Awareness of Employees Towards Performance Appraisal Mechanism in Salem Steel Authority of India Limited: A Micro Level Study

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Abstract: The performance appraisal is feedback given to the employees about their past and current performances. The paper mainly focuses on Awareness of Employees towards Performance appraisal mechanism in Salem Steel Authority of India Limited. The primary data have been collected from the selected employees of SAIL, Salem using a structured questionnaire. The population size finite and known accordingly the sample size has been determined to be 445 and systematic random sampling method is used. The demographic variables such as gender, age, marital status and educational level were compared with the awareness of employees towards the selected purposes of performance appraisal has been analyzed. It is understood from the analysis that the awareness of employees was affected by the age and nature of job

Keywords: Human Resources, Performance appraisal, employees, Awareness, demographic variables.

I. INTRODUCTION

Performance appraisal is one of the functions of the Human Resources (HR) Department in every organization. It refers to the evaluation of performance of an employee and comparing with the established performance standards. The organizational development depends on how efficiently and effectively the employees discharge their duties. The employees are given assignments, directions and guidance to perform their duties and necessary facilities are also provided to accomplish their tasks. The Human Resources Department plans the staff required for each department or section, qualification or skills required for fulfilling the job requirements. Accordingly, the staff recruitment is made the HR department from various sources. After selection and recruitment, the employees are given adequate training to make them fit to the job. The employees are also in need of performance appraisal so as to enable them to understand what is expected from them and what contribution they have given to the organization. The salary anomaly and increment claim can be justified on the basis of their performance. The performance appraisal is a feedback given to the employees

about their past and current performances. The studies on performance evaluation or appraisal have been conducted in different industries. The existing literature consists of a few studies on performance appraisal measures in steel industry. Having understood the uncovered areas by the previous scholars, it is deemed necessary to undertake a study on the performance appraisal mechanism in the steel industry; particularly the study needs to focus on one of the steel giants of the country, the Steel Authority of India Limited (SAIL).

II. SURVEY OF LITERATURE

The present study emphasis on selected important reviews in national and international studies. According to Neha, S. & Himanshu, R. (2015) made it clear that affective and normative organisational commitment is affected by marital status, total work experience and experience in the current job.

The married employees were found to be more emotionally committed to their organisation (r=.247) and also committed to their organisation because of the feeling of obligation towards it (r=.228) than the unmarried employees. It is concluded from the study that the employees who were satisfied with the performance appraisal system of their organization were also satisfied with their job and were committed to their organization. Prasad, K.D.V. & Vaidya, R. (2016) observed that job skill, job execution and initiative have a significant impact on the performance appraisal rating of men employees of agricultural research institutes while job knowledge and client orientation have not made any significant impact on the rating.

However, there exists a significant influence of team work and compliances to policies in respect of men employees. On the other hand, the rating of women employees on performance appraisal has been influenced significantly by job knowledge, job skill and job execution. Initiative, client orientation and compliances to policies did not have any significant impact on the rating of women employees. There was a significant relationship between team work and performance appraisal rating relating to women employees. Naeem, M., Jamal, W. & Riaz, M.K. (2017) investigated the relationship of employees' performance appraisal satisfaction with self-reported work effort, affective organizational commitment and turnover intentions. The data was collected from both academic and non-academic staff of higher educational institutes in Peshawar city.

The findings revealed that the employees' performance appraisal satisfaction is significantly and positively related with work effort and affective organizational commitment.

However, it has a negative relationship with employee turnover intentions which means that higher the level of satisfaction regarding performance appraisal will lower intention to quit the current organization.Mahajan, S. & Kumar, S. (2018) examined the satisfaction of employees in organization and found that they were highly satisfied with working environment and they felt comfortable in sharing their opinions among the colleagues. It was observed that good relationship was prevailing among the employees. Most of the employees found to have the ability to solve the problems at work independently.

It was made known from the opinion of the employees that the proper communication was lacking. However, the employees have stated that they were given complete freedom at work. Shanthi, N.V. & Narayanappa, G.L. (2019) found that the performance appraisal system has not considered the challenging assignments accomplished by the employees while assessing their performance. It is to be noted that the difficult jobs and easy are jobs are considered at par in determining the group incentives. There was a lacking of qualified or senior professionals to be engaged in the appraisal process.

Prejudice and red tapism were the major issues faced by the employees due to the lack of experienced and qualified evaluators. Kihama, J. W. & Wainaina, L. (2019) proclaimed that there was a positive and strong correlation between employees' productivity and appraisal feedback. Regression analysis results revealed that the independent variables such as appraisal standard, appraisal feedback and appraisal method have influenced employees' productivity to the extent of 70.5 per cent as indicated by the coefficient of determination.

Macutay, M.V. (2020) tested the relationship between the factors influencing satisfaction and length of service. Out of seven factors considered for the study, follow up requirement of policies was significantly associated with the length of service. The policies relating to supervision revealed that the employees are treated fairly is influenced significantly by the length of service. However, international relationship factors have not been associated with the length of service of the employees

III. RESEARCH METHODS

This study attempts following objectives: [1] To study the demographic profile of the employees working in Steel Authority of India Limited, Salem and [2] To assess the level of awareness of the employees of SAIL towards the purposes of the performance appraisal. And also frame hypothesis is that there is no significant relationship between demographic variables and level of awareness of employees of SAIL towards the purposes of performance appraisal. The research methodology forms the basis of every research study. It helps the researchers to carry out the work in a pre-determined manner. It includes the data source, data collection, sample size, sampling method and statistical tools used for analysis of data.

A. Data Source

The data collected directly from the sample respondents are regarded as the primary data. The primary data are always appropriate in behavioral studies. The data required for the study have been collected from the primary sources. The firsthand information has been gathered from the employees of SAIL, Salem.

B. Data Collection

The primary data have been collected from the selected employees of SAIL, Salem using a structured questionnaire. For this purpose, the researcher has drafted a structured questionnaire after critical review of literature. The questionnaire contains all the relevant questions and the respondents were asked to give their responses to all the questions. The questions were given in the same order to all the respondents.

C. Sampling Method

The population size finite and known accordingly the sample size has been determined to be 445 being 50 per cent of the employees in each category. Therefore, it is found that systematic random sampling method is appropriate and hence it used for the selection of the sample respondents. Accordingly, the list of employees has been obtained from SAIL, Salem. The first employee is chosen as a respondent and every alternate employee has been selected as the sample respondents.

IV. LIMITATIONS OF THE STUDY

The research study is subject to the following limitations:
[1] The present study is dependent on the primary data collected from the employees of SAIL, Salem. The responses given by them were based on their present state of mind which would vary from time to time. [2] Since the present study has been conducted among the employees of SAIL, Salem, the results of the study could not be generalized to other companies.

V. ANALYSIS OF DATA AND RESULTS

Steel Authority of India Limited is a public sector company in which 75 per cent of the shares have been held by the Government of India, around 17.5 per cent of the shares have been by the financial institutions and the remaining shares have been held by private corporate bodies, trusts and societies, public, etc. The company's performance and achievements during the year 2019-20 was really amazing. The company has improved its performance in the areas of operations and marketing. The company has taken various initiatives in all its plants to improve the quality of the product and increase the productivity. At the same time, the focus was also given on commercialization and energy conservation. The automation process is being carried out by the company constantly over the years. It results in the introduction of 17 new steel products during the year 2019-20. In this regard, the company has commissioned production facilities in all the major plants – Bokaro, Dungarpur, Rourkela and ISSCO.

A. Demographic Profile

It is deemed necessary that the demographic profile of the respondents shall be studied before analysing their views on purposes of performance appraisal, advantages and disadvantages, and satisfaction of performance appraisal methods. Therefore, the demographic variables such as gender, age, marital status, educational qualification and length of service have been analysed by using simple percentage analysis to describe the demographic profile of the respondents and results have been presented in tabular form for better understanding

Table-I Demographic Profile of the samples

Demography Profile	No. of Respondents	Percentage
Gender		
• Male	312	70.10%
• Female	133	29.90%
Age		
• Below 25 years	82	18.40%
• 25 to 35 years	123	27.60%
• 35 to 45 years	155	34.80%
• Above 45 years	85	19.10%
Marital Status		
• Single	133	29.90%
• Married	312	70.10%
Educational Level		
• School Level	163	36.60%
• UG Level	144	32.40%
• PG Level	103	23.10%
• Others	35	7.90%
Length of Service		
• Below 5 years	95	21.30%
• 5 to 10 years	147	33.00%
• 10 to 15 years	104	23.40%
• Above 15 years	99	22.20%
Nature of Job		
• Workers	90	20.20%
• Officers	355	79.80%

Source: Computed

Table-I reveals, 70 per cent of them were male employees and the remaining 30 per cent of them were female employees. It seems that the proportion of male was more than three times of the proportion of female. The proportion of respondents in the age group of below 25 years was found to be 18.4 per cent and pertaining to the age group of 25 to 35 years was found to be 27.6 per cent. It is further noted that the age group of 34.8 per cent of the respondents was found to be 35 to 45 years and the proportion of respondents above the age of 45 years was found to be 22.3 per cent. It is denoting company contains appropriate proportion of juniors and seniors workforce. In case of marital status, the proportion of single respondents was 30 per cent and the proportion of married workers was 70 per cent. It indicates that the proportion of married respondents was higher than the unmarried. Under education qualification, 36.60 per cent of the respondents have completed school level education while 32.40 per cent of them have completed UG level education and 23.10 per cent of the respondents have got PG level educational qualification. The proportion of

respondents having any other levels of educational qualification was ascertained to be 7.90 per cent. It shows that school level qualified respondents were more than the UG and PG level qualified respondents. The respondents experience were shown through length of service. It proclaimed that 21.3 per cent of the respondents have below 5 years of services and 33 per cent of the respondents have served for a period of 5 – 10 years. The length of service relating to 23.40 per cent of the respondents was found to be 10 to 15 years. In the case of 22.20 per cent of the respondents have served for more than 15 years. It indicates that the company have a good mixture of experience workforce. The company contains 20.20 per cent of respondents are workers and 79.80 per cent of respondents are officers.

B. Awareness on purposes of performance appraisal mechanism

Performance appraisal is conducted by companies for different purposes. The main purposes of the performance appraisal are to assess the performance given by the employees; giving feedback of the appraisers to the employees; and planning for future. The performance appraisal reports are considered as the basis for making decisions regarding promotion, transfer and salary increment. The performance appraisal is helpful for both the employer as well as the employees. It provides transparent practices followed by the management to the employees. The training and development requirements could be understood from the performance appraisal reports. For the purpose of the present study, the following purposes of performance appraisal have been considered and the level of awareness of the sample respondents has been obtained as fully aware; just aware and not aware: [1] Assessing and ascertaining performance [2] Providing feedback to employees [3] Planning for future performance goals [4] Providing basis for improving performance [5] Making clear the key elements of motivation [6] Promoting good working environment [7] Providing important Records [8] Identifying the training and development needs [9] Facilitating the fair and equitable compensation [10] Increasing the Accountability. Moreover, the performance appraisal system would be successful if the employees understand the purposes for which the appraisal is made. They will be able to know the level of performance contributed by them. The policies regarding promotion, transfer and salary increment are made on the basis of the appraisal of employee performances. Therefore, the employees get to know about the rewards to be given to them. There will be no dissatisfaction among the employees regarding the promotion and increment issues if they know their performance levels clearly by means of feedback and reports. The employers also can justify the action taken in this regard. Unnecessary and unwanted conflicts between employees and employers regarding elevation of employees to the higher positions could be avoided if the performance appraisal is made in unbiased manner.

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This analysis would be helpful for the management to understand the level of awareness of the employees towards the purposes of performance appraisal.In order to fulfil the objective of the study, an attempt has been made to analyze the relationship between demographic variables and awareness of employees on the selected purposes of performance appraisal. In this regard, the responses given by the sample respondents were assigned scores as 3 for fully aware; 2 for just aware and 1 for not aware. The scores of all the ten selected purposes of performance appraisal have been computed for each individual respondent. The awareness score has been computed by summing up the scores obtained by the individual respondents for each of the selected purposes of performance appraisal. Based on the total awareness score, t test and ANOVA have been performed to test the following hypotheses:

[1] Null Hypothesis H₀: There is no significant relationship between demographic variables and level of awareness of employees of SAIL towards the purposes of performance appraisal.

[2] Alternative Hypothesis H₁: There is no significant relationship between demographic variables and level of awareness of employees of SAIL towards the purposes of performance appraisal.

[1] Null Hypothesis H₀: There is no significant relationship between demographic variables and level of awareness of employees of SAIL towards the purposes of performance appraisal.

Table-II Gender and Awareness – T- Test

Gender	Low	Medium	High	Total	t value	Result
Male	45	252	15	312	-1.091 [0.276]	Not Significant
Female	13	114	6	133		
Total	**58**	**366**	**21**	**445**		

Source: Computed, Note: Figure in Square brackets represent p-value, NS-Not Significant

Table-II evinces that the highest proportion of male employees had medium level of awareness and the lowest proportion of them had high level of awareness. Among the female employees, medium level of awareness was found among the highest proportion of them and high level of awareness was observed among the least proportion of female employees. The t value of -1.091 and the p value of 0.276 denote that there is no significant relationship between gender of the respondents and their awareness on purposes of performance appraisal.

Table-III Age and awareness – ANNOVA

Age	Low	Medium	High	Total	F value
Below 25 years	12	69	1	82	4.716* [0.003]
25 to 35 years	8	110	5	123	
35 to 45 years	20	124	11	155	
Above 45 years	18	63	4	85	
Total	**58**	**366**	**21**	**445**	

Source: Computed, Note: Figure in Square brackets represent p-value, * Significant @ 1%

From the Table-III, it could be understood that the highest proportion of employees pertaining to the age group of below 25 years had medium level of awareness and the lowest proportion of such employees had high level of awareness. The medium level of awareness was found among the highest proportion of employees belonging to the age group of 25 to 35 years and the high level of awareness was observed among the lowest proportion of them. It is seen that the level of awareness of the highest proportion of employees in the age group of 35 to 45 years was medium level whereas the awareness of the lowest proportion of these employees was found at the high level. In the case of employees above the age of 45 years, the highest proportion of them had medium level of awareness and the lowest proportion of them had high level of awareness on purposes of performance appraisal. The relationship between age of the employees and their awareness was statistically significant at 1 per cent level as indicated by the F value of 4.716 and the p value of 0.003.

Table-IV Marital status and awareness -T-Test

Marital Status	Low	Medium	High	Total	t value
Single	11	118	4	133	-0.114NS [0.91]
Married	47	248	17	312	
Total	**58**	**366**	**21**	**445**	

Source: Computed, Note: Figure in Square brackets represent p-value, NS-Not Significant

From the Table-IV, it is divulged that out of 133 single employees, 11 of them had low level of awareness; 118 of them had medium level of awareness and 4 of these employees had high level of awareness. In the case of married employees, low level of awareness was found among 47 of them; medium level of awareness was found among 248 of them and high level of awareness was observed among 17 of such employees. The t test results concluded that there exists no significant relationship between marital status and awareness of employees on the purposes of performance appraisal.

Table-V Educational level and awareness – ANNOVA

Educational Level	Low	Medium	High	Total	F -value
School Level	21	136	6	163	0.882NS [0.45]
UG Level	27	105	12	144	
PG Level	8	92	3	103	
Others	2	33	0	35	
Total	**58**	**366**	**21**	**445**	

Source: Computed, Note: Figure in Square brackets represent p-value, NS-Not Significant

According to the Table-V, the lowest proportion of employees completed school level education had high level of awareness on purposes of performance appraisal while the highest proportion of them had medium level of awareness. In respect of employees with UG level of education, the medium level of awareness was found among the highest proportion of them and high level of awareness was found among the lowest proportion of them. The level of awareness of highest proportion of PG level educated employees was medium and that of lowest proportion of them was found to be high. With reference to employees belonging to 'Others' category, highest number of employees had medium level of awareness and none of them had high level of awareness. From the F value of 0.882 and p value of 0.45, it is inferred that the relationship between educational level and awareness on purposes of performance appraisal is not significant.

Table-VI Nature of Job and awareness – T-test

Nature of Job	Low	Medium	High	Total	t value
Officers	15	75	0	90	-2.064** [0.041]
Workers	43	291	21	355	
Total	**58**	**366**	**21**	**445**	

Source: Computed, Note: Figure in Square brackets represent p-value,** Significant @ 5%

From the Table-VI, it is proclaimed that 15 officers and 43 workers had low level of awareness; 75 officers and 291 workers had medium level awareness whereas the high level of awareness was found among 21 workers and none of the officers. It is concluded from the results of the t test that there exists a significant association between nature of job and the awareness of employees towards purposes of performance appraisal since the p value (0.041) is less than 0.05.

Table-VII Length of service and awareness – ANNOVA

Length of Service	Low	Medium	High	Total	F value
Below 5 years	9	81	5	95	0.781NS [0.505]
5 to 10 years	20	123	4	147	
10 to 15 years	19	82	3	104	
Above 15 years	10	80	9	99	
Total	**58**	**366**	**21**	**445**	

Source: Computed, Note: Figure in Square brackets represent p-value, NS-Not Significant

From the Table-VII, it is made clear that medium level of awareness was found among the highest proportions of employees having a service of below 5 years and the employees having 5 to 10 years of service. The least proportions of the employees had high level of awareness towards purposes of performance appraisal. It could be understood that the highest proportion of employees with an experience of 10 to 15 years had medium level of awareness and the lowest proportion of them had high level of awareness. In respect of employees having more than 15 years of experience, the greatest proportion of them had medium level of awareness and the lowest proportion of them had high level of awareness. The F value of 0.781 and p value of 0.505 indicated that the length of service and awareness on purposes of performance appraisal are not significantly related.

VI. CONCLUSION

The current study gave an overview of the Steel Authority of India Limited (SAIL) and the demographic variables of the sample respondents. The demographic variables such as gender, age, marital status and educational level were compared with the awareness of employees towards the selected purposes of performance appraisal has been analyzed. It is understood from the analysis that the awareness of employees was affected by the age and nature of job.

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