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A STUDY ON PERFORMANCE APPRAISAL IN HONDA MOTORS

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Abstract

Employee assessments, merit scores, and performance evaluations are various names for the same thing. It's a method for systematically comparing an employee's actual output with predetermined goals. The degree to which one performs their duties and lives up to the standards set by their employer is a good indicator of their success. The notion that evaluating an employee's performance can lead to improved productivity is not novel.

It predates recorded history by an infinite amount of time. One's motivation increases after they learn their true performance and accept responsibility for their past slip-ups. Depending on the circumstances, performance reviews might be conducted monthly or annually. Typically, a worker's immediate supervisor conducts these evaluations.

Annual performance reviews are quite standard, however they have been criticized for their perceived lack of actionable criticism. Even proponents of performance reviews have been accused of doing more harm than good. This section of the principle-agent paradigm discusses the two-way communication between the employer and worker, as well as the immediate impact and response to a performance assessment. Employees might be evaluated on their performance through a review, a rating, or a merit system. It's a method for systematically comparing an employee's actual output with predetermined goals.

Keywords: Employee assessments, merit scores, and performance evaluations.

Introduction

The degree to which one performs their duties and lives up to the standards set by their employer is a good indicator of their success.

Formal reviews, in the minds of humans, have always led to better performance on the job. People are more motivated after they find out how they actually did and recognize where they went wrong. Depending on the circumstances, performance reviews might be conducted monthly or annually.

Almost any company would have some sort of evaluation system in place. The practice of assessing employees based on their performance dates back to the dawn of management and is still widely used today.

Finding out how an employee performs in regard to their work and how it fits into the firm is the primary purpose of a performance evaluation. When everyone in a corporation knows their place, it's better for everyone. The performance evaluation process ensures that the appraiser and the appraised are on the same page with regards to goals and objectives. It's a handy gadget for creating a comfortable working environment.

Any good management strategy should aim to foster an environment where employees and

stakeholders are happy and successful. All of these objectives can be achieved directly or indirectly through the use of a performance evaluation tool. It improves the working relationship between management and staff. The employee's abilities, character, and performance are all laid bare for all to see. The process by which the group and its members intend to achieve their aim is ongoing.

Definition:

Managers and direct supervisors use performance evaluations to assess their employees' character and behaviour in relation to predetermined standards. Annual reviews, merit ratings, and performance reviews are all examples of performance appraisal tools used by businesses. The method is used to assess an employee's personality, skill set, and overall level of competence so that both the individual and the firm can benefit from future growth and development. Its purpose is to ascertain an employee's worth to the business.

Managers and supervisors can use performance evaluation to ensure each employee is working at their optimal level.

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Without a question, effective performance evaluations are a necessity for any company. Managers and executives evaluate staff in a variety of ways, weighing objective and subjective factors. Despite the difficulty, both are necessary for a fair assessment of a worker.

Scope of the study:

The study was done to understand the performance system at Honda Motors. The study mainly concentrates on how the company helps in improving feedback to employees so that they come to know where they stand and can also improve their job performance.

Objectives of the study:

- To Study the concept of Performance Appraisal in Honda Motor's.
- To know the various Performance Appraisal methods used in the organization.
- To study the effective feedback shared among the employees.
- To know the employee satisfaction levels towards existing Performance Appraisal method.
- To provide suitable suggestions to the company.

Review of literature:

- **Aggarwal, Ashima, and Gour Sundar Mitra Thakur** Employee's appraisal system may be considered one of the indicators of the quality of Human Resource Management in an organization. Properly designed and realized process of employees' appraisal is not only the necessary basis of successful employee performance management, but also provides valuable information for other human resource management functions. Performance Appraisal is important because it helps in Performance Feedback, Employee Training and Development Decisions, Validation of Selection process, Promotions & Transfers, Layoff Decisions, Compensation Decisions, Human Resource Planning (HRP),

Career Development and Develop Interpersonal Relationship.

- **Ashima Aggarwal, Gour Sundar Mitra Thakur** performed a review of performance appraisal methods Ranking, Graphic Rating Scale, Critical Incident, Narrative Essays, Management By Objectives, Assessment Centers, BARS, 360 Degree, and 720 Degree are some of the performance appraisal approaches discussed, as well as their benefits and drawbacks. The traditional method of performance appraisal or the modern method of performance appraisal are used by the organisations. Organizations utilise a performance appraisal system to assess the efficacy and efficiency of their personnel. Because each individual approaches their task differently, a performance appraisal system is required. Workplace performance, communication objectives, estimating employee potential, and employee counselling are all benefits of performance appraisal.
- **Igen, Daniel R., and Jack M. Feldman** performance appraisal research from issues related to the development of psychometrically sound rating scales to those involving the cognitive processes of raters. Since that time, several reviews have attempted to translate principles from social cognition and cognitive psychology to the specific conditions of formal appraisal systems in work-oriented organizations. In addition, a number of empirical studies have been conducted on this topic. This article reviews empirical research during the 1980s that focused on performance appraisal processes, particularly the research that has focused upon rating accuracy. The review is structured around a three-stage process model of gathering, storing, and retrieving information about social stimuli for the purposes of rating performance.
- **Bernardin, H. John, and Michael Wiatrowski** Performance appraisal is used in organizations for carrying out different purposes likewise, to promote employee performance and productivity (Ikramullah, Shah, Khan, Hassan, & Zaman, 2012), improve employees to

develop their abilities and also to improve those weak areas of employees that has negative scores (Katou & Budhwar, 2010). According to Boswell and Boudreau (2000) postulated that performance appraisal system is meant for administrative purposes i.e. salary, promotion, termination and layoff and also for developmental purposes i.e. training of employees, providing employee with continuous performance feedback and establishing employees strengths and weakness.

Research methodology:

It's possible that the researcher won't acquire any useful data or information from the staff if they don't employ the research procedure. Scientific method is a systematic approach to resolving issues.

SOURCE OF DATA:

Both primary and secondary sources were used to compile the data for this analysis.

Primary Data:

Surveys containing a total of 15 questions are used to collect the primary data. The surveys were selected due to their credibility and convenience. The questions must have straightforward solutions.

The significance of the study is emphasized, and respondents are thereafter urged to be candid in their responses.

Secondary Data:

Secondary statistics are compiled using documents from the HR division. Books, reports, notebooks, and workplace instructions are some of the materials stored.

SAMPLING PROCESS:

Sample Unit:

The universe of this investigation consists of managers and employees at HONDA MOTORS in Hyderabad. A fragment of it was used as a study sample not too long ago. HONDA MOTORS Ltd. employees from Hyderabad, such as JGMS, AGMS, the manager, and others.

Sample Size:

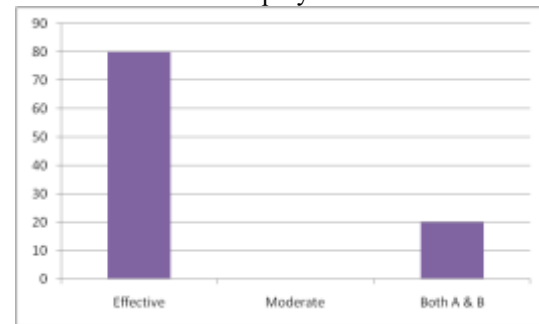
One hundred people who work at HONDA MOTORS in Hyderabad are included in the sample. There are a total of 100 employees, including 40 directors and 60 managers.

Empirical Results

1. In your opinion an employee should be?

S.no	Options	No. of Respondents	Percentage
1	Effective	80	80%
2	Moderate	0	0%
3	Both A & B	20	20%
Total		100	100%

Table 1: Represents Analysis of opinion an employee



Graph 1: Represents Analysis of opinion an employee

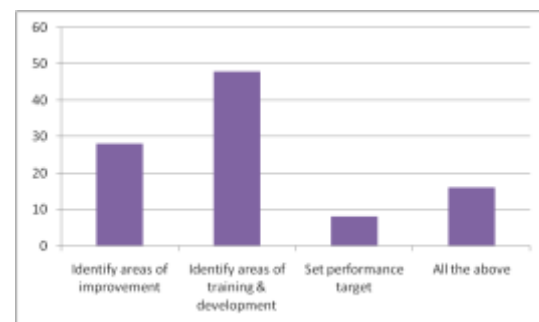
INTERPRETATION:

Eighty percent of workers believe that an employee's primary goal should be to be productive, while twenty percent hold that it is as important to be moderately successful.

2. Performance appraisal rating is used to?

S.no	Options	No. of Respondents	Percentage
1	Identify areas of improvement	28	28%
2	Identify areas of training & development	48	48%
3	Set performance target	8	8%
4	All the above	16	16%
Total		100	100%

Table 2: Represents Analysis of Performance appraisal rating



Graph 2: Represents Analysis of Performance appraisal rating

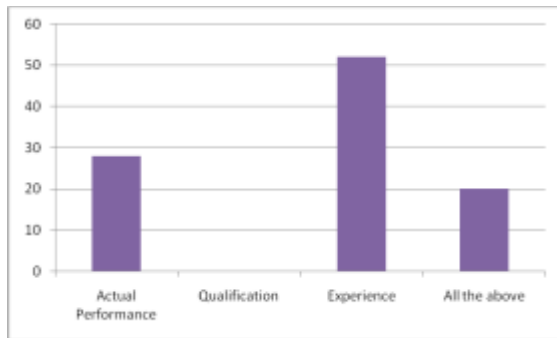
INTERPRETATION:

Results showed that 28% of respondents found opportunities to improve, 48% found training and development needs, 8% were able to set performance targets, and 16% found all three to be beneficial. Therefore, we can conclude that PA is beneficial to some extent for the workforce.

3. In your experience the outstanding Performance of an employee is due to?

S.no	Options	No. of Respondents	Percentage
1	Actual Performance	28	28%
2	Qualification	0	0%
3	Experience	52	52%
4	All the above	20	20%
Total		100	100%

Table 3: Represents Analysis of outstanding Performance of an employee



Graph 3: Represents Analysis of outstanding Performance of an employee

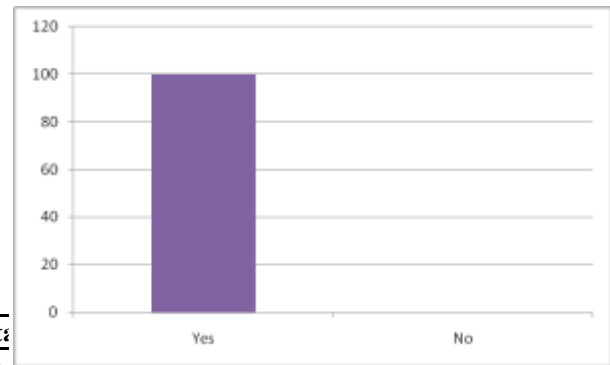
INTERPRETATION:

The data in the preceding table shows that actual performance accounts for 28% of the 20%, while experience accounts for the remaining 52%.

4. Do you think performance appraisal is needed in a company?

S.no	Options	No. of Respondents	Percentage
1	Yes	100	100%
2	No	0	0%
Total		100	100%

Table 4 : Represents Analysis of performance appraisal is needed in a company



Graph 4 : Represents Analysis of performance appraisal is needed in a company

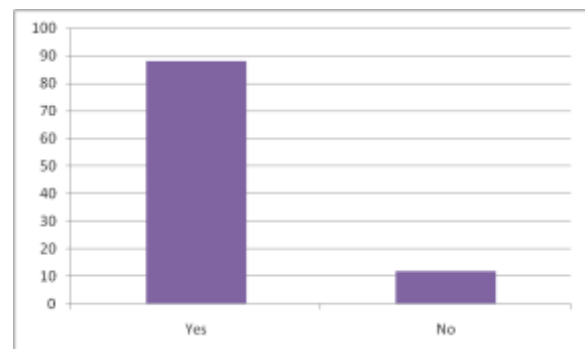
INTERPRETATION:

In every case, yes may be seen in the aforementioned table.

5. Do you think that a good workman gets motivated with frequent Performance Appraisal? Is conducted?

S.no	Options	No. of Respondents	Percentage
1	Yes	88	88%
2	No	12	12%
Total		100	100%

Table 5 : Represents Analysis of workman gets motivated with frequent Performance Appraisal



Graph 5 : Represents Analysis of workman gets motivated with frequent Performance Appraisal

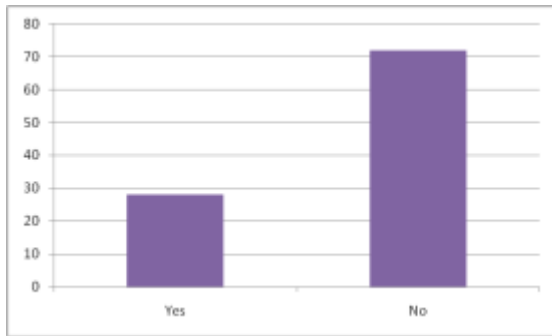
INTERPRETATION:

The answer is yes 88% of the time based on our historical knowledge, and no 12% of the time.

6. Employees are aware of 360-degree appraisal?

S.no	Options	No. of Respondents	Percentage
1	Yes	28	28%
2	No	72	72%
Total		100	100%

Table 6 : Represents Analysis of 360-degree appraisal



Graph 6 : Represents Analysis of 360-degree appraisal

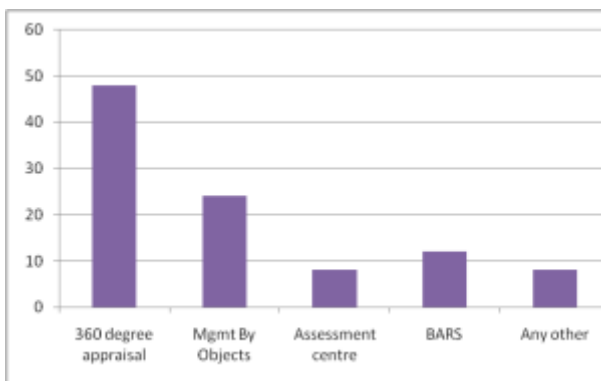
INTERPRETATION

As can be seen in the table above, just 28% of respondents agreed with the statement.

7. Which method you are using for evaluating Performance?

S.no	Options	No. of Respondents	Percentage
1	360 degree appraisal	48	48%
2	Mgmt By Objects	24	24%
3	Assessment centre	8	8%
4	BARS	12	12%
5	Any other	8	8%
Total		100	100%

Table 7 : Represents Analysis of method of evaluating performance



Graph 7 : Represents Analysis of method of evaluating performance

INTERPRETATION:

The 360-degree feedback method is used to assess employee performance by 48% of businesses. Contrast this with the 24% who employ object-based management, the 8% who rely on assessment centers, the 12% who rely on BARS, and the 8% who employ some other approach.

Findings, Suggestion and Conclusion

Findings

- 80% of workers believe that an employee's primary goal should be to be productive, while twenty percent hold that it is as important to be moderately successful.
- Results showed that 28% of respondents found opportunities to improve, 48% found training and development needs, 8% were able to set performance targets, and 16% found all three to be beneficial. Therefore, we can conclude that PA is beneficial to some extent for the workforce.
- The data in the preceding table shows that actual performance accounts for 28% of the 20%, while experience accounts for the remaining 52%.
- In every case, yes may be seen in the aforementioned table.
- The answer is yes 88% of the time based on our historical knowledge, and no 12% of the time. As can be seen in the table above, just 28% of respondents agreed with the statement.
- The 360-degree feedback method is used to assess employee performance by 48% of businesses. Contrast this with the 24% who employ object-based management, the 8% who rely on assessment centers, the 12% who rely on BARS, and the 8% who employ some other approach. Twenty percent of those doing evaluations center their attention on social skills, another quarter on team building skills, forty-five percent on motivation, and ten percent on leadership. What this means is that these factors are considered when making a decision about a person's character.

Suggestions

- The following are some conclusions drawn from the research: A comprehensive evaluation of the company's performance is necessary if its findings are to be accepted by all.
- It's in everyone's best interest for performance review to be well-received, as it aids workers by allowing them to train and develop their superiors to take on greater duties.
- The performance review, which assesses an employee's competence and proficiency, should be put to good use in the workplace.
- If performance reviews are to increase productivity, they must be conducted fairly and in accordance with established procedures.
- The organization should offer tips and advice to its staff and solicit their input throughout the way.
- In order to motivate and encourage its staff, the organization should implement a 360-degree feedback system.

Conclusions

- Employees were completely unaware that their performance review will be used as a basis for promotion.

- A performance appraisal system is valued because it helps individuals identify development opportunities, plan for future success, and address areas of weakness. When workers are friendly with one another, it's much simpler for managers to lead productive meetings.
- The procedure currently in use to evaluate workers' performance on the job has been developed and refined throughout time. This viewpoint was shared by the vast majority of staff members.
- Employees may be in the dark about their performance reviews if information is not relayed effectively. A number of employees believe their superiors incorrectly evaluate them. If companies effectively convey these opinions to their staff, they will receive the level of patience and dedication they require.
- The survey found that those being evaluated were eager for the opportunity to discuss their issues and receive constructive criticism during an in-person interview.

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