SYNOPSIS

Introduction

1. Performance appraisal has been identified as one of the most complex of man management activities. Performance appraisal is a critical and effective tool in the development and optimisation of human resources in any organisation. It helps people in the organisation to consciously aim at and improve upon individual performance and organisational effectiveness. It also facilitates developing an organisational culture of mutuality, openness and collaboration towards realisation of individual, as well as, organisational goals.

2. Periodic stock taking of the qualitative state of the manpower is of vital importance to an organisation and the organisation tries to collect the relevant data through the tool of performance appraisal reports. The data collected serves the needs of organisation in a variety of decisions in Human Resources Management. In addition, the system is meant to provide a feedback on his performance to the individual concerned.

3. Every organisation has some method of evaluating the performance of their personnel - some formal and some informal. Some of the appraisals are done in fully confidential way and some done in partially confidential way. But rarely does one come across a manager who is happy with the appraisal system in his organisation. But the activity is continued ritually year after year. The situation exists today in most organisations because of lack of understanding of potential uses of performance appraisal system by every one and due to
Improper designing of performance appraisals. While some sort of evaluation system exists for low and middle level managerial staff, the systems are not so formal and clear in case of top level managers and executives in organisations.

Need for Study

4. In the HRD context, performance appraisal system is an important technique to develop the individuals. The nature of performance appraisal and its effectiveness, however, depend a great deal on how human resources are viewed and treated in the organisation. If the organisation believes that people do not work unless they are closely supervised and controlled, it may tend to have a confidential report form of appraisal. If the organisation believes that every individual has the potential and strengths and that human capabilities can be sharpened, developed and utilised better by providing a healthy climate, then the organisation would have an appraisal system that attempts to identify, sharpen, develop and utilise the potential and capabilities of its employees.

5. As the importance of performance appraisal system is being realised as a significant component of the efforts to develop human resources, progressive organisations have started to have a relook into their appraisal practices and redesign the same, if need be. But the realisation is still to catch up in many industries and organisations. Hence a suggestion was made to carry out an independent study of the managerial performance appraisal system particularly the top appointments in the Industry. It is learnt that previously no such study had been undertaken on the subject in Coimbatore area and a study on this would
bring out a lot of information. Accordingly the need was felt to take up the study.

Objectives

6. The objectives of the study are three fold:

(a) Firstly, to study the appraisal practices in vogue for senior managerial positions in industry in Coimbatore area, in that, the design, credibility and efficacy of the appraisal systems will be studied.

(b) Secondly, to find out the philosophy of the organisations with regard to their human resources and its linkage to performance appraisal systems being practised.

(c) Lastly, to design a new performance appraisal format taking into consideration the need and HRD requirements of such positions and suggest the same to the industry for adoption.

Scope

7. The research is restricted to the performance appraisal system for top level managerial positions (Executives) in the industry. For this purpose the industries is and around the prosperous industrial town of Coimbatore have been considered. The limiting factor, however, is the response from the industries and the executives themselves. Being a sensitive nature of activity, the constraint will be the reluctance to reveal the details. However, the researcher has
overcome this aspect to a considerable extent because of his background, status, persistence and persuasive efforts.

Research Design and Methodology

8. **Selection of Sample Units.** As mentioned already the scope of the study is limited to top level managerial positions and their performance appraisal systems practised in industries in Coimbatore area. Hence, the selection of sample units was done by identifying most of the leading industries in the area dealing with variety of manufacturing activities. There are Textile Mills, Foundaries, Sugar and Chemical industries, Machine Tool manufacturers, Cement company and so on in the list. A total of 20 companies were selected and approached by the researcher along with the guide by letter and in person. Of these 20 companies, except for two, the rest of the companies responded and gave their support for the study by the researcher.

9. **Methodology.** The researcher adopted a combination of methods to obtain the data. They are as below :-

(a) **Library Research.** In this the researcher undertook the review of previous studies and carried out study of available literature on the subject.

(b) **Questionnaire.** The target population was all the top level managerial positions of the selected companies. The companies which responded supplied a list of such appointments numbering to
approximately 200. A questionnaire was then designed to elicit response from these executives on the performance appraisal system practised in their organisations and their preference on various factors of assessments. These questionnaires were mailed/personally handed over to each of these executives.

(c) Interviews. The HRD/HRM/Personnel Managers of the companies and the Top Executive of each of the company (Chairman/MD/Director/CE) were interviewed by the researcher personally on specific questions eliciting their response. Their views on the concept of HRD, performance appraisal system in general, and on the one practised in their organisations in particular, were obtained.

(d) Document Study. The appraisal forms used in some of these companies were collected and they were critically studied.

Analysis and Findings

10. The data obtained from the questionnaires, interviews and document study were analysed to obtain the system of performance appraisal followed in industries in Coimbatore area for their design, practice and efficacy. As a result of analysis of the feed back and inputs obtained and having recorded the findings, it has been felt necessary to design a comprehensive development oriented performance appraisal form, keeping in with the HRD concept as well as, the views expressed by the executives and the needs of the industries. The design developed will be recommended to these companies for adoption.
Conclusion

11. Performance appraisal is an important managerial activity. Performance appraisal practices in industry are quite varied. They vary from almost 'No Appraisal' to a 'Sophisticated Multi-component Based Appraisal System'. In most organisations, it is not uncommon to find that there are no formal mechanism of appraising the performance of top managerial appointments (executives). The researcher has undertaken the study to look into the appraisal practices followed for executives in Coimbatore based industries with a view to ascertain their design, credibility and efficacy. Based on the analysis of data and findings, the researcher has brought out a new format for appraisal of performance of senior level managers in industries and recommended the same for adoption.