

Performance Appraisal of Employees of Verka Milk Plant, Chandigarh

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Abstract:

A performance appraisal, or performance review, is a formal interaction between an employee and his/her manager. Performance Appraisal is the systematic evaluation of the performance of employees and to understand the abilities of a person for further growth and development. Job satisfaction is used to describe whether employees are happy, contented and fulfilling their desires and needs at work. Many measures support that job satisfaction is a factor in employee motivation, employee goal achievement and positive employee morale in the work place. Basically job satisfaction is a measure of how happy workers are with their job and working environment. In this paper, various variables responsible for job satisfaction has been discussed such as Organization development factors, job security factors, work task factors, policies of compensation and benefit factor and opportunities which give satisfaction to employees such as promotion and career development also has been described .This paper also deals with the various ways by which one can improve job satisfaction. In this paper, data is collected through primary and secondary data to know about the satisfaction level of employees working in the organization. Author attempts to highlight about the prevailing working condition in the organization. In the end, the author also indicates about the financial and non financial incentives provided by the organization. In this paper, collected data has been analyzed through likert scale.

Introduction

Performance Appraisal is the systematic evaluation of the performance of employees and to understand the abilities of a person for further growth and development. A performance appraisal, or performance review, is a formal interaction between an employee and her manager. “An annual review of an employee’s overall contributions to the company by his/her manager. Performance appraisals, also called annual reviews, evaluate an employee’s skills, achievements and growth, or lack thereof. Companies use performance appraisals to give employees big-picture feedback on their work and to justify pay increases and bonuses, as well as termination decisions”

Verka has out-stripped its own boundaries to reach the customer’s homes. With little more of a consumer oriented approach. Verka became a brand to reckon with. With its growing outlets and thus easier availability, it reached far and wide across the state and beyond. To people today, Verka is part of their daily lives. Verka milk plant, Chandigarh is Punjab State Cooperative Milk produce union. It is situated at Industrial Area, phase-1, Chandigarh. It is fully equipped with modern fluid milk plant facility. Verka milk plant, Chandigarh is a prestigious milk plant of Punjab state all over the country and abroad for the supply of quality milk products. The new achievement of this milk plant is to achieve the International Quality Certificate ISO 9002.

History of Verka Pvt. Ltd.

- 1) The brand name of Milk and Milk Products was adopted as Verka.
- 2) The Foundation stone of Milk Plant, Ludhiana was laid by Hon. S. Parkash Singh Badal, the then Chief Minister of Punjab in 1970.
- 3) First Milk Plant, of the State was setup at Verka near Amritsar.
- 4) Commissioning of the Plant was done by Punjab Dairy Development Corporation in 1974.
- 5) Inauguration was done by Late Smt. Indira Gandhi the then Prime Minister of India
- 6) The capacity of the plant was 1 lac. Litre per day, including powder plant of 7 MT. and now the milk handling capacity is 4.00 Lac Liter per day.
- 7) Long distance refrigerated rail-transport of milk from Anand to Bombay since 1945
- 8) Establishment of Milk Plants under the five-year plan for dairy development all over India. These were taken up with the dual object of increasing the national level of milk consumption and ensuring better returns to the primary milk producer. Their main aim was to produce more, better and cheaper milk.

Reviews of Literature

The study of performance appraisal is a topic of wide interest to both people who work in organizations and people who study them. Job appraisal has been closely related with many organizational phenomena such as motivation, performance, leadership, attitude, conflict, moral, promotion etc. Researchers have attempted to identify the various components of performance appraisal, measure the relative importance of each component of performance appraisal and examine what effects these components have on employees' productivity. **F. J. Landy, And Farr, J. L. (1980)** also highlights the impact of Performance Rating of employees on organization. **Roberts G.E.(1990)** clears the Influence of Participation, Goal Setting, Feedback and Acceptance on Measures of Performance Appraisal Effectiveness **Murphy K.R. and Cleveland, J.N.(1991)** asserted that the organization has various perspectives which employees Performance Appraisal can be measured and have directly or indirectly impact on the organizational overall efficiency. **Kressler, (2003)** asserted that Performance appraisals are one of the most important requirements for successful business and human resource policy. **Pulakos(2003)** pointed out that rewarding and promoting effective performance in organizations, as well as identifying ineffective performers for developmental programs or other personnel actions are essential to effective to human resource management The ability to conduct performance appraisals relies on the ability to assess an employee's performance in a fair and accurate manner. Evaluating employee performance is a difficult task. . **Palmer, J.K. and Feldman, Jack M (2005)** describes the concept and Accountability and Need for Cognition Effects on Contrast, Halo, and Accuracy in Performance Ratings

Research Methodology

Research methodology is a way to systematically solve the research problem where we study the various steps that are generally adopted by a researcher in studying the research problem along with the logic behind them. The objectives of the study are:

- To overview the overall performance appraisal system in the organization
- To know about promotion system followed in the organization
- To study the employees satisfaction regarding appraisal system

Stratified sampling was used to select the sample for the data collection. A list of all the employees of the organization was derived from the manager records. Thus, the target population was all the employees of the organization. Finally, a sample of 20 out of 100 employees was chosen based on their destination. As in the case of semi-structured interview, the sample size was kept considerably small so as to generate in-depth information and also keeping in mind the time and money constraints. While framing the questionnaire, thorough review of relevant literature was initially made.

Finally, a set of 20 questions was prepared on promotion and training and development as a part of performance appraisal system in the Verka milk plant

The main limitations are as under:

- Due to limitation of time, only a few employees were selected for the study.
- The employees were hesitant to disclose the true facts
- The employees' response to my enquiries was very poor. They were able to answer my questions only after making clear the purpose of the enquiry.
- Lack of time on part of a few officials also restricted the scope of my research.
- The area of research was limited.
- In fact, establishing rapport with the respondents posed a problem initially. To develop rapport with sample respondents and to overcome their suspicion, Authors took the help of the personnel officer and other staff in establishing identity and to explain the nature and purpose of the study
- Further, as the research work is based on questionnaires, personal observation & interviews, it has all the limitations associated with it.

Analysis of Verka Milk Plant, Chandigarh

Performance Appraisal	Mean Score	Percentage
✓ Performance appraisal is fair.	3.85	71.25
✓ There is a formal & written performance Appraisal system.	4.2	80
✓ I am informed that how my performance is evaluated	3.85	71.25
✓ I receive feedback of performance evaluation results about myself.	4.25	81.25
✓ Performance of the employees is measured based on objective quantifiable results	3.55	63.75
✓ Appraisal system in our organization is growth and development oriented.	4.35	83.75
✓ Appraisal system has a strong influence on individual and team behavior.	3.65	66.25
✓ Employees are provided performance based feedback and counseling.	3.95	73.75

✓ The appraisal data is used for making decisions like job rotation, training and compensation.	3.9	72.5
✓ The objectives of the appraisal system are clear to all employees.	4.5	87.5
PROMOTION		
❖ Company has a written promotion policy	4.2	80
❖ Job promotions are fair and equitable	3.95	73.75
❖ Priority is given for seniority in promotion decision.	4.45	86.25
❖ Priority is given for merit in promotion decisions	3	50
OVERALL RESULT	2.7825	44.5625

Interpretation

Table 1 concluded that overall company is giving a moderate result in case of performance appraisal system.

Performance Appraisal:

Now, if combined up the questions of the primary objective i.e. performance appraisal. It contains 10 questions in the questionnaire. It also gives a positive result.

Employees supported the appraisal system and said that is fair with 3.85 mean and 71.25%. It is also formal and in written form. Employees are timely informed about their performance evaluation and employees also supported with 71.25% and also receive feedback.

The objective of system is clear and is also developed with 80% + employees favored it. 72.5% with 3.9 mean employees agree that appraisal is done for job rotation, training, etc.

63.75% favored that performance is measured on quantifiable basis and 66.25% with 3.65 mean employees agrees that it strongly influence the behavior of individual and team.

In end, it can be concluded that company is moving in a good direction with positive result individually but collectively need to be enhanced and improved as it indicates mean = 2.7825 and percentage = 44.5% which is less than 60 percent in case of performance appraisal system.

Swot Analysis of Verka Company

Strength:

- High Quality product at an affordable rate to its customers
- Milk plant is having institutional support from NDDB, PDDB. Its women societies are sponsored by the central government

Weakness:

- The plant is having very limited human resources and most of its departments are falling short of work force putting Extra burden on present workforce.
- Verka is not able to communicate its quality assurance aspects to its customers and thus they are having wrong notions about Verka milk in their mind
- Visibility of advertisement for Verka products is very poor

Opportunities:

- Chandigarh is emerging as new information technology hub and is undergoing rapid change. Market for milk product as well as disposable income of people is increasing. These offers great opportunity for Verka to cater this expending market
- Health consciousness among people is increasing day by day and thus there is huge market for pro-biotic milk and milk product

Threats:

- In the absence of strict quality parameter for private dairies, the entry barrier for them is very low
- Extensive network of DCS at the procurement side and wide network of distributors and milk parlors in the city

Recommendations

After studying the company profile and gone through a training session, authors found some drawbacks for which following recommendations are given:

- ❖ Promotion should be on merit basis instead of seniority basis.
- ❖ New updated technology should be used for enriching more skills of the workers/employees.
- ❖ More understanding of external environment is required.
- ❖ Qualitative factors should also be given importance.
- ❖ It is an old company so it's an orthodox company.
- ❖ Somewhat lacking in quality, needs to improve it.

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