A STUDY ON PERFORMANCE MANAGEMENT AND COMPENSATION IN KRV SPINNING MILLS [P] LTD., SALEM

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Abstract—*The performance management is important for an organization, as it helps organizations ensuring employees are working hard to contribute to achieving the organization's mission and objectives. Performance management sets expectations for employee performance and motivates employees to work hard in ways that is expected by the company. Moreover, performance management system provides a completed and professional management process for organizations to assess the performance results of organizations and employees. Performance management motivates employees and influences their productivity and ensures that they are producing at acceptable levels. Performance evaluation system could be linked to company objectives to get better results and good performance of the employees. Effectiveness of any appraisal system depends on how all the users of the system understand the purposes, accept and strive for achieving them. For designing any system, employee and managerial performance should be taken into consideration. From the study, it is found that feedback to the employees is not proper in the organization. Periodical and routine feedback can be given to the employees for their good performance in the work, which motivates the employee to enrich the relationship between the superiors and subordinates. The purpose of any appraisal system is to improve both employees and organizations taking into consideration that the employee is the basic resource for the assessment. Any appraisal system chosen by the company should lead to the motivation and satisfaction of the employees where open communications between employees and managers are essentials. Therefore in a competitive market, organizations and managers should ensure that their employees are well involved, motivated therefore committed to the Excellency of the organization with one thing in mind which is reaching both instrumental and terminal values according to Maslow. The employee must feel and believe that the effort of contributing to the firm has a return in value whether it's intrinsic or extrinsic or both to reach personal satisfaction with one aim in mind increasing productivity.*

Keywords: Performance Management, Mission, Appraisal System, Leadership, Motivation.

INTRODUCTION

Performance management is the current buzzword and is the need in the current times of cut throat competition and the organizational battle for leadership. Performance management is a much broader and a complicated function of HR, as it encompasses activities such as joint goal setting, continuous progress review and frequent communication, feedback and coaching for improved performance, implementation of employee development programmes and rewarding achievements. The process of performance management starts with the joining of a new incumbent in a system and ends when an employee quits the organization.

Performance management can be regarded as a systematic process by which the overall performance of an organization can be improved by improving the performance of individuals within a team framework. It is a means for promoting superior performance by communicating expectations, defining roles within a required competence framework and establishing achievable benchmarks.

The term performance management gained its popularity in early 1980"s when total quality management programs received utmost importance for achievement of superior standards and quality performance. Tools such as job design, leadership development, training and reward system received an equal impetus along with the traditional performance appraisal process in the new comprehensive and a much wider framework.

Performance management is an on-going communication process which is carried between the supervisors and the employees throughout the year. The process is very much cyclical and continuous in nature. A performance management system includes the following actions.

STATEMENT OF THE PROBLEM

The performance management is important for an organization, as it helps organizations ensuring employees are working hard to contribute to achieving the organization's mission and objectives. Performance management sets expectations for employee performance and motivates employees to work hard in ways that is expected by the company. Moreover, performance management system provides a completed and professional management process for organizations to assess the performance results of organizations and employees.

OBJECTIVES OF THE STUDY

❖ The main objective of the study is to know the performance management with special reference to KRV Spinning Mills [P] Ltd at Salem

❖ To find out how the Performance management is carried out in the organization.

❖ To find out the employees perception about the concept of Performance management.

❖ To examine the effectiveness of performance feedback mechanisms

❖ To explore the role of performance management in driving employee motivation and engagement

❖ To find out employee satisfaction towards the management response to their suggestions.

SCOPE OF THE STUDY

❖ The project work entitled "The study on Performance management system in KRV Spinning Mills [P] Ltd at Salem" covers various levels of employees in the organization.

❖ The scope of the study is very wide since management of the performance of various employees have greater impact over the growth of the industry.

❖ It is to find out the opinion of respondents regarding performance management system in the organization.

❖ From the opinion of the respondents, the study would provide an attempt to monitor the changes in the performance management system and suggest some suitable ways to improve the quality of the organization in order to increase its productivity.

❖ To study the benefits of performance management system to the concern.

❖ It helps to improve the quality of employees as well as the concern.

LIMITATIONS OF THE STUDY

❖ Due to time constraint, the researcher has covered only a sample of 120.

❖ Employees are hesitate to express their problems about the management system as they feel that performance management system is a management issue and is not ready to give opinion against management is the biggest limitation for the study.

❖ Most of the employees are overload with work and don't find time to spend in filling up the questionnaire.

❖ Due to lack of time interview schedules could not be used to collect data.

RESEARCH METHODOLOGY

RESEARCH DESIGN

The problem that follows the task of defining the research problem is the preparation of the design of the research, popularly known as the "research design". A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. As such the design includes an outline of what the researcher will do from writing the hypothesis and its operational implications to the final analysis of data.

SAMPLING METHOD SAMPLE DESIGN

Sampling may be defined as the selection of some part of an aggregate or totality on the basis of which a convenience or inference about the aggregate or totality is made. In other words, it is the process of obtaining information about an entire population by examining only a part of it.

Sample convenience

A statistical method of drawing representative data by selecting people because of the ease of their volunteering or selecting units because of their availability or easy access. The advantages of this type of sampling are the availability and the quickness with which data can be gathered.

Sample size

A total of 120 samples have been selected for the study.

Sampling techniques

We have adopted convenient sampling technique in our survey in this method sampling units are choose primarily in accordance with the investigator convenient. The following statistical tools have been used to analyse the data. The collected data have been analysed with the help of statistical tools like chi-square test and simple percentage analysis.

SOURCES OF DATA

i) Primary data

Primary data has been the data originated by the researcher for the specific purpose of addressing the research problem. A questionnaire was used to obtain the information from the respondent.

ii) Secondary data

The books were referred to obtain related theoretical concepts.

TOOLS FOR ANALYSIS

Percentage Analysis

Chi-Square Test

Correlation

ANOVA

DATA ANALYSIS AND INTERPRETATION

CHI-SQUARE ANALYSIS

NULL HYPOTHESIS

H_0: There is no significance between the experience of the respondents and effective in increasing productivity.

ALTERNATIVE HYPOTHESIS

H_1: There is significance between the experience of the respondents and effective in increasing productivity.

EXPERIENCE OF THE RESPONDENTS EFFECTIVE IN INCREASING PRODUCTIVITY CROSS TABULATION

Count		EFFECTIVE IN INCREASING PRODUCTIVITY					Total
		Strongly agree	Quit agree	Agree	Disagre e	Strongly disagree	
EXPERIENCE OF THE RESPONDENTS	Inexperienced	35	0	0	0	0	35
	0-5 years	8	20	0	0	0	28

	6-10 years	0	12	10	0	0	22
	11-15 years	0	0	16	0	0	16
	16-20 years	0	0	3	9	0	12
	Above 20 years	0	0	0	3	4	7
Total		43	32	29	12	4	120

CHI-SQUARE TESTS

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	2.992E2[a]	20	.000
Likelihood Ratio	250.820	20	.000
Linear-by-Linear Association	106.926	1	.000
N of Valid Cases	120		

a. 20 cells (66.7%) have expected count less than 5. The minimum expected count is .23.

RESULT

Since the calculated value is greater than the table value. So we reject the null hypothesis. There is no significance between the experience of the respondents and effective in increasing productivity.

CORRELATION

The table shows that the relationship between age of the respondents and satisfaction level of present appraisal system

Correlations

		AGE OF THE RESPONDENTS	FREQUENCY OF PRESENT APPRAISAL SYSTEM
AGE OF THE RESPONDENTS	Pearson Correlation	1	.924[**]
	Sig. (2-tailed)		.000
	N	120	120
FREQUENCY OF PRESENT APPRAIS- AL SYSTEM	Pearson Correlation	.924[**]	1
	Sig. (2-tailed)	.000	
	N	120	120

**. Correlation is significant at the 0.01 level (2-tailed).

NONPARAMETRIC CORRELATIONS

Correlations

			AGE OF THE RESPONDENTS	FREQUENCY OF PRESENT APPRAISAL SYSTEM
Kendall's tub	AGE OF THE RESPONDENTS	Correlation Coefficient	1.000	.858**
		Sig. (2-tailed)	.	.000
		N	120	120
	FREQUENCY OF PRESENT APPRAISAL SYSTEM	Correlation Coefficient	.858**	1.000
		Sig. (2-tailed)	.000	.
		N	120	120
Spearman's rho	AGE OF THE RESPONDENTS	Correlation Coefficient	1.000	.910**
		Sig. (2-tailed)	.	.000
		N	120	120
	FREQUENCY OF PRESENT APPRAISAL SYSTEM	Correlation Coefficient	.910**	1.000
		Sig. (2-tailed)	.000	.
		N	120	120

**. Correlation is significant at the 0.01 level (2-tailed).

RESULT

This is a positive correlation. There are relationships between age of the respondents and satisfaction level of present appraisal system.

ANOVA

NULL HYPOTHESIS

Ho: There is no significant relationship between educational qualification of the respondents and suggest some parameters have to be included in performance.

ALTERNATIVE HYPOTHESIS

H$_1$: There is a significant relationship between educational qualification of the respondents and suggest some parameters have to be included in performance.

Descriptive

EDUCATIONAL QUALIFICATION OF THE RESPONDENTS

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum	Between-Component Variance
					Lower Bound	Upper Bound			
Dependability	42	1.76	.431	.067	1.63	1.90	1	2	

Inter personal skill		32	2.88	.336	.059	2.75	3.00	2	3
Performance		25	3.16	.374	.075	3.01	3.31	3	4
Ability		14	4.07	.267	.071	3.92	4.23	4	5
All the above		7	5.00	.000	.000	5.00	5.00	5	5
Total		120	2.81	1.007	.092	2.63	2.99	1	5
Model	Fixed Effects			.366	.033	2.74	2.87		
	Random Effects				.546	1.29	4.32		1.169

Test of Homogeneity of Variances

EDUCATIONAL QUALIFICATION OF THE RESPONDENT

Levene Statistic	df1	df2	Sig.
5.477	4	115	.000

ANOVA

EDUCATIONAL QUALIFICATION OF THE RESPONDENT

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	105.184	4	26.296	196.269	.000
Within Groups	15.408	115	.134		
Total	120.592	119			

Homogeneous Subsets

EDUCATIONAL QUALIFICATION OF THE RESPONDENT

SUGGEST SOME PARAMETERS HAVE TO BE INCLUDED IN PERFORMANCE		N	Subset for alpha = 0.05				
			1	2	3	4	5
Student-Newman-Koalas	Dependability	42	1.76				
	Inter personal skill	32		2.88			
	Performance	25			3.16		
	Ability	14				4.07	
	All the above	7					5.00
	Sig.		1.000	1.000	1.000	1.000	1.000

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 16.163.

RESULT

From the above analysis, we find that calculated value of the F-value is a positive

196.269 value, so H1 accept. Since the P value 0.000 is less than < 0.05 regarding there is a significant relationship between educational qualifications of the respondents and suggest some parameters have to be included in performance. The results are **significant** at 4% level.

FINDINGS

- ❖ Majority 35.8% of the respondents ages are between 25 -30 years.
- ❖ Majority 66.7% of the respondents are male.
- ❖ Majority 58.3% of the respondents are married.
- ❖ Majority 40.8% of the respondents qualification are degree.
- ❖ Majority 29.2% of the respondents are inexperience.   „
- ❖ Majority 35.8% of the respondents income are Below Rs.10000.
- ❖ Majority 34.2% of the respondents are fortnight present appraisal system.
- ❖ Majority 26.7% of the respondents are department head perform the appraisal.
- ❖ Majority 35.0% of the respondents are appreciating through circular.
- ❖ Majority 30.8% of the respondents are strongly agreed in management interest in performance management.
- ❖ Majority 40.0% of the respondents are agreed about key performance indicators used for employee evaluation.
- ❖ Majority 33.3% of the respondents are said revenue per employee.
- ❖ Majority 32.5% of the respondents are quite agree about Effectiveness of performance feedback mechanisms.
- ❖ Majority 35.8% of the respondents are satisfied in present appraisal system.
- ❖ Majority 30.8% of the respondents understand in present appraisal system.
- ❖ Majority 32.5% of the respondents are better performance to measure appreciation.
- ❖ Majority 35.8% of the respondents are strongly agreed in increasing productivity.
- ❖ Majority 35.8% of the respondents are strongly agreed in help to realize strength and weakness.
- ❖ Majority 38.3% of the respondents are yes in appraisal system help for future growth.
- ❖ Majority 35.0% of the respondents are dependability in suggest some parameters have to be included performance.
- ❖ Majority 63.3% of the respondents are highly satisfied about skills and knowledge.
- ❖ Majority 57.5% of the respondents are highly satisfied about Cost Advantages.

SUGGESTIONS

- ❖ Offer flexible compensation packages to cater to diverse employee needs.
- ❖ Provide opportunities for employee development and career advancement to foster engagement.
- ❖ Design incentive programs to motivate employees and drive desired outcomes effectively.
- ❖ Conduct regular performance evaluations to assess contributions accurately and fairly.
- ❖ Ensure fairness and equity in compensation practices to promote employee morale and retention.
- ❖ Stay compliant with legal regulations to mitigate risks and ensure fairness and legality in compensation practices.
- ❖ The company should give importance to know about most challenging issues of performance management.
- ❖ The company should conduct some activities in order to overcome communication problems , According to survey lack of communication lead to failure of performance management system.

❖ Organization should conduct employee development program, fiancé planning, programming etc. for better performance.

❖ I would suggest company to follow 360 degree appraisal method to access the overall development in the performance of employees.

❖ The organization needs to concentrate on improvisation of employee competencies required for personal improvement , because it helps in maximization of employee performance.

CONCLUSION

Performance management motivates employees and influences their productivity and ensures that they are producing at acceptable levels. Performance evaluation system could be linked to company objectives to get better results and good performance of the employees. Effectiveness of any appraisal system depends on how all the users of the system understand the purposes, accept and strive for achieving them. For designing any system, employee and managerial performance should be taken into consideration. From the study, it is found that feedback to the employees is not proper in the organization. Periodical and routine feedback can be given to the employees for their good performance in the work, which motivates the employee to enrich the relationship between the superiors and subordinates.

The purpose of any appraisal system is to improve both employees and organizations taking into consideration that the employee is the basic resource for the assessment. Any appraisal system chosen by the company should lead to the motivation and satisfaction of the employees where open communications between employees and managers are essentials. Therefore in a competitive market, organizations and managers should ensure that their employees are well involved, motivated therefore committed to the Excellency of the organization with one thing in mind which is reaching both instrumental and terminal values according to Maslow. The employee must feel and believe that the effort of contributing to the firm has a return in value whether it's intrinsic or extrinsic or both to reach personal satisfaction with one aim in mind increasing productivity.

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