

Determining employees attitude towards Performance Management System

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Abstract - Organizations used Performance Management to drive values from the employees to get specific outcomes. In practice this worked well for certain employees who were solely driven by financial rewards. However, where employees were driven by learning and development of their skills, it failed miserably. The gap between justification of pay and the development of skill and knowledge became a huge problem in the use of Performance Management. In this paper, authors describe the changing motivational level through PMS. This paper also highlights the employee's attitude towards present performance management system. To achieve these objectives, author use descriptive study by using sample of fifty employees of the organisation and to check the reliability chi – square test was used.

Keywords: PMS, Motivation

INTRODUCTION

Performance management system is the concept which is not to be confused with performance appraisal. This very common misconception which generally occurs in the minds of the people. If we talk about Performance management system, these are the activities or tools used to manage the employees, teams, departmental units and the whole organization within the limits of organization. On the other hand Performance appraisal is evaluating the employees and whole organization to see how well they are performing.

Performance management system is important due to following points:

- A performance management system enables the business to sustain the profitability and performance by linking the employee's pay to competency.
- It provides a chance for the development of career growth.
- It brings all the employees under the single strategic umbrella.
- It aligns the employees to business goals.
- It also improves and boosts the morale of the employees.
- It provides the equal chance to supervisors and employees to express their views and make coordination with each other.
- Under PMS there is channeled flow of information and timely review.

Godrej Company is established in 1897. With 7 major companies with interests in real estate, FMCG, industrial engineering, appliances, furniture, security and agro based products. Their presence in more than 60 countries ensures that their customers are at home with Godrej no matter where they go. With brands you can believe in, service excellence you can count on and the promise of brighter living for every customer. Godrej Group is an Indian conglomerate headquartered in Mumbai, Maharashtra, India. It was founded by Ardeshir Godrej and Pirojsha Godrej in 1897, Lalbaug, Mumbai. It operates in diverse sectors such as real estate, consumer products, industrial engineering appliances, furniture, security and agricultural products, to name a few.

REVIEW OF LITERATURE

Flappe, Fortuin and stoop (1996) studies the consistency towards PMS and their main motive was to evaluate the effectiveness of performance appraisal system **Brignall and Modell (2000)** studies the institutional perspective on performance management and performance improvement in organizations had recognized the negative influences of groups on performance. **Gentle (2001)**, asserted that if staff are committed to themselves together with management, should have a shared understanding of success with effective PMS **Graham (2002)** asserted the study on developing performance based culture and impact of performance management on organizational success for improving their financial performance and productivity after implementing performance management. **Amaratunga and Baldry (2002)** describe the changing scenario from performance measurement to performance management and PM systems should recognize high performers and confront poor performers. **De Waal (2004)** studies the impact of stimulating performance driven behaviour to obtain better results and clearly pointed on "the organizational dilemma" meaning that the organization's search for rationality and the human beings search for happiness.

RESEARCH METHODOLOGY

The study was based on survey method. The aim of the study is to find out the performance and motivation level of employees through PMS. This study is descriptive in nature. Convenience sampling method is used in this research.

OBJECTIVES OF THE STUDY

1. To know the motivation level of the employees of the GODREJ AGROVET LTD.
2. To determine the employees attitude towards present performance management system.
3. To provide suggestions and recommendations for the improvement in the performance level of employees of GAVL.

HYPOTHESES OF THE STUDY

1. There is no significant difference between salary and motivation level of employees.
2. There is no significant difference between age and present organization system.

SAMPLE SIZE

The sample size of this study is fifty respondents.

PERIOD OF STUDY

This study on employee motivation was conducted during the period of 45 days.

SOURCES OF DATA

In this study primary data was collected through personal interview by using questionnaire. The questionnaire was filled from fifty employees of GAVL. The secondary data was collected from books, websites, and research reports and documents /records Godrej Agrovet.

TOOLS OF THE STUDY

In this study, authors used percentages and likert scale for analyzing the data and chi square test was used to test the goodness of fit.

The formula for the chi-square statistic used in the chi square test is:

$$\chi_c^2 = \sum \frac{(O_i - E_i)^2}{E_i}$$

LIMITATION OF THE STUDY

1. This is subjected and prejudices of the respondents, hence 100% accuracy cannot be assured.
2. The research was carried out in a short span of time, where in the research could not widen the study.
3. The period of study was too short. So it was not possible to collect the relevant information within the period.
4. The findings are based on the answers given by the employees, so any error or bias may be affect the validity of findings.

ANALYSIS AND INTERPRETATION

TABLE 1
Age of the employees at GAVL

| AGE | NO. OF EMPLOYEES | Percentage |
|--------------|------------------|-------------|
| Below 20 | 0 | 0 |
| 21-35 | 26 | 52% |
| 36-50 | 17 | 34% |
| 51 and above | 7 | 14% |
| Total | 50 | 100% |

Table 1 shows that there is no employee at GAVL who is below the age of 20. 52% and 34% of the employees are between the age group of 21-35 and 36-50 respectively. And, employees having age 51 and above are very rare i.e. 14% only.

TABLE 2
Salary status of the employees

| Salary | No. of employees | Percentage |
|------------------|------------------|-------------|
| Less than 10,000 | 0 | 0 |
| 10,000-25,000 | 27 | 54% |
| 26,000-50,000 | 15 | 30% |
| More than 50,000 | 8 | 16% |
| Total | 50 | 100% |

Table 2 signifies that no employee is employed with salary less than 10,000. Most of the employees at GAVL having a salary between 10,000-25,000 i.e. 54% of the employees. Only 30% employees get salary between 26,000-50,000 and very few i.e. 16% of the employees get salary more than 50,000.

TABLE 3
PMS increase employees' motivation

| Options | No. of Respondents | Percentage | Mean Value |
|-------------------|--------------------|------------|------------|
| Strongly agree(5) | 10 | 20% | 1 |
| Agree(4) | 28 | 56% | 2.24 |
| Average(3) | 6 | 12% | 0.36 |

| | | | |
|----------------------|-----------|------------|-------------|
| Disagree(2) | 6 | 12% | 0.24 |
| Strongly disagree(1) | 0 | 0 | 0 |
| Total | 50 | 100 | 3.84 |

Table 3 depicts that most of the employees agree that PMS increases their motivation as against to only 12% of them disagree to this. Likert scale of M.V. 3.84 also shows that employees agree.

HYPOTHESIS-1

Let us take the null hypothesis (Ho) that there is no significant difference between Salary status of the employee and increase in motivation of the employee by PMS.

| Options/Salary | Less than 10,000 | 10,000-25,000 | 26,000-50,000 | More than 50,000 | Total |
|----------------|------------------|---------------|---------------|------------------|-----------|
| HS | 0 | 8 | 1 | 4 | 13 |
| S | 0 | 16 | 12 | 3 | 31 |
| N | 0 | 3 | 2 | 1 | 6 |
| D | 0 | 0 | 0 | 0 | 0 |
| HD | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 27 | 15 | 8 | 50 |

| Observed Frequency(O) | Expected Frequency | (O-E) ² | (O-E) ² /E |
|-----------------------|--------------------|--------------------|-----------------------|
| 8 | 7.02 | 0.9604 | 0.1368 |
| 16 | 16.74 | 0.5476 | 0.0327 |
| 3 | 3.24 | 0.0576 | 0.0177 |
| 1 | 3.9 | 8.41 | 2.1564 |
| 12 | 9.3 | 7.29 | 0.7838 |
| 2 | 1.8 | 0.04 | 0.0222 |
| 4 | 2.08 | 3.6864 | 1.7723 |
| 3 | 4.96 | 3.8416 | 0.7745 |
| 1 | 0.96 | 0.0016 | 0.0016 |
| | | | 5.678 |

Degree of freedom= (R-1) (C-1)= (5-1) (4-1)= 12. Therefore, $X_{0.05} = 21.03$

As hypothesis related to table 3 clears that calculated value is less than table value. Therefore, Hypothesis is accepted. This means salary has no impact on motivation level of the employees.

TABLE 4

Satisfaction level of the employees about their present organization system

| Options | No. of respondents | Percentage | Mean value |
|------------------------|--------------------|-------------|-------------|
| Highly satisfied(5) | 22 | 44% | 2.2 |
| Satisfied(4) | 23 | 46% | 1.84 |
| Neutral(3) | 5 | 10% | 0.3 |
| Dissatisfied(2) | 0 | 0 | 0 |
| Highly dissatisfied(1) | 0 | 0 | 0 |
| Total | 50 | 100% | 4.34 |

Table 4 asserted that most of the employees i.e. 90% at GAVL are either highly satisfied or satisfied with present PMS as against to 10% of the employees neither satisfied nor dissatisfied. No employee in the organization is dissatisfied with present PMS. By Likert scale also it is concluded that employees are satisfied.

HYPOTHESIS- 2

Let us take the null hypothesis (Ho) that there is no significant difference between age of the employee and Present organization system.

| Options/Age | Below20 | 21-35 | 36-50 | 51&above | Total |
|--------------|----------|-----------|-----------|----------|-----------|
| HS | 0 | 6 | 6 | 5 | 22 |
| S | 0 | 10 | 8 | 1 | 19 |
| N | 0 | 5 | 3 | 1 | 9 |
| D | 0 | 0 | 0 | 0 | 0 |
| HD | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 26 | 17 | 7 | 50 |

| Observed Frequency(O) | Expected Frequency(E)= | (O-E) ² | (O-E) ² /E |
|-----------------------|------------------------|--------------------|-----------------------|
| 6 | 11.44 | 29.59 | 2.5865 |
| 10 | 9.88 | 0.014 | 0.0014 |
| 5 | 4.68 | 0.1024 | 0.0218 |
| 6 | 7.48 | 2.1904 | 0.2928 |
| 8 | 6.46 | 2.3716 | 0.3671 |
| 3 | 3.06 | 0.0036 | 0.0011 |

| | | | |
|--------------|------|--------|---------------|
| 5 | 3.08 | 3.6864 | 1.1968 |
| 1 | 2.66 | 2.7556 | 1.0359 |
| 1 | 1.26 | 0.0676 | 0.0536 |
| TOTAL | | | 5.56 |

Degree of freedom= (R-1) (C-1)= (5-1) (4-1)= 12. Therefore, $X_{0.05} = 21.03$

As hypothesis 2 related with table 4 proves that calculated value is less than table value. Therefore, Hypothesis is accepted. Hence, age of the employee doesn't have any impact on present organization system.

FINDING AND SUGGESTIONS

- All the respondents told that their organization is running a formal organization system.
- Majority of respondents told they are satisfied with current performance management system works well and no need to change.
- Most of the respondents are believe that current performance management system improves their performance.
- Most of respondents told that increase in motivation is major elements of business strategy at present.
- PMS is having "developmental focus" with appropriate training system to cater the training need of employees.
- Out of resources used in business the manpower is most important and money is ranked second.

Suggestions

- HR professionals should communicate well and involve the employees during the performance management reviews. This will create a climate in which a continuing dialogue between managers & members of their teams takes place to define expectations and share information, mission, values and objectives.
- Make sure employee goals and objectives bond to the goals of the organization. Clear objectives improve communication, as well as the organizational structure.
- The most proficient way to get ready for a review is by taking notes using a performance log for each employee. A performance log includes notes of both appropriate and inappropriate behaviors of that particular employee.
- Your specific goal is to help make the employee feel at ease. Choose a neutral environment such as a small conference room. Sit next to the employee not across the desk. This supports a discussion, not a confrontation.

CONCLUSION

The concern of this study relates with, performance management systems implemented by the firm will focus on opening up decision making processes to enable employees to develop their professional skills in the long term. As a result, this will allow employees to contribute to the long term success of the organization by proposing valuable ideas which will improve the quality of results attained. Appraisal systems which the organization will use will enable it to be fair to all its employees to encourage them to attain good results in their respective workstations.

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