



## Assessment of Performance Appraisal in Visakhapatnam Port Trust (VPT)

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**ABSTRACT:** Once the employee has been selected, trained and motivated, he is then appraised for his performance. Performance appraisal is the step where the management finds out how effective it has been at hiring and placing employees. Thus, teachers evaluate the performance of students, bankers evaluate the performance of creditors, parents evaluate the behavior of their children and all of us consciously or unconsciously evaluate our own actions from time to time. In social interactions, performance is considered a systematic and planned manner to achieve widespread popularity in recent years.

Performance appraisal is essential to understand and improve the employee's appraisal. It was viewed that performance appraisal was useful to decide upon employee promotion/transfer salary determination and the like. But the recent development in human resources management, it indicates the levels of desired performance levels, of actual performance in gap between this two. This gap should be bridged through human resources development techniques like training, executive development etc., For the main asset is employees according to the employee's performance the production, sale is happened to the organization according to that the profit and growth of the organization is increased or decreased for that the employee performance is most important. The employee performance is known by performance evaluation only.

In other words, performance appraisal can be defined as the systematic evaluation of the individual with respect to their performance on the job and their potential development and his or her judgments, targets achieved by him or her, etc. The study aimed to investigate the assessment of performance appraisal is given to the employees working in the Visakhapatnam port trust.

**KEY WORDS:** Assessment, Employees, Performance Appraisal, VPT

### INTRODUCTION

Performance appraisal is defined as "it is the process of determining and communicating to an employee how he/she is performing on the job and ideally, establishing a plan of improvement." Performance appraisal is a method of evaluating the behavior of employee in the work spot, normally including both the quantitative and qualitative aspect of job performance, performance here refers to the degree of accomplishment of the tasks that makeup an individual job. It indicates how well an individual is fulfilling the job demand often the term is confused with efforts, but performance is always measured in terms of results and not efforts. Under the performance appraisal we evaluated not only performance of an employee but also his potential for development. Performance appraisal has been used for basically three purposes- remedial, maintenance and development. A performance appraisal covers all these three purposes with the same focus. If any purpose predominates, the system will become out of balance. For instance, if remedial purpose is foremost, then performance appraisal may become a disciplinary tool, then the performance tool of power instead of instrument of evaluation. If maintenance is the main objective, then the process may become a short, skimmed and pre functionary ritual, there is too much emphasis on development, and then it falls on the future assignment rather than the current job.

Appraising the performance of individuals, groups and organizations are the common practices of all the societies. While in some instances these appraisal processes are structured and formally sanctioned. In other instance they are informal and integral part of daily activities. Thus, teachers evaluate the performance of students, bankers evaluate the performance of creditors, parents evaluate the behavior of their children, and all of us, consciously or unconsciously evaluate our actions from time to time. In social interactions, performance is conducted in a systematic and planned manner to achieve wide-spread popularity in recent years. Performance appraisal is essential to understand and improve the employee's performance through HRD. In fact, performance appraisal is the basis for HRD. It was viewed that performance appraisal was useful to decide upon the employee promotion, transfer, salary determination and the like. But the recent developments in human resources management indicate that the performance is the



basis for employee development. Performance appraisal indicates the level of desired performance level, level of actual performance and the gap between these two. This gap should be bridged through human resources development techniques like training, executive development etc.

Modern performance appraisal techniques are suitable for growth strategies like expansion, diversification, joint ventures, mergers, and acquisitions. These strategies help the company to meet competition, build competencies, acquire strengths, enhance market shares, innovations and create new market, new products, and new technologies. Performance appraisal by the customer, help the employees to have feedback from multiple directions, identify their deficiencies and acquire competencies through training and development. As in most of the public sector organizations, Visakhapatnam Port Trust also adopted confidential report for assessing the employee's performance. The superior appraises the performance of the subordinates based on his observation, judgments and institutions. The superior keeps his judgments and report confidentially. The appraisals for each category of employees are conducted by different officers concerned with the particular cadre of employees. Based on the cadre, there are different reporting officers and receiving officers. The authority for appraisal of different cadres in VPT is as given below:

For Class I & II the officer concerned must give a brief account of his performance achievement and work done during last year. Upon this the reporting officer's report will be carried out. The reporting officer is the Head of Dept, receiving officer is Deputy Chairman and Final Authority is Chairman of VPT. For Class III employees, the Appraisal system will be carried out by reporting officer who looks after state of health reporting officer is section officer; reviewing officer is deputy officer-in-charge or division. For Class IV employees, there are no reports in respect of their performance. It is assessed by trade tests. Performance Appraisal in VPT helps in administrative decisions involving pay rise, promotions and transfers. It also provides employees with feedback concerning strength & weakness on job. It is a process offered by organization to identify strengths & areas of development and specific goals, they would like to search in VPT. The research was conducted with the following objectives of the study:

1. To understand factors considered on the personnel.
2. To explore the factors considered on the appraisal of the employees
3. To review training and development on performance appraisal.

## REVIEW OF LITERATURE:

According to Edwin Flippo, "Performance Appraisal is the systematic, periodic and impartial rating of an employee's excellence, in matters pertaining to his present job and his potential for a better job." According to Dale Beach, "Performance Appraisal is the systematic evaluation of the individual with regards to his or her performance on the job and his potential for development. Periodic reviews help supervisors gain a better understanding of each employee's abilities. The goal of review process is to recognize achievement, evaluate job process, and then to design training for the further development of skill and strength. A careful review will stimulate employee's interest and improve job performance. The review provides the manager supervisor, vice president and human resource a critical formal feedback mechanism on the annual review.

The third century AD., Sin Yu, an early Chinese philosopher, criticized a biased rater employed by the Wei dynasty on the grounds that "thy Imperial Rater of Nine Grades seldom rates men according to their merits but always according to his like or dislikes" (Patten, 1977,p.352). In 1648, the Dublin (Ireland) Evening Post allegedly rates legislators using a rating scale based on personal qualities (Hackett, 1928). According to Heilbroner (1953), the first industrial application of merit rating was probably made by Robert Owen at his cotton mills in New Lanark, Scotland, in the early 1800s. Wooden cubes of different degrees of merit were hung over each employee's workstation. As employee performance changed, so did the appropriate wooden cube. The merit rating or efficiency rating in the Federal Civil Service has been in place since at least 1887 (Petrie, 1950) and perhaps as early as 1842 (Lopez, 1968).

Grote (2002) describes performance appraisal as a formal management tool that helps evaluate the performance quality of an employee. Schneier and Beatty as cited in Patterson (1987) define it as a process which apart from evaluating also identifies and develops human performance.

According to Karol (1996) performance appraisal includes a communication event planned between a manager and

an employee specifically for the purpose of assessing that employee's past job performance and discussing areas for future improvement.

## METHODOLOGY

The present study was conducted among 31 employees who are working in different departments in the same company i.e. Visakhapatnam Port Trust. Questionnaire consists of total 20 questions related to the topic. Descriptive research design has been used in the study. Simple random technique was selected for choosing the sample i.e. 31 respondents.

The data collected were analyzed through percentages and frequencies in which the data were presented in table formats, by using Excel and by using Statistical Package for Social Science (SPSS).

## RESULTS AND DISCUSSION

Results were presented in the following tables.

**Table 1:** Respondents by Age

Age	Frequency	Percentage (%)
25-30	8	26.00
31-35	10	32.00
36-40	6	19.00
41-45	7	23.00

The information in the table 1 shows that 32% of the respondents belonged to the age group of 31-35 years followed by 25-30 years (26%), 41-45 (23%) and 36-40 years (19%).

**Table 2:** Respondents by belonging to their departments

Department	Frequency	Percentage (%)
Material	5	15.00
Engineering	10	35.00
Finance	8	25.00
Medical	8	25.00

From the table 2, it is known that majority of the respondents are from engineering department that was 35 per cent. Respondents from finance and medical department are in equal number i.e., 25 per cent and minimum number of respondents are from material department that is 15 per cent.

**Table 3:** Awareness among the respondents in their performance appraisal system

S. No.	Awareness on existing performance appraisal system	Frequency	Percentage (%)
1.	High	8	26.00
2.	Adequate	16	52.00
3.	Very Low	6	19.00
4.	Nil	1	3.00
	Total	31	100.00

From the table 3 depicted that 52% of respondents had adequate knowledge about performance appraisal system while 26% of the respondents had very high awareness, for 19% of respondent's awareness was low and only negligible percentage of respondents i.e., 3% had no knowledge about appraisal.



The maximum number of respondents were having “Adequate” awareness because the “Performance Appraisal” is conducted annually once in VPT and the employees are aware of it.

**Table 4:** Factors used on Performance Appraisal in VPT by Respondents

S. no	Factors considered in the appraisal	Yes		No		Sometimes	
		Frequency	Percentage (%)	Frequency	Percentage (%)	Frequency	Percentage (%)
1.	Performance appraisal helps the employee to evaluate and develop	18	58	5	16	8	26
2.	Employees are given appraisal fairly according to the company’s profile	24	77	2	6	5	16
3.	There will be influence from the Trade Unions while assessing the performance appraisal	18	58	7	23	6	19
4.	Contradiction between reporting officer and reviewing officer during appraisal	5	16	19	61	7	23
5.	Performance advancement leads to the career development	24	77	7	23	-	-
6.	Change in the employees after getting appraised	25	78	6	22	-	-

From the above table it can be observed that majority of the respondents (58%) opined that the performance appraisal system helps to evaluate the person whereas 26% of felt that it was sometimes useful.

From the results of the respondents given in the table 4, it is depicted that majority of the respondents that is 77% opined that the performance appraisal is given fairly in the company whereas 16% of respondents answered that it helps sometimes it is fairly given and the minimum number of respondents 6% opined that the appraisal in the company is not given fairly.

About 58% of the respondents feel that there is an influence of Trade Union while assessing the performance of the employees because the Trade Union in VPT interferes in administrative work of the organization whereas 23% of the respondents opined that there is no influence of Trade Union and the minimum number of respondents (19%) felt that sometimes there will be an influence of Trade Union while assessing the performance of employees.

Maximum number of respondents (61%) opined that there is no contradiction between reporting officer and reviewing officer while appraising the employee because there is a good coordination and communication between both. whereas 16% of the respondents felt that sometimes contradiction is there and the remaining 23% of the respondents answered that there is a contradiction between reporting officer and reviewing officer while appraising the employees.

It was also depicted that 77.4% of respondents believe that the performance advancement leads to the development of the employee and remaining 22.6% of respondents opined that performance appraisal given in the company does not help in developing the career of the employee.

Majority (77.4%) of the respondents opined that the performance advancement leads to the change in the performance of the employees and remaining 22.6% of respondents answer is that performance advancement does not help to improve the performance of the employees.



**Table 5:** Respondents reaction for accepting the performance appraisal feedback

S. No.	Reaction	Frequency	Percentage (%)
1.	In positive way	14	45.00
2.	In negative way	4	13.00
3.	Uninterested	3	10.00
4.	Neutral	10	32.00
	Total	31	100.00

From the above table 5, it is known that 45% of the respondents accept the performance appraisal in a positive way whereas 32% of the respondents gave their response as being neutral, 13% of the respondents accept the performance appraisal in a negative way and the remaining 10% of the respondents opined that they are uninterested in giving the appraisal feedback.

**Table 6:** Respondents purpose of Performance appraisal

S. No.	Purpose of performance appraisal	No. of respondents	Percentage (%)
1	Promotion	13	43.00
2	Assessing training needs	5	16.00
3	Pay rise	11	35.00
4	Others	2	6.00
	TOTAL	31	100.00

About 43% of respondents have opined that the objective of performance appraisal is giving promotion to the employee, while 35% of respondents stated that objective is for pay rise, 5% of respondents felt it is to assess the training needs.

**Table 7:** Performance appraisal in the organization by Respondents

SI. No.	Performance appraisal made in the organization	Frequency	Percentage (%)
1	Yearly	21	68.00
2	Quarterly	5	16.00
3	Monthly	5	16.00
4	TOTAL	31	100.00

From the above table 7, it can be known that 68% of respondents opined that the performance appraisal is made in the organization yearly once where as 16% say that it is done monthly once and remaining 16% employees answered that it is done quarterly once.

**Table 8:** Respondents by Techniques adopted for Performance appraisal in VPT

SI. No.	Techniques adopted for performance appraisal	Frequency	Percentage (%)
1	Rating scale	5	16.00
2	Management by objective	12	39.00
3	Annual confidential report	9	29.00
4	Performance of the employee	5	16.00
	TOTAL	31	100.00

From the table 8, the results depicted that maximum number of respondents have opined that the techniques adopted in performance appraisal were of management by objective and minimum number of respondents opined that the technique is rating scale and according to the performance of the employee.



**Table 9:** Methods used for Performance appraisal by Respondents in VPT

SI. No.	The methods used for performance appraisal	Frequency	Percentage (%)
1	Graphic rating scale	14	45.00
2	Ranking Method	11	35.00
3	Grading	5	16.00
4	Group Appraisal	1	3.00
	TOTAL	31	100.00

The results from the table 9 revealed that 45% of respondents opined that the methods used for the performance appraisal is Graphic rating scale given whereas 35% of respondents opined that it is Ranking method, 16% of respondents opined that it is Grading and remaining 3% of respondents opined that it is Group appraisal.

**Table 10:** Motive of performance appraisal in VPT by respondents

SI. No.	Motive of performance appraisal	frequency	Percentage (%)
1	Career growth	14	45.00
2	Training	10	32.00
3	Disciplinary growth	6	19.00
4	Training and career growth	1	3.00
	TOTAL	31	100.00

About 45% of respondents opined that the performance appraisal is an instrument for Career growth whereas 32% of respondents answer is that it is for Training, 19% of respondents opined that it is for Disciplinary growth and remaining 3% of respondents felt that it is for Training and career growth (Table 10).

**Table 11:** Performance appraisal is based on achievement of respondents

SI. No.	Response	Frequency	Percentage (%)
1	Total output	10	32.00
2	Behavioral efficiency	9	29.00
3	Both	12	39.00
	Total	31	100.00

Table 11 depicted that 39% of respondents expressed that performance appraisal was done based on total output and behavioral efficiency whereas 32% of respondents opined that it is done on total output, 29% of respondents opined that it is done based on behavioral efficiency.

**Table 12:** Qualification to handle respondents' current scope of work

SI. No.	Response	frequency	Percentage (%)
1	Highly unqualified	2	6.00
2	Over qualified	6	19.00
3	Fits my qualification	20	65.00
4	Unqualified	3	10.00
	Total	31	100.00

From the above table 11, it is understood that 65% of respondents opined that the job they are performing suits their qualification where as 19% of respondents answered that they are highly qualified for the job where as 10% of respondents answered that they are unqualified for the duty and 6% of them are highly unqualified.



**Table 13:** Respondents Opinion on Training given by VPT

S. No	Employees Opinion on Training	Yes		No		Some times	
		F	F%	F	F %	F	F%
15	Training given for your current work is enough	25	81	6	19	-	-
16	More training is needed for employees	8	26	13	42	10	32
17	Respondents taking initiative to solve problems	5	16	22	71	4	13

According to table 13, 81% of respondents opined that they are given enough training for their job and remaining 19% of respondents opined that it is enough training was not given.

About 42% of respondents opined that they are given enough training so no need of more training for their job, whereas 22% of respondents answered that they need some more training for their job and remaining 36% of respondents opined that sometimes it may be required.

While 71% of respondents opined that they are never involved or tried to solve problems whereas 16% of the respondents were involved in solving problems and rest of the respondents (13%) were involved sometimes according to the problem.

**CONCLUSION**

The study was conducted in Visakhapatnam port trust to assess the performance appraisal method used and suggest improvements and innovation where necessary. Majority of the respondents have adequate knowledge about the Performance Appraisal system and felt that it helps to evaluate the employee. About 77% of respondents believed that the appraisal given in the company is fairly given without considering any recommendations by higher officials and opined that they are given enough training for their job. However employees were not sure about the methods used for the performance appraisal as they gave divided answers. The study implies that VPT system is transparent enough so that employees have fair knowledge about performance appraisal and were satisfied. Similar study can be conducted in other private and public sectors to understand the performance appraisal methods.

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*Cite this Article: K. Soujanya, V. Vijaya Lakshmi (2021). Assessment of Performance Appraisal in Visakhapatnam Port Trust (VPT). International Journal of Current Science Research and Review, 4(12), 1620-1626*