and organizational goals. Because performance management is a process that aims to align individual goals with group and organizational goals, it is a strategic and formal process. This means that key individual career decisions, like bonuses, promotions, and dismissals are all linked to this process. Performance management is a set of processes and systems aimed at developing an employee so they management is a corporate management tool that helps managers monitor and evaluate employees' work. Performance management's goal is to create an environment where people can perform to the best of their abilities and produce the highest-quality work most efficiently and effectively. In the era of growing importance of financial status, there is an increased importance for various financial institutions which provide such loans.

OBJECTIVES

- To study the employees achievement of superior standards in work performance.
- To study the employees in identifying the knowledge and skills required for performing the job efficiently.
- To study the barriers which are effectivtly performance of employees those barriers through constant monitoring, coaching and development interventions.
- To study on factor which Promote personal growth and advancement in the career of the employees.

SCOPE OF THE STUDY

The Performance management should conform to broad organization frame. It should provide for managers and manages shared experiences, knowledge and vision. It encompasses all formal and informal measures and procedures adopted by organizations to increase corporate, team and individual effectiveness. Manages/ employees should be enabled continuously to develop knowledge, skill and capabilities. Performance management has got to be understood in totality of the organization but not in various parts. Performance management is designed and operated to ensure the interrelationship of each of these processes in the organization.

- Performance management assumes that the managers and team members share accountability for performance by jointly agreeing on common set of goals i.e., what they need to do and how they need to do it. They jointly implement the agreed plans and monitor outcomes.

NEED FOR THE STUDY:

- The need of the performance Management is to determine what aspects of performance are required to be evaluated.
- To identify those who are performing their assigned task well and those who are not and the reason for such performance.

- To provide information about the performance ranks basing on which decisions regarded salary fixation, conformation, promotion, demotion and transfer are taken.
- To provide feedback information about the level of achievements and behavior of an employee.
- To compare actual performance with the standards and in out deviations (positive and negative)
- To create and maintain satisfactory level of performance.
- To prevent grievance and in disciplinary activity.
- To facilitate fair and equitable compensation.
- To ensure organizational effectiveness.
- It guarantees useful information about employees and the nature of their duties.

Company profile

Axis bank:

Commercial banking services which include merchant banking, direct finance infrastructure finance, venture capital fund, advisory, trusteeship, forex, treasury and other related financial services. As on 31-Mar-2009, the Group has 827 branches, extension counters and 3,595 automated teller machines (ATMs). Axis Bank was the first of the new private banks to have begun operations in 1994, after the Government of India allowed new private banks to be established.

The Bank was promoted jointly by the Administrator of the specified undertaking of the Unit Trust of India (UTI - I), Life Insurance Corporation of India (LIC) and General Insurance Corporation of India (GIC) and other four PSU insurance companies, i. e. National Insurance Company Ltd. The New India Assurance Company Ltd, The Oriental Insurance Company Ltd. and United India Insurance Company Ltd. The Bank today is capitalized to the extent of Rs. 359. 76 corers with the public holding (other than promoters) at 57. 79%. The Bank's Registered Office is at Ahmadabad and its Central Office is located at Mumbai.

The Bank has a very wide network of more than 853 branches and Extension Counters (as on 30th June 2009). The Bank has a network of over 3723 ATMs (as on 30th June 2009) providing 24 hours a day banking convenience to its customers. This is one of the largest ATM networks in the country. The Bank has strengths in both retail and corporate banking and is committed to adopting the best industry practices internationally in order to achieve excellence. HISTORY OF AXIS BANK In 1993, the Bank was incorporated on 3rd December and Certificate of business on 14th December.

RESEARCH METHODOLOGY

Research methodology is a way to systematically solve the research problem. It is a way of written game plan for conducting research. In this we describe the various steps that are taken by a researcher. So, it is therefore desirable to design a research methodology. For this research the research methodology is designed as under:

- Research methodology on present data

SAMPLING DATA COLLECTION

- **Primary Data:**

- 1.Though questioner
- 2.Sample data

TOOLS AND TECHNIQUES:

1. Performance reviews and evaluations
2. Continuous performance management
3. Performance check-in pulse surveys
4. Feedback
5. Rewards and recognition
6. Performance management software
7. Graphical method

LIMITATIONS

This study also includes some limitations which have been discussed as follows:

1. Bias of Appraiser: The presence of ‘Halo Effect’ in evaluation of employees is the biggest weakness of this method.
2. Ambiguity in Standards: If the standards are not clear, the supervisors may follow different standards for different employees.
3. Insufficient Evidence: An employee who can impress the boss may get a positive evaluation though his impression in his own department may be very poor. In such cases, the performance appraisal will be superfluous.
4. Several Qualities Remain Without Appraisal: Through performance appraisal, only few qualities of employees can be measured. All individuals differ from each other in terms of background, values and behaviour.

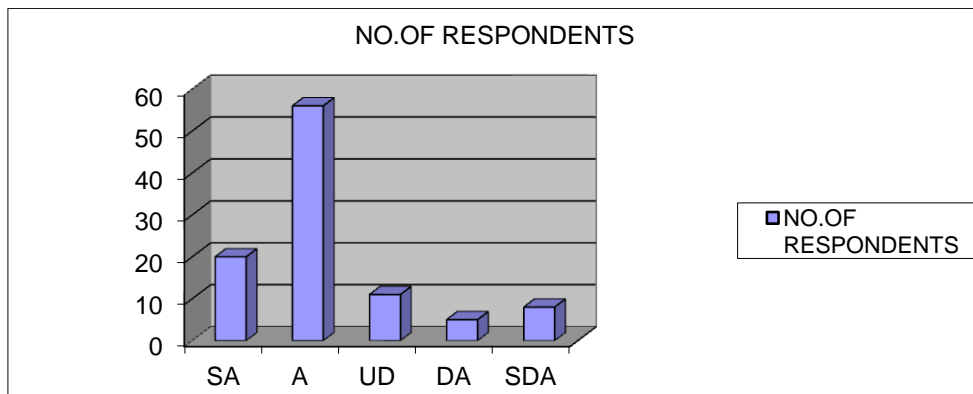
SIS & INTERPRETATION

DATA ANALYSIS & INTERPRETATION

1. Appraisal here is purely based on work performances.

Workers opinion	No.of Respondents	Scale	Aggregate values
Strongly Agree	28	2	56
Agree	40	1	40
UnDecided	12	0	0
Disagree	20	-1	-20
Strongly Disagree	0	-2	0
Total	100		76

Graph 1:



INTERPRETATION

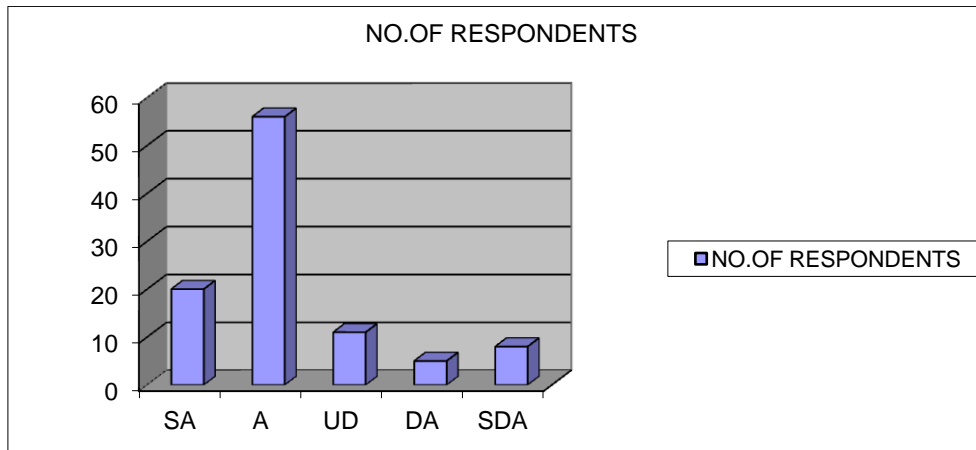
From the above graph it is informed that 68% of the employees feel that appraisal is purely based on work performance and 12% are undecided, 20% are disagree with it. From

the table the mean is 0.76 & S.D is 1.0 ie most of the respondents are Satisfied with the aspect of quality of work factor

2. We feel performance Appraisal is very significant for organizational development.

Workers opinion	No.of Respondents	Scale	Aggregate values
Strongly Agree	20	2	40
Agree	56	1	56
UnDecided	11	0	0
Disagree	5	-1	-5
Strongly Disagree	8	-2	-16
Total	100		75

Graph 2:



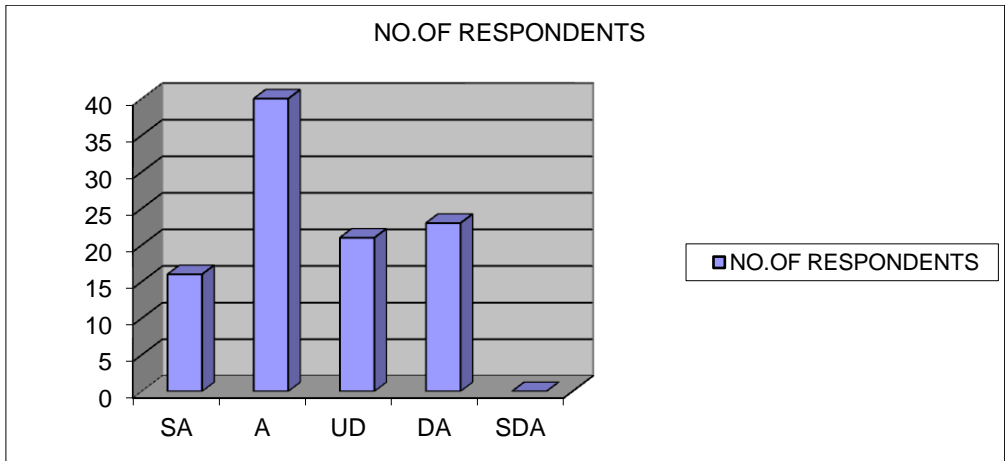
INTERPRETATION

From the above graph it is informed that 76% of the employees feel that Performance appraisal is significant for organizational development and 11% are undecided, 13% are disagree with it. From the table the mean is 0.75 & S.D is 1.07 ie most of the respondents are satisfied with the aspect of Organizational Development factor.

3. Group Characteristics Affect My Appraisal

Workers opinion	No.of Respondents	Scale	Aggregate values
Strongly Agree	16	2	32
Agree	40	1	40
UnDecided	21	0	21
Disagree	23	-1	-23
Strongly Disagree	0	-2	0
Total	100		49

Graph 3:



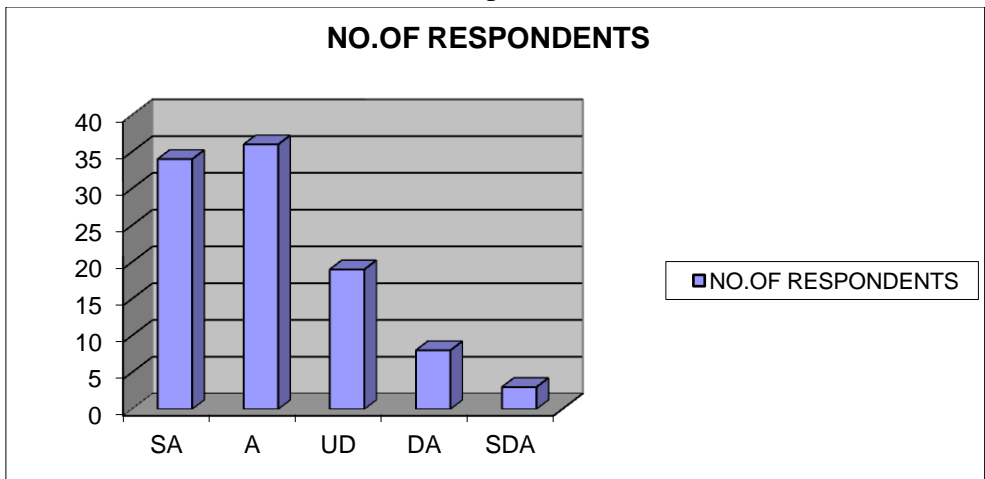
INTERPRETATION

From the above graph it is informed that 56% of the employees of the appraisal is affected by the group characteristics and 21% are undecided and 23% are disagree with it. From the table the mean is 0.49 & S.D is 1.07 ie most of the respondents are satisfied with the aspect of Group characteristics.

4. I prefer a reviewing officer to reduce bias

Workers opinion	No. of Respondents	Scale	Aggregate values
Strongly Agree	34	2	68
Agree	36	1	36
Undecided	19	0	0
Disagree	8	-1	-8
Strongly Disagree	3	-2	-6
Total	100		90

Graph 4:



INTERPRETATION

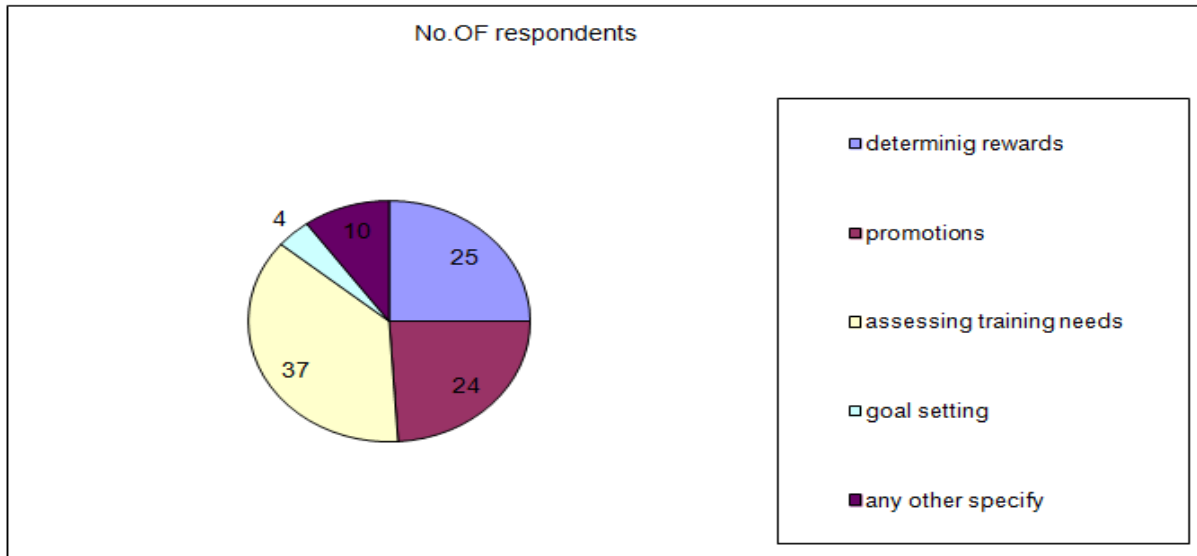
From the graph it is inferred that 70% of employee prefer a reviewing Officer and 19% are undecided and 11% do not prefer reviewing officer. From the table the mean is 0.90 & S.D is 1.07 ie most of the respondents are preferring reviewing officer to reduce bias.

5. Appraisal here serves the following purposes

S.No	Options	No of respondents
1	Determining rewards	25

2	Promotions	24
3	Assessing training needs	37
4	Goal setting	4
5	Any other specify	10

Graph 5:



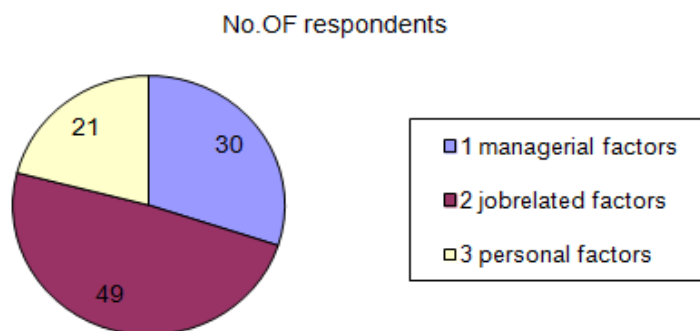
INTERPRETATION

Majority of the employees opine that appraisal serves for assessing training needs.

6. What factors are being considered in appraising the performance of the existing system.

S.No.	Options	No of respondents
1	Managerial factors	30
2	Job related factors	49
3	Personal factors	21

Graph 6:



INTERPRETATION

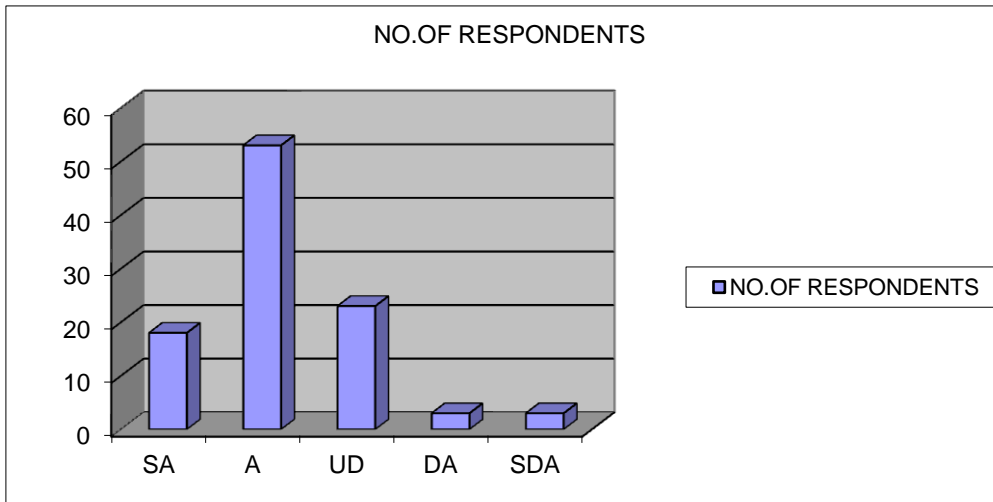
From the above table majority of the employees opine that managerial factors are being considering in appraising the performance of the existing system

7. My superior notices always good performances

Workers opinion	No.of Respondents	Scale	Aggregate values
-----------------	-------------------	-------	------------------

Strongly Agree	18	2	36
Agree	53	1	53
UnDecided	23	0	0
Disagree	3	-1	-3
Strongly Disagree	3	-2	-6
Total	100		80

Graph 7 :



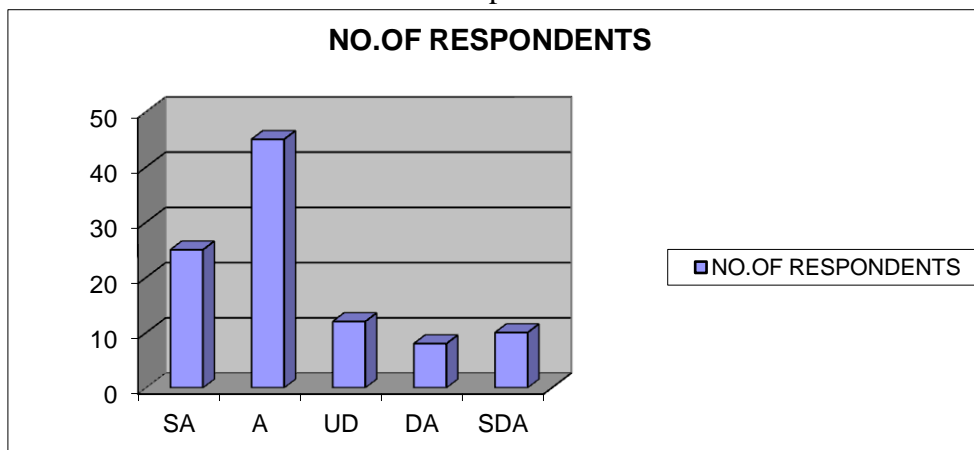
INTERPRETATION

From the graph it is inferred that 71% of the employee opine that superiors appraise their performance and 23% are undecided and 9% are disagree with it. From the table the mean is 0.80 & S.D is 0.83ie most of the respondents are satisfied with the aspect of Performance factor.

8. A committee should discuss your performance and counsel accordingly.

Workers opinion	No.of Respondents	Scale	Aggregate values
Strongly Agree	25	2	50
Agree	45	1	45
UnDecided	12	0	0
Disagree	8	-1	-8
Strongly Disagree	10	-2	-20
Total	100		67

Graph 8:

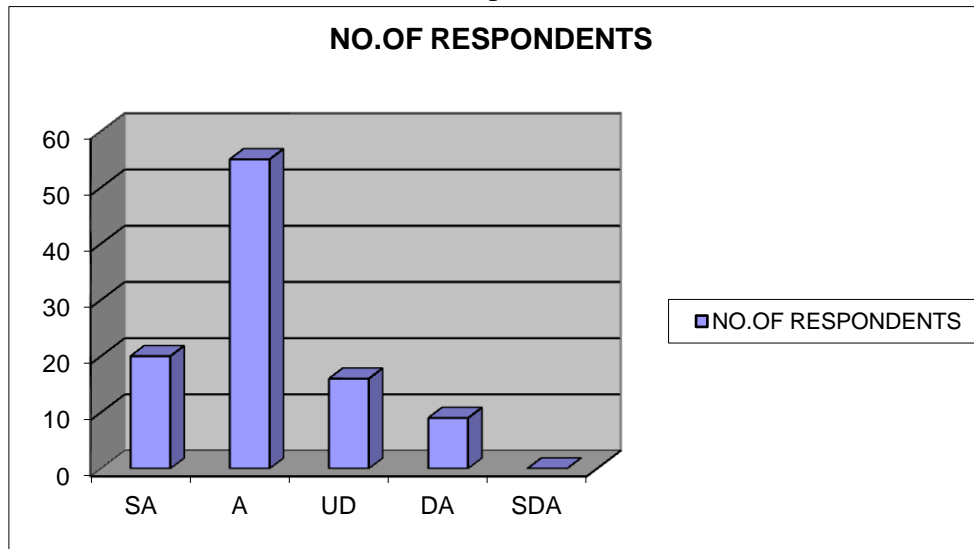


INTERPRETATION

From the above graph it is informed that 70% of the employees feel a committee discusses our performance and counsel accordingly and 12% are undecided, 18% are disagree with it. From the table the mean is 0.87 & S.D is 1.2 i.e. most of the respondents are satisfied with the aspect of Counseling Factor. 9. Performance appraisal identifies my training needs and therefore facilitates development.

Workers opinion	No.of Respondents	Scale	Aggregate values
Strongly Agree	20	2	40
Agree	55	1	55
Undecided	16	0	0
Disagree	9	-1	-9
Strongly Disagree	0	-2	0
Total	100		86

Graph 9:



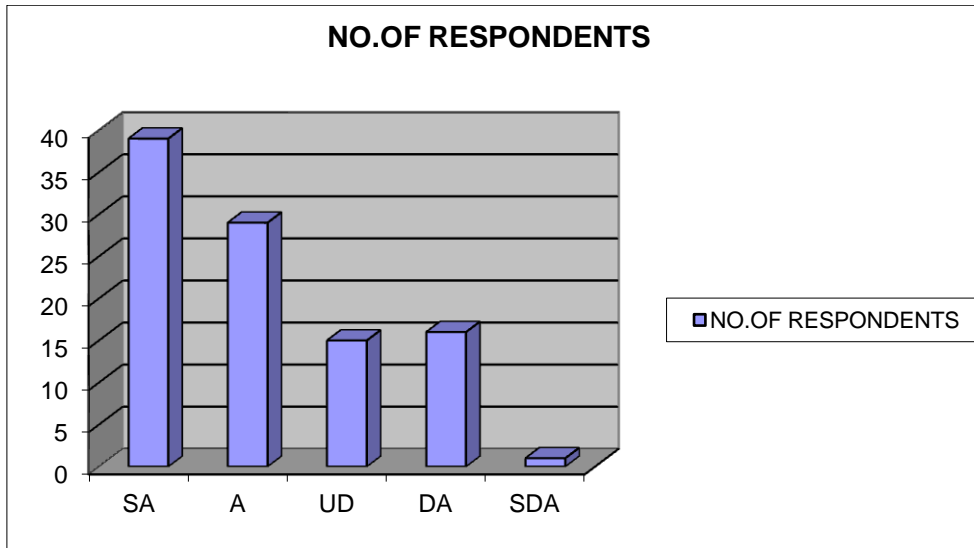
INTERPRETATION

From the above graph it is inferred that 75% of the employees are agreed that PAS identify the training needs and facilitates development and 9% are disagree with it. From the table the mean is 0.86 & S.D is 0.85 ie most of the respondents are satisfied with the aspect of Training and Development factor.

10. We would prefer a change in the current appraisal method.

Workers opinion	No.of Respondents	Scale	Aggregate values
Strongly Agree	39	2	78
Agree	29	1	29
UnDecided	15	0	0
Disagree	16	-1	-16
Strongly Disagree	1	-2	-2
Total	100		89

Graph 10:



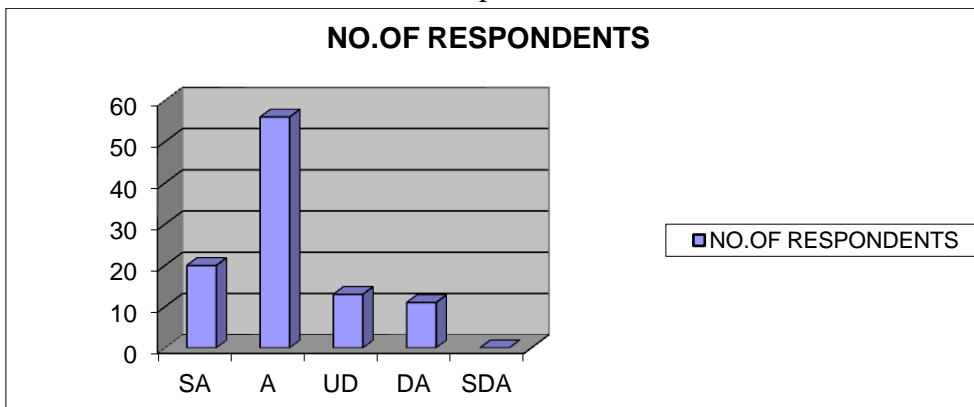
INTERPRETATION

From the above graph 68% of the employees feel that prefer a change in the current appraisal method and 15% are undecided and 17% are disagree with it. From the table the mean is 0.89 & S.D is 1.12 i.e. most of the respondents are agreed with that they prefer a change in the current performance appraisal system.

11. Self- appraisal is allowed and is a useful to give a picture of my achievements.

Workers opinion	No. of Respondents	Scale	Aggregate values
Strongly Agree	20	2	40
Agree	56	1	56
UnDecided	13	0	0
Disagree	11	-1	-11
Strongly Disagree	0	-2	0
Total	100		85

Graph 11:



INTERPRETATION

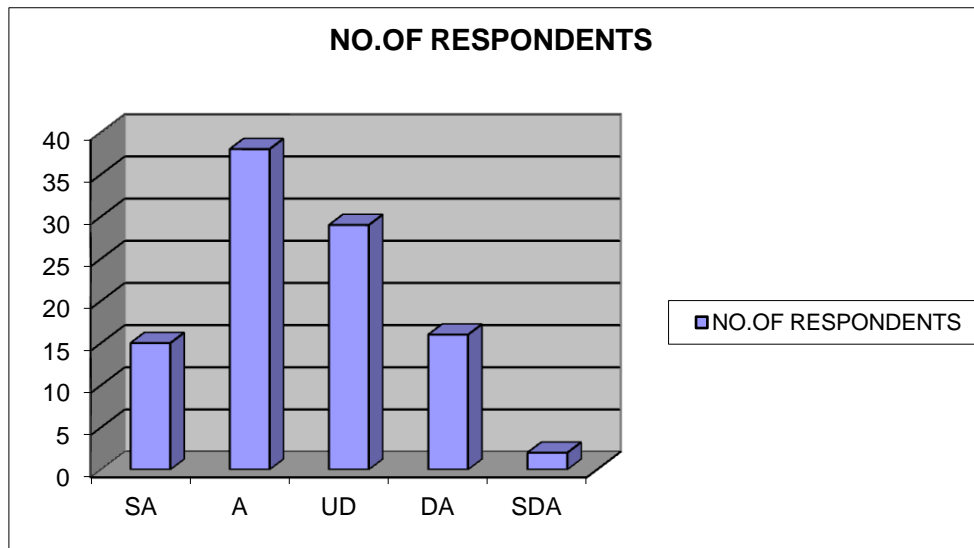
From the graph 76% are agreed that self appraisal is allowed and is a useful to give a picture of my achievements and 11% are disagree with it. From the table the mean is 0.85 & S.D is 1.0 i.e. most of the respondents are satisfied with the aspect of Self Appraisal factor.

12. Performance appraisal is done to get the feedback.

Workers opinion	No.of Respondents	Scale	Aggregate values
-----------------	-------------------	-------	------------------

Strongly Agree	15	2	30
Agree	38	1	38
UnDecided	29	0	0
Disagree	16	-1	-16
Strongly Disagree	2	-2	-4
Total	100		48

Graph12:



INTERPRETATION

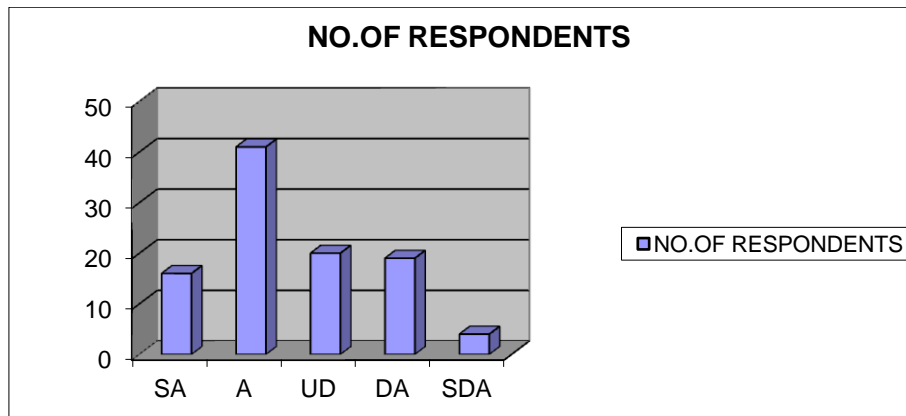
From the above table it is informed that 53% of the employees feel Performance appraisal is done to get the feedback and 29% are undecided , 18% are disagree with it.

From the table the mean is 0.48 & S.D is 1.0 ie most of the respondents are satisfied with the aspect of feedback factor.

13. Team work is considered as a factor in appraising our performance

Workers opinion	No.of Respondents	Scale	Aggregate values
Strongly Agree	16	2	32
Agree	41	1	41
UnDecided	20	0	0
Disagree	19	-1	-19
Strongly Disagree	4	-2	-8
Total	100		46

GRAPH 13



INTERPRETATION

From the graph 57% of the employees opine that team work is considered as a factor in appraising our performance, 20% are undecided and 23% are disagree with it.

From the table the mean is 0.46 & S.D is 1.0 ie most of the respondents are satisfied with the aspect of Team work factor.

CHI-SQUARE TEST

This test is performed to analysis the given hypothesis

Ho:- Self Appraisal is helpful to know the strengths and weaknesses & realization of potential of employees.

H1:- Self Appraisal is not helpful to know the strengths and weaknesses & realization of potential of employees.

	SA	A	UD	DA	SDA	Total
Opportunity for self review	25	53	18	2	2	100
Achievement	20	56	13	11	0	100
Total	45	109	31	13	2	200

O	E	(O-E)	(O-E) ²	(O-E) ² /E
25	22.5	2.5	6.25	0.27
30	22.5	7.5	56.25	2.5
53	54.5	-1.5	2.25	0.04
56	54.5	1.5	2.25	0.04
18	15.5	2.5	6.25	0.40
13	15.5	-2.5	6.25	0.40
2	6.5	-4.5	20.25	3.11
11	6.5	4.5	20.25	3.11
2	1	1	1	1
0	1	-1	1	1
				11.87

$$(r-1)(c-1) = (2-1)(5-1)$$

$$= 1 \times 4 = 4$$

$$4df = 9.48$$

$$\text{Critical value} = 9.48$$

Calculated value=11.87

Calculated value > Critical value

Thus H_0 is rejected

Inference:

Self Appraisal is helpful to know the strengths and weaknesses & realization of potential of employees is accepted.

CHAPTER V FINDINGS, SUGGESTIONS AND CONCLUSION

FINDINGS:

- Performance does not affect reward system as majority of the employees feel that their reward system is not based on performance.
- Performance Appraisal seems to be more effective in the organisation development as majority of the employees feel that performance appraisal shows the impact in the individual development and thus leads to organisational development.
- Majority of the employees feel that the appraisal is affected by the group characteristics.
- Majority of the employees preferring a reviewing officer to reduce bias in appraising employee's performance.
- Most of the respondents opined that performance appraisal is just like a small factor for assessing training needs to higher jobs.
- Most of the respondents opined that performance appraisal is based on specific job related technologies, 30% of the respondents opined that uniform for all.
- Most of the respondents agreed that their superior is the right person to access their performance.
- Majority of the employees agreed that committee discussing their training needs and counseling them accordingly.
- Majority of the employee's are satisfied with the type of recognition upon them and according to the majority of respondents feel that there is a good recognition for good performance.
- There exists interrelation ship between performance appraisal and training needs in the organization. Because majority of the employees feel that performance appraisal identifies their training needs and therefore facilities development.
- 38% Of the respondents stated that present appraisal system is very good, 30% of the respondents stated that excellent, 17% of the respondents opined that satisfactory.
- According to the majority of respondents, in organizational development self appraisal system is playing a major role through providing a picture of individual achievements.
- Majority of the employees feel that inhibiting factors should be considered while setting targets.
- Majority of the employees opine that their always work by the tasks they perform.
- Most of the respondents Annually assessed their performance more objective.

- Appraisal system always improves performance of employees as majority of the employees feel that the appraisal system provides an opportunity for self review and realization of potential.
- Most of the respondents agreed that the performance appraisal system has scope for communicating strategies, policies etc. to employees.

SUGGESTIONS:

- The management may design an appraisal system in such a way that appraisal should be purely based on work performance.
- Training programs shall be improved by conducting career counseling.
- The management design a more effective appraisal than the existing system and reveal the factors they consider to appraise the performance of all employees .
- An effective performance appraisal system which facilitates mutual goal setting and feedback should be designed.
- The management may appoint a reviewing officer so as to reduce bias in appraising employee's performance.
- Management should consider inhibiting factors while setting targets.
- Management should reward employees based on performance.

CONCLUSION

- To summarize our discussion we can say that the "Performance Appraisal" is an integral part of performance management and has become the important component of the HRM. Performance management includes activities to ensure that goals are consistently being met in an effective and efficient manner. Performance management can focus on performance of the organization, banks, a department, processes to build a product or service, employees, etc
- Performance management reminds us that being busy is not the same as producing results. It reminds us that training, strong commitment and lots of hard works alone are not results. The major contribution of performance management is its focus on achieving results -- useful products and services for customers inside and outside the bank and organization. Performance management redirects our efforts away from busyness toward effectiveness.
- Recently, organizations have been faced with challenges like never before. Increasing competition from businesses across the world has meant that all businesses must be much more careful about the choice of strategies to remain competitive. Everyone (and everything) in the organization must be doing what they're supposed to be doing to ensure strategies are implemented effectively.
- This situation has put more focus on effectiveness, that systems and processes in the organization be applied in the right way to the right things: to achieve results. All of the results across the organization must continue to be aligned to achieve the overall results desired by the organization for it to survive and thrive. Only then it be said that the organization and its various parts are really performing.

BIBLIOGRAPHY

BOOKS

Evaluating employee performance

Paul Jerome

Personnel Management

C.B.Mamoria

Human Resource Management

A Decenzo Stephen P.Robbins



*Arising and developing
Employee performance
Research Methodology
Marketing Research*

*Abhimanyu Acharya,
The Hindu may 24,2004
C.R.Kothari
G.C.Beri*

WEBSITES

www.creamlinedairy.com

www.google.com

JOURNALS

- *Journal of Public Administration and Governance. ISSN 2161-7104. 2017, Vol. 4, No. 4*
www.macrothink.org/jpag.135
- *International Journal of Business and Social Science. Vol. 2 No. 17* www.ijbssnet.com. 29
- *International Journal of Academic Research in Business and Social Sciences*
- *IOSR Journal of Business and Management (IOSRJBM)*
- *Sri Lankan Journal of Human Resource Management. Vol.2, No.1 2016*