

**Employee Satisfaction With Reference to Performance Appraisal System at Nuclear Fuel Complex**

**\* V. Narendra Kumar**  
**\*\* Dr. A. Sandhya Rani**

**Abstract**

*A performance appraisal is a systematic and periodic process that assesses an individual employee's job performance and productivity in relation to certain pre-established criteria and organizational objectives. This study focuses on understanding the process of performance appraisal at NFC and explores the impact of performance appraisal employee satisfaction. The survey is conducted in the NFC office located at Hyderabad. A sample of 100 employees is taken from the total population from different departments the primary data is collected through structured questionnaire. The collected data is analyzed through chi-square analysis and found whether the performance appraisal have an impact on employee satisfaction. The results proved that there is no significant impact of performance appraisal on employee satisfaction.*

**Keywords:** Performance Appraisal, Human Resources Management, Employee Satisfaction, Grading Method

**1.1 Introduction**

Performance appraisal is a formal, structured system that compares employee performance to established standards. Assessment of job performance is shared with employees being appraised through one of several primary methods of performance appraisals. Elements in performance appraisal methods are tailored to the organization's employees, jobs, and structure. Performance appraisals, also known as employee appraisal are essential for the effective management and evaluation of staff. Appraisals help develop individuals, improve organizational performance, and feed into business planning. Performance appraisal is a part of career development and regular review of employee performance within organizations. Performance appraisals should be positive experiences. The appraisals process provides the platform for development and motivation, so organizations should foster a feeling that performance appraisals are positive opportunities, in order to get the best out of the people and the process.

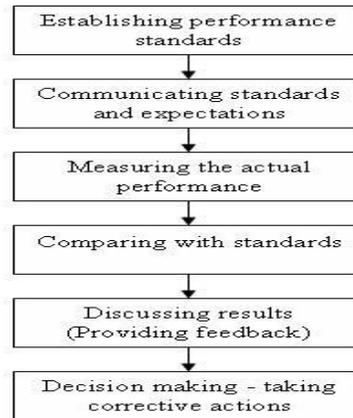
**Requirements for Effective Performance Management System**

1. Effective performance management requires a good deal of face-to-face supervisor-employee interaction. By knowing the subordinates, a supervisor can steer them onto a path of greater productivity and optimized output. Long-term successful business owners view performance appraisal as a process of getting to know the people who work for them. It is the most significant and indispensable tool for an organization. It provides information, which helps in taking important decisions for the development of an individual and the organization.

2. Thus, one phase of the annual performance management cycle is performance appraisal, the process of reviewing employee performance vis-à-vis the set expectations in a realistic manner, documenting the review, and delivering the review verbally in a face-to-face meeting, to raise performance standards year over year through honest and constructive feedback. In the process, management expects to reinforce the employee's strengths, identify improvement areas so that one can work on them and set stretched goals for the coming year. Effective review process helps organizations in three areas:

1. Evaluation and improving personnel selection and training systems;
2. Preventing wrongful termination; and
3. Increasing real employee diversity

### Performance Appraisal Process



### Techniques / Methods of Performance Appraisal

Broadly, all methods of appraisals can be divided into two different categories.

I) PAST ORIENTED METHODS II) FUTURE ORIENTED METHODS

**Past Oriented Methods:** In past oriented they are different types that are used to know the performance of an employee discussed below:

- Rating scale
- Checklist
- Forced choice method
- Forced distribution method
- Critical incidents method
- Behaviorally anchored rating scales
- Field review method
- Performance tests & observations
- Confidential records
- Essay method
- Cost Accounting Method - Comparative Evaluation Method
- Ranking Methods
- Paired Comparison Methods

### Future Oriented Methods

- Management by objectives
- Psychological appraisals:- assessment centers
- 360-degree feedback

The Nuclear Fuel Complex (NFC), established in the year 1971 is a major industrial unit of Department of Atomic Energy, Government of India. The complex is responsible for the supply of nuclear fuel bundles and reactor core components for all the nuclear power reactors operating in India. It is a unique facility where natural and enriched uranium fuel, zirconium alloy cladding and reactor core components are manufactured under one roof starting from the raw materials. The Nuclear Fuel Complex is unique in many respects. It is the only Complex of its kind where Uranium concentrates on the one hand and Zirconium mineral on the other are processed at the same location all the way to produce finished fuel assemblies and zirconium alloy tubular components, for supplies to the Nuclear Power Industry.

## 2. Review of Literature

- 1.(2014)<sup>1</sup>According to Myongji University, Seoul, Republic of The motivation of public managers to provide accurate personnel performance appraisals in the public sector is an unexplored area of study in public administration.
2. (2013)<sup>2</sup> According to Jeffrey Spence Employee performance appraisals are complex events in organizations. They occur in contextually rich environments and have implications for careers, training opportunities, remuneration, and interpersonal relationships.
3. (2010)<sup>3</sup> According to I. Mjawahar. Although feedback is advocated as a means for influencing performance, empirical investigations indicate that the effect of feedback on performance is not uniformly positive.
4. (2006)<sup>4</sup> According to Bennettj.tepper,maryuhl-bien and garyf.kohut the validity of two perspectives as to how managers evaluate subordinates who resist downward influence attempts: a uniformly dysfunctional perspective
- 5.(2006)<sup>5</sup> According to joelle d.elicker,paul e.levy and Rosalie j.hall.Performance appraisal feedback research suggests that agreement of others' performance feedback with one's own views strongly determines feedback reactions, yet inconsistent results of feedback interventions motivate a search for additional influences.
6. (2005)<sup>6</sup> According to I.M. Jawahar Do Raters Theory and research suggest that both person and situation influence observed performance. System or situational factors can either enhance or constrain performance.
7. (2004)<sup>7</sup>According to Paul e.levy and jane r williams Performance appraisal research over the last 10 years has begun to examine the effects of the social context on the appraisal process
- 8.(2004)<sup>8</sup> According to davide.bowen and cheriostroff The strength of the HRM system can help explain how individual employee attributes accumulate to affect organizational effectiveness
9. (1999)<sup>9</sup> Mayer, Roger C.;Davis,JamesH has conducted a 14-month field study of employee trust for top management. A 9-month quasi-experiment found that the implementation of a more acceptable performance appraisal system increased trust for top management.
10. (1999)<sup>10</sup> According to David Otley framework for analysing the operation of management control systems structured around five central issues. These issues relate to objectives, strategies and plans for their attainment, target setting, incentive and reward.
11. (1998)<sup>11</sup> studies According to paule.levy, janer.williamsthe current examine the effects of a relatively new performance appraisal variable, Perceived System Knowledge on appraisal reactions and job attitudes. In both studies, there was a strong relationship between employees.
12. (1996)<sup>12</sup> According to John E.Delery and D.Harold Doty Seven key strategic human resource practices are identified. The results demonstrate that each perspective can be used to structure theoretical arguments that explain significant levels of variation in financial performance.
13. (1996)<sup>13</sup>According to john t.delaney and mark a.huselidfrom the National Organizations Survey, found positive associations between human resource management practices, such as training and staffing selectivity, and perceptual firm performance measures.
14. (1996)<sup>14</sup> According to David A.Waldman. The system is seen as an important source of variance affecting performance both indirectly and interactively. Moreover, the individual is seen as potentially affecting the system.
15. (1995)<sup>15</sup> According to Andy Neely, mike Gregory,ken plats, The importance of performance measurement has long been recognized by academics and practitioners from a variety of functional disciplines. Seeking to bring together this diverse body of knowledge into a coherent whole

16. (1994)<sup>16</sup>According to Michael M.Harris Rater. Although researchers have indicated the potential importance of rater motivation for understanding and improving performance appraisal processes, little empirical research or conceptual writing has addressed this topic

### **3. Research Methodology**

**3.1 Need For The Study:**-Today's corporate world demands sustainability in delivering high quality performance improvement is the rule of the game today you simply connect afford to maintain the statements grow weather it is company's bottom line or employees way of executing their work. Today's the immediate necessity is the improvement in the effectiveness and efficiency of the people in the organization..Long-term corporate sustainability requires consistent high quality of performance by its work force. This insight has necessitated o good system of good performance appraisal system

### **3.2 Objectives of the Study**

1. To study the criteria of existing Performance Appraisal System at NFC
- 2 .To examine the impact of Performance Appraisal System on employee satisfaction at NFC

### **3.3 Hypothesis**

H1: There is significance impact of the Performance Appraisal System on the employee satisfaction

**3.4 SCOPE OF THE STUDY:** - The scope of the study is limited to NFC Hyderabad and the respondents are the employees belonging to Technical, Admin, and Accounts departments with designations as Managers and Senior managers, Assistant Managers, Deputy Managers, Officers, Assistant officers.

### **3.5 Research Design**

The present study is exploratory in nature. Primary data for the study is collected from NFC Hyderabad belonging to Technical, Admin, and Accounts departments with designations as Managers & Senior managers, Assistant Managers, Deputy Managers, Officers, Assistant officers. The study is done at NFC, Hyderabad with sample size of 100 respondents, from Technical Admin, and Accounts departments, which can be a sufficient potential for analysing performance appraisal system at NFC. SPSS -Chi-square test is used to analyse the performance appraisal system at NFC.

### **Data Sources**

**Primary Data:** The primary data is collected with the help of a structured questionnaire.

**Secondary Data:** The secondary data is collected from internet, journals and other sources.

### **Statistical Tools & Techniques Used For the Study**

For analysing the primary data, statistical tool have been used in this study, which includes chi square test. The SPSS software package 17version has been used for the purpose of analysis.

### **Data Analysis and Interpretation**

The study focuses on studying and understanding the performance appraisal and examining the impact of performance appraisal on employee satisfaction at NFC. To analyze the objectives, chi-square test is done to examine if there is significant, impact of the performance appraisal on employee satisfaction.

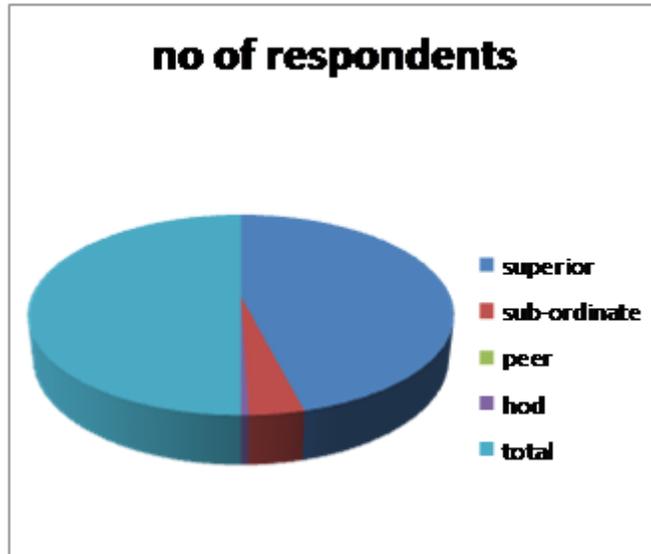
**Table-1 - Impact of Performance Appraisal on the Employee Satisfaction**

<b>Objectives</b>	<b>Critical value</b>	<b>df</b>	<b>Table Value</b>	<b>Significant/Non-Significant</b>
Performance appraisal method helps in improving your communication skills	29.16	1	.000	significant
Performance appraisal increases the productivity in employees	23.04	1	.000	significant
Promotion is purely based on performance appraisal in your organization	40.96	1	.000	significant
Organization provides rewards based on performance appraisal	19.36	1	.000	significant
Monetary rewards provided by your organization	33.64	1	.000	significant
Boss is support in improving your Performance	76.58	2	.000	significant
Best workers receive the highest evaluation scores	16.00	1	.000	significant
The performance appraisal in your organization is well designed and leads to better performance and work quality.	78.86	2	.000	significant

**Interpretation:** - To analyze the objective, chi-square test is done using SPSS to know if there is significant, impact of the performance appraisal on employee satisfaction, the chi-square values of considered alternatives are given in the table above. In this study out of 8 alternatives from the above table, all the 8 alternatives are showing significance, the obtained values of 8 alternatives are much smaller than the table value at 5% level of significance. Hence, the null hypothesis can be rejected and the alternative research hypothesis is supported, i.e.it may be concluded that there is a significant impact of performance appraisal on employee satisfaction

**TABLE-2 - Performance appraisal is done by your a) Superior b) Sub-ordinate c) Peer d) HOD**

<b>Options</b>	<b>No of respondents</b>	<b>Percentage</b>
<b>Superior</b>	<b>92</b>	<b>92%</b>
<b>Subordinate</b>	<b>7</b>	<b>7%</b>
<b>Peer</b>	<b>0</b>	<b>0%</b>
<b>HOD</b>	<b>1</b>	<b>1%</b>
<b>Total</b>	<b>100</b>	<b>100%</b>

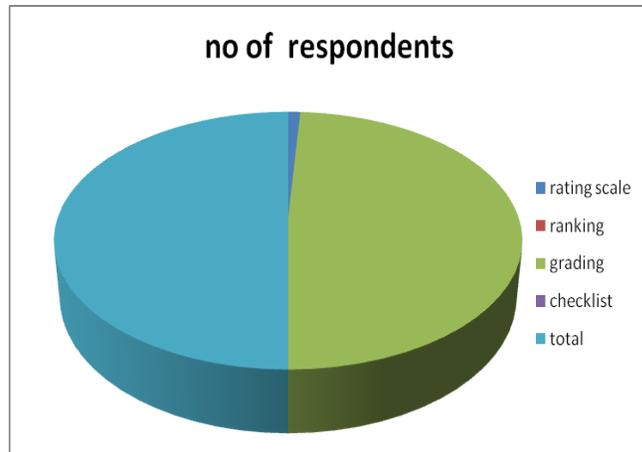


**Interpretation:**-92% of employees responded that appraisal system is done by superior. 7% responded appraisal done by sub-ordinate.

**TABLE-3** - Performance appraisal method followed in your organization

a) Rating scale b) Ranking c) Grading d) Checklist e) Balance Scorecard

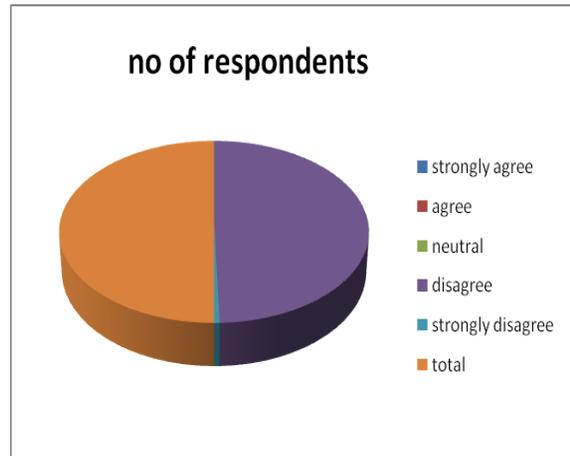
Options	No of Respondents	Percentage
Rating Scale	2	2%
Ranking	0	0%
Grading	98	98%
Checklist	0	0%
Total	100	100%



**Interpretation:-** from the above analysis it is found that 98% of the employees responded for grading method, and 2% for rating scale method.

**Table -4 - Evaluation done by your superior is biased a) Strongly Agree b) Agree c) Neutral d) Disagree e) Strongly Disagree**

Options	No of Respondents	Percentage
Strongly agree	0	0%
Agree	0	0%
Neutral	0	0%
Disagree	99	99%
Strongly disagree	1	1%
<b>Total</b>	<b>100</b>	<b>100%</b>

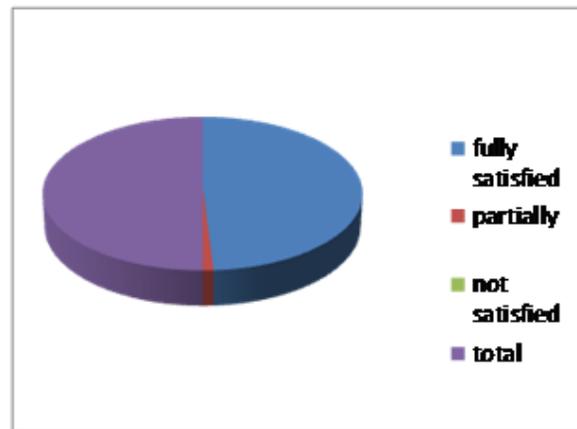


**Interpretation:-** From the above analysis 99% employees disagree that the evaluation done by the superior is biased .

**TABLE-5 - Satisfied with the present method of performance appraisal system followed by the organization?**

a) Fully satisfied      b) Partially satisfied c) Not satisfied

Option	No of Respondents	Percentage
Fully Satisfied	98	98
Partially	2	2%
Not Satisfied	0	0%
<b>Total</b>	<b>100</b>	<b>100</b>



**Interpretation: -** From the above analysis 98% employees are fully satisfied with the performance appraisal followed in the organization.

**5.1 Findings of the Study**

Chi-square test is done using SPSS to know if there is significant, impact of the performance appraisal on employee satisfaction .In this study out of 8 alternatives, all the 8 alternatives are showing significance, the obtained values of 8 alternatives are much smaller than the table value at 5% level of significance. Hence, the null hypothesis can be rejected and the alternative research hypothesis is supported, i.e.it may be concluded that there is a significant impact of performance appraisal on employee satisfaction

1. 98% of employees believe that the organization follows Grading method.
2. 92% of employees states that the performance appraisal done by the superior.
3. 99% employees disagree that the evaluation done by the superior is biased.

4. 98% employees are fully satisfied with the performance appraisal followed in the Organization.

## **5.2 Suggestions**

1. The organization can focus more on involving in various activities related to decision making. The organization can provide the training to the required employees after annual performance appraisal. For more effective appraisal system modern methods should be implemented in this organization like 360 degree appraisal method and critical incident methods

## **5.3 Conclusion**

The study “performance appraisal at NFC helped in understanding process of performance appraisal. The objectives of the study have been identified through studying the process of performance appraisal. It is found that the process of performance appraisal at NFC is effective as per the requirements of the employees and the objectives are successfully achieved by the company further the organization can enhance employee performance if the organization follows the modern methods of performance appraisal.

## **References:-**

1. Myongji University, Seoul, Republic of Korea Motivation of Public Managers as Raters in Performance Appraisal Public Personnel Management Public, 2014
2. 17 Jeffrey Spence Psychology Review November 2013
3. I.M jawahar Group & Organization Management August 2010 35: 494-526,
4. Bennett j.tepper, mary uhl-bien and gory f.kohut Subordinates' Resistance and Managers Evaluations of Subordinates' Performance Journal of Management April 2006 vol. 32 no. 2 185-209
5. Oelle d.elicker, paul e.levy and Rosalie j.hall The Role of Leader-Member Exchange in the Performance Appraisal Process Journal of Management August 2006 32: 531-551,
6. I.M.Jawahar Do Raters, Evidence from Three Experiments Group & Organization Management February 2005 30: 6-41,
7. Paul e.levy and janer.williams The Social Context of Performance Appraisal: A Review and Framework for the Future Journal of Management 2004 30(6) 881-905
8. David e.bowen and Cheri ostr off understanding HRM-firm performance linkages; the role of “strength of the HRM system ACAD MANAGE REV April 1,2004 29;2 203-221
9. Mayer, roger c.; Davis, James h. journal of applied psychology ,vol 84(1),feb 1999,123-136
10. David Otley, Management Accounting Research, volume 10, issue 4, December 1999, pages 363-362.
11. Pauley, jane r.williams journal of organizational behaviour volume 19, issue 1, pages 53-65, January 1998
12. John e.delery and d harold doty modes of theorizing in strategic human resource management: tests of universalistic, contingency, and configurationally performance predictions ACAD MANAGE J August 1, 1996 39:4 802-835
13. David A.Waldman. Predictors Group Organization Management June 1997 vol. 22 no. 2 264-287
14. John t.delaney and mark a.huseild the impact of human resource management practices on perceptions of organizational performance ACAD MANAGE august 1, 1996 39:4 949-969;
15. Aandy neely, mike Gregory, ken plats, (1995) “performance measurement system design: a literature review and research agenda”, International journal of Operations Production Management, vol. 15 iss: 4, pp, 80-116
16. Michael M.Harris Rater Journal of Management 1994, vol.20, No.4, 737-756