
Comparative study of financial gain of the organization with respect to performance appraisal system” {Selected organizations under study: Headstart manpower consultants & Iconic consultants}

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Abstract: A comparative study is being made of financial gain with respect to performance appraisal, in this paper two recruitment consultants are being surveyed namely Headstart manpower consultants and Iconic Consultants. The process of appraisals with respect to their performance are being measured by studying different parameters like career growth , satisfaction , development , work culture , organization structure etc. An questionnaire interview is being taken from both the consultants from all hierarchy members and the study is being made on how the performance appraisal affects the Financial gain of both the consultants

Keywords: Headstart , Iconic , Performance appraisal , Financial gain

I. Introduction

A performance appraisal is a systematic, general and periodic process that assesses an individual employee's job performance and productivity in relation to certain pre-established criteria and organizational objectives.

Potential benefits

- Facilitation of communication:
- Enhancement of employee focus through promoting trust
- Goal setting and desired performance reinforcement

Potential complications

- Detrimental to quality improvement
- Subjective evaluations
- Errors.
- Legal issues.
- Performance goals
- .

1) Improvements

- Training –
- Providing Feedback to Raters

2) Opposition

• Labor Unions

Labor unions represent 11% (7% in the private sector) of the work force in /the United States. In some cases they may require that seniority be taken as one of the main criteria for promotion.

• Managers

Managers who have had unsatisfactory experiences with inadequate or poorly designed appraisal programs may be skeptical about their usefulness.

Some managers may not like to play the role of a judge and be responsible for the future of their subordinates.

Financial gain:-Financial gain is an increase in the company's assets that is not related to sales. ... For example, an unrealized gain is an asset the company owns that has increased in value above the original purchase price, such as real estate, but has not been sold. Capital gains are the profits from the sale of financial securities

1. Company profile

Headstart manpower consultants

Headstart is an exciting young company to work with because of its expertise, experience and a dynamic work culture. The culture across the group is based on 5 rock solid pillars viz. Customer Orientation, Integrity, Innovation, Prompt Action and Fulfilment. Headstart has provided staffing solutions in retail, telecom, manufacturing, agro commodity, FMCG, automobile, consumer goods, education, infrastructure, banking, insurance and finance sectors. They have serviced more than 2000 clients since 1999 some of which include ITC, Wipro, Olam, Hitachi, Reliance, Volvo, HDFC, VKL spices, Kancor flavors, Radio Mirchi, Ramco, Jumbo Electronics, Dinshaws, Nilkamal, Kaya, Eveready, Gulf Oil, Airtel, Vodafone, Shirpur Gold refinery, Kotak securities, Max Life, Aviva, Future and Saud Bahwan Group (Muscat).

Iconic consultant

Iconic consultant is founded by Dr. Mohammad Jawad & Mr. Adil Akter, Iconic Consultants Pvt. Ltd. is one of the few management consulting organizations in the world having domain expertise and project implementation experience across the business domains and industry verticals. Iconic Consultants' working areas are finance & accounting banking, Manufacturing & Engineering, Pharmaceuticals, Transportation, Food Processing, Chemicals, I.T & I.T.E.S, Software, Hospitality etc. Iconic Consultant deals with clients like Premier India, Kutzs Salon, SKS technologies, M S Minning, Anacon, Technoprides, Ankit pulps & Boards, Platina Hospitals, Gentech Engineering Services, Acme Engineering, Airtel, Avit, Reliance, etc.

II. Literature review

Employee performance has traditionally been accorded prime focus by human resource managers. As a result, a number of performance appraisal techniques have over time been devised to help establish employee's performance. In the contemporary times, the use of performance appraisals has been extended beyond the rating of the employee's performance to aspects such as motivation. Accordingly, this study sought to investigate effectiveness of performance appraisal systems and its effect on employee motivation. The study's main objectives pertained to establishing the moderating role of performance appraisal as a motivation tool as well as potential challenges. The study findings show the presence of significant positive outcomes when the organization uses performance appraisal as a motivation tool. Further, the study finds that the use of more than one appraisal techniques helps yield greater satisfaction and consequently higher motivational levels. The specific aspects of performance appraisal systems (PAS) that help improve motivation include the linking of performance to rewards; using the PAS to help set objectives and benchmarks; as well as the use of PA to help identify employee's strength and weaknesses. - [Ayomikun Idowu Royal Holloway, University of London](#)

Objective

- To study performance appraisal system followed by the companies under study.
- To study the various factors having impact of performance appraisal.
- To compare financial gain of both the companies with respect to performance appraisal.

Hypothesis

- There is a positive impact of sound performance appraisal system on financial gain of the company

Limitations

- The project is time limited.
- The employees were very hesitated to give the information regarding the companies during the interview.

III. Indentation And Equations

3.1 Research methodology

Methods of data collection:

The data collected can be grouped under two types

- ❖ Primary Data
- ❖ Secondary Data

Primary data:

The sources of primary data include:

- ❖ Interview
- ❖ Drafting questionnaire

3.1.1 Primary Method

Interview method:

In this method the interview of the working employees of both companies ieHeadstart Consultants and Iconic Consultants is being taken a population size of 20 employees of both the companies where taken for research . All the employees from the top structure employees that were the Manager , the Junior Managers , Team leaders and the Team members from all off these the personal data was being collected regarding the performance appraisal system undertaken by the company .

All set of questions were asked to the employees regarding the different parameters of the performance appraisal systems and their satisfaction level was measured.

Questionnaire method:

Yet another method of data collection is a survey that consists of asking questions intended to cover a cross section of population. A questionnaire was conducted by mailing the employees the detail question set which included all the necessary parameters regarding the research .Their was a checklist box attached with every question with options like good , better , bad , which helped to mark out the performance appraisal components properly with respect to every individual . These questionnaire was being send to all working employees of both the Consultancy and a population of 40 peoples give their reviews .

3.1.2 Secondary data:

Secondary data are those, which have already been collected by others. When it is not possible to collect data in primary form the researcher may take the help of secondary data. They are those, which have already been collected with some view in mind. They are collected for serving the objectives other than what the researcher might have in his mind.

The sources of secondary data include:

- ❖ Magazines
- ❖ Websites
- ❖ Journals

Magazines:

A magazine is a periodical publication containing a variety of article, generally financed by advertising, purchased by reader, or both. The secondary data was taken from the magazines Business Today, Business Week and Outlook Business.

Websites:

A website may be the work of an individual, a business or other organization and is typically dedicated to some particular topic or purpose any website can contain a hyperlink to any other website, so the distinction between individual sites, the data is being collected from google and the following websites:-

<https://www.headstartindia.in>

<https://www.iconicconsultant.com>

Journals:

Many publications issued at stated intervals, such as magazines or the record of the transactions of a society, are often called journals. In academic use, a journal refers to a serious, scholarly publication, most often peer-reviewed.

- The International Journal for Human Resource Management
Volume 17,2006 by Bard Kuvaas
- The International Journal for Human Resource Management
2018 by Ellen V. Rubin
- The International Journal of Public Administration
Volume 40, 2017 by Darwish Abdul Rehman Yousef

2.1.3 Sample Size :

The design of the sample is as follows ,

Population :- 50

Sample Technique : Random

Sample :- 25

A sample of 25 individuals were taken in considering with this research work from each of the companies.

3.1.4 Importance and significance

- Performance appraisal helps supervisors to assess the work performance of their subordinates.
- Performance appraisal helps to assess the training and development needs of employees.
- Performance appraisal provides grounds for employees to correct their mistakes, and it also provides proper guidance and criticism for employee's development.
- Performance appraisal provides reward for better performance.
- Performance appraisal helps to improve the communication system of the organization
- Performance appraisal evaluates whether human resource programs being implemented in the organization have been effective.
- Performance appraisal helps to prepare pay structure for each employee working in the organization.
- Performance appraisal helps to review the potentiality of employees so that their future capability is anticipated.

3.1.5 Scope of performance review

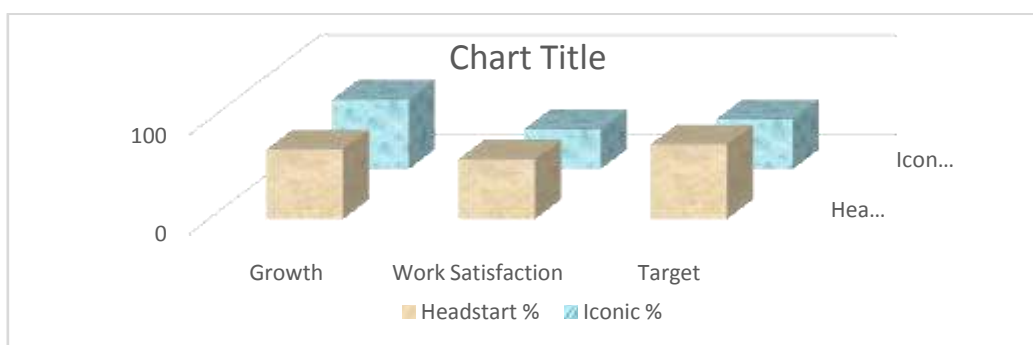
- Job performance—considers meeting goals and developing mutually decided standards.
- Working relationships—This aspect focusses on maintaining professional relationships with co-workers, subordinates, and managers.

Core job skills—Emphasizes on the normative aspects of job, including its skill and competencies

IV. FiguresAnd Tables

4.1 Data interpretation

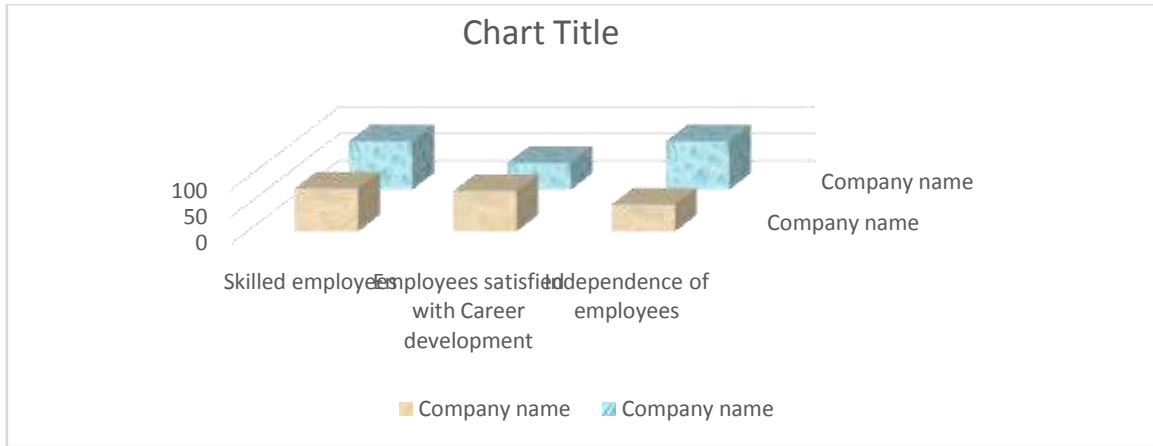
Data interpretation of parameters of performance appraisal systems with respect to employees views



	Headstart %	Iconic %
Growth	70	70
Work Satisfaction	60	40
Target	75	50

4.2 Interpretation

From the study it has been analysed that individual growth of the employees in Headstart is more than in Iconic. 70% employees in head start gave the review that their growth level is good in the company and they are also satisfied in terms of work culture, work type and good atmosphere. Good growth and satisfaction of the employees of Headstart resulted in target achievement. Achieved targets reflect the financial gain of the company.

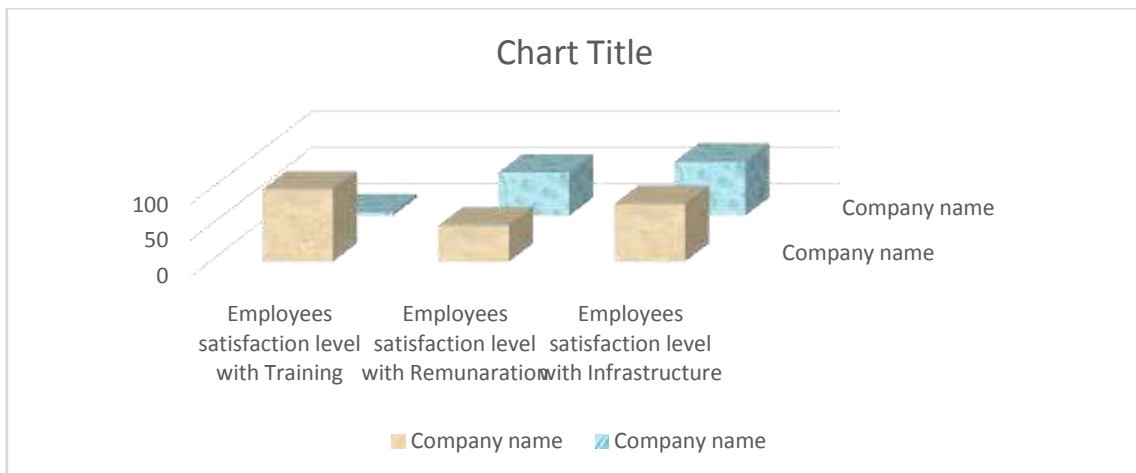


Parameters	Company name	
	Headstart	Iconic
Skilled Employees	80	90
Employees Satisfied with Career Development	75	50
Independence of employees	50	90

Interpretation

From the study it has been analysed that the skilled employees in Headstart are less as compared to Iconic. The ratio of satisfied employees working in Headstart is more than Iconic. The skilled employees are more in Iconic, but the company hierarchy does not give promotions at a fix period of time which restricts the career development of the employees.

As compare to the independence of employees, Iconic gives more independence then Headstart . The hierarchy of Headstart does not allow the employees to work independently they have a system which gives instruction on every working culture and every decision are being made by the higher authority which restricts the independence of the employees for decision making .



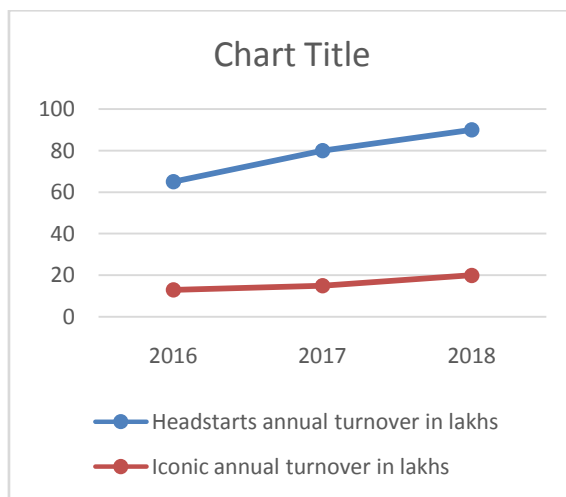
Company name	headstart	Iconic
Employee Satisfaction level of Training	100	5
Employee Satisfaction level of Remuneration	50	60
Employee Satisfaction level of Infrastructure	80	75

Interpretation

From the study it has been analysed that the employees of Headstart are more satisfied in terms of training than the Iconic since a training sessions are being performed quarterly where methodology is being taught by the trainer which train the employees on how the sales for the job would increase , how the voice call process should be improved , how the given targets should be completed within a given period of time which gives a motivation to the employees.

In terms of employee satisfaction level of remuneration the employees of Iconic are more satisfied than Headstart because there is a very low basic structure of salary pay in headstart . In terms of Infrastructure employees of Headstart are more satisfied than Iconic.

3.4 Data interpretation on financial turnover



Year	2016	2017	2018
Headstarts annual turnover in lakhs	65	80	90
Iconic annual turnover in lakhs	13	15	20

Interpretation

As the comparative study done in this project , it depicts that the effects of performance appraisal system undertaken by companies can be seen in the financial turnover of both the companies. As the performance appraisal system of Headstart Manpower Consultants is better than Iconic Consultants the projectile growth of Headstart Manpower Consultants is more than Iconic Consultants.Lack of performance appraisal due to conduction of less number of training programme and the nonconstructive company hierarchy , resulted in stagnant growth in financial gain of Ionic consultants as mentioned in the above graph.

3.4 Questionnaire

Effectiveness of Performance Appraisal can be evaluated using the following questionnaire:

Q1. In your Opinion Performance Appraisal is ?

- a. Evaluation of Employees
- b. Promotion of Employees
- c. Job Satisfaction of Employees
- d. Motivation

Q2. Which method of performance appraisal is implemented in the organization?

- a. Merit
- b. Grading
- c. Other

Q3. Do you receive any increment in your salary after performance Appraisal.

- a. Yes
- b. No

Q4. Do you think that performance Appraisal help to provide an atmosphere where all are encouraged to share one another burden.

- a. Yes
- b. No

Q6. Do you think performance appraisal give constructive criticism in a friendly and positive manner.

- a. Yes
- b. No

Q7. Do you think that performance of employees improve after process of performance appraisal ?

- a. Yes
- b. No

Q8. Do you think performance appraisal improves motivation and job Satisfaction.

- a. Yes
- b. No

Q9. Is the top level management partial in Performance Appraisal

- a. Yes
- b. No

Q10. Do you think performance appraisal helps to change behaviour of Employees.

- a. Yes
- b. No

Q11. In your opinion Performance Appraisal system of your organization is related to which of the following ?

- a. Retention of Employees
- b. Recruitment System
- c. Organizational Culture
- d. Motivation

Q12. After performance appraisal improvement in your performance.

- a. 10-20
- b. 20-30
- c. 30- above

V. Conclusion

Headstart Manpower consultants is a recruitment firm recruiting manpower in PAN India all over the globe. Its appraisal system has varied programs which involve training for employees, motivational programs, reward system for achieving target etc. All these factors involved in performance appraisal develop an individual as an employee, career development and this facilitates for the smooth functioning of the organisation and thus developing new clients and a professional relationship with their clientele. These factors support the financial growth of the company.

Iconic consultants recruit only in the regional level, there are no training methods, no specific reward system else than financial gain. Employees can independently take their own decisions as per their priority as there is no specific hierarchy structure in the organisation.

The comparative study between the two companies shows that Headstart Manpower consultants is better than Iconic consultants in various form like the growth of an employees as an individual, satisfaction in terms of career development, training, infrastructure and organisational structure. Though the employees of Iconic are more satisfied in terms of independence, work culture and remuneration but the financial growth of the company is less than Headstart as the performance appraisal system adopted by Headstart Manpower Consultants give a projectile growth to the financial turnover of the company.

The study also concludes that there is a positive impact of sound performance appraisal system on financial gain of the company.

References

Books

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