

IMPACT OF PERFORMANCE MANAGEMENT ON PRODUCTIVITY OF EMPLOYEES IN INFOSYS AT BANGALORE

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ABSTRACT

Performance management system is the management of employees that starts with giving them tasks and responsibilities in order to manage the organisational goals. Today's workers strive to reach the top of the success ladder as quickly as they can., Organizations provide appropriate developmental chances to attract and keep talent within the organisation while keeping this in mind. In the software sector, companies offer high-quality services and accomplish their objectives through the efficacy of their personnel, which may be maintained by companies through efficient performance management systems. With employee development that satisfies both personal and corporate goals, performance management systems serve as a tool to help organisations succeed. The purpose of the current study is to determine how the performance will be managed in infosys at bangalore industry.

Keywords: Performance Management System, Efficiency, Effectiveness.

INTRODUCTION

Our industrial organisations must continuously go through structural and technological changes to improve services and open up new markets if they are to survive and remain competitive in a scientific and technological world that is changing so quickly. Employees who are primarily responsible for implementing the necessary changes in the industry must be able to adapt to the shifting demands of the market and society, which necessitates a constant updating of their abilities, knowledge, and skills in order to function and survive in the current environment. India is the country that supplies the most workers to the global software industry. The majority of the major information technology businesses have made India their primary source of labour. Examples include IBM, which employs roughly 91000 people in the US but 1.3 lakh people in India. Over 1.33 lakh people work at Accenture worldwide, with about 90000 of them in India. of over 125000 total employees, 66000 work for Capgemini. Due to this, the Indian labour market is put in a peculiar scenario where businesses are compelled to hire as many workers as they can for the lowest feasible wages. While there is a consistent supply of over 1,55,000 newly qualified workers per year and another 2,00,000 with additional degrees and certifications, Remuneration, sometimes known as compensation, is a systematic method of giving employees money in exchange for their labour. It helps a company to be able to establish new objectives, plan improvement needs, and plan coaching and training programs, including career development for employees and their departments. Thus, it helps to drive the organizational requirements to its established objectives. Remuneration can helpful to recruitment, job performance, and job happiness, among other things. Usually, this takes the form of monetary compensation, often known as a wage or salary. Nonetheless, a number of complementing perks are becoming more and more well-liked payment structures. This belongs to the reward management category. Analysis and administration of employee pay, benefits, and all other forms of compensation constitute reward management

REVIEW OF LITERATURE

Leaders are emphasising the value of human capital in achieving commercial success. But, during the past few years, firms have paid much more attention to HR-related practises, functions, and accountability.

According to Corcoran (2006), performance management is a system made up of multiple interconnected internal activities. The total process, which includes goal-setting, performance reviews, training and development, and recruiting and selection, only includes appraisals as one component. Everything between these events is relevant to performance management. The main focus of performance management is establishing and attaining organisational goals. The employee's goals and the manager's evaluation of the employee's performance establish the employee's training and development goals.

One important HR subsystem that can contribute to the expansion and effectiveness of the company is performance management. (2006) Nakervis and Compton. The degree to which HR systems align with both business and individual goals determines their performance (Stone et al., 2006).

According to Nankervis & Compton (2006), the primary goal of developing performance management systems was to modify the procedures in order to achieve desired results, and then to determine whether performance management could be used as a more useful strategic tool in the management of human resources.

According to Armstrong and Baron (2004), performance management is a tool used to make sure managers are managing effectively. This means that they (1) make sure the workers they supervise are aware of and aware of what is expected of them, (2) that they possess the skills necessary to meet these expectations, (3) that the organisation supports them in developing the capacity to meet the expectations by giving and receiving feedback on their performance, and (4) that they have the chance to discuss the individual and team goals.

According to Graham (2004), performance management is important because it offers a fair method of directing employees' performance and because it enables people to know what is expected of them, what is functioning well, and what needs improvement.

According to Graham (2004), another reason why performance management is important is that it makes it possible for workers to understand how they are benefiting the company and ensures that they are compensated fairly.

PURPOSE OF PERFORMANCE APPRAISAL SYSTEM

Features of the performance review process:

The key components of a performance evaluation system can be summarised as follows:

It is a methodical representation of a worker's relevant work strengths and limitations.

The main goal is to determine the employee's performance on the job and the extent to which he or she is developing a plan for future progress.

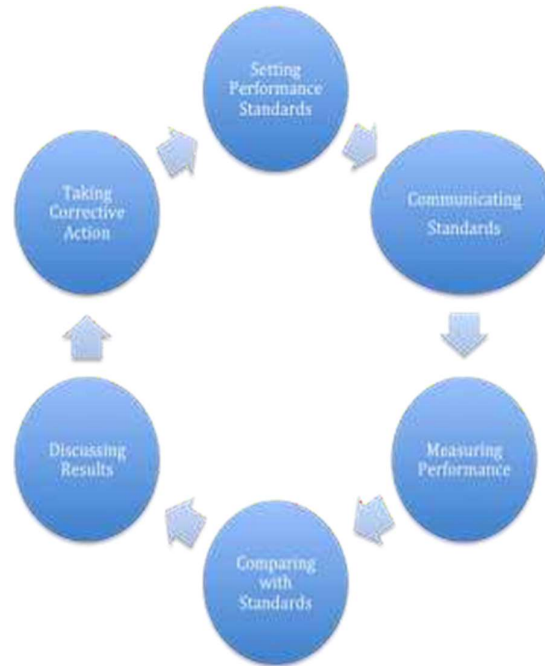
Job evaluation is not referred to as performance appraisal.

It makes a hint about how successfully the person is handling the assigned work.

Performance evaluation is a continual activity that all businesses carry out on a regular basis.

0. Ensuring standards and comparing standards of performance.
1. make corrective action against discrepancies and provide inputs for improvement

2. Offers motivation to the future level of effort and task direction.
3. Setting objectives for training and development needs.
4. To Control behavior of the employees
5. Ensuring compensation and staffing decisions.
6. Diagnosing grievances, problems and shortfalls.
7. To have employee feedback and performance feedback.



METHODS OF PERFORMANCE APPRAISAL

Traditional methods	Modern methods
Graphics rating scale	Assessment center
Ranking method	Behaviorally anchored rating scales (BARS)
Paired comparison method	Management by objectives (MBO)
Forced distribution method	Human resources accounting (HRA)
Checklist method <ul style="list-style-type: none"> • Simple checklist • Weighted checklist • Critical incident method 	Balance scorecard
Essay or free-form method	
Group appraisal	

AT INFOSYS, PERFORMANCE APPRAISAL BANGALORE

INFOSYS has replaced its annual appraisal system with a new one, Checkpoint, that will provide feedback more frequently—roughly four times a year—allowing staff to adjust their goals as the year goes on. In the previous approach, known as personal business commitment, INFOSYS was

evaluated based only on their own performance, typically in the top one-quarter. Via an internal social media campaign, employees contributed to the creation of CheckPoint, The new approach will rate personnel based on five criteria: talents, business performance, client success impact, innovation, and personal responsibility to others.

RESEARCH METHODOLOGY OF THE STUDY

OBJECTIVES OF THE STUDY

Based on the need and scope of the research, the following are the precise objectives of the study:

- To study the impact of performance appraisal system on employees behaviour
- To study the impact of performace management system and productivity of the employees.

HYPOTHESIS

On the basis of the nature of this study, and also on the basis of the variables identified

HYPOTHESIS TAKEN FOR THE STUDY

1. There is no change in the behaviour of the employees after performance appraisal.
2. There is no improvement in the employee Performance after appraisal.
3. There is no association between performance appraisal and satisfaction level

It includes research design, sampling technique and methods of data collection used for the present study.

Data source Primary and secondary data

Research approach Survey

Research instrument

Questionnaire

Method of contact Personal interview, email, and telephonic interview.

Sampling technique Stratified random sampling.

Sample size 100 Sample characteristics Employees of INFOSYS

DATA ANALYSIS AND INTERPRETATION

Objective 1: Performance appraisal is responsible for the change in behavior.

Opinion	No of respondents (in percentage)
Rarely	20
Occasionally	10
Sometimes	32
Frequently	12
Always	26
Total	100

Majority i.e. 32% of the employees perceive that Performance appraisal is responsible for the change in behavior whereas 26% perceive that it is always responsible for a change in behavior.

Hypothesis 1:

Null hypothesis: Ho

Behavior of employees does not change after performance appraisal.

Alternate hypothesis: H1 behavior of employees change after performance appraisal.

CHI-SQUARE TEST

χ^2	Table value	Df	Assymp.sig	Result significant	Accepted hypothesis
17.6	9.487	4	0.000	@5	Alternate hypothesis

The results of Pearson chi-square test shows that the p-value of $0.000 < 0.05$ which indicates that the **behavior of employees changes significantly after performance appraisal.**

HYPOTHESIS 2:

Null hypothesis H0: Performance of employees does not improve after performance appraisal

Alternate hypothesis H1: Performance of employees improves after performance appraisal.

χ^2	Table value	Df	Assymp.sig	Result significant	Accepted hypothesis
2.36	7.814	3	0.339	Not significant	Null hypothesis

The results of Pearson chi-square test shows that the p-value of $0.339 > 0.05$ which indicates **that there is no improvement in performance after performance appraisal.**

Objective 3:

Level of satisfaction employees has towards the existing performance appraisal system.

Opinion	No of respondents (in percentage)
Least satisfied	20
Somewhat satisfied	18
Satisfied	30
Frequently satisfied	16
Always satisfied	16
Total	100

Majority of the respondents are satisfied with the existing performance appraisal system.

Hypothesis 3:

Null hypothesis: **H₀** There is no association between performance appraisal and satisfaction level of employees.

Alternate hypothesis: **H₁** There is an association between performance appraisal and satisfaction level of employees.

FINDINGS AND CONCLUSION

- From hypothesis 1: Behavior of employees change significantly after performance appraisal
- From hypothesis 2: That there is improvement in performance after performance appraisal.
- From objective 3: Majority of the respondents is occasionally satisfied with the existing performance appraisal system.

CONCLUSION

The process of performance evaluation is often regarded as regular practise in organisations, but all employees should be made aware of its significance. Based on the performance evaluation, the job analysis, job design, and work environment should be reviewed. It ought to make the organization's mission and vision more distinct. The employees should have more influence as a result. It is important to implement new appraisal techniques to encourage participation from the appraiser and the appraisee. It is important to provide employees with feedback on their evaluation. This will enable them to strengthen their areas of weakness. Employees should be encouraged to do better in the annual evaluation system by linking money and non-financial rewards to it. The Performance Management System is created and put into use to improve both individual and organisational performance. The current system can be investigated further to analyse the difficult problems and, as a result, some developmental steps that might be performed to alter and develop the system. Further studies are still needed to determine how widely the PMS is used in software companies as well as the difficulties that various organisations encounter. These studies will also help to better understand how the PMS may be improved and made more effective overall. The overall software project involves people from many different places. PMS is no exception and has particular difficulties in this setting, but it also has the potential to offer clear HR advantages. majority of the employees responded that if PMS, is designed and implemented properly, has the potential to lead to desired outcomes such as role clarity, enhanced performance,

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