

# The Effectiveness Of Employee Performance Appraisal System Of Manufacturing Enterprises In Konni, Pathanamthitta

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## ABSTRACT

In a country like India, where labor force is in abundance, a good performance appraisal system is needed which in turn helps to plan, assess the work done by the employees, analyze and to provide feedback which in turn becomes a great weapon to provide good training and also helps in providing the employees good career opportunities. Not only that, it also helps in improving their recognition in the respective fields and also helps the organization in strengthening their governance. This study focusses on the effectiveness of employee performance appraisal system of manufacturing enterprises in Konni, Pathanamthitta. The data has been collected from the employees working in different manufacturing enterprises in Konni, Kerala.

**Keywords:** Performance Appraisal, Employee Performance, Manufacturing Enterprises, Organizational Effectiveness, Human Resource Management, Workforce Evaluation, Goal Setting, Employee Development, Gender and Workplace, Good Governance.

## INTRODUCTION

Performance appraisal is also called as performance review which is the process of evaluating and analyzing an employee's performance formally and systematically. The main purpose of the appraisal is to provide feedback to the employees about their performance, to identify their strength and weakness, to set the goals for further improvement and to provide a base for decision making related to promotions, raises, and other job-related matters. It is basically structured and is conducted over a specified period of time with a focus on specific job-related competencies, skills and behaviors. The process may include the use of standardized scales for rating, self-assessments and to get feedback from superiors, peers and subordinates.

## STATEMENT OF THE PROBLEM

The performance appraisal system plays an important role in the success of the organization for evaluating the performance of an employee and which in turn helps in pointing out the loopholes that would help the various organizations in further improving the way in

which they handle the employees by considering them as a complete human by considering their strengths and weaknesses through the proper rating which would help the organization in finding out the best solution for solving their weakness. Thus, for this, the study has been conducted in the Konni, a taluk in Pathanamthitta district by considering the various employees working in different enterprises in Konni, Kerala.

## OBJECTIVES

The overall objective is to understand the effectiveness of performance appraisal on the employees.

1. To identify the system of performance appraisal used in the respective organizations where the employees work.
2. To study the effectiveness of recruitment, selection, placement, training and feedback provided.
3. To understand how it would help to plan work and set expectations.

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4. To understand how it would help the employees to improve their further performance.

5. To understand how it would help it setting a good governance.

**METHODOLOGY AND SAMPLING DESIGN**

The research is done scientifically using a descriptive design. Both the primary as well as the secondary data is used from various published sources of government departments and other from other secondary sources available. The primary data is collected from the employees, using a simple random sampling method.

A structured questionnaire is used in the study to collect, assess and to evaluate the data.

**TOOLS USED FOR DATA ANALYSIS**

The tools used for data analysis of the primary data is Arithmetic Mean, Standard Deviation and for testing the hypothesis, 2-tailed test and correlation is used.

**ANALYSIS AND INTERPRETATION**

The tools used for analysis of the data is Arithmetic Mean, Standard deviation and for the testing of the hypothesis, 2-tailed test and correlation is used.

**Table 1.1 Gender\* Marital Status Crosstabulation**

			MARITAL STATUS		Total
			SINGLE	MARRIED	
Gender	MALE	Count	14	15	29
	FEMALE	Count	3	18	21
Total		Count	17	33	50

From the above table, we can understand that, in the data collected from the sample size of 50, 29 are Males whereas 21 are Females. Amongst the Males, 14 are Single whereas 15 are Married. Amongst the Females, 3 are Single whereas 18 are Married.

**EXPLANATION OF THE MEANING OF THE VARIABLES:**

- Appraisal Method Clarity:** It means how an organization communicates and applies the different methods that are used for employee performance.
- Recruitment Process Fairness:** It means each and every employee of the organization must be given equal chance in all the aspects of the organization irrespective of their personal or professional background.
- Planning Work and Goal settings:** It means that the organization creates a well-structured roadmap as to how the goals of the organization must be achieved by allocating the time, people and other resources.
- Improving the Employee Performance:** It includes all those steps taken by the organization deliberately to help the employees do their work

better and to improve their efficiency so as to get better results.

- Good Governance:** It means that the organizations must deal with the public and organizational affairs in a the most fair and democratic way so that it could benefit all the members of the society as a whole.
- Productivity and Efficiency:** It mainly focuses on doing more work so as to achieve maximum output at a minimum cost.
- Communication Skills:** It mainly refers to the way of communicating information, ideas, processes and emotion among different individuals of the organizational so as to achieve the individual as well as the organizational goals.
- Interpersonal Skills:** It refers to the qualities and the abilities of an individual in an organization that helps them to openly communicate and build better relationships in the organization so as to foster growth and development.
- Punctuality:** It refers to the fundamental aspect in an organization that helps the employees to timely complete the tasks. Not only that it helps to bring professionalism and reliability.



**Table 1.2 T Test (Group Statistics)**

	GENDER	N	Mean	Std. Deviation	Two -tailed test
Appraisal process clarity	MALE	29	14.1724	3.93763	.451
	FEMALE	21	14.9524	3.02450	.432
Recruitment process fairness	MALE	29	14.7931	3.54944	.165
	FEMALE	21	16.0952	2.70009	.147
Planning work and goal settings	MALE	29	14.4828	3.44985	.300
	FEMALE	21	15.4762	3.10836	.293
Improving performance employee	MALE	29	13.7931	3.53936	.636
	FEMALE	21	14.2381	2.82674	.624
Good governance	MALE	29	13.9310	3.48395	.547
	FEMALE	21	14.5238	3.29574	.543
Productivity and efficiency	MALE	29	14.3448	3.08540	.738
	FEMALE	21	14.0476	3.07370	.738
Communication skills	MALE	29	13.0690	2.95116	.252
	FEMALE	21	14.0476	2.94068	.253
Inter personal skills	MALE	29	13.7241	2.80174	.048
	FEMALE	21	15.3810	3.26307	.043
Punctuality	MALE	29	13.6207	3.80238	.606
	FEMALE	21	14.1429	3.05427	.593

The following table describes the gender wise classification of the sample data where we can understand that the Males are 29 in number whereas the Females are 21 in number. For the variables Appraisal Clarity, Recruitment process fairness, Planning work and goal settings, Improving the employee performance, Good governance, Communication skills, Interpersonal skills and

Punctuality, the mean scores are the highest for the female employees which are 14.9524,16.0952,15.4762,14.2381,14.5238,14.0476, 15.3810 and 14.1429 respectively. Whereas for the variable Productivity and efficiency, the mean score is the highest for the male employees with a value 14.3448.

**Table 1.3 T Test (Group Statistics)**

	LEVEL	N	Mean	Std. Deviation	Two- tailed test
Appraisal process clarity	TOP	12	14.0000	3.60555	.451
	MIDDLE	38	14.9444	3.62138	.432
Recruitment process fairness	TOP	12	16.3333	2.30940	.165
	MIDDLE	38	14.5556	3.25797	.147
Planning work and goal settings	TOP	12	17.0000	2.64575	.300
	MIDDLE	38	15.7778	2.64699	.293

Improving employee performance	TOP	12	14.0000	2.64575	.636
	MIDDLE	38	14.0556	3.05772	.624
Good governance	TOP	12	12.0000	3.60555	.547
	MIDDLE	38	15.7778	3.26398	.543
Productivity and efficiency	TOP	12	13.6667	2.08167	.738
	MIDDLE	38	15.0000	3.27198	.738
Communication skills	TOP	12	10.3333	4.50925	.252
	MIDDLE	38	14.2778	3.06413	.253
Interpersonal skills	TOP	12	13.0000	2.00000	.046
	MIDDLE	38	15.1667	2.93558	.042
Punctuality	TOP	12	13.0000	1.73205	.606
	MIDDLE	38	14.9444	3.20794	.593

The following table describes the Level wise classification of the sample data where we can understand that the Top -level management consists of 12 employees whereas the Middle level consists of 38 employees. For the variables Appraisal method clarity, improving employee performance, Good governance, Productivity and efficiency, Communication skills, Interpersonal skills, Punctuality, the mean scores are the highest for the Middle level management which are 14.9444,14.0556,15.7778,15.0000, 14.2778,15.1667 and 14.9444 whereas for Recruitment process fairness, Planning work and goal settings, the mean scores are the highest for the Top- level management which are 16.3333 and 17.0000 respectively.

### TESTING OF THE HYPOTHESIS

In relation to the above data, the following hypothesis needs to be tested. Following are the hypothesis:

H0: There is no significant relationship between the study variables and the gender.

H1: There is a significant relationship between the study variables and the gender.

For comparing whether there is a significant difference or not, Two-tailed test is conducted and the Level of significance taken is 5% and the table values are compared with this 5%. According to the tables, the variable interpersonal skills is having a value lower than 5% for both the genders as well for both the levels of management, which means that the H0 hypothesis is rejected and the H1 hypothesis is accepted which in other words means that There is a significant relationship between the study variables and the gender.

**Table 1.4 Correlation Between Appraisal Method Clarity and Improving Employee Performance**

		Improving employee performance	Appraisal clarity
Improving employee performance	Pearson Correlation	1	.308*
	Sig. (2-tailed)		.029
	N	50	50
Appraisal clarity	Pearson Correlation	.308*	1
	Sig. (2-tailed)	.029	
	N	50	50

\*. Correlation is significant at the 0.05 level (2-tailed).

In relation to the collected data, we have to test whether there is any relationship between Appraisal method clarity and Improving the employee performance, the following hypothesis are formed:

H0: There is no relationship between Appraisal method clarity and Improving employee performance.

H1: There is a relationship between Appraisal Method clarity and Improving employee performance.

When the 2-tailed test is conducted, the values are compared with the Level of significance of 5%. If the table value is greater than 5%, then H1 is rejected and H0 is accepted and if the value is less than 5%, then H1 is accepted and H0 is rejected and from the table , we can conclude that the value from the 2-tailed test is 0.029 which means 2.9% which is less than 5% which means that H1 is accepted and H0 is rejected which in other words means that There is a relationship between Appraisal Method clarity and Improving employee performance.

**Table 1.5 Correlation Between Recruitment Process Fairness and Improving Employee Performance**

		Improving employee performance	Recruitment process fairness
Improving employee performance	Pearson Correlation	1	.276*
	Sig. (2-tailed)		.053
	N	50	50
Recruitment process fairness	Pearson Correlation	.276*	1
	Sig. (2-tailed)	.053	
	N	50	50

**\*. Correlation is significant at the 0.05 level (2-tailed).**

In relation to the collected data, we have to test whether there is any relationship between Recruitment process fairness and Improving employee performance, the following hypothesis are formed:

H0: There is no significant relationship between Recruitment process fairness and Improving employee performance

H1: There is a significant relationship between Recruitment process fairness and Improving employee performance

When the 2-tailed test is conducted, the values are compared with the Level of significance of 5%. If the table value is greater than 5%, then H1 is rejected and H0 is accepted and if the value is less than 5%, then H1 is accepted and H0 is rejected and from the table, we can conclude that the value from the 2-tailed test is 0.053 which means 5.3% which is greater than 5%. Thus, we can conclude that There is no significant relationship between Recruitment process fairness and Improving employee performance.

**FINDINGS OF THE STUDY**

1. Female employees scored higher than the Males in Appraisal clarity, Recruitment fairness, Planning, Performance improvement, Governance, Communication, Interpersonal skills and Punctuality.
2. Male employees scored slightly higher in Productivity and Efficiency.
3. Statistical hypothesis testing showed a significant relationship between gender and the study variables only in Interpersonal skills, indicating that Gender affects perceived Interpersonal skills.
4. A significant positive relationship was found was found between Appraisal method clarity and Improving employee performance, implying that clear Appraisal method help enhance employee performance.
5. No significant relationship was found between Recruitment process fairness and Improving employee performance.

6. The study highlighted the importance of structured performance appraisal systems for evaluating employees, identifying strengths and weaknesses, planning work and goals, improving performance and supporting good governance within the organization.

## SUGGESTIONS

1. Organizations should ensure clarity in the Appraisal methods used and communicate these methods clearly to employees, as this clarity positively impacts Improving employee performance.
2. Equal fairness should be maintained in the recruitment process, though the study found no significant direct effect of recruitment fairness on employee performance improvement.
3. Planning work and setting clear goals help create a structured roadmap for achieving organizational objectives, which supports employee performance enhancement.
4. Performance appraisal should focus on identifying employee strengths and weaknesses through proper rating systems to help plan training and career development.
5. Emphasis should be placed on improving Interpersonal and communication skills, as they show significant relationships with appraisal effectiveness.
6. Organizations should foster Punctuality and productivity culture within to enhance professionalism and reliability.

## CONCLUSION

The conclusion of the study on The Effectiveness of Employee Performance Appraisal system of

Manufacturing enterprises in Konni, Pathanamthitta is that structured, clear and well communicated appraisal system significantly support employee performance improvement, especially when employees understand how their performance is evaluated and what is expected of them. The research found that clear appraisal methods are directly linked to enhancing employee performance, while recruitment process fairness did not show a significant direct effect on performance improvement. Female employees generally scored higher in most appraisal dimensions except productivity and efficiency, where males had a slight lead. Additionally, gender was significantly related to perceptions of interpersonal skills. The study emphasizes the importance of clarity in appraisal methods, structured goal setting, and the development of interpersonal and communication skills for both organizational effectiveness and employee growth.

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