

# Employees Perception Towards Performance Appraisal In IT Industry In Tamilnadu

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## Abstract

*The present study explores and analyzes the perceptions of employees regarding the performance appraisal systems within the Information Technology (IT) sector. As performance appraisal remains a critical element in managing employee performance and development, understanding employee perspectives is crucial for enhancing the effectiveness of these systems. The research employs a convenience sampling method. The study aims to identify key factors of performance appraisal systems, examining variables such as clarity of performance criteria, fairness in evaluation processes, accuracy, communication and trust. Findings from the research will contribute valuable insights for HR professionals, managers, and organizational leaders to refine and optimize existing performance appraisal systems in the IT sector.*

**Key words:** effectiveness, performance appraisal, communication and fairness.

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## Introduction

Performance appraisal is also known as employees evaluation, is a technique by which the job performance of an employee is evaluated. Performance assessment is a part of career growth. Performance appraisals a required and beneficial process, which offers annual feedback to staff members about job efficiency and career guidance. The performance assessment is envisioned to be a fair and balanced assessment of an employee's performance. The human disposition to judge can create thoughtful motivational, ethical and legal difficulties in the workplace.

According to contemporary Appraisal, the Performance evaluation may be defined as a organized formal interface between a subordinate and supervisor, that typically takes the form of a intervallic interview, in which the work performance of the subordinate is observed and discussed, with a view to ascertaining faintness and strengths as well as chances for improvement and skills development.

Performance reviews are regular reviews of workers performance within organizations. Generally, the purposes of a performance appraisal are to Give comment on performance to employees, find employee training needs, Document standards used to allocate organizational rewards, it also form a basis for personnel such as salary increases, promotions, disciplinary actions, etc. Performance evaluation provides fairness, accuracy, clarity, communication and trust to meet federal and equal employment opportunity. Thus it is necessary to have the efficient performance assessment system in every organization.

## REVIEW OF LITERATURE

Sapna Taneja, Ravikesh, N. Ravichandran (2023), conducted in the Indian banking industry among 1000 employees. The study adopted Multi stage random sampling and the data is collected through questionnaire. The research shows that different aspects of fairness are influenced by various factors, such as the perceived validity of appraisal criteria or the trust in supervisors. Addressing fairness issues can help create a positive work environment.

Saleena Simon (2022), The study was conducted in CEDAR retail pvt ltd, Mannuthy. The total population of the study is 200. The study adopted simple random sampling and data is collected through questionnaire. The research shows 90% are satisfied with compensation, and 96% think the performance appraisal system is effective. In summary, a satisfied workforce is crucial for organizational success, and addressing any dissatisfaction through counselling or training is key for overall performance.

Aarathy T.S and Dr. D. Venkatamarajukumar (2018), analysed with the help of primary data collected from 75 employees using convenience sampling method. This research investigated that Performance appraisals boost employee performance, enhancing both the quality and quantity of their work. They effectively address and reduce problems, stress, anger, and grievances among employees. Progress reviews

provide insights into achievements and behavior, while also identifying individuals with high potential for advancement.

Sunita Shukla, Bhavana Adhikari (2017), examined among 200 employees in leading data recovery company and the data is collected through questionnaire. The research concludes there wasn't a big difference in what employees think, the organization's good work culture, effective leadership, feedback system, growth opportunities, learning environment, and rewarding policies were identified as key reasons for the positive employee views. Dr.V.Antony Joe Raju and R.Anbu Ranjith kumar (2016), The study adopted convenience sampling method and data is collected through questionnaire and secondary data. The study concludes that the company's performance appraisal system is effective but suggests considering factors like seniority and employees' potentials for more effective functioning. The findings provide valuable suggestions, and it's hoped that implementing them will improve the existing annual employee performance appraisal system.

### **OBJECTIVE OF THE STUDY**

To evaluate the effectiveness of performance appraisal system in the IT sector through the opinion of the employees.

### **SCOPE OF THE STUDY**

This study identifies the effectiveness performance evaluation system in the IT sector. The study will provide the effectiveness of performance assessment used in the IT sector and help in improving the system accordingly. The suggestions of the employees are also analysed.

### **LIMITATIONS OF THE STUDY**

The study suffers the following limitations. The study is restricted to only IT company thus the findings cannot be generalized. As the IT industry has some unique characteristics, the organisation cannot be a representative of all industry across the country and outside. Another important aspect of concern which hinders as a major limitation to the project is that the present system and its statistics has not been provided in record but made as an assumption by the feedback from the employees of IT sector.

## **RESEARCH METHODOLOGY**

### **Research design**

The research design adopted for this study is descriptive analysis. The descriptive analysis studies are those studies which are concerned with telling the characteristics of a specific individual, or of a group. The studies concerned with precise predictions, with narration of facts & characteristics concerning individual, group or situation are all examples of descriptive research analysis.

### **Sampling Technique Probability Sampling:**

Sample design is the basis within which the sampling has to be conceded out. Sampling is the method of choosing a group from population to signify the population. Sample is the quantity of the population, which acts as an illustrative of the population through its character and nature. Method of Data Collection: Primary and secondary data are collected. Primary data was collected with the help of questionnaire and personal interview schedule. Secondary data were collected by referring company handbook, other article about the company, websites and magazines. Sample size and area of data collection - From the population size of 1100, among that 700 are working in the middle cadre, a sample of 100 has been selected for the study by using the simple random sampling. This sample size is taken from the middle cadre. Tools of Analysis: Data is tabulated by mean and standard deviation values. Statistical Tools: The data collected were analyzed with reference to the specific objectives of the study and the following descriptive analysis statistical tool is used in this study.

**Table – 1 : Employees opinion towards fairness**

<b>Fairness</b>	<b>Mean</b>	<b>Std. Deviation</b>
The results of appraisal are fair.	3.78	1.23
Assessors appraise performance without any biasness.	3.68	1.11
Any other employee is not prioritized during performance appraisal system.	3.50	1.38

Appraisers treat you fairly during performance appraisal process.	3.47	1.35
Performance appraisal provides fair assessment of my performance.	3.36	1.27
The promotional and disciplinary actions of performance appraisal are fair and consistent.	3.82	1.42

Table – 1 shows the employees perception towards fairness of performance appraisal. The mean and standard deviation (S.D.) values are calculated. The mean value ranges from 3.82 to 3.36. The S.D. value lies between 1.42 and 1.11. From the values, it is noted that most of the employees have highly rated towards the statement that promotional and disciplinary actions of performance appraisal are fair and consistent (3.82) followed by the results of appraisal are fair (3.78), the assessors appraise performance without any biasness (3.68), any other employee is not prioritized during performance appraisal system (3.50), appraisers treat the employees fairly during performance appraisal process (3.47), performance appraisal provides fair assessment of the employees performance (3.36) and Here it is observed that the promotional and disciplinary actions of performance appraisal are fair and consistent but the performance appraisal of assessment of the employees performance are found to be not fair.

**Table – 2 : Employees opinion towards communication**

Communication	Mean	Std. Deviation
The progress towards my goals set in previous appraisal meetings is frequently reviewed by my supervisor with me.	3.23	1.01
My supervisor gives me guidance about how to improve my performance.	3.69	1.18
I am given opportunities to express my feelings when my performance is evaluated.	3.28	1.24
The performance criteria and evaluation standards is communicated clearly.	3.41	1.17
Performance appraisal process facilitates open and constructive communication between me and manager.	3.95	1.30
Performance appraisal process emphasize open minded and solution oriented mindset.	3.80	1.23

Table –2 displays the employees opinion towards communication statements. Further mean and standard deviation (S.D.) values are calculated. The mean value ranges from 3.80 to 3.23. The S.D. value lies between 1.30 and 1.01. From the values, it is observed that most of the employees have highly rated that the performance appraisal process facilitates open and constructive communication between employees and manager (3.95), Performance appraisal process emphasize open minded and solution oriented mindset (3.80), their supervisor gives them guidance about how to improve the employees performance (3.69), the performance criteria and evaluation standards is communicated clearly (3.41), the employees are given opportunities to express their feelings when their performance is evaluated (3.28) and the progress towards their goals set in previous appraisal meetings is frequently reviewed by their supervisor with them (3.23). Here it is interpreted that the performance appraisal process facilitates open and constructive communication between employees and manager but the progress towards goals set in previous appraisal meetings is not frequently reviewed by their supervisor and has been rated low by the employees.

**Table – 3 : Employees opinion towards trust**

Trust	Mean	Std. Deviation
My supervisor is competent to evaluate my performance.	3.26	1.37

My supervisor is familiar with the details and responsibilities that my job entails	3.17	1.25
I have confidence and trust in my immediate supervisor regarding his/her general fairness.	3.38	1.41
I trust my supervisor to accurately report my performance to his/her supervisor.	3.35	1.38
Performance appraisal process built trust among team members.	3.27	1.36
Performance appraisal process makes us feel that our contributions are valued.	3.87	1.58

Table – 3 displays the employees opinion towards trust in performance appraisal. Further mean and standard deviation (S.D.) values are calculated. The mean value ranges from 3.87 to 3.17. The S.D. value lies between 1.25 and 1.41. From the values, it is observed that most of the IT employees have highly rated that performance appraisal process makes them feel that their contributions are valued (3.87) followed by they have confidence and trust in their immediate supervisor regarding his/her general fairness (3.38), they trust their supervisor to accurately report the employees performance to his their supervisor (3.35), performance appraisal process built trust among team members (3.27), My supervisor is competent to evaluate my performance (3.26) and their supervisor is familiar with the details and responsibilities that their job entails (3.17). Here it is interpreted that performance appraisal process makes them feel that their contributions are valued to their satisfaction level. But their supervisors are not much familiar with the details and responsibilities that my job entails.

**Table – 4 : Employees opinion towards clarity**

Clarity	Mean	Std. Deviation
Goals and objectives of my role is clearly defined and understood.	3.46	1.36
Performance appraisal process access my competencies and skills clearly.	3.16	1.06
Performance appraisal process address between my work life balance and wellbeing.	3.23	1.38
Performance appraisal process clarify my understanding between my roles and responsibilities.	3.24	1.27
Performance appraisal process clarifies the alignment between current goals and overall objectives.	3.75	1.48
Performance appraisal process gives resources and support I need to be more successful in my role.	3.35	1.30

Table – 4 displays the employees opinion towards clarity statements. Further mean and standard deviation (S.D.) values are calculated. The mean value ranges from 3.75 to 3.16. The S.D. value lies between 1.06 and 1.48. From the values, it is observed that most of the IT employees highly rated that performance appraisal process clarifies the alignment between current goals and overall objectives(3.75), goals and objectives of their role is clearly defined and understood (3.46), Performance appraisal process gives resources and support they need to be more successful in my role(3.35), performance appraisal process clarify their understanding between their roles and responsibilities (3.24), performance appraisal process address between they work life balance and wellbeing (3.23) and performance appraisal process access my competencies and skills clearly (3.16). Here it is interpreted according to most of the IT employees opined that the performance appraisal process clarifies the alignment between current goals and overall objectives performance appraisal process at the best. But performance appraisal process assessment of the employees competencies and skills is not clear and hence rated low among the IT employees.

**Table – 5 : Employees opinion towards accuracy**

Accuracy	Mean	Std. Deviation
Appraisal outcomes are accurate	3.78	1.47
Minimum errors are identified in the appraisal system.	3.72	1.41
The reliability of results of appraisal system are high.	3.59	1.38
Performance appraisal process address any biases clearly.	3.29	1.11
Performance appraisal process reviews based on direct observations and feedback.	3.39	1.20

Table – 5 displays the employees opinion towards accuracy in performance appraisal. Further mean and standard deviation (S.D.) values are calculated. The mean value ranges from 3.78 to 3.29. The S.D. value lies between 1.11 and 1.47. From the values, it is observed that the IT employees highly rated that (3.78), performance appraisal process address any biases clearly (3.72), the reliability of results of appraisal system are high (3.59). performance appraisal process reviews based on direct observations and feedback (3.39), Performance appraisal process address any biases clearly (3.29). Here it is interpreted that appraisal outcomes are accurate. But the Performance appraisal process addressing the biases is not clear.

#### **Findings and recommendations**

The promotional and disciplinary actions of performance appraisal are fair and consistent but the performance appraisal of assessment of the employees performance are found to be not fair. So establishing a clear objective of criteria using multiple data sources and constructive feedback is necessary in the IT sector

As the progress towards goals set in previous appraisal meetings is not frequently reviewed by their supervisor and has been rated low by the employees, so the supervisors have to prepare agendas, guide discussions and assign action items.

The performance appraisal process makes them feel that their contributions are valued to their satisfaction level. But their supervisors are not much familiar with the details and responsibilities that my job entails. So the supervisors have to understand their roles and responsibilities and act accordingly.

The performance appraisal process assessment of the employees competencies and skills is not clear and hence rated low among the IT employees and so facilitating employee development through coaching and training is needed for the organization.

The performance appraisal outcomes are accurate. But the Performance appraisal process addressing the biases is not clear and so prioritizing clear communication and fostering a culture of open dialogue have to be implemented.

#### **CONCLUSION**

One of the main goals of performance appraisal is to motivate the employees toward higher levels of performance (Kuvaas, 2007). Some researchers argued that the performance appraisal may undermine the relationship between the supervisor and the employee (Culbert, 2010; Kluger and Nir, 2010). So in this article some landmarks in the performance appraisal have been pointed out and the employees perception towards performance appraisal has been discussed. A strengths-based performance appraisal may serve as a social context in which an authority (the supervisor) supports the need satisfaction of a subordinate. Even though supervisors may focus on strengths in the performance appraisal, they may still need to comply with the performance management system that has been implemented in the organization.

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