

# A Study On Performance Appraisal With Special Reference To Aadhav Industries

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## ABSTRACT

*Performance appraisals play a crucial role in shaping employee growth, motivation, and overall workplace satisfaction. At Aadhav Industries, Coimbatore, this study explores how employees perceive the fairness, transparency, and effectiveness of their appraisal system. Through employee feedback and statistical analysis, the study uncovers key strengths and areas for improvement in the current evaluation process. The findings reveal that while most employees find appraisals fair and helpful in setting goals, there are gaps in connecting performance evaluations to career development and training opportunities.*

*A deeper look at the data shows that employees in different job roles perceive the objectivity of appraisals differently, and there is a strong link between performance feedback and employee motivation. To create a more meaningful appraisal experience, the study suggests making the process more transparent, providing more frequent feedback, and ensuring that employees have access to skill development programs. By improving these areas, Aadhav Industries can foster a culture where employees feel valued, supported, and motivated to grow alongside the organization.*

**Keywords:** Performance appraisal, employee motivation, fairness, transparency, career development, feedback system, training opportunities, organizational growth, employee engagement, evaluation process.

## INTRODUCTION

Aadhav Industries, founded in 2017 and based in Idikarai, Coimbatore, is a growing name in the special-purpose machinery manufacturing sector. The company designs and builds customized, high-precision machines that help industries like textiles, automotive, food processing, packaging, pharmaceuticals, electronics, and construction improve efficiency and productivity. With a team of 150 skilled employees and an annual turnover of ₹50–60 crore, Aadhav Industries takes pride in its commitment to innovation, automation, and customer satisfaction. More than just a manufacturer, Aadhav Industries is a partner in progress, helping businesses enhance their operations with reliable, high-quality machinery.

## STATEMENT OF THE PROBLEM

Performance appraisals are designed to support employee growth, acknowledge their contributions, and ensure their work aligns with the organization's goals. However, many employees feel that the process is unclear, unfair, or disconnected from important outcomes like promotions, salary increases, and career development. Delayed feedback, lack of transparency, and limited opportunities for open discussions can make appraisals feel ineffective and demotivating. This study explores these challenges and offers practical solutions to create a fairer, more meaningful, and impactful appraisal process for everyone.

## REVIEW OF LITERATURE

- Moreira et al. (2024) investigated how employee perceptions contribute to enhancing performance evaluation systems. They found that neglecting organizational culture and social factors can lead to ineffective appraisals, emphasizing the need to bridge the gap between theory and practice to better understand organizational behaviour.
- Thomas et al. (2024) examined the role of performance appraisals in employee performance within deemed universities. Their study revealed that structured PA processes, including regular feedback and clear goal setting, positively influence employee motivation and performance. They highlighted the importance of aligning appraisal systems with employee development initiatives to foster career progression.
- Alsuwaidi et al. (2021) analyzed the impact of performance appraisals on employee motivation. Their comprehensive analysis revealed that well-structured appraisal systems could enhance motivation by providing clear expectations and recognition, thereby improving overall performance.
- Angonga and Florah (2019) provided a critical literature review on human resource management practices, ethical work climate, and employee ethical behavior. They emphasized the importance of ethical considerations in performance appraisals to ensure fairness and integrity in evaluations.
- Lunenburg (2011) discussed the goal-setting theory of motivation, highlighting how specific and challenging goals, coupled with appropriate feedback, contribute to higher employee performance. This theory underscores the importance of clear objectives in performance appraisals.

## OBJECTIVITY OF THE STUDY

- To understand how the performance appraisal system at Aadhav Industries impacts employees whether they see it as fair, transparent, and truly motivating for their growth and development.
- To identify challenges employees face during appraisals and suggest ways to improve the process, making it more meaningful, engaging, and aligned with both employee and company goals.

## RESEARCH METHODOLOGY

### 1. Research Design

This study follows a descriptive research design, meaning it focuses on understanding employee perceptions, experiences, and feedback rather than just numbers. A structured questionnaire was designed to capture honest insights from employees at different levels of the organization.

### 2. Sampling Design

- **Sampling Method:** Employees were selected using a random sampling method, ensuring fair representation across different departments and job roles.
- **Sample Size:** A total of 121 employees participated in the study, covering entry-level, mid-level, and senior-level positions to provide a well-rounded perspective.

### 3. Data Collection Methods

- a) Primary Data (Direct Employee Feedback)
- b) Secondary Data (Existing Information & Research)

## ANALYSIS

### I. PERCENTAGE ANALYSIS

### II. CHI- SQUARE TEST

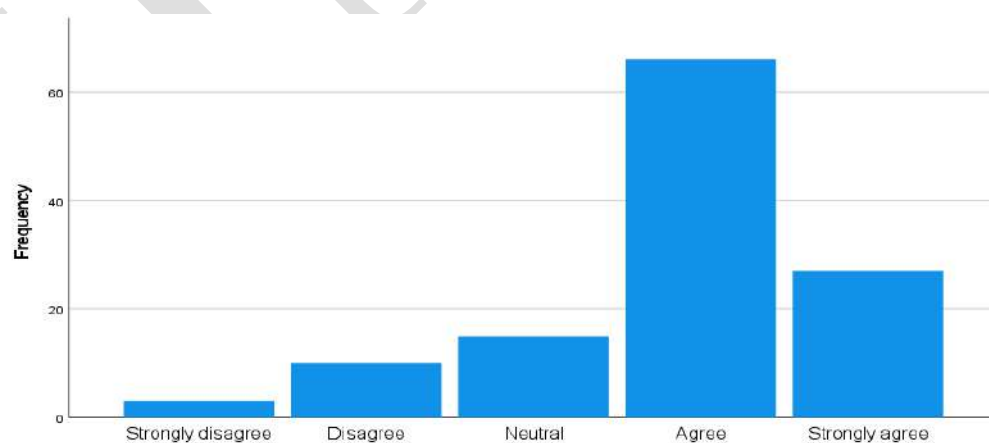
#### 1. TABLE SHOWING THE FAIRNESS OF PERFORMANCE APPRAISAL OF THE RESPONDENTS

Categories	No of response	Percent	Cumulative Percent
Strongly disagree	3	2.5	2.5
Disagree	10	8.3	10.7
Neutral	15	12.4	23.1
Agree	66	54.5	77.7
Strongly agree	27	22.3	100.0
Total	121	100.0	

## INTERPRETAION

Fairness of Performance Appraisal Most employees (76.8%) perceive the appraisal process as fair, with only 10.8% disagreeing. This indicates general confidence in the evaluation system, although continuous improvements can help address concerns from those who remain neutral or dissatisfied.

#### CHART SHOWING THE FAIRNESS OF PERFORMANCE APPRAISAL OF THE RESPONDENTS



## Gender

### II. CHI SQUARE TEST

	8. Do you believe that the performance appraisal process is fair?
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		Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Total
4. What is your gender?	Male	3	9	10	47	17	86
	Female	0	1	5	19	10	35
Total		3	10	15	66	27	121

Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	3.970	0.410
Likelihood Ratio	5.136	0.274
Linear-by-Linear Association	2.836	0.092
N of Valid Cases	121	

**Note:** 4 cells (40.0%) have an expected count less than 5. The minimum expected count is 0.87.

## INTREPREATION

The analysis reveals that the workforce consists of 71.1% male and 28.9% female employees, highlighting a gender gap. When it comes to the performance appraisal process, 76.7% of men and 82.8% of women believe it is fair. However, the chi-square test result ( $p = 0.410$ ) indicates no significant difference in perception based on gender. This suggests that fairness in appraisals is likely influenced more by factors such as transparency and communication rather than gender.

## CORRELATION

		Do you believe the performance appraisal process helps you identify areas for improvement?	Does the feedback provided during performance appraisals contribute to your professional growth and development?
14. Do you believe the performance appraisal process helps you identify areas for improvement?	Pearson Correlation	1	.689**
	Sig. (2-tailed)		.000
	N	121	121
15. Does the feedback provided during performance appraisals	Pearson Correlation	.689**	1
	Sig. (2-tailed)	.000	
	N	121	121

contribute to your professional growth and development?			
**. Correlation is significant at the 0.01 level (2-tailed).			

## INTERPRETATION

A strong positive correlation (0.689,  $p = 0.000$ ) suggests that employees who believe appraisals help them identify areas for improvement also see them as beneficial to their professional development. This means that when appraisals include constructive feedback on weaknesses and areas of growth, employees are more likely to perceive them as useful career development tools.

## SUGGESTIONS

To make the performance appraisal system at Aadhav Industries more effective, it is important to improve transparency by clearly defining evaluation criteria and communicating expectations to employees. Providing training sessions can help employees better understand how the appraisal process works and how it impacts their career growth. Regular feedback, rather than relying only on annual reviews, can help employees track their progress and make necessary improvements throughout the year. Encouraging gender diversity in hiring and leadership roles will foster a more inclusive and balanced workplace. Additionally, linking performance appraisals with career development opportunities, such as training programs and promotions, will keep employees motivated and engaged in their professional growth.

## CONCLUSION

At Aadhav Industries, most employees view the performance appraisal system as fair, but there is still room for improvement. To make the process more effective, the company can enhance transparency, communication, and career growth opportunities. Employees thrive when they understand how their performance is evaluated and how it connects to their professional development. This study highlights that fairness in appraisals is shaped more by clear communication and structured feedback than by gender differences. A strong appraisal system does more than just assess performance—it helps employees feel valued, motivated, and engaged. When employees receive meaningful feedback and see a clear link between their efforts and career progression, they become more committed to their work. By making appraisals more than just a formal review process and turning them into an opportunity for growth and guidance, Aadhav Industries can build a more positive and productive workplace. Moving forward, the company can introduce more frequent performance discussions, skill development programs, and employee-driven feedback mechanisms. When employees view appraisals as a supportive and developmental tool rather than just a performance check, it boosts morale and productivity.

## REFREANCE AND BIBLIOGRAPHY

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