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ijmrset@gmail.com



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A Study on Impact of Performance Appraisal on Employees Performance Enhancement with Special Reference to Hero Motocorp

Rahul Kumar Ram, Dr. Yerragola Prakash,

MBA Student, NIMS School of Business Studies, NIMS University, Jaipur, Rajasthan, India

Associate Professor, NIMS School of Business Studies, NIMS University, Jaipur, Rajasthan, India

ABSTRACT: This research delves into the correlation between performance appraisal and employee performance enhancement, specifically focusing on Hero MotoCorp. Through a thorough examination of literature and empirical investigation, the study aims to elucidate the mechanisms by which performance appraisal practices impact employee performance outcomes. Employing a mixed-methods approach encompassing surveys and interviews, it endeavours to evaluate the efficacy of existing performance appraisal systems within Hero MotoCorp and propose actionable recommendations for refinement. The insights garnered from this study are poised to enrich our understanding of how performance appraisal can be strategically employed to augment employee performance and drive organizational excellence in the automotive sector.

KEYWORDS: Performance appraisal, Employee performance enhancement, Hero MotoCorp, Automotive industry, Organizational success, Literature review, Empirical analysis, Mixed-methods approach, Surveys, Interviews.

I. INTRODUCTION

Performance appraisal, a fundamental practice in human resource management, plays a pivotal role in evaluating and enhancing employee performance within organizations. Originating in the early 20th century, performance appraisal has evolved significantly, transitioning from a mere assessment tool to a strategic mechanism for driving employee development and organizational success. Within the automotive industry, where competition is fierce and innovation is paramount, the effectiveness of performance appraisal systems holds particular significance. In this context, the present study endeavours to explore the impact of performance appraisal on employee performance enhancement, with a specific focus on Hero MotoCorp.

Background

Hero MotoCorp, one of the world's largest manufacturers of two-wheelers, operates in a highly dynamic and competitive market environment. In such an industry, where technological advancements and customer demands constantly evolve, the performance of employees directly influences the company's ability to innovate, produce high-quality products, and maintain market leadership. Recognizing the critical role of performance appraisal in driving employee engagement, motivation, and productivity, Hero MotoCorp has implemented various appraisal systems over the years. However, the effectiveness of these systems in enhancing employee performance and aligning with organizational objectives warrants empirical investigation.

Problem Statement:

Despite the widespread adoption of performance appraisal practices, there remains a gap in understanding their true impact on employee performance enhancement within Hero MotoCorp. Challenges may arise from discrepancies between intended objectives and actual outcomes of performance appraisal systems, potentially leading to employee dissatisfaction, decreased morale, and suboptimal organizational performance. Therefore, there is a pressing need to assess the efficacy of existing performance appraisal mechanisms within Hero MotoCorp and identify areas for improvement.

Significance of the Study:

This research holds significant implications for both theory and practice in the field of human resource management, particularly within the automotive industry. By uncovering the nuances of performance appraisal and its influence on employee performance enhancement, the study aims to provide actionable insights for organizational leaders and HR



practitioners at Hero MotoCorp and beyond. Additionally, the findings of this research can contribute to the broader body of knowledge surrounding performance management strategies in dynamic and competitive business environments. Ultimately, enhancing our understanding of performance appraisal effectiveness can facilitate the development of tailored approaches to talent management, thereby fostering organizational resilience and competitiveness.

Objective

1. To identify the technique of Performance Appraisal Followed in “HERO MOTO CORP”.
2. To study how the Performance of the Employees is improved and enhanced through Performance Appraisal for the welfare of the Employees as well as the organization.
3. To study the Employees perception towards Performance Appraisal Technique followed in HERO MOTO CORP”.
4. To study whether the employees are satisfied with the current Performance Appraisal of their organization.

II. LITERATURE REVIEW

S. Gupta (2024) in his analysis, *Assessing the Impact of 360-Degree Performance Appraisal on Employee Engagement and Motivation*, investigates previous research concerning the effects of 360-degree performance appraisal systems on employee engagement and motivation. It examines various studies that explore how this comprehensive feedback approach, involving feedback from multiple sources such as supervisors, peers, and subordinates, influences employees' level of engagement and motivation at work. Additionally, the review discusses the potential benefits and challenges associated with implementing 360-degree feedback systems in organizations, considering factors such as transparency, trust, and the quality of feedback provided.

N. Desai (2024) in his analysis *An Empirical Analysis of the Link Between Performance Appraisal Systems and Employee Turnover: Evidence from Indian Service Sector* investigates previous studies on how performance appraisal systems influence employee turnover in the Indian service sector. It explores various research findings that highlight the relationship between performance appraisal practices, such as feedback quality, goal setting, and recognition, and employee turnover rates. Additionally, the review examines factors that mediate or moderate this relationship, such as job satisfaction, organizational commitment, and perceived fairness of performance evaluations.

R. Verma (2024) in his analysis *Assessing the Link Between Performance Appraisal and Employee Job Crafting: Evidence from Indian Startup Culture*, examines previous research on the connection between performance appraisal practices and employee job crafting behaviours in the context of Indian startup culture. It explores studies that analyse how performance appraisal methods, such as feedback quality, goal alignment, and recognition, influence employees' proactivity in shaping their job roles, tasks, and interactions to better fit their skills, interests, and preferences. Additionally, the review delves into the role of organizational factors, such as autonomy, flexibility, and entrepreneurial culture, in facilitating or inhibiting employee job crafting behaviours.

R. Sharma (2024) in his analysis *Exploring the Relationship Between Performance Appraisal Criteria and Employee Creativity: A Study in Indian IT Start-ups*, investigates previous research on how performance appraisal criteria affect employee creativity in Indian IT start-ups. It examines studies that analyze the relationship between appraisal criteria, such as goal clarity, autonomy, and recognition of innovative efforts, and employees' ability and willingness to generate creative ideas and solutions. Additionally, the review explores factors that may mediate or moderate this relationship, such as organizational culture, leadership support, and job design.

A. Mishra (2024) in his analysis *The Influence of Supervisor Feedback Styles on Employee Performance: A Comparative Study in Indian Public and Private Sectors* examines previous research on how different feedback styles adopted by supervisor's impact employee performance in both public and private sectors in India. It explores studies that investigate various feedback styles, such as constructive feedback, praise, and criticism, and their effects on employee motivation, job satisfaction, and performance outcomes. Additionally, the review discusses the differences in feedback practices between public and private sector organizations and their implications for employee performance.

III. RESEARCH METHODOLOGY

The research aims to comprehensively examine the impact of performance appraisal systems on employee performance enhancement within the context of Hero MotoCorp, a prominent player in the automotive industry. The methodology



will be tailored to investigate the effectiveness of performance appraisal practices in improving employee performance, productivity, and overall organizational outcomes.

Data Collection:

Primary Data: Primary data collection will involve direct engagement with employees of Hero MotoCorp through structured interviews and surveys. These methods will facilitate the acquisition of first hand insights into employee perceptions, experiences, and attitudes towards performance appraisal systems.

Secondary Data: Secondary data will be sourced from existing literature, including academic journals, industry reports, and company documents. This secondary data will provide valuable insights and analyses previously conducted by researchers and practitioners in the field of performance management.

Sample Size: The study will target a sample size of 80 employees from various departments and hierarchical levels within Hero MotoCorp. This sample size is chosen to ensure diversity and representativeness, enabling a robust analysis of the impact of performance appraisal on employee performance enhancement.

Analysis Technique:

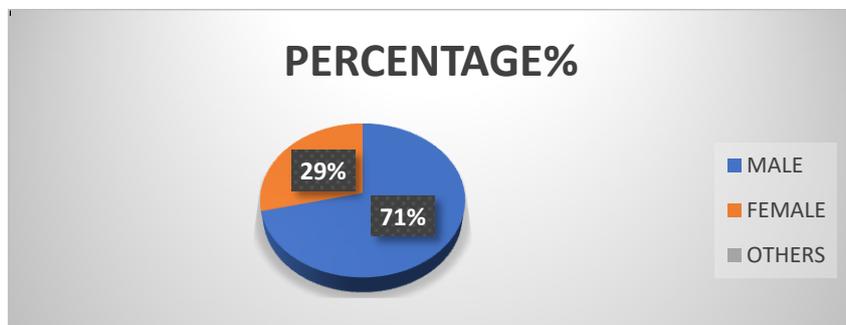
Random Sampling and Survey Method: Random sampling techniques will be employed to select participants from the target population, ensuring unbiased representation. Surveys will serve as the primary data collection tool, allowing for systematic gathering of quantitative and qualitative information on employee perceptions of performance appraisal and its impact on performance enhancement.

Conclusion: Through the integration of primary and secondary data collection methods, as well as quantitative and qualitative analysis techniques, this research methodology aims to provide a comprehensive understanding of the impact of performance appraisal on employee performance enhancement at Hero MotoCorp.

IV. DATA ANALYSIS AND INTERPRETATION

Gender:

GENDER	NO. OF RESPONDENTS	PERCENTAGE%
Male	57	71.25
Female	23	28.75
Others		



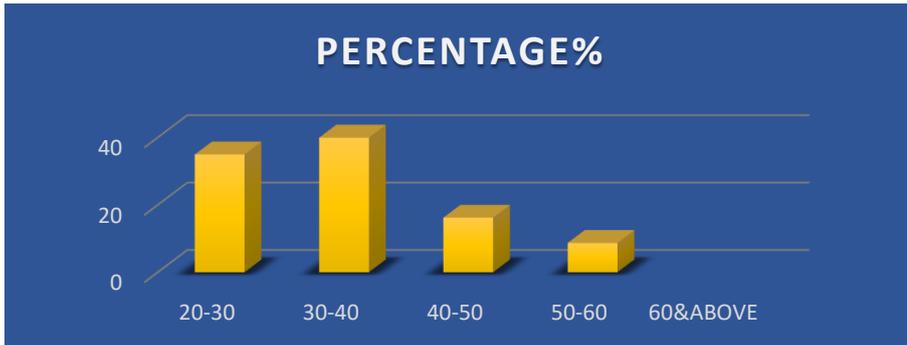
INTERPRETATION

The above table and pie diagram shows that the Gender respondents, 71% of the respondents are Male and 29% of the respondents are female. The majority (71%) of the respondents are male.

Age:



AGE	NO. OF RESPONDENTS	PERCENTAGE%
20-30	28	35
30-40	32	40
40-50	13	16.25
50-60	7	8.75
60&ABOVE		

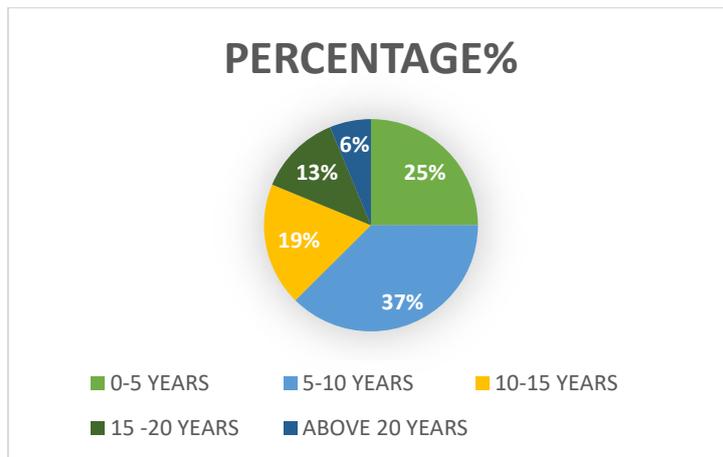


INTERPRETATION

The above table and bar diagram shows that the Age group of respondents, it reveals that 35% of the respondents are at the Age group of 20-30 years, and 40% of them are at the Age group of 30-40 years, and 16.25% of them are under the Age group of 40-50 years, and remaining 8.7% of them the under the Age of 50-60 years. The majority (35%) of the respondents are the Age group of 20-30 years.

Work Experience:

WORK EXPERIENCE	NO. OF RESPONDENTS	PERCENTAGE%
0-5 YEARS	20	25
5-10 YEARS	30	37.5
10-15 YEARS	15	18.75
15 -20 YEARS	10	12.5
ABOVE 20 YEARS	5	6.25



INTERPRETATION

The above table and bar diagram shows that the work experience of respondents, it reveals that 25% of the respondents are at the Age group of 0-5 years, and 37.5% of them are at the Age group of 5-10 years, and 18.75% of them are under the Age group of 10-15 years, and 12.5% of them are under the Age group of 15-20 years and remaining 6.25% of them the under the Age of above 20 years. The majority (37.5%) of the respondents are the Age group of 5-10 years.



Performance Appraisal system in organization:

VARIABLES (5 to 1)	NO. OF RESPONDENTS	PERCENTAGE
Strongly Agree	55	68.75
Agree	10	12.5
Neutral	5	6.25
Disagree	5	6.25
Strongly Disagree	5	6.25



INTERPRETATION

The majority of respondents (68.75%) strongly agree with the effectiveness of the organization's Performance Appraisal system. Additionally, a smaller percentage (12.5%) simply agree with this statement. There's a minor proportion who remain neutral (6.25%), indicating they neither agree nor disagree, and another 6.25% who disagree with the system's effectiveness. Finally, 6.25% strongly disagree with the effectiveness of the Performance Appraisal system.

V. FINDINGS

The demographic analysis reveals a predominantly male workforce, with individuals in their 30s comprising the largest segment. The distribution of work experience indicates a relatively young workforce, with a significant proportion falling within the mid-level experience range of 5-10 years. Organizational practices reflect a widespread adoption of performance appraisal systems, with monthly evaluations being the norm across all sampled organizations. Perceptions of performance appraisal are largely positive, with a majority of respondents expressing satisfaction with its effectiveness and its role in facilitating employee improvement and career growth opportunities. However, concerns about favoritism and skepticism regarding the link between appraisal outcomes and promotions highlight areas for potential improvement in ensuring fairness and transparency within the appraisal process. Overall, the findings suggest a generally positive perception of performance appraisal systems among employees, with a high level of satisfaction regarding their organization's current practices. However, the presence of concerns related to favoritism and promotion decisions underscores the need for organizations to address issues of fairness and transparency in performance evaluation processes. Moving forward, efforts to enhance the objectivity and fairness of performance appraisals could contribute to further improving employee satisfaction and overall organizational effectiveness.

VI. SUGGESTIONS

1. Performance Appraisal should be done on a continuous basis.
2. Through Performance Appraisal, Regular employee’s feedback should be provided.
3. Build a culture that values Feedback.
4. Multiple Raters must be present during Performance Appraisal. This will eliminate the Biasness of the Rater.



5. Reward should be given to the accurate Appraisers.
6. Overtime should be taken care of at the time of Performance Appraisal. This will motivate the employees to perform better for longer hours.

VII. CONCLUSION

Performance Appraisal is not only an evaluation process of a person's Performance with reward / punishment as an outcome of it. Rather, it is a process to improve the performance of an individual to meet the overall organizational goal. Performance Appraisal are essential for the growth of a company and the Employees. Companies use Performance Appraisal to give Employees feedback on their work. An Employee gets benefited through Performance Appraisal as they gain a better understanding of their role. A Manager or Supervisor or Team Leader gets benefited as they can identify any potential difficulties and weakness through Performance Appraisal. An organization gets benefited as Performance Appraisal provides information on which the decisions about promotion and motivation are made.

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