

Awareness and Perception of Employees Towards Performance Appraisal Systems in the Industrial Sector of West Maharashtra: An Analytical Study

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Abstract: Employees get helpful feedback on how they're doing their jobs, and the process contributes to the overall development of the company via performance evaluation. By aligning business objectives with employee growth, it has the potential to be an effective tool for HR management. The purpose of this study is to examine the industrial sector of West Maharashtra and its employees' familiarity with and feelings towards performance assessment methodologies. The main data for the research came from a standardised questionnaire that staff members from different local firms filled out. The major objective of the study is to investigate the effects of existing assessment systems on inspiration and output, together with the extent to which employees feel these approaches are beneficial and equitable. The collected responses and hypotheses were evaluated using suitable statistical methods, including the Friedman Chi-Square test. The findings provide analytical insight into how workers in the industrial sector in West Maharashtra perceive performance evaluation procedures and how these processes contribute to better individual and organisational outcomes.

Keywords: Performance Appraisal System, Employee Awareness, Employee Perception, Industrial Sector, West Maharashtra, Employee Motivation, Manpower Management

INTRODUCTION

The performance evaluation is a commonly used technique in human resource management that involves comparing an employee's stated objectives to the actual work that they execute. It is vital for a variety of reasons, including but not limited to the following: delivering criticism, finding out what individuals need to improve, acknowledging excellent work, and bringing everyone's efforts in line with the company's goals [1]. When staff morale, productivity, and efficiency are all increased by a systematic system of performance evaluations. On the other side, employees may become unhappy, biased, and uninspired as a result of procedures that are carried out inadequately [2].

Significance of Performance Appraisal in the Industrial Sector

In the industrial sector, and especially in regions such as West Maharashtra, performance assessment systems are of great importance. This is due to the fact that enterprises in industries such as textiles, engineering, and manufacturing are always changing and contending with fierce competition. The total efficiency of the industries is directly influenced by the technical and operational obligations of the workers. As a consequence, their awareness of and perception of the evaluation procedures have a significant influence on both their own performance and the outcomes that the organisation achieves [3].

Awareness and Perception of Employees

The level of understanding that workers have about the aims, processes, and outcomes of the assessment system is referred to as "employee awareness." On the other hand, perception is associated with the degree to which employees believe that the system is fair, open, and practical [4]. Research has shown that the way in which employees perceive a process that is being evaluated has a beneficial influence on their motivation, their trust in the organisation, and their level of engagement in the business [5].

Context of West Maharashtra

Robust industrial infrastructure exists in western Maharashtra. Cities like as Sangli, Satara, Kolhapur, Pune, Nasik, Dhule and Nandurbar are located in this region. These areas are home to a varied array of businesses, ranging from those that are agriculture-based to those in the automotive and engineering industries. Management methods, characteristics of the workforce, and organisational culture all play a role in the implementation of performance rating systems in industrial contexts. It is possible for researchers and practitioners to reap benefits from a greater comprehension of this environment by means of an analysis of the awareness and perception of employees.

Research Gap and Rationale

The industrial workforce in the western region of Maharashtra has been subjected to less scrutiny than the performance evaluation systems of the corporate and service sectors, which have been the subject of a significant deal of research. The majority of current research has focused on the technical aspects of system design and has given very little consideration to the ways in which employees actually perceive these systems. This study makes a contribution to

the continuing conversation on effective management of workers in industrial settings by carrying out an analytical evaluation of the attitudes and awareness of employees, therefore filling this gap in information.

OBJECTIVES

1. To determine how well-informed workers in West Maharashtra's industrial sector are about the performance assessment system.
2. To examine workers' views on the system's efficacy and equity.

RESEARCH METHODOLOGY

The research strategy provides an in-depth explanation of the methodologies, procedures, and instruments used in this analytical investigation. The present document provides a full description of the hypothesis, the study's scale, the research instrument, the sample design, and the statistical processes.

Research Instrument

A structured questionnaire that was created with careful consideration was the primary instrument used for this investigation. The questionnaire was designed based on insights gained from interviews with managers and workers from a selection of industrial companies located in the western region of Maharashtra, as well as on a review of existing literature. It comprised sections that addressed themes such as knowledge and perceptions of the performance evaluation system, staff demographics, and other relevant issues [6].

Research Scale

To gauge staff opinions, we used a 5-point Likert scale, where:

- 5 = Strongly Agree
- 4 = Agree
- 3 = Neutral
- 2 = Disagree
- 1 = Strongly Disagree

This scale proved to be beneficial in that it provided an orderly and comparable method for evaluating the perceptions and awareness levels of employees.

Population and Sample Size

The population of the research consisted of all of the workers at certain industrial facilities located in the districts of Pune, Kolhapur, Satara, and Sangli in the western region of Maharashtra. In order to ensure that every individual was treated equitably, a simple random sampling process was used. A sample size of 124 workers was selected in order to ensure that a significant number of people categories and diverse sectors were represented [7].

Research Question

Do workers' understanding and opinions of the performance review methods used in West Maharashtra's industrial sector vary significantly from one another?

Null and Alternate Hypotheses

- **H0 (Null Hypothesis):** There is no significant difference in employees' awareness and perceptions towards performance appraisal systems in the industrial sector of West Maharashtra.
- **HA (Alternate Hypothesis):** There is a significant difference in employees' awareness and perceptions towards performance appraisal systems in the industrial sector of West Maharashtra.

Hypothesis Testing

The Friedman Chi-Square Test was used for the purpose of hypothesis testing. This test is particularly well suited to the examination of ordinal or ranked data that originates from Likert scales. The criterion of significance was determined to be at 5 percent ($\alpha = 0.05$).

Level of Significance

For this study, a significance criterion of 5% was determined to be an appropriate level to use. Therefore, the value of alpha that was selected was the critical value of 0.05.

Variables and Measurement

In order to evaluate their knowledge with and perceptions of their organization's performance review procedure, participants were asked to respond to a series of sixteen questions. Openness, the possibility for development, fairness, recognition, and clarity were some of these elements.

List of Employee Perceptions/Statements:

1. I understand the goals of my organization's performance review system.
2. I have received a clear explanation of the assessment system's goal.
3. I can better grasp what is required of me at work thanks to the assessment system.
4. My work duties complement my abilities and qualities.
5. I have enough freedom to carry out my duties effectively.
6. Employee performance is appropriately acknowledged and rewarded by the company.
7. I'm at ease giving my supervisor and team comments.
8. Fair and equal wage practices are guaranteed by the assessment system.
9. Acknowledgement and rewards are given in a timely and suitable manner.
10. Performance objectives are specific, attainable, and outcome-driven.
11. My work is often observed and evaluated.
12. Promotions and professional progress are based on performance results.
13. Opportunities for training and growth are offered to improve my abilities.
14. I am inspired to do better by the assessment system.
15. The evaluation procedure is open and objective.
16. My boss performs evaluations in a kind and helpful manner.

RESULT

Demographic Data of Respondents

Age, gender, and ethnicity were the three components of respondent demographic data that were taken into consideration for the study. Some of these determinants are the range of ages of the employees, the proportion of male to female employees, and the range of wages [8].

Table 1. The proportion of male to female responses

Gender	Number of Employees
Male Employees	86
Female Employees	38

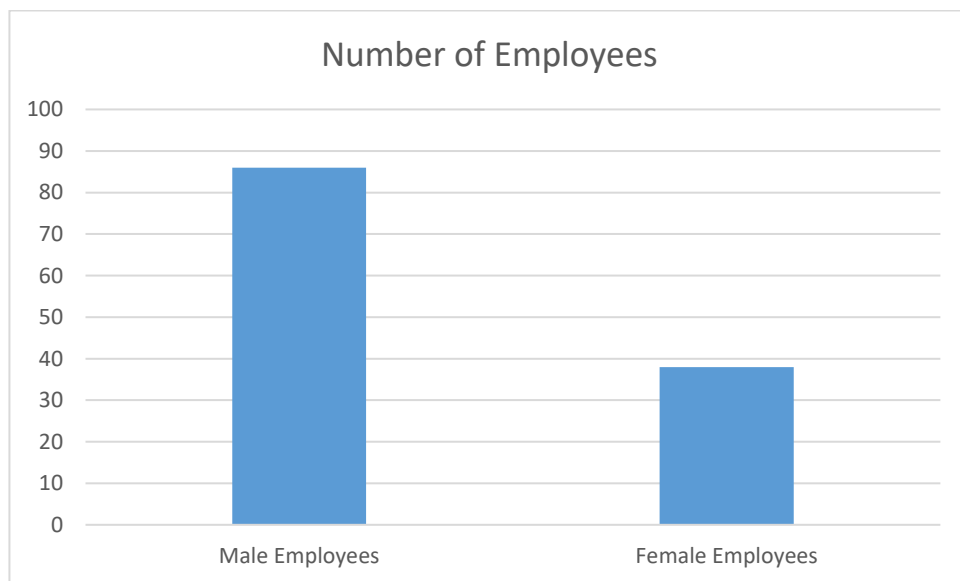


Figure 1. The proportion of male to female responses

There were 86 males and 38 women out of the 124 participants that participated in the survey [9]. The data indicates that males comprised around 69 percent of all of the individuals who responded, while females comprised approximately 31 percent. The figures indicate that the firm or division that was examined employs more than two times as many men as it does women. The majority of employees in the workforce are males, as seen by this.

Table 2. Respondents' ages

Age of Respondents (Years)	Number of Respondents
Less than 30	25
30–35	46
35–40	37
More than 40	16

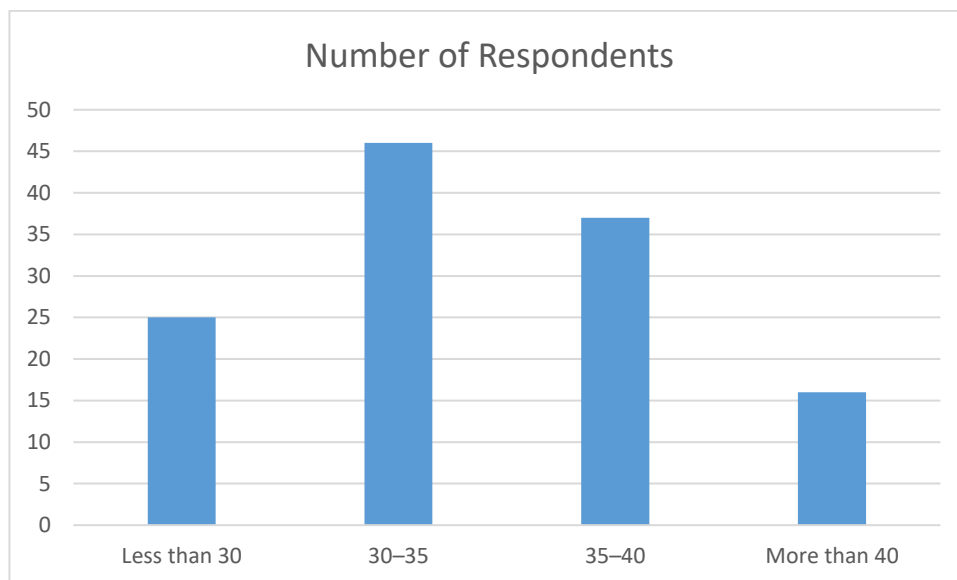


Figure 2. Respondents' ages

The statistics indicate that the majority of the participants—46 out of a total of 102—are within the 30-35 age range. The sample includes a substantial percentage of middle-aged individuals who are expected to have a great deal of competence in their areas of specialisation, as shown by the 37 respondents who fall into the 35- to 40-year-old age group [10,11]. The percentage of employees who are younger has gone down, with twenty-five of the replies being from those who are less than thirty years old. It is evident that the age group over 40 is significantly under-represented based on the fact that there were only 16 replies; this indicates that employees in their latter years constitute a very small proportion of the whole sample. The findings indicate that the workforce is composed of younger and middle-aged employees

overall, which might potentially have an impact on the dynamics of the workplace, levels of experience, and the ability to adapt to new technologies or practices.

Table 3. Respondents' salary range

Salary Range (INR)	Number of Respondents
Less than 30,000	32
30,000 to 50,000	67
More than 50,000	25

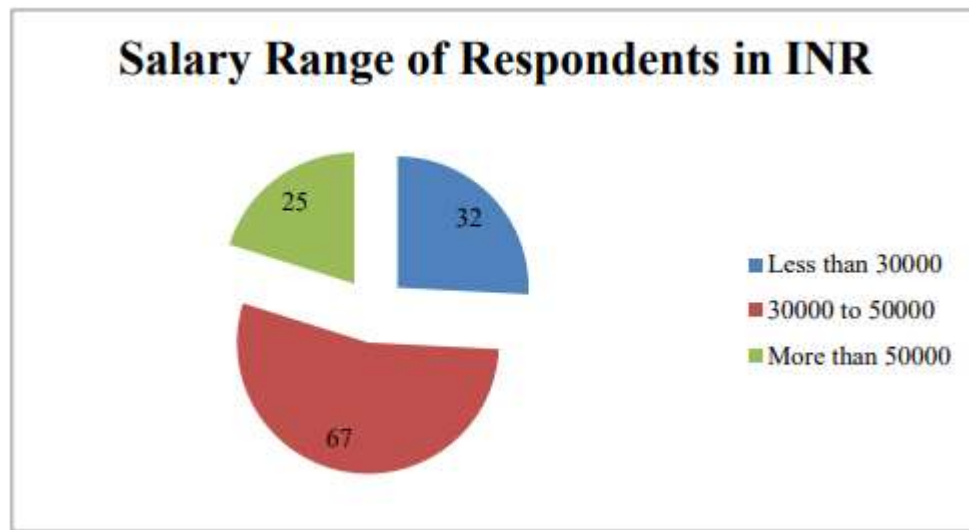


Figure 3. Respondents' salary range

The great majority of the respondents that were contacted, which is 67 out of 124 or 54.03 percent of the total, earned a salary that fell between 30,000 and 50,000 rupees per year. A lesser fraction (32 out of 124) earned less than 30,000 rupees per year. Of the whole number of individuals who responded, which was 124, only twenty-five—or 20.16 percent—indicated that they had a salary that exceeded 50,000 rupees.

TEST STATISTICS:

Table 4. Test Data Using Employee Perceptions of the Performance Appraisal System

N	124
Chi-square	1159.307
Degrees of Freedom (df)	15
Asymp. Sig. (p-value)	0.000

OBSERVATION:

$$\chi^2 (15) = 1159.307$$

$$p \text{ value} = 0.000$$

$$N = 124$$

In order to reject the null hypothesis, we must calculate a p-value that is less than the significance threshold of 0.05, which is 0.000. Consequently, it is established that employees assign varying degrees of importance to the multitude of factors included in the organization's performance appraisal system. We take a look at the rankings table [12–14] in order to determine where the difference lies.

Table 5. Employee Perceptions of the Performance Appraisal System Ranks Table

Employee perceptions of the organization's performance review system	Mean
1. I understand the goals of my organization's performance review system.	5.94
2. I have received a clear explanation of the assessment system's goal.	5.95
3. I can better grasp what is required of me at work thanks to the assessment system.	7.37
4. My work duties complement my abilities and qualities.	6.73
5. I have enough freedom to carry out my duties effectively.	9.10

6. Employee performance is appropriately acknowledged and rewarded by the company.	11.29
7. I'm at ease giving my supervisor and team comments.	9.80
8. Fair and equal wage practices are guaranteed by the assessment system.	12.57
9. Acknowledgement and rewards are given in a timely and suitable manner.	9.31
10. Performance objectives are specific, attainable, and outcome-driven.	4.42
11. My work is often observed and evaluated.	5.13
12. Promotions and professional progress are based on performance results.	5.32
13. Opportunities for training and growth are offered to improve my abilities.	12.83
14. I am inspired to do better by the assessment system.	3.69
15. The evaluation procedure is open and objective.	8.69
16. My boss performs evaluations in a kind and helpful manner.	6.53

The following claims are arranged from greatest to least importance: "Performance measurement is used as criteria for promotions" (mean rank: 12.83), "My salary is fair, equitable and competitive" (mean rank: 12.57), and "The company provides me a safe working environment" (mean rank: 11.29) [15–16]. As a result, it is reasonable to claim that the following are the three primary perspectives that workers have towards the organization's existing performance assessment system:

- Evaluations of performance are used as a basis for determining promotions.
- I get compensation that is just, reasonable, and impartial.
- Thirdly, my company guarantees that I will not be exposed to any risks in the working.

Although there are a variety of training and development programs that are offered to assist workers in refining their skills, the three individuals who hold the most pessimistic perspectives on the organization's existing performance assessment system are as follows:

- The goals for performance are realistic, concentrate on behaviours, and are centred on results.
- Regular assessments and observations of the performance are conducted.

CONCLUSION

The results of the hypothesis testing and observational data indicate that the majority of employees working in the industrial sector in West Maharashtra are knowledgeable about the present performance assessment procedure and are content with it. The assessment process is well-received by employees since it allows them to have a better understanding of their obligations and what the organisation expects of them. Furthermore, they voice their satisfaction with the working circumstances, job descriptions, and salary packages they now get. The flexibility that employees are given in their job descriptions and the support they get from their supervisors and colleagues are something that they appreciate very much. The findings indicate that the staff members saw enough opportunities for growth in their professional and personal life. According to the findings, the process of performance reviews is well-received and contributes to maintaining the motivation and engagement of employees at these manufacturing organisations.

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