

# The Effectiveness of Performance Appraisal System In TTK Prestige Ltd, Coimbatore

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**Abstract-** *The performance appraisal system in TTK Prestige is a critical tool for evaluating employee performance, identifying areas for improvement, and aligning individual goals with organizational objectives. This study aimed to assess the effectiveness of the current performance appraisal system and identify areas for improvement. The study revealed that the current performance appraisal system is partially effective, with strengths in individual performance focus and managerial support. However, several areas for improvement were identified. Employees reported that they do not receive regular feedback on their performance, making it difficult for them to adjust and improve. Employees expressed confusion about their performance expectations, making it challenging for them to meet organizational goals. Employees perceived the evaluation process as opaque, leading to concerns about fairness and bias. The performance appraisal system in TTK Prestige has the potential to be a powerful tool for driving employee performance and organizational success. By addressing the identified areas for improvement and implementing the recommended changes, TTK Prestige can enhance the effectiveness of its performance appraisal system and achieve its strategic objectives.*

## I. INTRODUCTION

In today's fast-paced and competitive business environment, organizations are constantly seeking ways to improve employee performance, productivity, and job satisfaction. One of the most critical tools used by organizations to achieve these goals is the performance appraisal system. A well- designed performance appraisal system can help organizations evaluate employee performance, identify areas for improvement, and drive business outcomes. TTK Prestige, a leading Indian kitchen appliances company, recognizes the importance of having an effective performance appraisal system in place. With a strong presence in the Indian market and a growing global footprint, TTK Prestige relies on its performance appraisal system to drive employee performance, productivity, and job satisfaction.

However, despite its importance, the performance appraisal system in TTK Prestige faces several challenges. Employees and managers have expressed concerns about the fairness, transparency, and effectiveness of the system. There is a growing need to examine the effectiveness of the performance appraisal system in TTK Prestige and identify areas for improvement.

This study aims to investigate the effectiveness of the performance appraisal system in TTK Prestige, identify the strengths and weaknesses of the system, and provide recommendations for improvement. The findings of this study will contribute to the existing literature on performance appraisal systems and provide valuable insights for HR practitioners, managers, and leaders seeking to optimize their performance appraisal systems and drive business success.

## INDUSTRY PROFILE

The pressure cooker manufacturing industry is a subset of the kitchen appliances sector, which produces a range of cooking vessels designed to cook food quickly and efficiently. Pressure cookers are a popular kitchen appliance globally, with a wide range of applications in both domestic and commercial settings.

The kitchen appliances and cookware manufacturing industry is a growing market driven by increasing demand for convenient, efficient, and healthy cooking solutions. The industry is characterized by intense competition, rapid technological advancements, and evolving consumer preferences.

The India Pressure Cooker market has witnessed a fascinating trajectory, deeply embedded in the culinary culture of the country. This essential kitchen appliance has transcended its functional utility to become an emblematic fixture in Indian households. From the bustling streets of Delhi to the serene villages of Kerala, the pressure cooker stands as a symbol of efficiency and convenience. In the diverse tapestry of Indian cuisine, where flavors dance with complexity, the pressure cooker emerges as a stalwart

companion. Its significance goes beyond the mundane act of cooking; it represents a seamless fusion of tradition and modernity. The rhythmic hiss of steam escaping the pressure cooker has become a reassuring melody, echoing across the kitchens of millions

## COMPANY PROFILE

TK Prestige Limited is India's biggest cookware, kitchen and home appliance manufacturing company. We have been a household name in the country for decades. After defining what a modern Indian kitchen should be, we ventured into the home space and introduced a range of innovative cleaning products. TTK Prestige was founded in 1928 by T.T. Krishnaachari, a visionary entrepreneur who started a small kitchen utensils manufacturing unit in Chennai, India. Initially, the company produced stainless steel and aluminum utensils, which quickly gained popularity for their quality and durability. In the 1950s, TTK Prestige began to expand its product portfolio to include pressure cookers, which became a huge success. The company also started exporting its products to other countries, including the Middle East and Southeast Asia. In the 1970s, TTK Prestige introduced its first gas stove, which was designed to cater to the growing demand for modern cooking solutions. In the 1990s, TTK Prestige underwent significant modernization efforts, including the introduction of new manufacturing technologies and quality control processes. The company also expanded its product range to include mixer grinders, wet grinders, and other kitchen appliances. In 2001, TTK Prestige was listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE). - In 2011, TTK Prestige acquired the UK-based cookware brand, Judge, to expand its global presence. The company has continued to innovate and expand its product range, including the introduction of smart cooking solutions and energy-efficient appliances. Today, TTK Prestige is one of India's leading kitchen appliance brands, with a strong presence in the global market.

## Products

- Pressure Cookers
- Gas Stoves
- Mixer Grinders
- Rice Cookers
- Coffee Makers
- Toasters
- Blender

## II. REVIEW OF LITERATURE

**Katerina (2013)** examines the performance appraisal methods utilized in agricultural enterprises across the Czech Republic. The study begins by exploring the theoretical foundations of "formal appraisal" and reviews various employee performance evaluation methods as described by both Czech and international scholars. Based on a questionnaire-based study, the article identifies the appraisal techniques most relevant to agricultural enterprises in the region. The core objective of the research is to assess the current status of formal employee appraisal practices in a sample of agricultural firms and to analyse the relationships among different qualitative factors influencing these practices. Goal-based appraisals using predetermined targets, Outcome-based evaluations based on predefined standards, and Assessment interviews conducted between employees and evaluators. These approaches are widely adopted because their results inform other critical areas of human resource management, such as compensation structures and workforce planning. A notable outcome of the study is the identification of a statistically significant link between the use of goal-based performance appraisal and personnel planning. This relationship is supported by a p-value of 0.03 and a Phi coefficient of 4.578, indicating that structured performance reviews play an essential role in aligning HR strategies within agricultural organizations

**Manish Khanna (2014)** underscores the importance of performance appraisal as a fundamental element of an organization's human resource strategy. He argues that managing both individual and team performance is vital for achieving broader corporate goals. Performance appraisal acts as a strategic tool for personnel management, serving the core purpose of assessing an individual's value and contribution to the organization—an essential function of the people development department. The performance management process fosters collaboration between employees and supervisors, with the goal of enhancing job performance and satisfaction. Khanna notes that the process is most effective when both parties are actively involved in aligning performance outcomes with organizational objectives. While traditional appraisal practices typically involve annual reviews, recent developments have introduced new methods and styles of interaction. The study reviews a range of appraisal methodologies—traditional, unstructured, and modern—reflecting the evolving trends in performance evaluation.

## OBJECTIVES

### PRIMARY OBJECTIVE

Examine relationship between performance appraisal, employees satisfaction and productivity

### SECONDARY OBJECTIVE

- To identify the strength and weakness of the current Appraisal system in TTK prestige
- To access the impact the performance appraisal system on employee performance
- provide recommendations for Improving the effectiveness of Performance appraisal in an organization.

### III. RESEARCH DESIGN

The sampling method used for this study is census sampling. A census is a study of every unit, everyone or everything, in a population. It is known as a complete enumeration, which means a complete count. Here, the researcher selects whole population for the study.

### SOURCES OF DATA

The data needed for the study is collected through both primary and secondary sources.

- **Primary Data :** Primary data is information collected firsthand by a researcher to address a specific research question or problem. Primary data allows for in-depth exploration of a specific topic.
- **Secondary Data:** Secondary data is information that has already been collected by someone else. This could be government reports, industry publications, journals, or eve existing company data. Secondary data provides context and background information.

### POPULATION

50 employees working at TTK prestige ltd

### SAMPLE DESIGN

The sample size taken for this study 50.

### SAMPLING METHOD

The sampling method used for this study is census sampling. A census is a study of every unit, everyone or everything, in a population. It is known as a complete enumeration, which means a complete count. Here, the researcher selects whole population for the study.

### PERCENTAGE ANALYSIS

### HOW SATISFIED WITH THE CURRENT PERFORMANCE APPRAISAL SYSTEM

Table showing how satisfied with the current performance appraisal system

Sl. No	Particulars	No of Respondents	Percentage
1	Very satisfied	20	40%
2	Somewhat satisfied	14	28%
3	Neutral	10	20%
4	Somewhat Dissatisfied	4	8%
5	Very Dissatisfied	2	4%
	Total	50	100

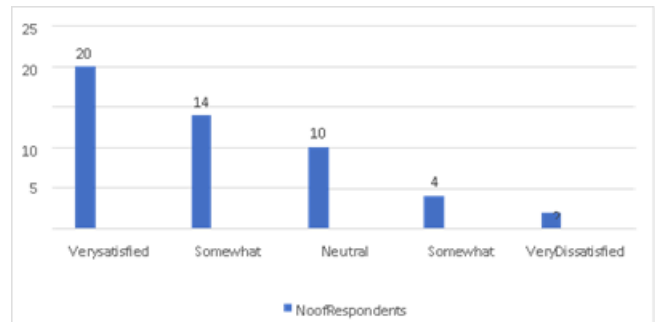


Chart showing how satisfied with the current performance appraisal system Interpretation:

#### Interpretation:

From above table and chart showing out of 50 respondents 40% of them are very satisfied with the current performance appraisal system. and only 28% of respondents somewhat satisfied .And 20% of them not Neutral and 8% respondent somewhat dissatisfied. And 4% of them dissatisfied with the current performance appraisal system

### CORRELATION ANALYSIS

#### CORRELATION BETWEEN EXPERIENCE AND ANNUAL INCOME.

Table Showing The Degree Of Association Between Experience And Annual Income.

**Null Hypothesis(H0):** There Is No Significant Relationship Between Experience And Annual Income Of The Employees.

**Alternative Hypothesis(H1):** There Is A Significant Relationship Between Experience And Annual Income Of The Employees.

Let's  $x$  = Annual income  $y$  = Experience

SI NO	x	y	$y^2$	$x^2$	xy
1	8	14	196	64	112
2	12	15	225	144	180
3	6	6	36	36	36
4	20	9	81	400	180
5	4	8	64	16	32
<b>TOTAL</b>	<b>50</b>	<b>50</b>	<b>602</b>	<b>660</b>	<b>540</b>

$$r = \frac{n(\sum xy) - (\sum x)(\sum y)}{\sqrt{[n\sum x^2 - (\sum x)^2][n\sum y^2 - (\sum y)^2]}}$$

Correlation (r): 0.068

### Interpretation

The Pearson Correlation Coefficient  $r = 0.068$  indicates a strong positive correlation between experience and annual income. This suggests that as experience increases, annual income tends to increase as well. The p-value of 0.918 is greater than the 0.05 significance level. This means that fail to reject the null hypothesis at the 0.05 significance level. In other words, while there is a strong correlation, the result is not statistically significant at the 5% level.

### CHI-SQUARE ANALYSIS

familiarity vs. satisfaction based on the provided total counts.

Familiarity/ Satisfaction	Very satisfied	Somewhat Satisfied	Neutral	Somewhat Dissatisfied	Very Dissatisfied	total
Very Familiar	10	5	2	1	0	18
Somewhat Familiar	5	4	3	2	0	14
Not very familiar	3	3	3	1	0	10
Not at all familiar	2	2	2	0	2	8
<b>Total</b>	<b>20</b>	<b>14</b>	<b>10</b>	<b>4</b>	<b>2</b>	<b>50</b>

### Step 2: Calculate Expected Frequencies

Expected frequency for each cell is calculated as:

$$E_{ij} = \frac{(\text{Row total}) \times (\text{Column Total})}{\text{grand total}}$$

For example, for the cell (Very Familiar, Very Satisfied):  
 $E = 50(18 \times 20) = 7.2$

### Step 3: Compute the Chi-Square Test

Statistic the Chi-Square test statistic is calculated as:

$$\chi^2 = \sum (O_{ij} - E_{ij})^2 / E_{ij} \text{ where:}$$

- $O_{ij}$  = Observed frequency
- $E_{ij}$  = Expected frequency

### Step 4: Interpret the Results

- Chi-Square Test Statistic = 15.24
- Degrees of Freedom (df) = 12
- p-value = 0.229

Since the p-value (0.229) is greater than the common significance level (0.05), we fail to reject the null hypothesis. This means there is no significant relationship between familiarity with the performance appraisal system and satisfaction with it.

### REGRESSION ANALYSIS

Simple linear regression analysis on job satisfaction and employee productivity

Job satisfaction (x)	Employee Productivity (y)
28	28
16	12
5	5
1	1

Formula for linear regression equation,

$$y = a + bx$$

Where,

- $x$  = job satisfaction

- $y$  = Employee Productivity
- $a$  = Intercept
- $b$  = Slope

SI NO	job satisfaction (x)	Employee productivity (y)	$x^2$	$y^2$	xy
1	28	28	784	784	784
2	16	12	256	144	192
3	5	7	25	49	35
4	1	3	1	9	3
<b>TOTAL</b>	<b>50</b>	<b>50</b>	<b>1066</b>	<b>986</b>	<b>1014</b>

Regression Equation ,  
 $y = 1.475 + 0.882x$

#### Interpretation:

The slope ( $b = 0.882$ ) means that for every one-unit increase in Job Satisfaction, Employee Productivity is expected to increase by 0.882 units.

The intercept ( $a = 1.475$ ) represents the expected Employee Productivity when Job Satisfaction is zero (which may not be practically relevant).

The positive slope suggests a direct relationship between job satisfaction and employee productivity: higher job satisfaction tends to result in higher employee productivity.

The strength of the relationship can be further tested using the  $R^2$  value, which determines how well job satisfaction predicts productivity.

#### IV. FINDINGS

- 48% of respondents fall in the age group of 30-40.
- 64% of respondents are male
- 40% of respondents fall in the income between of 3.4 LPA - 4.4 LPA.
- 56% respondents are very positively affect the job satisfaction of current performance appraisal system.
- From the table 4.2.1 shows that, there is a strong positive correlation between experience and annual income.
- From the table 4.2.2 shows that, there is no linear relationship between appraisal and performance

- From the table 4.3.1 shows that The positive slope suggests a direct relationship between job satisfaction and employee productivity.

#### V. SUGGESTIONS

- Training programs for younger employees: Since 48% of respondents fall in the age group of 30- 40, training programs can be designed to cater to the needs of this age group.
- Gender diversity initiatives: With 64% of respondents being male, initiatives can be taken to promote gender diversity and inclusion in the organization.
- Improve familiarity with the appraisal system: Since only 36% of respondents are very familiar with the current performance appraisal system, training sessions can be conducted to improve understanding and familiarity.
- Increase frequency of appraisals: With 62% of respondents receiving appraisals half-yearly, consideration can be given to increasing the frequency of appraisals to provide more regular feedback.
- Enhance satisfaction with the appraisal system: Since 40% of respondents are very satisfied with the current performance appraisal system, efforts can be made to further enhance satisfaction by incorporating employee feedback and suggestions.
- Leverage the appraisal system to boost productivity: With 56% of respondents indicating that the appraisal system positively affects productivity, the organization can leverage this finding to further boost productivity.
- Use the appraisal system to enhance job satisfaction: Since 56% of respondents also indicated that the appraisal system positively affects job satisfaction, the organization can use this finding to further enhance job satisfaction.

#### VI. CONCLUSION

The research study on the topic “A Study on Appraisal Policy Adopted by TTK Prestige, Coimbatore, was successfully achieved its specific objectives. In today's dynamic and competitive business landscape, organizations strive to optimize their human capital to achieve sustainable growth and success. Central to this endeavor is the implementation of performance appraisal policies. Appraisal policies serve as a crucial mechanism for evaluating employee performance, providing feedback, and facilitating professional development within the workplace. This study reveals a generally positive perception of TTK Prestige' appraisal policy. Employees appreciate the transparency, alignment with career goals, and focus on continuous improvement. However, there's room for improvement in appraisal frequency and

potentially incorporating a more nuanced approach to communication catering to diverse employee needs. The strong correlation between experience and income highlights the potential for further tailoring development opportunities. Overall, by implementing the suggested improvements and fostering a culture of open communication, TTK Prestige can continue to refine its appraisal policy, maximizing its effectiveness in motivating and developing its workforce.

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