

A Study On Employee Performance Appraisal System With Reference To Vell Biscuits Private Limited

Vijayasanthi V¹, Dharani.A²

Dept of MBA

IFET College Of Engineering, Villupuram, Tamil Nadu, India

Abstract- Performance appraisal is a systematic process used by organizations to evaluate employee performance and determine their contribution towards achieving organizational objectives. It serves as a valuable tool for improving employee productivity, identifying training needs, motivating employees, and supporting managerial decisions regarding promotions, transfers, rewards, and career development. In today's competitive business environment, an effective performance appraisal system is essential for maintaining employee satisfaction and enhancing organizational performance.

The present study focuses on evaluating the employee performance appraisal system at Vell Biscuits Private Limited. The study aims to analyze employee perceptions regarding the appraisal process, examine its effectiveness in motivating employees, and assess its impact on organizational growth. The research is descriptive in nature and is based on both primary and secondary data. Primary data were collected from 120 employees through a structured questionnaire. Statistical tools such as Percentage Analysis, Chi-Square Test, and Correlation Analysis were used to analyze the collected data.

The findings indicate that employees generally have a positive opinion regarding the performance appraisal system. Most employees believe that the appraisal system helps in identifying strengths and weaknesses, supports promotion decisions, improves motivation, and contributes to personal growth. The study concludes that the performance appraisal system adopted by Vell Biscuits Private Limited plays a significant role in enhancing employee performance and organizational effectiveness.

Keywords: Employee Performance, Performance Appraisal, Human Resource Management, Employee Motivation, Organizational Growth.

I. INTRODUCTION

Human Resource Management is considered one of the most important functions in modern organizations. Employees are valuable assets whose performance directly influences organizational success. Therefore, organizations continuously seek methods to evaluate and improve employee

performance. Performance appraisal is one such method that enables management to assess employee achievements, monitor progress, and provide feedback for future development.

Performance appraisal refers to the systematic evaluation of an employee's performance against predetermined standards and objectives. It helps organizations identify employee strengths, weaknesses, training requirements, and career development opportunities. Performance appraisal also assists management in making decisions regarding promotions, salary increments, transfers, and rewards.

An effective performance appraisal system benefits both employees and organizations. Employees receive constructive feedback regarding their work performance, while organizations gain valuable information for workforce planning and development. Appraisal systems create opportunities for communication between supervisors and employees, thereby improving workplace relationships and organizational culture.

The importance of performance appraisal has increased significantly due to globalization, technological advancements, and growing competition. Organizations now focus not only on evaluating employee performance but also on developing employee potential and ensuring continuous improvement.

II. INDUSTRY PROFILE

The Indian biscuit industry is one of the largest segments of the food processing sector and contributes significantly to the country's economy. Biscuits are widely consumed across all age groups due to their affordability, convenience, and availability. The industry has experienced rapid growth due to urbanization, changing lifestyles, and increasing disposable income.

India ranks among the leading biscuit-producing countries in the world. The market consists of organized and unorganized sectors, with organized manufacturers contributing the majority of production. Major factors driving

industry growth include product innovation, improved packaging, expansion of distribution networks, and increased consumer awareness regarding quality products.

The biscuit industry generates substantial employment opportunities and contributes to industrial development. Companies continuously invest in technology, quality improvement, and product diversification to meet evolving customer demands.

III. COMPANY PROFILE

Vell Biscuits Private Limited is a leading biscuit manufacturing company located in Thirubuvanai, Puducherry. Established in 1994, the company specializes in the production of various biscuit and bakery products. The company has built a strong reputation for maintaining high-quality standards and delivering products that satisfy customer expectations.

The organization employs a large workforce and follows modern manufacturing practices to ensure product quality and efficiency. Vell Biscuits collaborates with major food and FMCG brands through contract manufacturing arrangements. The company emphasizes employee development, workplace safety, innovation, and customer satisfaction.

The success of the company largely depends on employee performance. Therefore, an effective performance appraisal system is essential for maintaining productivity, encouraging employee motivation, and achieving organizational objectives.

IV. OBJECTIVES OF THE STUDY

Primary Objective

To study the effectiveness of the employee performance appraisal system at Vell Biscuits Private Limited.

Secondary Objectives

1. To examine employee awareness regarding the performance appraisal system.
2. To identify employee perceptions about appraisal effectiveness.
3. To evaluate the impact of appraisal on employee motivation.
4. To analyze employee satisfaction with the existing appraisal system.
5. To study the role of appraisal in employee development and promotion decisions.

6. To provide suggestions for improving the appraisal process.

V. REVIEW OF LITERATURE

Several researchers have examined the importance of performance appraisal in organizational success.

Hamumokola (2018) stated that effective performance appraisal systems contribute significantly to employee productivity and organizational growth. The study emphasized the importance of employee participation in the evaluation process.

Sandeep Gudla (2018) found that performance appraisal positively influences employee satisfaction and organizational commitment. Employees who receive regular feedback demonstrate higher productivity levels.

Prihatini Dewi (2018) highlighted that performance appraisal serves as a strategic tool for organizational planning and employee development. The study emphasized transparency and fairness in evaluation procedures.

Rekha Shrivastava (2019) observed that performance appraisal systems help organizations identify high-performing employees and design appropriate reward mechanisms.

Sullivan David (2019) reported a positive relationship between appraisal effectiveness and employee motivation. Employees who perceive appraisal systems as fair tend to perform better.

Muhammad Shaukat Malik (2022) concluded that employee reactions toward performance appraisal significantly influence job satisfaction and organizational commitment.

VI. RESEARCH METHODOLOGY

Research methodology provides a systematic framework for conducting the study.

Research Design

The study adopted a descriptive research design to analyze employee perceptions regarding the performance appraisal system.

Data Collection

Primary Data

Primary data were collected directly from employees through a structured questionnaire.

Secondary Data

Secondary data were collected from books, journals, company records, websites, research articles, and previous studies.

Sample Size

The study included 120 employees working at Vell Biscuits Private Limited.

Sampling Technique

Simple Random Sampling technique was used to select respondents.

Statistical Tools

Percentage Analysis

Percentage analysis was used to understand respondent distribution and identify trends.

Chi-Square Test

Chi-Square analysis was used to determine the relationship between selected variables.

Correlation Analysis

Correlation analysis was used to measure the strength of relationships between appraisal-related factors.

VII. DATA ANALYSIS AND INTERPRETATION

The analysis revealed several important findings regarding employee perceptions.

- Majority of respondents belong to the age group of 26–35 years.
- Most respondents are male employees.
- A significant number of employees possess degree qualifications.
- Most employees have work experience between 0 and 10 years.
- A majority of employees are aware of the performance appraisal system.
- Employees strongly believe that appraisers should receive proper training.

- Most respondents agree that appraisal helps in promotion decisions.
- Employees perceive appraisal as an effective tool for transfer decisions.
- Appraisal improves relationships between employees and supervisors.
- Most employees are satisfied with the current appraisal system.
- Employee suggestions and opinions are considered during evaluations.
- Appraisal contributes to employee development and skill enhancement.
- Employees believe appraisal helps identify strengths and weaknesses.
- The appraisal system motivates employees to improve performance.
- Performance appraisal contributes significantly to personal and professional growth.

VIII. FINDINGS

1. Most employees are aware of the organization's appraisal system.
2. Employees have a positive attitude towards performance appraisal.
3. Appraisal assists management in making promotion decisions.
4. Employees consider appraisal useful for career development.
5. The system enhances employee motivation and job satisfaction.
6. Employees believe appraisal improves workplace relationships.
7. The appraisal process helps identify training and development needs.
8. Most employees perceive the system as fair and beneficial.
9. Appraisal contributes to organizational productivity.
10. Employees recognize appraisal as an important management tool.

IX. SUGGESTIONS

1. Conduct regular training programs for appraisers.
2. Improve transparency in evaluation criteria.
3. Encourage employee participation in appraisal discussions.
4. Provide detailed feedback after each appraisal cycle.
5. Link appraisal results with career development opportunities.

6. Introduce advanced performance management software.
 7. Conduct periodic reviews of appraisal policies.
 8. Reduce evaluator bias through standardized assessment methods.
 9. Strengthen communication between supervisors and employees.
 10. Recognize and reward outstanding performers promptly.
- [12] Various HRM Journals and Research Articles.

X. CONCLUSION

Performance appraisal is a vital component of human resource management and plays a significant role in organizational success. The study conducted at Vell Biscuits Private Limited demonstrates that employees generally have a positive perception of the existing performance appraisal system. The system effectively supports employee motivation, promotion decisions, skill development, and personal growth. Employees recognize appraisal as a valuable mechanism for improving performance and achieving organizational goals.

The findings indicate that the appraisal system contributes to a productive work environment and strengthens employee commitment toward organizational objectives. By implementing the suggested improvements, the organization can further enhance the effectiveness of its performance appraisal process and ensure long-term organizational growth and employee satisfaction.

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