A

Project report

ON

"A DETAILED STUDY ON THE ROLE OF PERFORMANCE APPRAISAL SYSTEM ADOPTED BY ALIVE TECH SERVICES IN ORDER TO ASSESS ITS EFFECTIVENESS OF EMPLOYEES PERFORAMANCE".

Submitted to

Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur

In partial fulfillment for the award of degree of

Bachelor of Business Administration

Submitted by

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Under the Guidance of

PROF. SHWETA MEHTA

G.S. College of Commerce & Economics, Nagpur

Academic Year 2019-20

G.S. College of Commerce & Economics, Nagpur

Academic Year 2019-20

CERTIFICATE

This is to certify that **SYMAN.R. PASCAL** has submitted the project report entitled "**A Detailed study on the role of performance appraisal system adopted by Alive tech services in order to assess its effectiveness of employee's performance"** towards partial fulfillment of **BACHELOR OF BUSINESS ADMINISTRATION** degree examination. This has not been submitted for any other examination and does not form part of any other course undergone by the candidate.

It is further certified that he has ingeniously completed his project as prescribed by Rashtrasant Tukadoji Maharaj Nagpur university, Nagpur.

Shweta Mehta   **Dr. Ashwini Purohit**

(project Guide)   **(Co-Ordinator)**

PLACE: Nagpur

DATE:

G.S. College of Commerce & Economics, Nagpur

Academic Year 2019-20

DECLARATION

I here-by declare that the project entitle "**A Detailed study on the role of performance appraisal system adopted by Alive tech services in order to assess its effectiveness of employee's performance"** has been completed by me in partial fulfillment of **BACHELOR OF BUSINESS ADMINISTRATION** degree examination as prescribed by Rashtrasant Tukadoji Maharaj Nagpur university, Nagpur and this has not been submitted for any other examination and does not form the part of any other course undertaken by me.

PLACE: Nagpur   **SYMAN.R. PASCAL**

DATE:

G.S. College of Commerce & Economics, Nagpur

Academic Year 2019-20

ACKNOWLEDGEMENT

With immense pride and sense of gratitude, I take this golden opportunity to express my sincere regards to Dr. N. Y. Khandait, Principal, G.S. College of commerce & Economics, Nagpur.

I am extremely thankful to my project Guide prof. Shweta Mehta for her guideline throughout the project. I tender my sincere regards to Co-Ordinator, Dr. Ashwini Purohit for giving me outstanding guidance, enthusiastic suggestions and invaluable encouragement which helped me in the completion of the project.

I will fail in my duty if I do thank the Non- Teaching staff of the college for their co-Operation

I would like to thank all those who helped me in making this project complete and successful

PLACE: Nagpur   **SYMAN.R. PASCAL**

DATE:

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INTRODUCTION

HUMAN RESOURCE MANAGEMENT

Human resource management (**HRM** or **HR**) is the strategic approach to the effective management of people in a company or organization such that they help their business gain a competitive advantage. It is designed to maximize employee performance in service of an employer's strategic objectives. Human resource management is primarily concerned with the management of people within organizations, focusing on policies and systems. HR departments are responsible for overseeing employee-benefits design, employee recruitment, training and development, performance appraisal, and reward management, such as managing pay and benefit systems. HR also concerns itself with organizational change and industrial relations, or the balancing of organizational practices with requirements arising from collective bargaining and governmental laws.

The overall purpose of human resources (HR) is to ensure that the organization is able to achieve success through people. HR professionals manage the human capital of an organization and focus on implementing policies and processes. They can specialize in finding, recruiting, training, and developing employees, as well as maintaining employee relations or benefits. Training and development professionals ensure that employees are trained and have continuous development. This is done through training programs, performance evaluations, and reward programs. Employee relations deals with the concerns of employees when policies are broken, such as cases involving harassment or discrimination. Managing employee benefits includes developing compensation structures, parental leave programs, discounts, and other benefits for employees. On the other side of the field are HR generalists or business partners. These HR professionals could work in all areas or be labour relations representatives working with unionized employees.

HR is a product of the human relations movement of the early 20th Century, when researchers began documenting ways of creating business value through the strategic management of the workforce. It was initially dominated by transactional work, such as payroll and benefits administration, but due to globalization, company consolidation, technological advances, and further research, HR as of 2015 focuses on strategic initiatives like mergers and acquisitions, talent management, succession planning, industrial and labour relations, and diversity and inclusion. In the current global work environment, most companies focus on lowering employee turnover and on retaining the talent and knowledge held by their workforce. New hiring not only entails a high cost but also increases the risk of a

new employee not being able to adequately replace the position of the previous employee. HR departments strive to offer benefits that will appeal to workers, thus reducing the risk of losing employee commitment and psychological ownership.

Human Resource Management (HRM) is the term used to describe formal systems devised for the management of people within an organization. The responsibilities of a human resource manager fall into three major areas: staffing, employee compensation and benefits, and defining/designing work. Essentially, the purpose of HRM is to maximize the productivity of an organization by optimizing the effectiveness of its employees. This mandate is unlikely to change in any fundamental way, despite the ever-increasing pace of change in the business world. As Edward L. Gunman observed in the *Journal of Business Strategy*, "the basic mission of human resources will always be to acquire, develop, and retain talent; align the workforce with the business; and be an excellent contributor to the business. Those three challenges will never change."

Until fairly recently, an organization's human resources department was often consigned to lower rungs of the corporate hierarchy, despite the fact that its mandate is to replenish and nourish what is often cited-; legitimately-; as an organization's greatest resource, its work force. But in recent years recognition of the importance of human resources management to a company's overall health has grown dramatically. This recognition of the importance of HRM extends to small businesses, for while they do not generally have the same volume of human resources requirements as do larger organizations, they too face personnel management issues that can have a decisive impact on business health. As Irving Bustier commented in The Small Business Handbook, "Hiring the right people-; and training them well-; can often mean the difference between scratching out the barest of livelihoods and steady business growth'¦. Personnel problems do not discriminate between small and big business. You find them in all businesses, regardless of size."

Business consultants note that modern human resource management is guided by several overriding principles. Perhaps the paramount principle is a simple recognition that human resources are the most important assets of an organization; a business cannot be successful without effectively managing this resource. Another important principle, articulated by Michael Armstrong in his book A Handbook of Human Resource Management, is that business success "is most likely to be achieved if the personnel policies and procedures of the enterprise are closely linked with, and make a major contribution to, the achievement of corporate objectives and strategic plans." A third guiding principle, similar in scope, holds that it is the

HR's responsibility to find, secure, guide, and develop employees whose talents and desires are compatible with the operating needs and future goals of the company. Other HRM factors that shape corporate culture-; whether by encouraging integration and cooperation across the company, instituting quantitative performance measurements, or taking some other action-; are also commonly cited as key components in business success. HRM summarized Armstrong, "is a strategic approach to the acquisition, motivation, development and management of the organization's human resources. It is devoted to shaping an appropriate corporate culture, and introducing programs which reflect and support the core values of the enterprise and ensure its success."

Human resource department responsibilities can be subdivided into three areas: individual, organizational, and career. Individual management entails helping employees identify their strengths and weaknesses; correct their shortcomings; and make their best contribution to the enterprise. These duties are carried out through a variety of activities such as performance reviews, training, and testing. Organizational development, meanwhile, focuses on fostering a successful system that maximizes human (and other) resources as part of larger business strategies. This important duty also includes the creation and maintenance of a change program, which allows the organization to respond to evolving outside and internal influences. Finally, there is the responsibility of managing career development. This entails matching individuals with the most suitable jobs and career paths within the organization.

INTRODUCTION TO TOPIC

PERFORMANCE APPRAISAL

Performance appraisal is a process of summarizing, assessing and developing the work performance n employee. To be effective and constructive, the performance manager should make every effort e obtain as much objective information about the employees' performance as possible.

Performance appraisal is a review and discussion of an employee's performance of assigned duties are responsibilities based on result obtained by the employee in their job, not on the employee's personality characteristic. personality should be considered only when it relates to performance of assigned duties and responsibilities.

It is structured formal interaction between a subordinate and supervisor, that usually takes the form of a periodic interview (arnual or semi-annual), in which the work performance of the subordinate is examined and discussed, with a view to identifying weakness and strengths as well as opportunities for improvement and skills development,

In many organisation - but not all- appraisal results are used, either directly or indirectly to help and determine rewards outcomes, that are the appraisal results are used to identify the better performing employees who should get most of available merit pay increase, bonuses and promotions.

By the same taken, appraisal results are used to identify poorer performers, who may require some form of counselling or in extreme cases, demotion, dismissal or decreases in pay.

There are basically three purposes to which performance appraisal can be put.

First, it can be used as a basis for reward allocations. Decision as to who gets salary increases, promotion and other rewards are determined by their performance evaluation.

Second, these appraisals can be used for identifying areas where development effort are needed. management needs to spot those individuals who have specific skill or knowledge deficiencies, the performance appraisals are a major tool for identifying these deficiencies.

Finally, the performance appraisal can be used as a criterion against which selection devices and development programs are validated. it is one thing to say, for example, that our selection process is successful in differentiating satisfactory performers from unsatisfactory performers.

MAIN FEATURES

A performance appraisal is a systematic, general and periodic process that assesses an individual employee's job performance and productivity in relation to certain pre-established criteria and organizational objectives. Other aspects of individual employees are considered as well, such as organizational citizenship behaviour, accomplishments, potential for future improvement, strengths and weaknesses, etc.

To collect PA data, there are three main methods: objective production, personnel, and judgmental evaluation. Judgmental evaluations are the most commonly used with a large variety of evaluation methods. Historically, PA has been conducted annually (long-cycle appraisals); however, many companies are moving towards shorter cycles (every six months, every quarter), and some have been moving into short-cycle (weekly, bi-weekly) PA. The interview could function as "providing feedback to employees, counselling and developing employees, and conveying and discussing compensation, job status, or disciplinary decisions". PA is often included in performance management systems. PA helps the subordinate answer two key questions: first, "What are your expectations of me?" second, "How am I doing to meet your expectations.

Performance management systems are employed "to manage and align" all of an organization's resources in order to achieve highest possible performance. "How performance is managed in an organization determines to a large extent the success or failure of the organization. Therefore, improving PA for everyone should be among the highest priorities of contemporary organizations".

Some applications of PA are compensation, performance improvement, promotions, termination, test validation, and more. While there are many potential benefits of PA, there are also some potential drawbacks. For example, PA can help facilitate management-employee communication; however, PA may result in legal issues if not executed appropriately, as many employees tend to be unsatisfied with the PA process. PAs created in and determined as useful in the United States are not necessarily able to be transferable cross-culturally

COMPANY PROFILE

ALIVE TECH SERVICES

A prominent placement agency in Nagpur, Alive Tech Services in Gayatri Nagar was incepted and promoted in the year 2012. Ever since its inception, this placement agency has understood the importance of cultivating strong inter/intrapersonal relationships between candidates and clients. Apart from providing manpower to the clients, this agency also undertakes several assignments which comprise of multiple activities that include identifying business strategies, searching partners in technology and finding clients to hire candidates for. This agency primarily provides employees in the IT, Aviation, Real Estate/Developers/Constructions, Retail, E-commerce and Health Care sectors in India, UAE and GCC region. This is one of the most preferred placement firms among others as they provide the right candidates and companies according to their various requirements. This place can be easily found as it is First Floor, Behind Persistent Building.

- **Services at Alive Tech Services**

Alive Tech Services in Nagpur offers a host of integrated services that succumb to the various requirements of the clients and candidates. Apart from providing hiring services, they provide consultancy by trying to understand the client's needs and requirements before starting the hiring procedure. They also have trained personnel who understand the job needs and preferences of the candidates and further help them in seeking their careers. At present, the following openings are made available for distinguished firms - Banking Customer Service, Team Leader, Customer Service, Banking/Tech/Collections/Sales, U.S N Aus. Credit Card Process, U.K Insurance Process, Travel Process, Quality Analyst, Lead Generation Process, Stream - Us Tech Pilot Process and Us Credit Card Upselling Process among other. They also have openings in the Airlines, BPO, Insurance and IT sectors.

RESEARCH STUDY

RELEVANCE OF STUDY

• Understanding how performance appraisal is used to motivate the employees.

• Understanding effectiveness of performance appraisal in Alive tech services.

• Understanding the methodology mostly applied by Alive tech services.

• Assessing the role of performance appraisal on employee's performance to contribute in achieving company objectives.

• Assessing employees understanding of the performance appraisal motives.

OBJECTIVE OF STUDY

➢ **PRIMARY OBJECTIVE: -**

- To study the impact of effective performance appraisal in alive tech services on employee productivity.

➢ **SECONDARY OBJECTIVES: -**

- To study in detail about the impact of work performance of employees on the company.

- To know about what kind of motivation is required for the best work performance.

- To know how company increases employee's future potential and value of company.

- To know about better work performance effects on the organizational development and deficiency.

HYPOTHESIS

H0: Performance Appraisal policies have significant impact on employee's performance.

H1: Performance Appraisal policies do not have significant impact on employee's

performance.

SCOPE OF THE STUDY

- To understand performance appraisal technique applied in the Alive tech services.

- To understand how performance appraisal helps in development of Alive tech services.

- Study helps to understand different aspect that affects the organization development.

- To understand the future growth of Alive tech services.

RESEARCH AND METHODOLOGY

Research Methodology is a way to systematically solve the research problem. It guides the researcher to do the research scientifically. It contains of different steps that are generally adopted by a researcher to study his research problem along with the logic behind them. Data become information only when a proper methodology is adopted.

DATA COLLECTION METHOD:

There are two types of data's that is

1. Primary data

2. Secondary data

PRIMARY DATA COLLECTION: Primary data is a data collected for the first time through field survey. The primary data was collected through an administrated questionnaire. The questionnaire consisted of a variety of questions that lay consistent with the objective of the research.

Source of primary data:

1. Experimentation

2. Observation

3. Questionnaire schedule

We have the questionnaire source of primary data to collect information related to the project.

SECONDARY DATA: The websites of the service providers and various other researchers done in this area along with the websites. Besides these the availability of documents, files note and brochure provided by the big bazaar served as an additional secondary data for this research work.
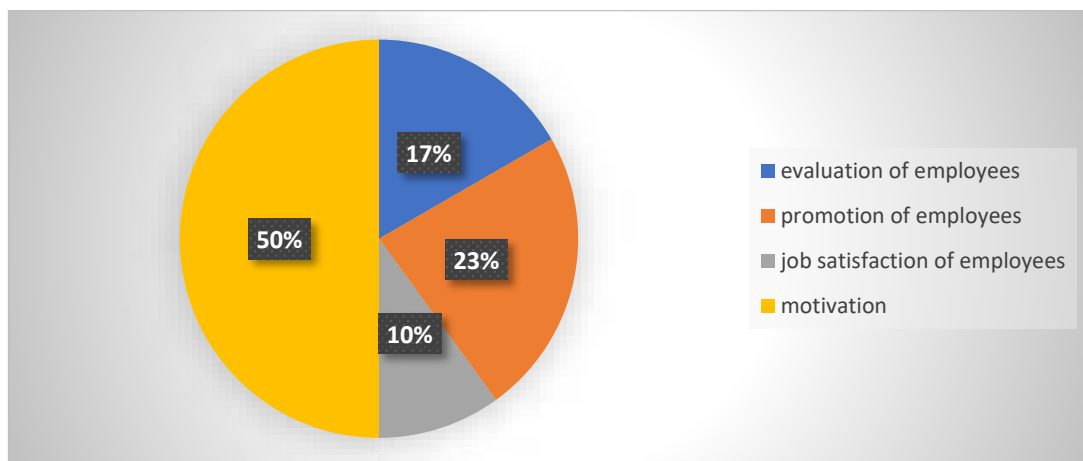
Source of secondary data:

1 internet

2 books

DATA ANALYSIS AND INTERPRETATION

Q.1 In your opinion performance appraisal is?

STATEMENT	NO. OF EMPLOYEES	PERCENTAGE
Evaluation of employees	**5**	**17%**
Promotion of employees	**7**	**23%**
Job satisfaction of employees	**3**	**10%**
Motivation	**15**	**50%**
TOTAL	**30**	**100%**

INTERPRETATION:

According to statistics, almost half of the employees consider performance appraisal of the company as motivated.

Q.2 Which method of performance appraisal is implemented in the organisation?

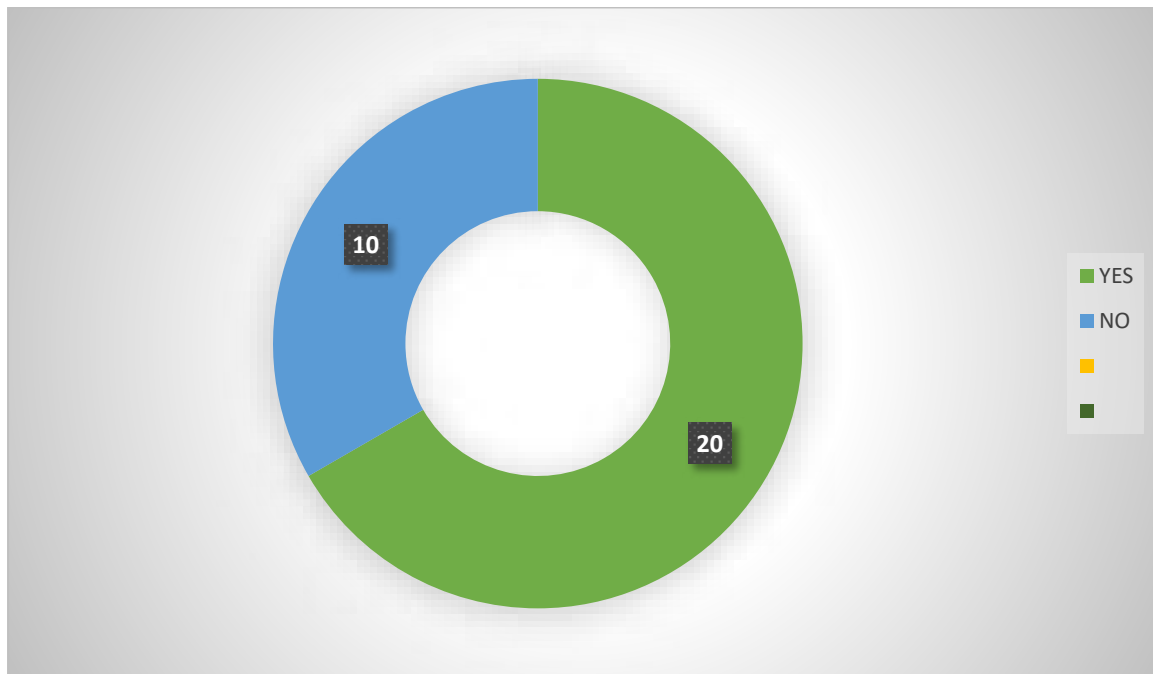| STATEMENT	NO. OF EMPLOYEES	PERCENTAGE
Merit	15	50%
Grading	10	33%
Others	5	17%
TOTAL	30	100%
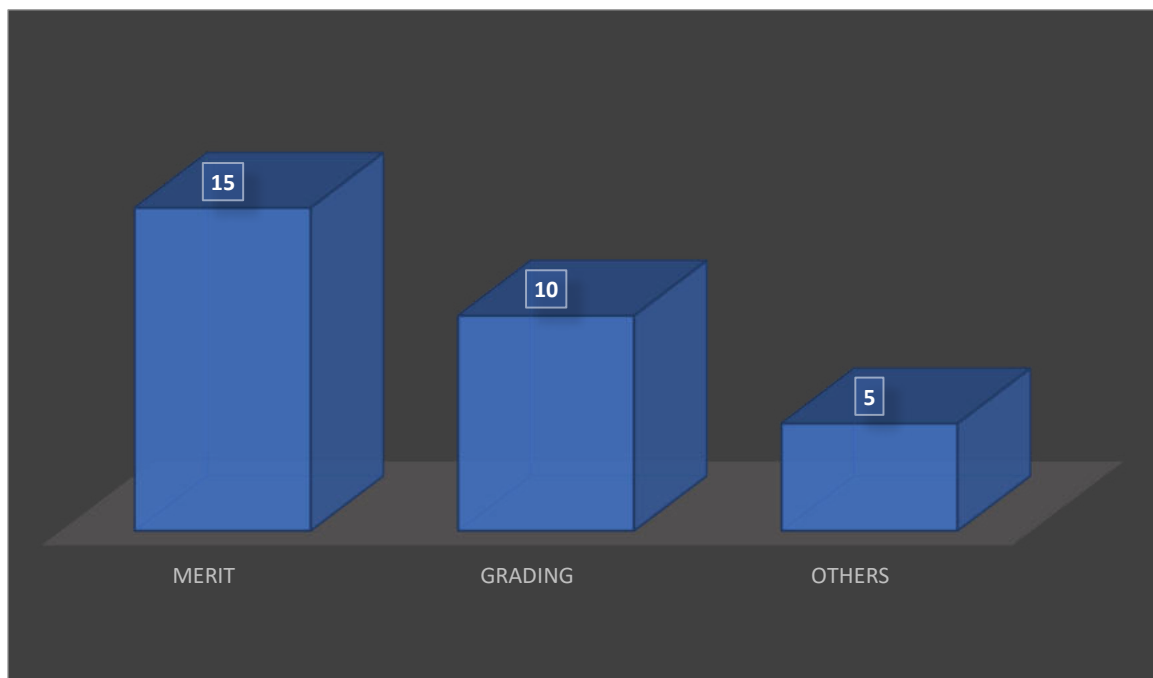
INTERPRETATION:

       The results show that the company mostly prefers the method of merit basis for performance appraisal.

Q.3 Do you receive any increment in your salary after performance appraisal?

| STATEMENT	NO. OF EMPLOYEES	PERCENTAGE
YES	20	67%
NO	10	33%
TOTAL	30	100%

INTERPRETATION:

According to the analysis, most of the time, the company gives incentives in salary for the performance appraisal.

Q.4 Do you think that performance appraisal helps to provide an atmosphere where all are encouraging to share one another burden?

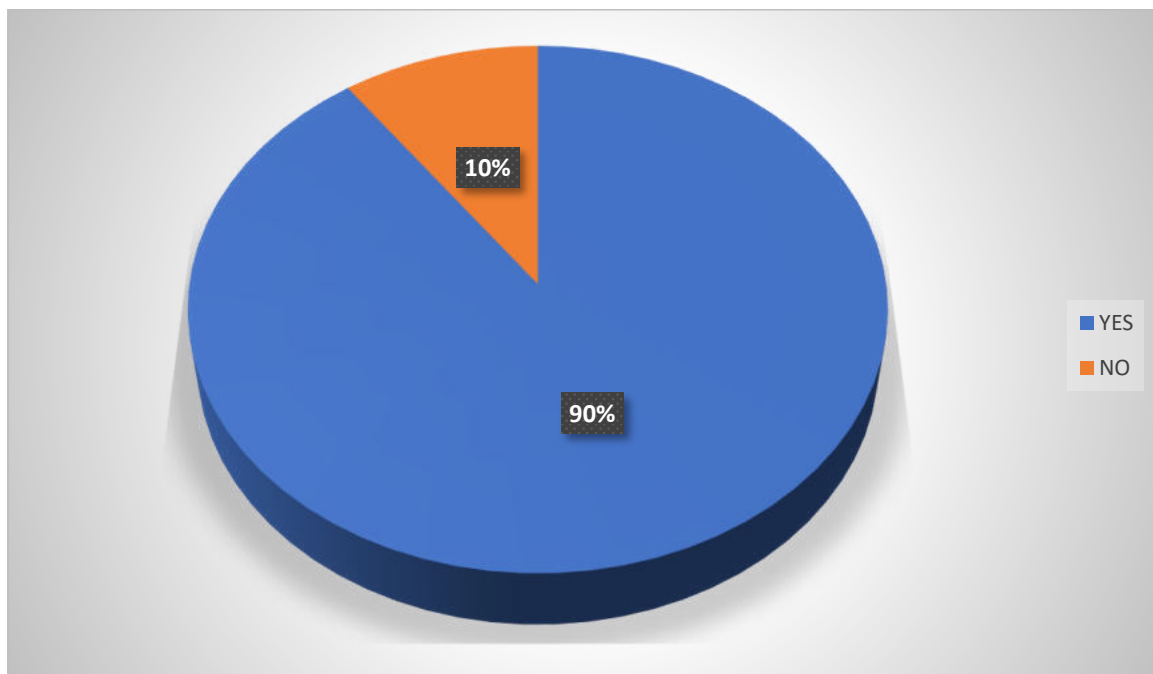| STATEMENT	NO. OF EMPLOYEES	PERCENTAGE
YES	25	89%
NO	5	11%
TOTAL	30	100%

	YES	NO
Series 1	25	5
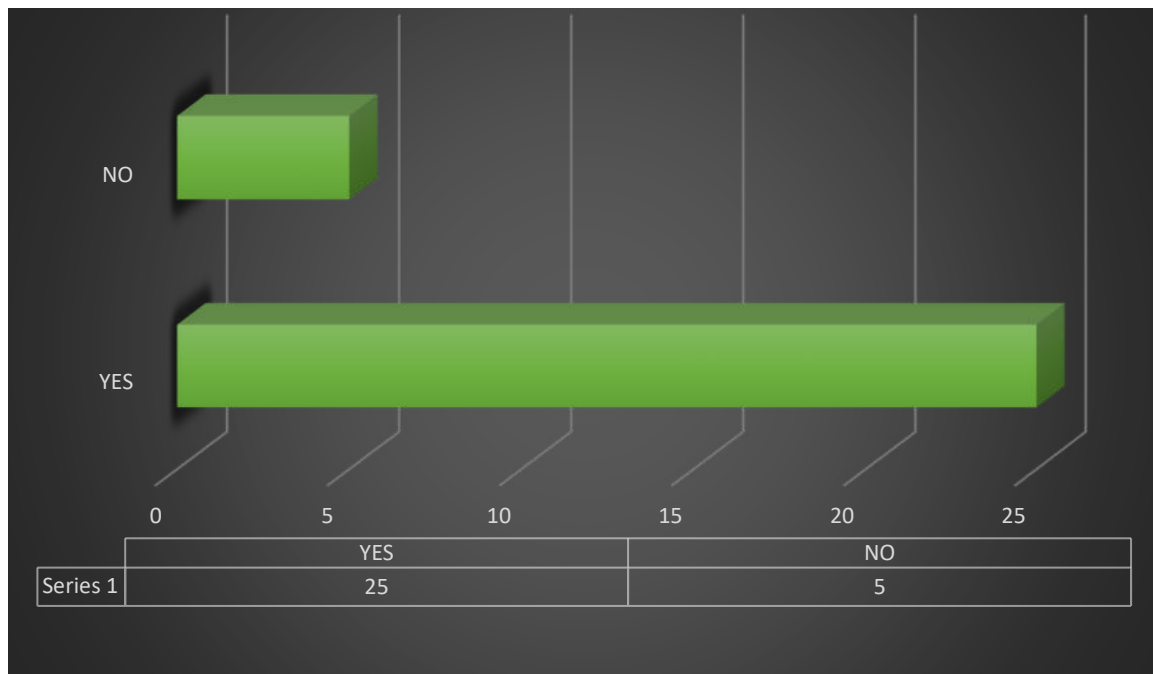
INTERPRETATION:

The statistical results show that majority of employees consider performance appraisal as a method to create an encourage atmosphere in alive tech services.

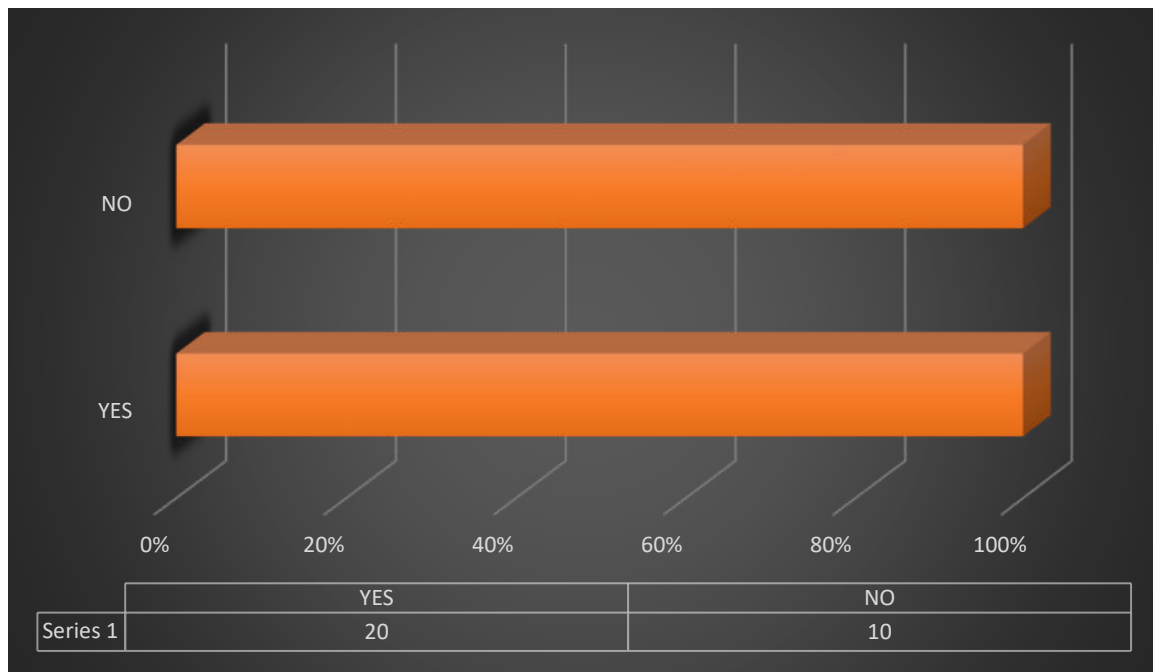**Q.5 Do you think performance appraisal helps people set and achieve meaningful goals?**

STATEMENT	NO. OF EMPLOYEES	PERCENTAGE
YES	27	90%
NO	3	10%
TOTAL	30	100%

<u>INTERPRETATION:</u>

       The results show that the employees think performance appraisal helps them to active their goals.

Q.6 Do you think performance appraisal give constructive criticism in a friendly and positive manner?

STATEMENT	NO. OF EMPLOYEES	PERCENTAGE
YES	20	67%
NO	10	33%
TOTAL	**30**	**100%**

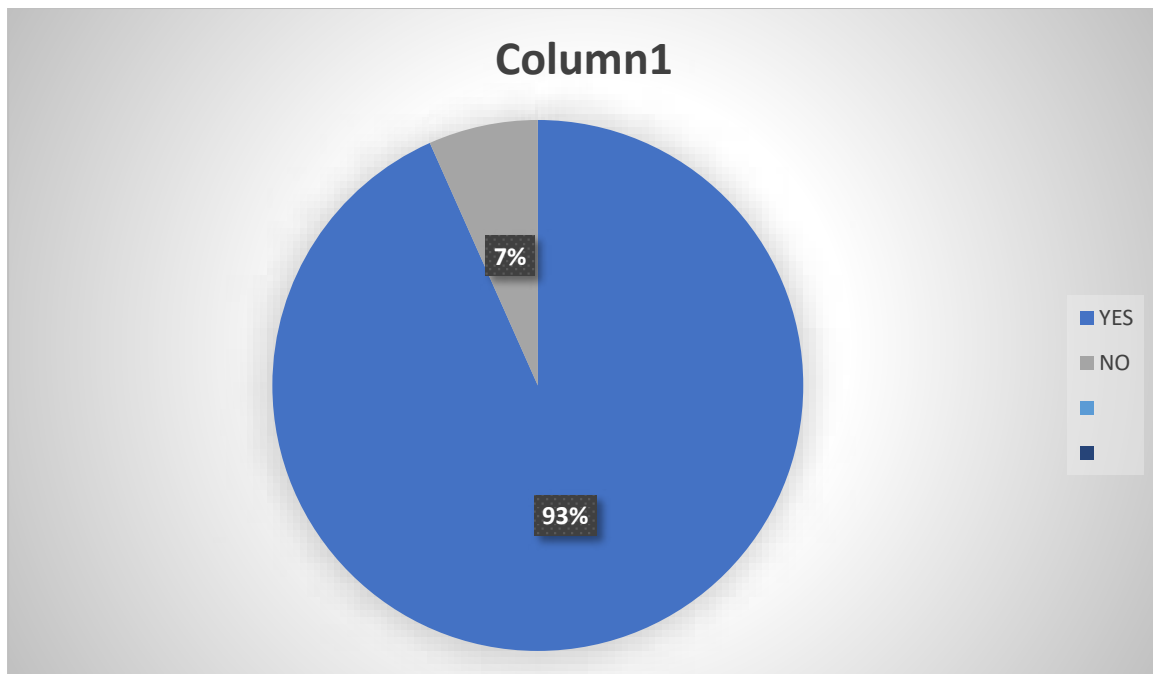|	YES	NO
Series 1	20	10

INTERPRETATION:

According to statistics, the employees of the company are taking positively the criticism mode due to performance appraisal.

Q.7 Do you think that performance of employees improves after process of performance appraisal?

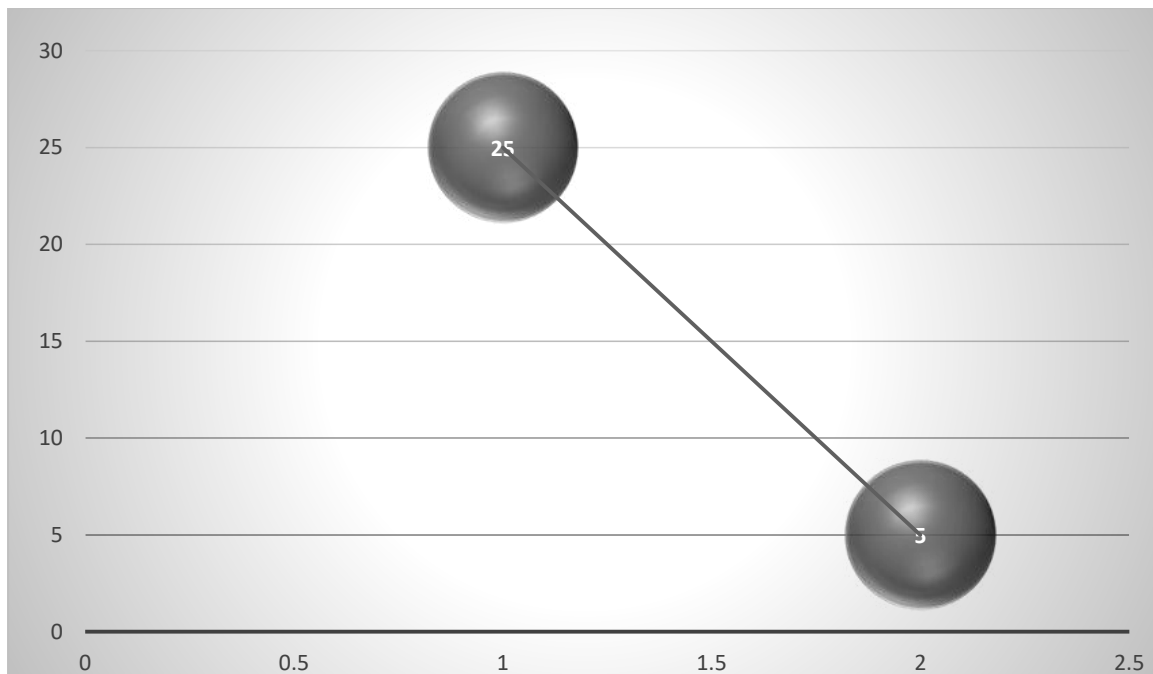| STATEMENT	NO. OF EMPLOYEES	PERCENTAGE
YES	28	93%
NO	2	7%
TOTAL	30	100%

INTERPRETATION:

       The analysis shows that the performance of employees improves with the performance appraisal.

Q.8 Do you think performance appraisal improves motivation and job satisfaction?

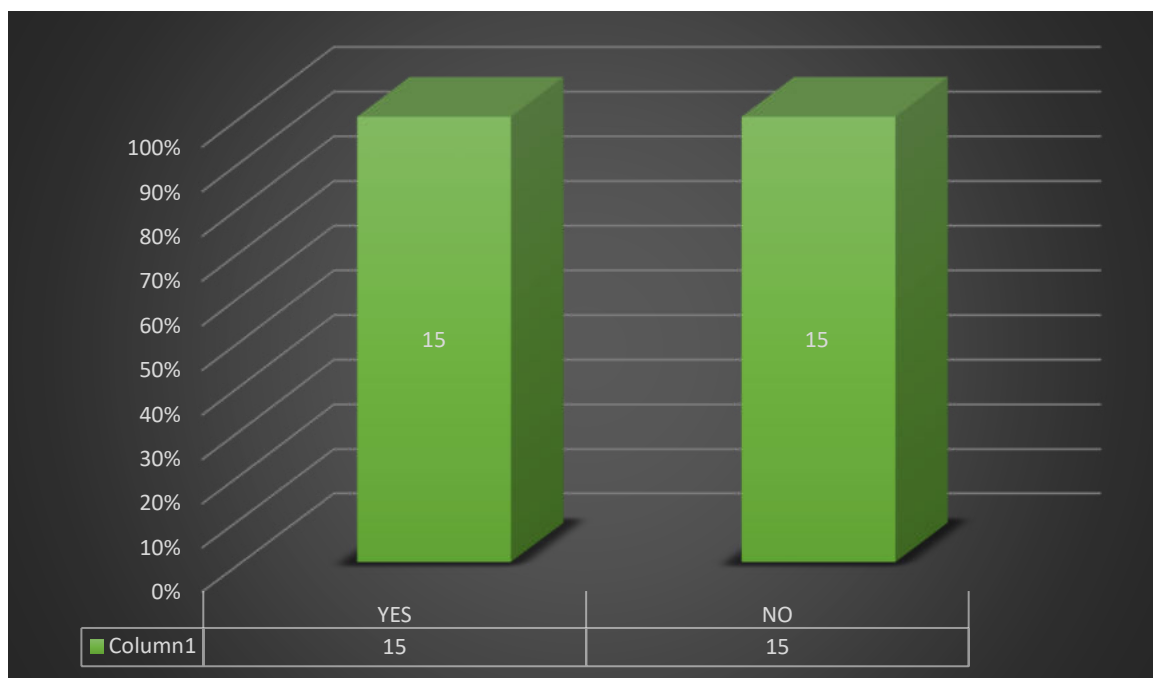| STATEMENT	NO. OF EMPLOYEES	PERCENTAGE
YES	25	89%
NO	5	11%
TOTAL	30	100%

INTERPRETATION:

Results tells that majority of employees believe that performance appraisal of alive tech services improves their motivation and job satisfaction.

**Q.9 Is the top-level management partial in performance appraisal?**

STATEMENT	NO. OF EMPLOYEES	PERCENTAGE
YES	15	50%
NO	15	50%
TOTAL	**30**	**100%**

INTERPRETATION:

        The statistics show that half of the employees agree with the partial involvement

of Top-level management in performance appraisal while half do not.

**Q.10 Do you think performance appraisal helps to change behaviour of employees?**

STATEMENT	NO. OF EMPLOYEES	PERCENTAGE
YES	25	89%
NO	5	11%
TOTAL	**30**	**100%**
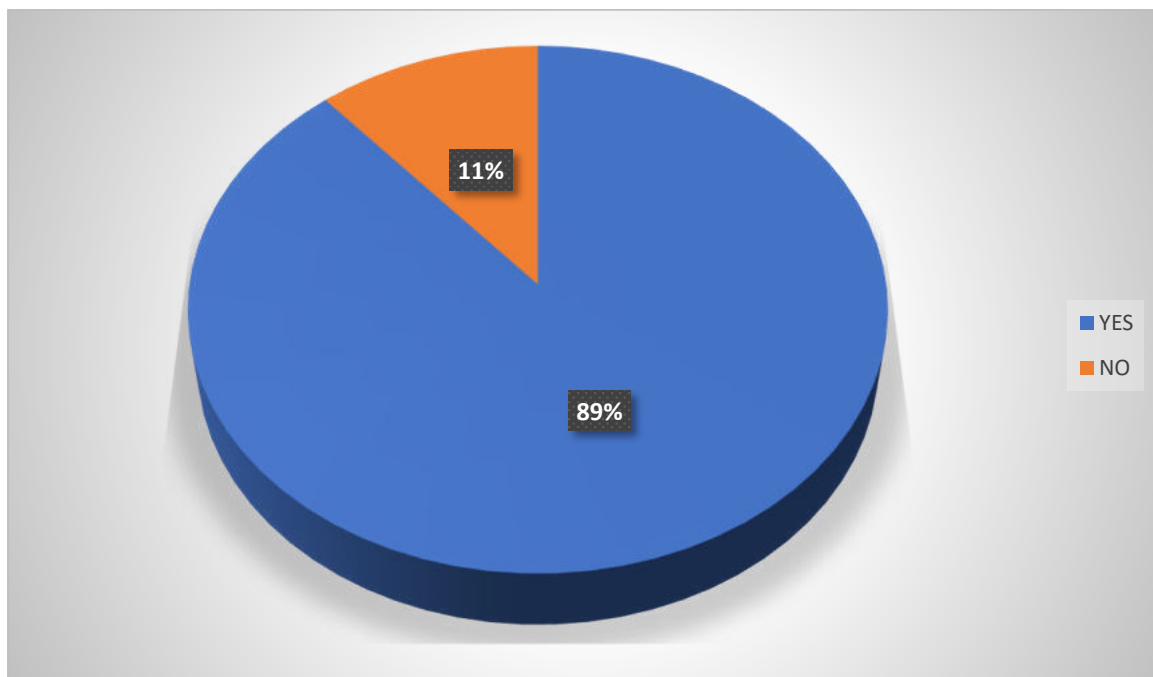
INTERPRETATION:

       Majority of employees agree with the statement that the appraisal helps them to change their behaviour positively.

Q.11 In your opinion performance appraisal system of your organization is related to which of the following?

| STATEMENT	NO. OF EMPLOYEES	PERCENTAGE
Retention of employees	15	71%
Recruitment system	2	9%
Organization culture	3	14%
Motivation	10	6%
TOTAL	**30**	**100%**
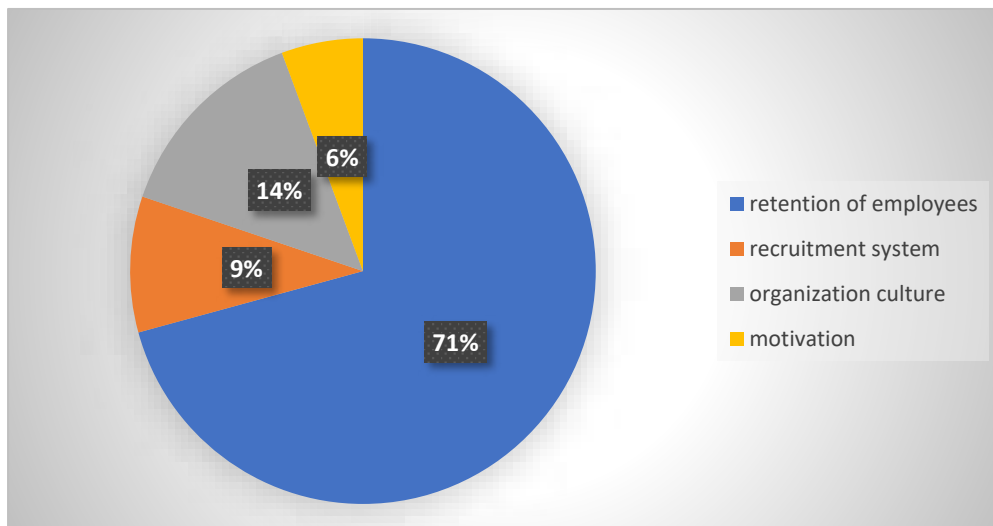
INTERPRETATION:

The result shoe that according to the employees the organisation does the appraisal for the retention of employees.

Q.12 After performance appraisal improvement in your performance?

STATEMENT	NO. OF EMPLOYEES	PERCENTAGE
10-20	5	50%
20-30	5	33%
30-Above	20	17%
TOTAL	**30**	**100%**
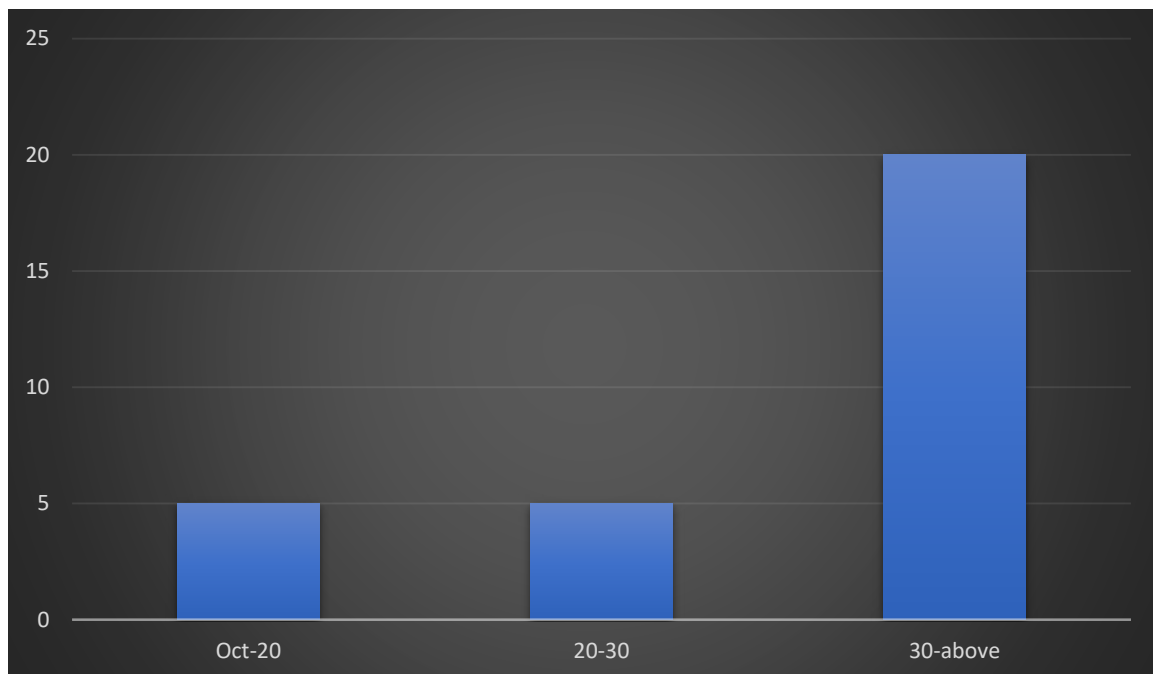
INTERPRETATION:

       According to the statistical results most of the employees believe that performance appraisal has improved their performance.

CONCLUSION
&
LIMITATION

CONCLUSION

According to the data collection and interpretation it is concluded that hypothesis has significantly accepted. Work performance of the employees enhance the productivity of the organization, which helps the employees to improve their tasks and to motivate them towards their work. According to data collection employees get better work environment so that they would not get tired soon and the tasks given to the employees helps them to reduce the burden. Alive tech services also put so much of efforts towards the increment of the employee's future potential and in the enhancement of their skills and knowledge.

Alive tech services also give different and entertaining incentives which motivates the employees as well as their peers. And different incentives policies make other employees to work more potentially so that also should get those incentives.

<u>LIMITATIONS</u>

- The data may not be true, because of personal bias.

- Time and money can be critical factors limiting this study.

- Too much convincing will be required for the data collection from the company visit.

- The results of the study will be confined to the present scenario of the market.

RECOMMENDATION

&

SUGGESTION

RECOMMENDATION & SUGGESTIONS

For every organization performance of the employees is very important and focusing regularly on their performance is very essential as performing the work in as organization is the backbone of any company. Alive tech services always focus on the performance of the employees and the demands the need of the employees so that employees can perform their work easily, effectively and efficiently.

1. Company should focus more on the employees who are freshers.

2. Regular training should be given according to the change in any technology or work

. 3. More focus on the employee's communication

. 4. Events and tasks should perform so that employees will not get rid of their work

. 5. Company should also focus to make environment better to make employees more concerned towards their work.

6. Seminars should be conducted by the company.

7. Different and new tasks should be given every day so that if they were not getting the training, then also they can be aware about the work.

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APPENDICES

QUESTIONNAIRE

"A DETAILED STUDY ON THE ROLE OF PERFORMANCE APPRAISAL SYSTEM ADOPTED BY ALIVE TECH SERVICES IN ORDER TO ASSESS ITS EFFECTIVENESS OF EMPLOYEES PERFORAMANCE".

Name:

Contact no:

Address:

1. In your opinion performance appraisal is?
   a) Evaluation of employees
   b) Promotion of employees
   c) Job satisfaction of employees
   d) Motivation

2. Which method of performance appraisal is implemented in the organisation?
   a) Merit
   b) Grading
   c) Others

3. Do you receive any increment in your salary after performance appraisal?
   a) Yes
   b) No

4. Do you think that performance appraisal helps to provide an atmosphere where all are encouraging to share one another burden?
   a) Yes
   b) No

5. Do you think performance appraisal helps people set and achieve meaningful goals?
   a) Yes
   b) No

6. Do you think performance appraisal give constructive criticism in a friendly and positive manner?
    a) Yes
    b) No

7. Do you think that performance of employees improves after process of performance appraisal?
    a) Yes
    b) No

8. Do you think performance appraisal improves motivation and job satisfaction?
    a) Yes
    b) No

9. Is the top-level management partial in performance appraisal?
    a) Yes
    b) No

10. Do you think performance appraisal helps to change behaviour of employees?
    a) Yes
    b) No

11. In your opinion performance appraisal system of your organization is related to which of the following?
    a) Retention of employees
    b) Recruitment system
    c) Organization culture
    d) Motivation

12. After performance appraisal improvement in your performance?
    a) 10-20
    b) 20-30
    c) 30- above