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A STUDY ON PERFORMANCE APPRAISAL SYSTEM AT FEMTOSOFT TECHNOLOGIES

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ABSTRACT
This study examines the effectiveness of the performance appraisal system at Femtosoft Technologies, Chennai. The research focuses on employee satisfaction, teamwork, promotion, and organizational growth. Data was collected from 106 employees through questionnaires. The findings reveal that the appraisal system is mainly based on employee output, behaviour, and goal achievement. Most employees believe that the system helps identify strengths and weaknesses and supports career development. Statistical tools such as percentage analysis, correlation, and regression were used. The study found a strong positive relationship between performance appraisal and employee performance. However, moderate satisfaction levels and conflicts during appraisal highlight the need for better transparency and feedback systems. The study concludes that an effective appraisal system improves employee motivation, teamwork, and organizational performance.
KEYWORDS: *Performance appraisal, Employee Satisfaction, HRM, Teamwork, Organizational Growth.*

INTRODUCTION

Performance appraisal is a systematic process used to evaluate employee performance, skills, and contributions toward organizational goals. It helps organizations measure employee efficiency, identify training needs, and provide rewards and promotions based on performance.

A good appraisal system improves employee motivation, teamwork, communication, and productivity. In modern organizations, performance appraisal also supports career development and organizational growth. Traditional appraisal methods often suffer from bias and lack of transparency. Therefore, companies are adopting modern methods such as KPI-based evaluation, continuous feedback, and goal-oriented assessment.

This study focuses on analysing the effectiveness of the performance appraisal system followed at Femtosoft Technologies.

OBJECTIVES OF THE STUDY

Primary Objective

To analyse the effectiveness of the performance appraisal system at Femtosoft Technologies.

Secondary Objectives

- To identify employee strengths and weaknesses.
- To study employee satisfaction regarding appraisal.
- To improve communication between managers and employees.
- To understand the impact of appraisal on teamwork and promotions.

NEED OF THE STUDY

Performance appraisal is important for organizational success. It helps employees understand their performance level and improve their skills.

The study is needed to:

- Evaluate the effectiveness of the current appraisal system.
- Understand employee satisfaction levels.
- Identify gaps in communication and feedback.
- Suggest improvements for better performance management.

SCOPE OF THE STUDY

The study focuses on analysing the performance appraisal practices followed at Femtosoft Technologies. It covers employee opinions regarding:

- Fairness of appraisal
- Promotions

- Teamwork
- Training and development
- Employee satisfaction

LIMITATIONS OF THE STUDY

- Some employees were hesitant to provide true responses.
- The study was completed within a limited time period.
- Responses may contain personal bias.
- The research is limited to one organization only.

REVIEW OF LITERATURE

Different researchers have studied the importance of performance appraisal systems. Aggarwal & Thakur (2013) stated that appraisal systems improve employee performance and communication. Dessler (2015) explained that modern appraisal systems are performance-based and goal-oriented. Cappelli & Tavis (2016) highlighted the importance of continuous feedback instead of yearly reviews. Brown et al. (2018) mentioned that appraisal systems should align employee goals with organizational goals. Thomas et al. (2024) concluded that structured appraisal systems improve employee motivation and organizational effectiveness.
These studies show that performance appraisal is essential for employee growth and organizational success.

RESEARCH METHODOLOGY

Research Design
The study uses a descriptive research design to analyse employee opinions regarding the appraisal system.
Sources of Data
Primary Data: Collected through questionnaires.
Secondary Data: Collected from books, journals, and company websites.
Sample Size
A total of 106 employees participated in the study.
Sampling Technique
Simple random sampling method was used.
Tools Used for Analysis

1. Percentage Analysis
2. Correlation Analysis
3. Regression Analysis

DATA ANALYSIS AND INTERPRETATION

Major Findings

- 62% of employees are female.
- Majority of employees belong to the age group of 20–25 year.
- Most employees are graduates or postgraduates.
- Nearly 70% of employees have less than 2 years of experience.
- Most employees believe appraisal helps improve teamwork and cooperation.
- Employees feel promotions are mainly based on appraisal performance.
- Overall employee satisfaction with the appraisal system is moderate.
- The organization has a young and educated workforce.
- Performance appraisal is mainly conducted by superiors.
- Employees believe appraisal helps identify strengths and weaknesses.
- Promotions are strongly connected with appraisal results.
- Employees experience moderate satisfaction with the current system.
- There is a need for better communication and transparency.

Correlation Analysis
The correlation value ($r = 0.987$) shows a strong positive relationship between performance appraisal and employee outcomes.
Regression Analysis
The regression analysis indicates that performance appraisal positively influences teamwork and employee performance.

SUGGESTIONS

- Introduce regular feedback sessions.

- Improve transparency in appraisal methods.
- Provide training and development programs.
- Reduce conflicts through better communication.
- Conduct quarterly performance reviews instead of yearly evaluations.

CONCLUSION

The study concludes that the performance appraisal system at Femtosoft Technologies plays an important role in employee evaluation and organizational growth. Employees generally view the system positively, especially in identifying strengths and supporting promotions. However, moderate satisfaction levels and communication gaps indicate the need for improvement. A transparent and continuous appraisal system can improve employee motivation, teamwork, and overall organizational performance.

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