

## “A Study on Performance Appraisal of Employees At Maruti Suzuki Kataria Automobile”

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### Abstract

The research purpose is to determine the study of the performance appraisal of employees. Performance appraisal refers to the regular review of an employee's job performance and overall contribution to a company. The objective is to know the effect of performance appraisal on employee motivation. The reveals that performance appraisal leads to improved employees' performance. Which results from increased productivity in the organization. The research design used is descriptive in nature. The data collection instrument is primary data that is collected through questionnaires. In the research of 102 respondents were taken. Employees are satisfied with the current performance appraisal of the company. The majorities of the employees are motivated through feedback and increase their productivity. Furthermore, the general environment of the organization is very friendly, and as a result, the corporation has not imposed any specific measures to address employee performance assessment issues.

**Keyword:** Performance appraisal, Job satisfaction, Employee motivation.

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Date of Submission: 03-04-2021

Date of Acceptance: 17-04-2021

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### I. Introduction

A performance appraisal is a regular review of a worker's job performance and overall contribution to the company. Performance appraisal is used by companies to provide employees with broad feedback on their work. A performance appraisal is usually performed once a year. The frequency of evaluations varies greatly between the workplace. When a probation period ends, a new employee may be given an evaluation.

Companies have traditionally used performance appraisals for a variety of purposes, including salary recommendations, promotions and layoff decisions, and training recommendations. In general, "performance elements tell employees what they must do, and standards tell them how well they must do it." This broad definition, however, can lead to appraisals that are ineffective, if not harmful, to employee performance. "Performance appraisal is the task that managers dislike the most, second only to firing an employee," and employees generally feel the same way. One important point that is frequently overlooked during the appraisal process (by both managers and employees) is that the appraisal is for improvement, not for blame or harsh criticism. The goal of performance appraisal is to:

- I. Reduce employee dissatisfaction.
- II. Provide feedback on employees' past performance and, if necessary, make necessary changes.
- III. Evaluate an employee's performance over time, and so on.

### II. Research Methodology

The research design of this study is descriptive in nature. Both primary and secondary data used to investigate the study of performance appraisal of employees. The major interest, however, is in the use of primary data via the questionnaire method. The data is gathered using a structured questionnaire, and the sample size is 102. The frequency and reliability tests were used to analyze the data. Mean, Standard Deviation, Coefficient of Skewness, Test of Reliability have been used for research analysis.

### III. Literature Review

The review's goal is to provide context for justification for the research conducted. It is a description of what has been published on a topic by accredited scholars and researchers, and it discusses published

information in the specific subject area and, at the time, within a specific time period. It is emphasized that this chapter is so important that its omission represents the avoidance or absence of a major element in research. This chapter provides a brief overview of studies on the concept of performance appraisal conducted by various scholars and experts. An attempt was also made to identify the gaps in the literature.

**Muhammad Shaukat Malik et al. (2013)** determined performance appraisal's impact on attitudinal outcomes and employee development. This investigation aims to fill that void. Human resource management is a priority for technology-intensive organizations in developing countries such as Pakistan, and the telecom sector is one of these sectors. This empirical study investigated the relationship between what employees perceive about performance appraisal and the impact this perception has on their work motivation in the Pakistan telecom sector. They gather information by asking 120 respondents. Perceive fairness is identified as a critical dimension of the performance appraisal for employee motivation. They conclude that performance appraisal is helpful to employees' motivation.

**Trias Setiawati et al. (2019)** discussed the impact of performance appraisal fairness and job satisfaction through commitment on job performance among respondents at condoning catur Hospital (RSCC) in Yogyakarta, Indonesia. The purpose of this research is to determine the impact of performance appraisal fairness and job satisfaction through commitment on job performance. The finding shows that performance appraisal fairness and job satisfaction both have a positive and significant influence on job performance, both partially and simultaneously. However, the direct impact of performance appraisal fairness and job satisfaction on job performance outweighs the indirect impact. In short, they conclude that performance appraisal has a positive impact on showing fairness.

**Dr. Prachi Singh et al. (2013)** claimed that an appraisal system's primary goal should be to improve employee and organizational performance. The system must be built on a deep respect for people and acknowledge that employees are the most valuable resource. In theory, performance evaluation is very appealing, but in practice, it rarely produces the desired results. This paper provides evidence that traditional performance appraisals can reduce employees' productivity, satisfaction, and engagement. The suggestion made above will be far more effective in improving individual and organizational performance than individual performance appraisal.

**Abhinanda Gautam (2014)** has examined that the Simbhawli sugar limited appraisal aims to act as motivational equipment for enhanced employee performance. The better-performing employee gets the majority of available pay increases, bonuses, and promotions. The detailed study with a sample size of 42 middle-level managers, and executives, revealed that the performance appraisal has a significant impact on employees' motivation. Several parameters like clarity, increment, job role, incentive, QWL, employee productivity, etc. were taken into consideration.

**Leila Najafi, et al. (2010)** studied that an appraisal is an important tool in human resource management; if done correctly and logically, it can guide organizations to their goal and help employees achieve their goals. In this paper, they investigate the effect of performance appraisal results on employee motivation and job advancement. According to the outcomes of the study, performance appraisal has little effect on increasing motivation.

## **RESEARCH OBJECTIVE**

To conduct the company study, the following objectives were drafted:

- 1) To investigate employee performance evaluations at the company.
- 2) To comprehend Company's employees' attitude toward performance appraisal.
- 3) To learn about the impact of performance appraisal on employee motivation.

## **DISCUSSION ON THE FINDING OF THE STUDY**

A structured questionnaire is used to collect data, and the sample size is 102. The data were analyzed using frequency and reliability tests. For research analysis, the mean, standard deviation, coefficient of skewness, test of reliability, and Mann-Whitney test were used. Employees' motivation, job improvement, and satisfaction were the dependent variable, while performance appraisal was the independent variable.

## **EMPIRICAL ANALYSIS OF THE DATA**

An analysis was carried out to determine the reliability of the questionnaire, and the results were obtained.

**Case processing summary**

**Table 1 Case processing summary**

	N	%
Valid	102	100
Excluded	0	.0
Total	102	100

**Source:** Various Questionnaires from Respondents.

Cronbach’s alpha (a measure of reliability) has been calculated for 11 items in the questionnaire used to assess employees’ performance in the organization.

**Reliability statistic**

**Table 2 Reliability statistic**

Cronbach alpha	No. of item
.894	11

**Source:** Various Questionnaires from Respondents.

**Reliability Analysis:** The results of the analysis were obtained to test the reliability of the questionnaire. For the questionnaire, Cronbach’s alpha (measures of reliability) was calculated. Since it meets the minimum acceptable level of 0.7, the coefficient (0.894 for 11 items) indicated reliability.

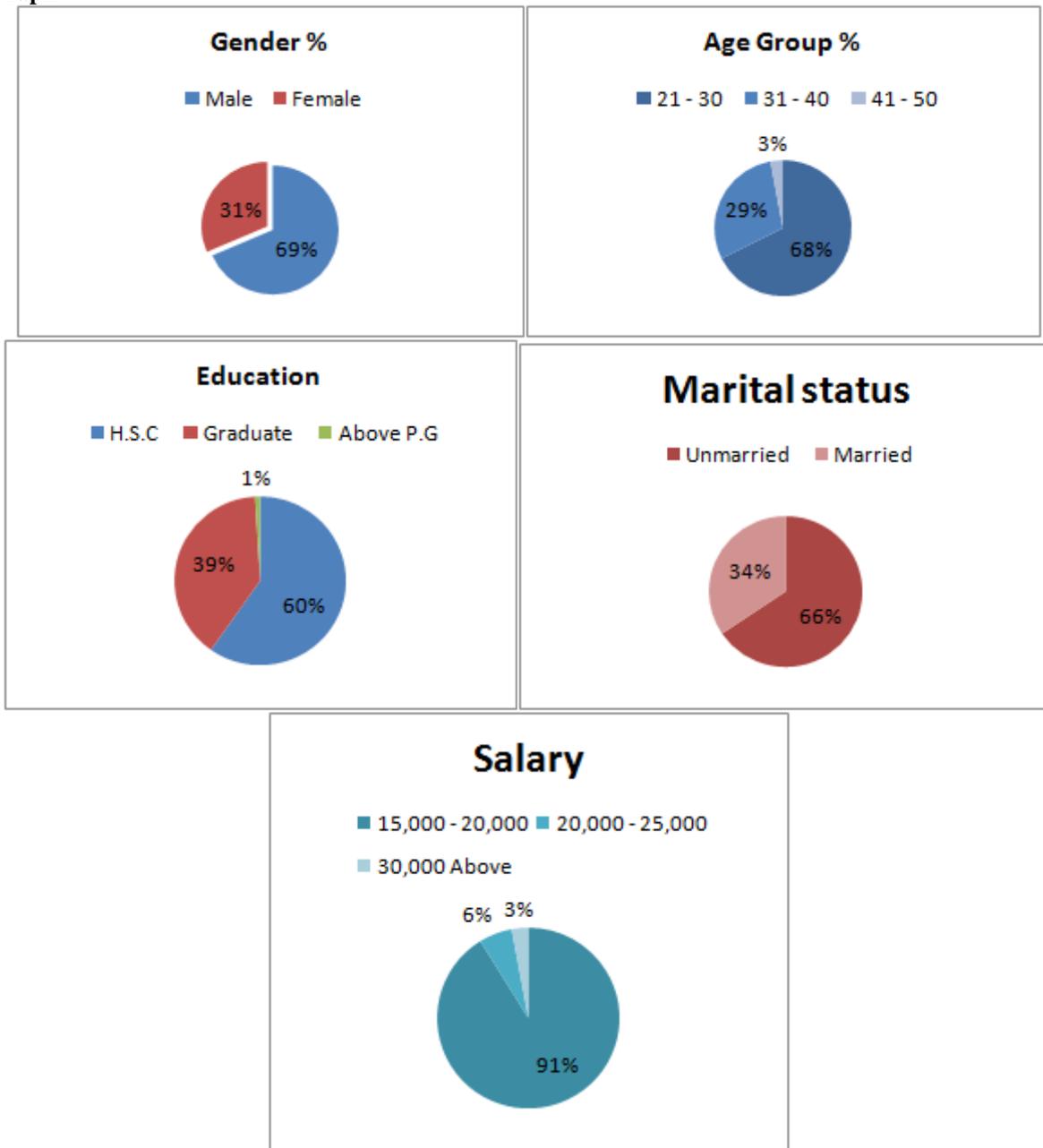
The demographic profile of the respondents is shown in Table 1.

**Table: 3 Demographic profile of the respondents**

Demographic Variable		Frequency	Percentage
Gender	Male	70	68.6
	Female	32	31.4
Age	21-30	69	67.6
	31-40	29.4	29.4
	41-50	3	2.9
	Above 50	0	0
Education	H.S.C	61	59.8
	Graduate	40	39.2
	Post Graduate	0	0
	Above P.G	1	1
Marital Status	Unmarried	67	65.7
	Married	35	34.3
Salary	15,000-20,000	93	91.2
	21,000-25,000	6	5.9
	26,000-30,000	0	0
	Above 30,000	3	2.9

**Source:** Various Questionnaire of Respondents.

**Graph**



**Source:** Various Questionnaire of Respondents.

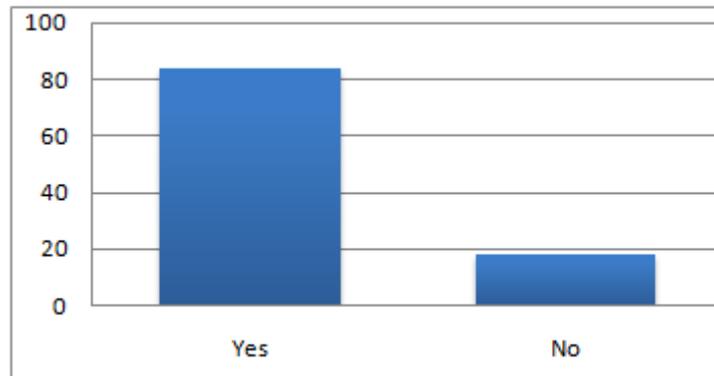
Table No. 3 displays the demographic information gathered from the respondents in the form of various graphs. According to the study, 68.6 percent of employees are male and between the ages of 21 - 30. This age group has the highest graph. As a result, it can be deduced that the majority of the staff is quite young. On the other hand, senior employees over the age of 50 are not included in the above table. This indicates that highly skilled personnel are not available. Aside from that, 61 percent of its employees have a high school diploma and 40 percent have a graduate degree. As a result, it indicates that the company prefers both educated and uneducated employees.

**Table: 4 should performance appraisal help to identify your strength and weakness?**

	Frequency	Percentage
Yes	84	82.4
No	18	17.6

Total	102	100
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**Source:** Various Questionnaires of Respondents.



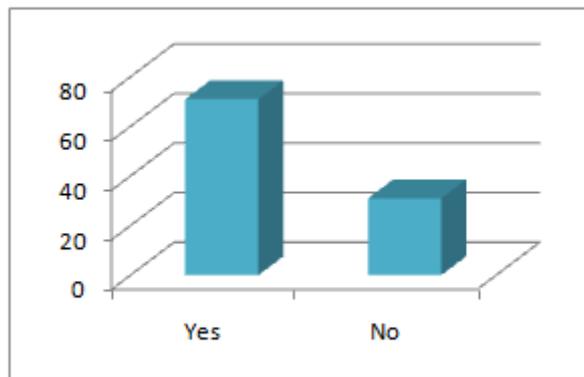
**Source:** Various Questionnaires of Respondents

According to table 4, the majority of the employees agree that performance appraisal helps them to identify their strengths and weaknesses.

**Table: 5 Is the appraisal system able to show the areas in which a person needs improvement?**

	Frequency	Percentage
Yes	71	69.6
No	31	30.4
Total	102	100

**Source:** Various Questionnaires of Respondents



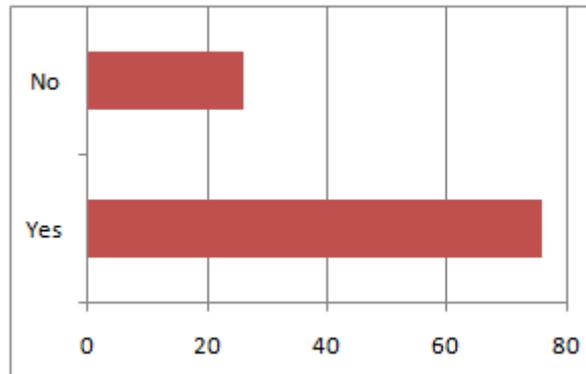
**Source:** Various Questionnaires of Respondents

According to table 5, 69.9 percent of employees believe that performance appraisals help them to identify areas for improvement.

**Table: 6 are you satisfied with the appraisal process of the Organization?**

	Frequency	Percentage
Yes	76	74.5
No	26	25.5
Total	102	100

**Source:** Various Questionnaires of Respondents.



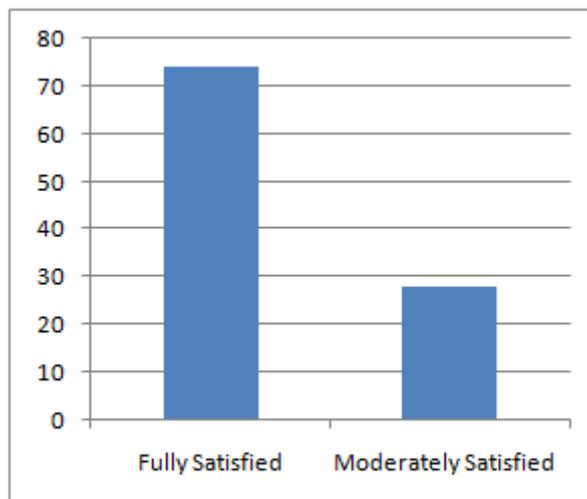
Source: Various Questionnaires of Respondents.

According to table 7, 74.5 percent of employees are satisfied with the organization’s performance appraisal process.

**Table: 7 if yes, to which extend?**

	Frequency	Percentage
Fully Satisfied	74	72.5
Moderately Satisfied	28	27.5
Total	102	100

Source: Various Questionnaires of Respondents.



Source: Various Questionnaires of Respondents.

According to the above table 7, 72.5 percent of employees are completely satisfied with the performance appraisal process. Employees are moderately satisfied in 27.7 percent of cases.

**Responses for performance appraisal**

**Table: 8 An analysis of performance appraisal.**

Question	SA	A	N	SDA	D	Total	X	Stand-ard Devi-ation	Skewness	Mean Rank
Performance appraisal reduces grievances among employees.	29 (28.4)	54 (52.9)	10 (9.8)	7 (6.9)	2 (2.0)	102 (100)	2.009	.917	1.158	1
Performance appraisal	5	68	19	7	3	102	2.362	.805	1.443	2

helpful for improving personnel skill.	(4.9)	(66.7)	(18.6)	(6.9)	(2.9)	(100)				
Performance appraisal increase employee motivation	5 (4.9)	57 (55.9)	24 (23.5)	13 (12.7)	3 (2.9)	102 (100)	2.529	.886	.909	3
Performance appraisal increases employee motivation to perform effectively.	6 (5.9)	53 (52.0)	19 (18.6)	20 (19.6)	4 (3.9)	102 (100)	2.637	.992	.663	9
Performance appraisal increase staff self esteem	4 (3.9)	59 (57.8)	14 (13.7)	15 (14.7)	10 (9.8)	102 (100)	2.686	1.089	.937	11
Performance appraisal distributes reward on a fair and credible basis.	5 (4.9)	55 (53.9)	18 (17.6)	20 (19.6)	4 (3.9)	102 (100)	2.637	.982	.724	9
Performance appraisal assesses the training needs of your team.	3 (2.9)	54 (52.9)	29 (28.4)	13 (12.7)	3 (2.9)	102 (100)	2.598	.858	.884	7
Performance appraisal helps me understand what I need to do to improve my performance.	5 (4.9)	58 (56.9)	16 (15.7)	17 (16.7)	6 (5.9)	102 (100)	2.617	1.015	.889	8
Performance appraisal identifies performance problems to improve employee productivity.	5 (4.9)	59 (57.8)	22 (21.6)	11 (10.8)	5 (4.9)	102 (100)	2.529	.930	1.079	3
Performance appraisal process encourages cooperation.	5 (4.9)	57 (55.9)	21 (20.6)	15 (14.7)	4 (3.9)	102 (100)	2.568	.938	.896	6
The performance appraisal system has helped improve my job performance.	7 (6.9)	57 (55.9)	19 (18.6)	15 (14.7)	4 (3.9)	102 (100)	2.529	.961	.869	3

**Source:** Various Questionnaires of Respondents.

**[Note: The number in brackets in the preceding table represents a percentage.]**

The responses of the respondents are quite mixed, as shown in the above table. However, as shown in table 8, the majority of respondents agreed with the statement, ‘performance appraisal reduces employee grievances,’ followed by the statement, ‘performance appraisal is helps improve personal skills,’ ‘performance appraisal increase employee motivation,’ and ‘performance appraisal system has helped improve employees’ job performance’. The standard deviations for the aforementioned responses are 0.917, 0.805, 0.886, and 0.961, respectively, and the skewnesses are 1.158, 1.443, 0.909, and 0.869, respectively. Our findings that performance appraisal increases employee motivation are consistent with the findings of **Abhinanda Gautam(2014)** and **Muhammad Shaukat Malik et al.(2013)**. On the other hand, it contradicts the findings of **Leila Nafaji et al.(2010)**. My assertion, ‘performance appraisal process encourages corporation,’ ‘assesses your team’s training needs,’ and ‘helps me understand what I need to do to improve my performance,’ receives the average rank, i.e. 6, 7, and, 8. The mean deviations are 0.938, 0.858, and 1.015. Respondents responded negatively to the statements, ‘Performance appraisal increase motivation to perform effectively,’ ‘performance appraisal distribute reward on a fair and credible basis,’ and ‘performance appraisal increase staff self-esteem,’ with a mean figure of 2.637, 2.637, and 2.686 and the mean rank 9th, 9th and 11th, respectively. The standard deviations are 0.992, 0.982, and 1.089, respectively, and the skewness figures are 0.663, 0.724, and 0.937. Our discovery that performance appraisal does not increase motivation to perform effectively is compatible with the finding of the study of **Dr. Prachi Singh et al (2013)**. Other statement has elicited conflicting reactions. The current study attempted to determine which organizational variables lead to job improvement or effectiveness. For this, the following null hypothesis and alternate hypothesis have been developed:

**H0:** There is no statistically significant difference between the genders’ responses to performance appraisals in the organization.

**H1:** There is a significant difference in the responses of both genders in the organization regarding performance appraisal.

**Table: 9 Rank**

Rank				
	Gender	N	Mean Rank	Sum of Rank
Reducing Grievance	1	70	50.34	3524.00
	2	32	54.03	1729.00
	Total	102		
Improving personal skills	1	70	47.79	3345.50
	2	32	59.61	1907.50
	Total	102		
Employee motivation	1	70	49.88	3491.50
	2	32	55.05	1761.50
	Total	102		
Perform Effectively	1	70	50.56	3539.50
	2	32	53.55	1713.50
	Total	102		
Increase staff self-esteem	1	70	50.67	3547.00
	2	32	53.31	1506.00
	Total	102		
Reward on fair and credibly basis	1	70	50.99	3569.00
	2	32	52.62	1684.00
	Total	102		
Assess training	1	70	48.73	3411.00
	2	32	57.56	1842.00
	Total	102		
Improvement in performance	1	70	48.79	3415.00
	2	32	57.44	1838.00
	Total	102		
Improve in job performance	1	70	47.70	3339.00
	2	32	59.81	1914.00
	Total	102		
Identify problem	1	70	46.49	3254.50

	2	32	62.45	1998.50
	Total	102		
Encourage cooperation	1	70	50.37	3526.00
	2	32	53.97	1727.00
	Total	102		

**Source:** Various Questionnaires of Respondents

Table 9, male and female ranking of those who agree with the performance appraisal, but the male are less likely to agree than female.

**Table: 10 Test Statistic Mann-Whitney Z-test An Analysis of Performance Appraisal.**

Test Statistic				
	Mann-Whitney U	Wilcoxon W	Z	Asymp. Sig. (2-tailed)
Reduce Grievance	1039.000	3524.000	-.642	.521
Improve personal skill	860.500	3345.500	-2.242	.025
Increase employee motivation	1006.500	3491.500	-.909	.363
Perform effectively	1054.500	3539.500	-.514	.607
Staff self-esteem	1062.000	3547.000	-.468	.640
Reward on fair and credible basis	1084.000	3569.000	-.285	.776
Assess training	926.000	3411.000	-1.539	.124
Improvement in performance	930.000	3415.000	-1.525	.127
Improvement in job performance	854.000	3339.000	-2.124	.034
Identify problem	769.500	3254.500	-2.835	.005
Encourage cooperation	1041.000	3526.000	-.632	.528

**Source:** Various Questionnaires of Respondents.

In all of the above attributes, the Mann-Whitney U test values and associated significant values are much higher than 0.05. As a result, the null hypothesis is accepted, and we can conclude that the difference in the sum of rank for employee performance appraisal is purely coincidental. Male and female respondents' responses are not significantly different.

#### IV. Major Finding

1. The proportion of the male employees is significantly high as compared to female employees, thus, indicates that more female employees do not prefer to work in the organization. The number is quite disappointing.
2. Respondents believe that performance appraisals are beneficial in mitigating grievances and strengthening the skills.

3. Participants believed that receiving feedback on their results improved their morale but did not improve their performance.
4. Employee self-esteem is boosted by performance assessment, according to respondents.
5. The performance assessment distributes equal and reliable incentive, according to respondents.
6. Respondents accept that performance appraisals assist in finding areas for progress in performance and job performance, as well as evaluating teamwork training needs.
7. The majority of the respondents believe that performance assessment helped them increase their productivity.
8. Respondents accept that the performance assessment promotes cooperation. Therefore, All the answers are linked to the alternative explanation.

### **V. Recommendations**

1. The organization should have a good mix of young and experienced employees. The company is experiencing a shortage of experienced employees.
2. To perform efficiently, organizations must increase motivation through performance assessment.
3. To assess employees, organizations should adapt behavior-based policies.
4. Organizations should create a supportive workplace atmosphere for employees, which may contribute to performance evaluation.
5. Employees should be trained and technology should be upgraded on a regular basis. Employee's increments and salaries should then be upgraded based on their performance.
6. The process of self-evaluation should be encouraged in the organization.

### **VI. Conclusion**

Analyzing the data reveals that the respondents rate the appraisal as medium. This study also shows that the company's appraisal method boosts employee motivation. In this field, **Abhinanda Gautam (2014) and Muhammad Shaukat Malik et al. (2013)** make the same point. And it contradicts the findings of **Leila Najafi et al. (2010)**.

Performance appraisal, according to **Dr. Prachi Singh et al. (2013)**, does not increase employees' motivation to perform effectively in a practical way which is relevant to our study. Analyzing the research findings can also lead us to the conclusion that current appraisals are unacceptable, according to some of the respondents. For new employees, a proper qualification structure is required, which is related to designation and experience. Furthermore, the general environment of the organization is very welcoming, and as a result, the corporation has not imposed any specific measures to address employee performance assessment issues.

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Patel Rima, et. al. "A Study on Performance Appraisal of Employees At Maruti Suzuki Kataria Automobile." *IOSR Journal of Business and Management (IOSR-JBM)*, 23(04), 2021, pp. 18-27.