

A Study on Performance Appraisal in Femtosoft Technologies in Chennai

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Abstract:

Performance appraisal is a crucial human resource practice used to evaluate employee and organizational performance in achieving goals. It remains a key area of interest for HR professionals, as an effective system can enhance motivation, encourage participation, and provide valuable insights for improvement. A well-structured appraisal system helps organizations operate efficiently and achieve their objectives. This study focuses on the performance appraisal system in selected IT companies in femtosoft technologies (CHENNAI). The research will gather primary data through questionnaires and present findings using graphical representations.

Keywords: Performance appraisal, employee evaluation, human resource management, motivation, organizational performance, feedback system, appraisal methods, employee development, performance measurement, workplace productivity.

Introduction:

Performance appraisal is a structured and periodic process used to evaluate an employee's job performance and productivity based on predefined standards and organizational goals. Organizations strive to enhance their effectiveness, and to achieve this, regular performance assessments are essential. Monitoring employee performance involves providing timely feedback, recognizing achievements, and ensuring continuous improvement. Recognition and rewards serve as strong motivators, encouraging employees to perform at their best.

Performance appraisal helps identify individual strengths, competencies, and areas for development. Since employees differ in skills and work quality, appraisals offer a fair method to assess their contributions. According to HR experts, performance appraisal is a systematic and unbiased evaluation of an employee's efficiency in their current role and potential for future growth. It serves as a vital tool for measuring achievements, refining skills, and aligning employee performance with organizational objectives.

Regular appraisals allow for constructive discussions between employees and supervisors, fostering a culture of continuous learning and development. The approach of "pay for performance" is now widely adopted across organizations, emphasizing individual contributions toward overall success. As a key element of performance management, appraisals not only measure progress but also support decision-making regarding promotions, training, and career growth.

IT industry - The Information Technology (IT) and Information Technology Enabled Services (ITeS) sector is one of the fastest-evolving industries, significantly influencing India's business landscape. This sector encompasses software and hardware development, IT consulting, software management, online

services, and business process outsourcing (BPO). The Indian IT industry began in Mumbai in 1967 with the Tata Group collaborating with Burroughs. In 1973, India's first software export zone, SEEPZ, was established in Mumbai, playing a crucial role in early software exports. By the 1980s, SEEPZ contributed to over 80% of India's software exports.

Over the past decade, the IT sector has been a major driver of economic growth and is expected to continue its expansion by addressing industry challenges and embracing technological advancements. The sector emphasizes increased technology adoption and the development of innovative service delivery platforms. With a vast number of job opportunities, employee retention and performance management have become critical aspects of IT companies. Employee performance is assessed using various performance appraisal methods, ensuring continuous improvement and alignment with organizational goals

FemtoSoft Technologies - a leading software development company headquartered in Chennai, India, embarking on a journey of innovation. With over 18 years of expertise, the company specializes in developing tailored software solutions for the logistics industry, ensuring efficiency, accuracy, and seamless operations

Emerson is a globally recognized Fortune 500 company, originally established as Emerson Electric Company. Headquartered in St. Louis, Missouri, and listed on the New York Stock Exchange under **EMR**, Emerson specializes in providing cutting-edge hardware, software technologies, project management, and engineering services. Serving industries such as oil and gas, pulp and paper, pharmaceuticals, and food and beverages, Emerson offers advanced process management systems, plant automation controls, and chemical analysis solutions for liquids and gases.

Emerson's innovative process control systems, integrated with wireless technology, enable remote equipment monitoring and real-time tracking of mobile workers. The company also has a strong presence in the IT sector, supporting various technological advancements. Emerson operates through five core business segments: **Network Power, Process Management, Industrial Automation, Climate Technologies, and Commercial & Residential Solutions (Tools and Storage)**

Literature Review:

1. **Kanchan Bhatia and Prashant Jain (2012)** conducted a study on performance appraisal policies in telecom companies (Airtel and BSNL). Their research analyzed employee perceptions of performance appraisal and its impact on organizational effectiveness. Based on a sample of 120 respondents, including managers and supervisors from Bhopal, the study found that employees were dissatisfied with the existing system due to its lack of motivational and reward-based elements. Additionally, the absence of post-appraisal interviews contributed to employee dissatisfaction.
2. **Suresh and Mohideen (2013)** examined the performance appraisal system in the automobile industry in Chennai, using a sample of 100 employees. The study assessed employee satisfaction with the existing appraisal system and revealed that employees had a low satisfaction level. The researchers suggested that organizations should enhance awareness about the appraisal process and its benefits to employees to improve engagement and acceptance.
3. **Lalita Rani, Naveen Kumar, and Sushil Kumar (2014)** explored performance appraisal practices in private banks in Rohtak. Their study, involving 100 respondents, emphasized the importance of evaluating and recording employee performance for organizational success. The findings showed that most private banks employed the 360-degree appraisal method, which was well-received by employees. The study concluded that performance appraisal significantly contributes to achieving org-

anizational goals, improving motivation, and enhancing job satisfaction.

4. **Mohammad Rabiul, Basher Rubel, and Daisy Mui Hung Kee (2015)** investigated the fairness of performance appraisal, promotion opportunities, and employee turnover among nurses in private hospitals. Using a cross-sectional study with 150 full-time nurses, the research found that perceived fairness in performance appraisal and promotion opportunities had a significant negative effect on nurses' intention to leave their jobs. The study also highlighted that organizational commitment played a mediating role in this relationship.
5. **P. Q. Radebe (2015)** assessed perceptions of the performance appraisal system in a local municipality in Gauteng Province, South Africa. The study emphasized the importance of performance appraisal in effective service delivery. However, findings indicated that the system was not properly implemented, as there was no mutual agreement on performance criteria and objectives. Additionally, the appraisal process was not linked to pay, promotions, or career development, and a lack of open communication and trust further hindered its effectiveness.
6. **Dhiviya priya and Rajandran (2016)** analysed the performance management system for executives at BHEL, using a simple random sampling technique with 151 respondents. The study assessed how employees managed their performance and the overall effectiveness of the system. Findings revealed that BHEL's performance management system was transparent and contributed to employee development. Respondents strongly agreed that the system improved employee performance and facilitated organizational growth.
7. **Sruchita Maheswari Rath (2017)** examined the performance appraisal system in organizations in Bangalore. The study highlighted the significance of performance appraisal in achieving organizational goals efficiently. Findings showed that the organization had a well-structured appraisal system incorporating both feedback and rewards, leading to employee satisfaction. The study recommended adopting innovative appraisal methods and ensuring a fair process to encourage active participation from both appraisers and employees.

Objectives of the Study:

1. To examine the performance appraisal system in selected IT companies.
2. To understand employee perceptions regarding the existing performance appraisal system.
3. To assess the level of awareness among employees about the performance appraisal process.
4. To provide recommendations for improving the performance appraisal system in selected IT companies.

Research methodology:

Research may be defined as "the objectives and systematic method of finding solution to a problem". It gives a structured picture for the management processes like decision making and planning in accordance with the data collected. Methodology gives the true path to find solution to certain problems. It also refers to the sequence and step to be adopted by the researcher in studying problems with certain objectives in view.

Research is an essential and powerful tool in leading men towards progress. It is an original contribution to the existing stock of knowledge. It is undertaken to discover answer to questions by applying scientific method. It is the search for knowledge through objective and systematic method of finding solution to problem. Therefore research is a process of systematic and in-depth study or search of any particular

topic, subject or area of investigation backed by collection, presentation, computation and interpretation of relevant data.

There are two types of data, primary data and secondary data.

PRIMARY DATA:

Primary data is fresh data collected from the respondents through structured scheduled questionnaire.

SECONDARY DATA:

The secondary data are collected through the literature review, articles, journals and online resources also from the past records maintained by the company.

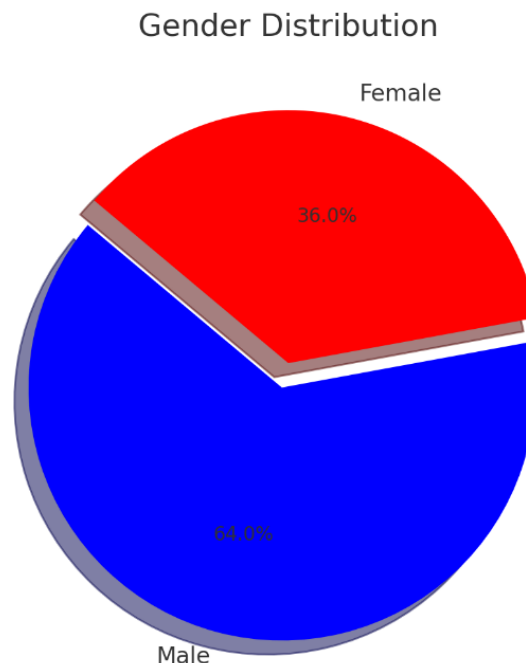
Scope of the Study:

This study focuses on analysing the existing **performance appraisal system** in IT companies, providing valuable insights into its strengths and areas for improvement. It helps in understanding both **employee performance and the effectiveness of appraisal methods**. The findings of this study will enable management to make informed decisions, implement necessary modifications, and enhance the **flexibility and efficiency** of the appraisal system to better align with organizational goals and employee expectations.

Data Analysis & Interpretation:

The data for this study was collected using a **structured questionnaire**. The gathered information has been carefully **analyzed and interpreted** using **graphical representations, statistical techniques, and logical reasoning**. The conclusions have been drawn based on the key findings to provide meaningful insights into the performance appraisal system.

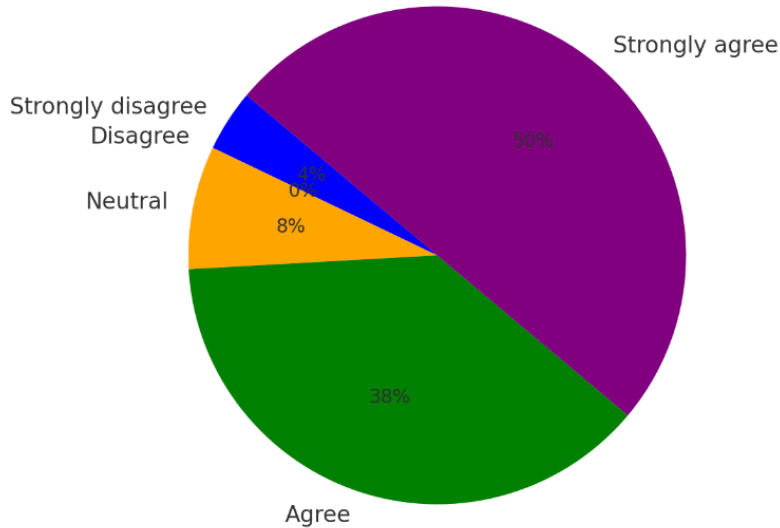
1. Gender



On the basis of Gender: Among the respondents, 64 % are male whereas 36% are female. It revealed that the percentage in selected IT companies was higher in case of males are compared to female. It was 64% for males and 36% for female.

2.

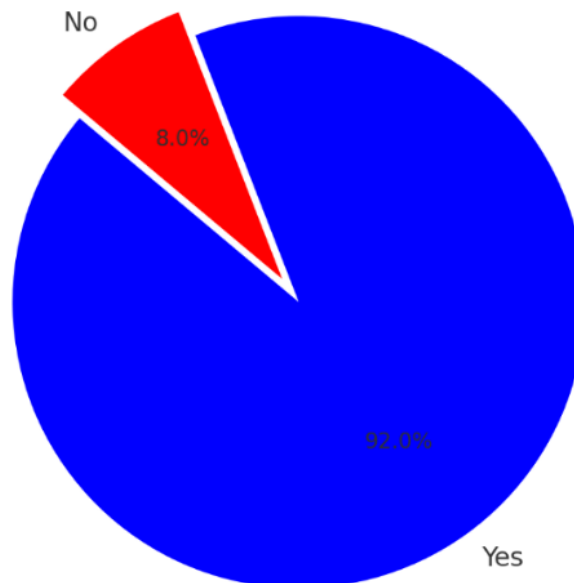
Performance Appraisal System is Needed in an Organization



Study revealed that 50% employees were agreed, 38% employees were strongly agreed and 8% employees were neutral that performance appraisal system is needed in companies.

3.

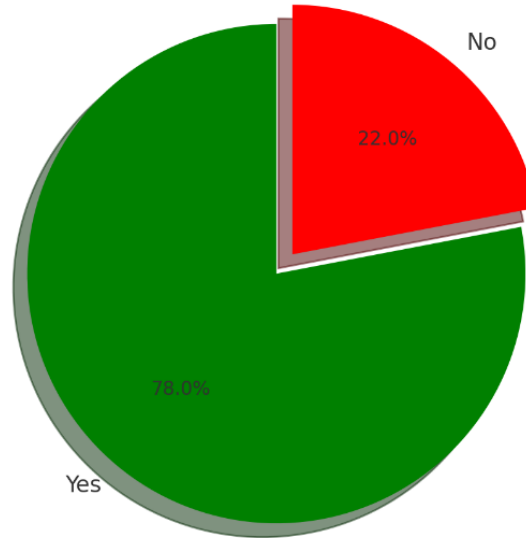
Formal Performance Appraisal System in Organization



The above Diagram shows that 92% employees said yes that there was a formal performance appraisal system followed in their companies and only 8% employees said no.

4.

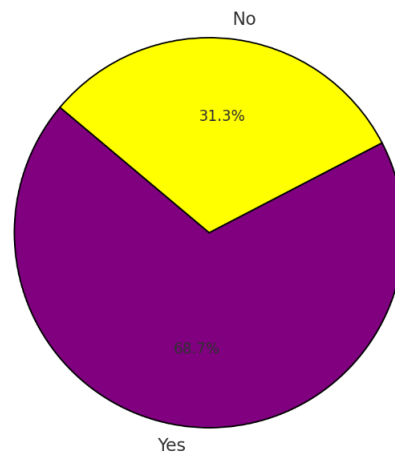
Does the Formal Performance Appraisal System Function Fairly/Equitably?



Study revealed that 78% employees said yes and 22% employees said no that the above formal performance appraisal system functions fairly and equitably.

5.

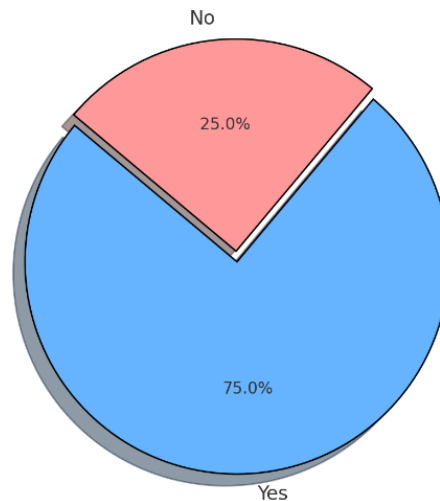
Does your immediate boss involve you in the performance appraisal process by holding a joint meeting?



The above pie chart shows that 69% employees said yes and 31% employees said, No that their immediate boss involves them in the performance appraisal process by holding a joint meeting.

6.

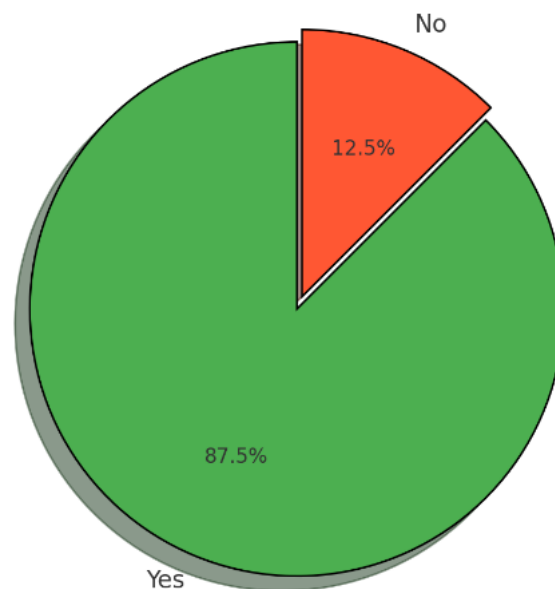
Do you have a well-understood Pay-for-Performance compensation program?
(48 responses)



Study revealed that 75% employees said yes and 25% employees said no, that they have well understood Pay-for-performance compensation program.

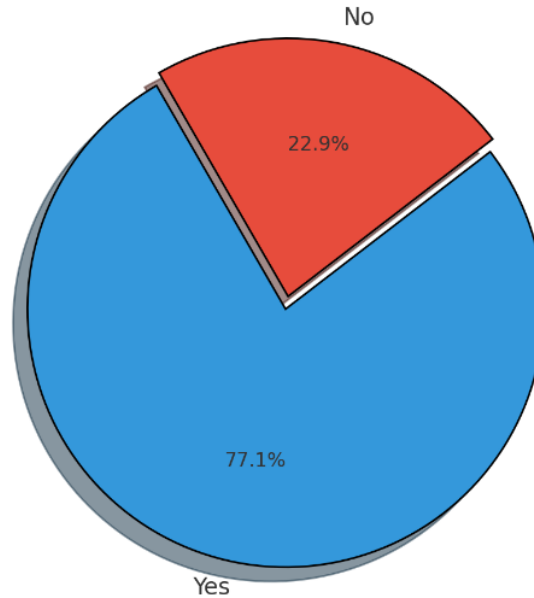
7.

Do you receive constructive feedback from your boss throughout the year?
(48 responses)



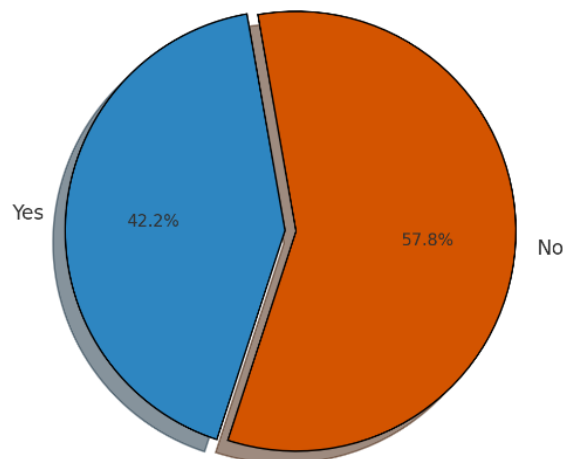
The above pie chart shows that 88% employees said yes they have received constructive feedback from your boss throughout the year.

8. Does your Immediate Manager appraise all the work done by you through the year?
(48 responses)



The above diagram shows that 77% employees said yes and 23% employees said no, that their immediate senior/ manager appraise all the work done by us through the year.

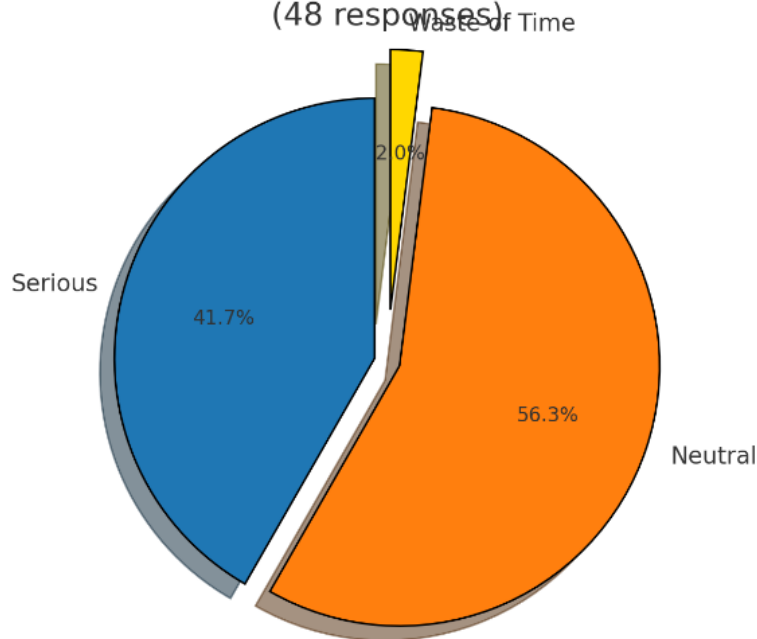
9. Is your appraisal biased towards work done in the latter part of the year?
(45 responses)



Study revealed that only 42% employees said yes and 58% employees said no, that their appraisal is biased only on the work done by us during the latter part of your prior to the appraisal.

10.

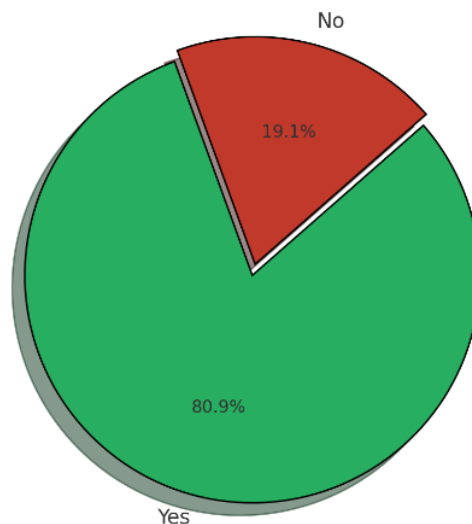
What is the attitude of your boss towards performance appraisal?
(48 responses)



Study revealed that 56 % employees were agreed that their boss were serious towards performance appraisal and 42% employees were agreed that their boss neutral towards performance appraisal.

11.

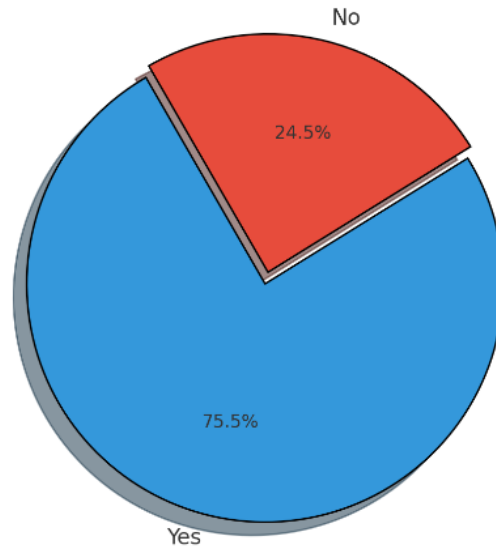
Does the performance appraisal system enhance teamwork and cooperation?
(47 responses)



Study shows that 81% employees says yes that performance appraisal system helps to win co-operation and team work between others doctors.

12.

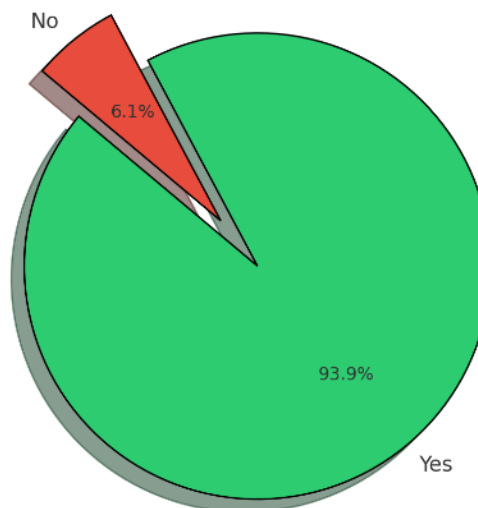
Is the performance appraisal system helpful in reducing grievances?
(49 responses)



Study revealed that 76% employees were agreed that performance appraisal system helpful in reducing grievance among doctors.

13.

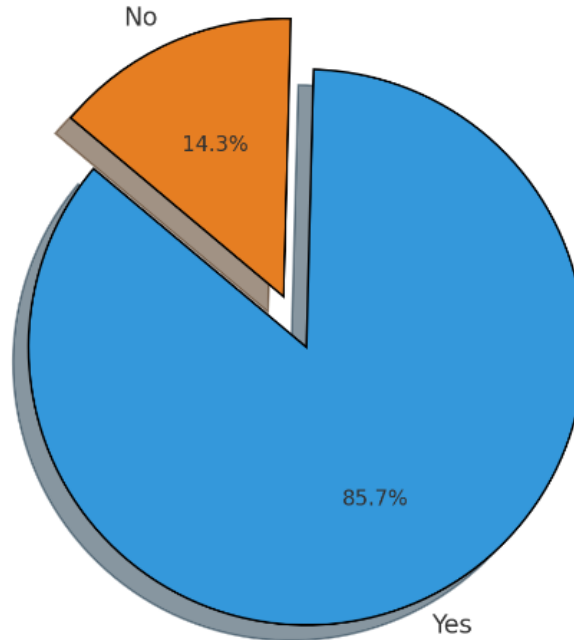
Is the performance appraisal system helpful in improving personal skills?
(49 responses)



In this study 94% employees were agreed that performance appraisal system is helpful in improving personal skills.

14.

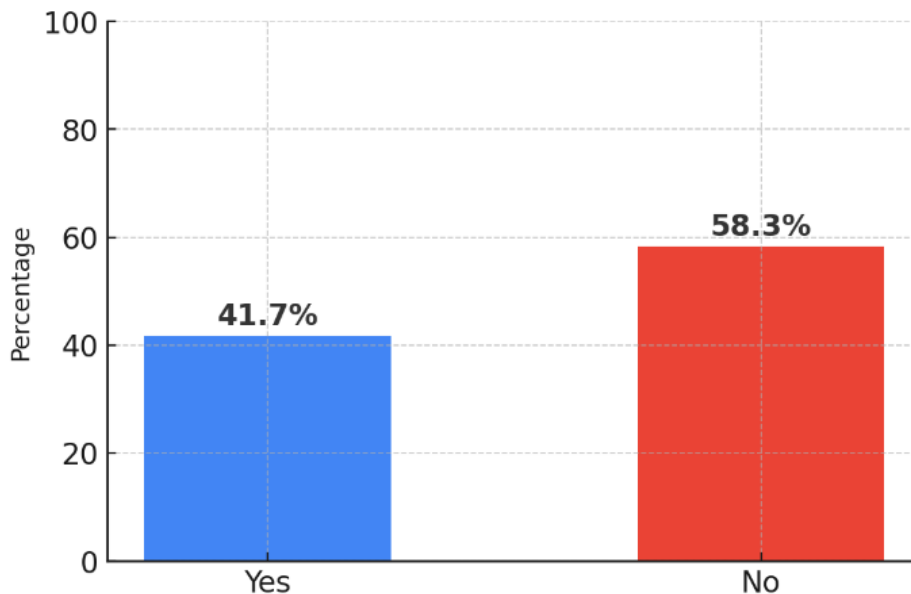
Performance appraisal system helps to identify strengths & weaknesses
(49 responses)



The above diagram shows that 86% employees were agreed that performance appraisal system helps to identify the strength and weakness of doctors.

15.

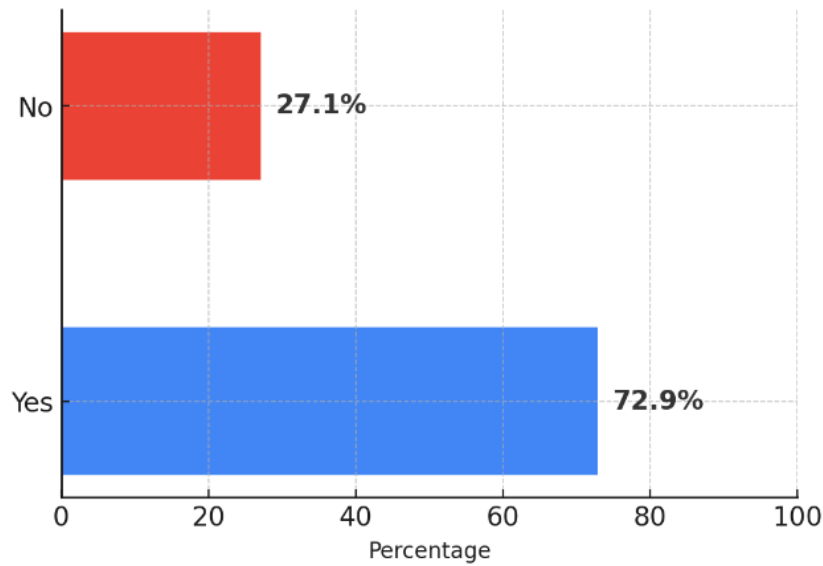
Do you find difficulties in achieving the targets set by you in your job?



Study revealed that 42% employees were not feeling difficulties in achieving the targets set by them in their job and 58% employees were feeling difficulties in achieving the targets set by them in their job.

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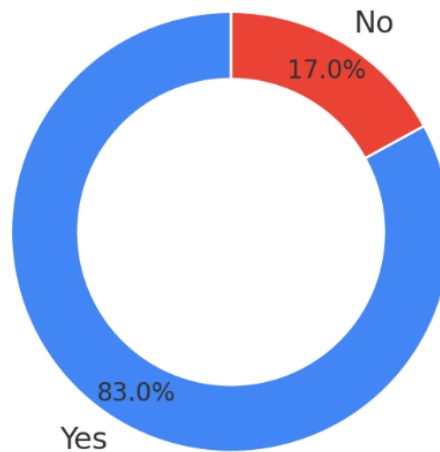
Is the desired target of the organization achieved through performance appraisal?



Study revealed that 73% employees said yes and 27% employees said no, the desired target of the organization achieved through performance appraisal.

17.

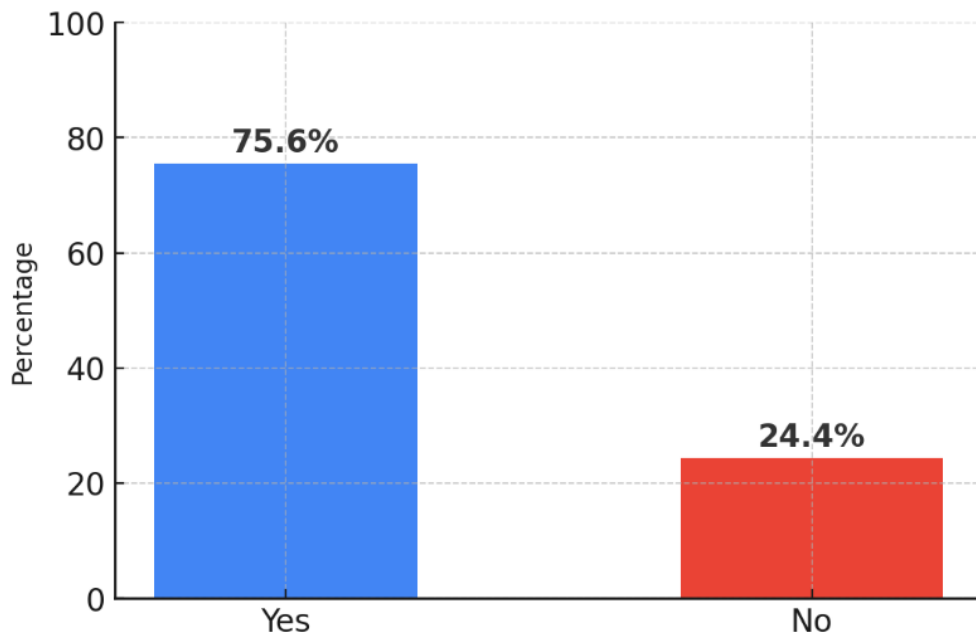
Performance appraisal goals set for you are realistic, achievable and measurable.



In this study 83% doctors were agreed that performance appraisal goals set by their hospitals are realistic, achievable and measurable.

18.

Are you satisfied with the performance appraisal process in your organization?



The above study shows that 76% employees were satisfied with the performance appraisal.

Suggestions for Future Research:

This study examined the performance appraisal system in selected IT companies in femtosoft technologies. Future research can extend this study by exploring different regions and industries to gain broader insights.

Performance appraisal systems help systematically evaluate employees across various performance dimensions, ensuring organizations receive value for their investment. They provide critical feedback to employees and managers, aid in identifying promotable talent, and highlight areas for improvement.

To enhance effectiveness, performance appraisal systems should be more structured yet flexible. Future research should explore additional factors influencing appraisal effectiveness, such as employee motivation, organizational culture, and technological advancements in performance management.

Findings of the Study:

1. The performance appraisal system should be more structured while maintaining flexibility to adapt to organizational needs.
2. A point-based evaluation system is preferable over a comment-based approach to ensure objective and measurable assessments.
3. When employees underperform, companies often respond by offering targeted training programs to enhance their skills and productivity.

Conclusion:

This study aimed to enhance understanding of the performance appraisal system in IT companies. It focused on the types of appraisal methods used, employee satisfaction levels, and the impact of appraisals on performance.

Findings indicate that most employees are satisfied with the appraisal system, which positively influences their performance and job engagement. However, the study faced limitations, including low participation rates and respondents providing minimal feedback limited to "yes" or "no" answers. Additionally, it did not examine specific performance appraisal models used within IT companies.

The study also highlights that management collaborates with employees, offering necessary support and guidance from senior staff, further contributing to a productive work environment.

This version improves clarity, readability, and flow while maintaining the key findings of your study. Let me know if you'd like any refinements!

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