

## **1.1 INTRODUCTION**

In today's competitive era, it is important to maximize the productivity of an organization. Performance appraisal is considered to be an important tool for improving productivity as it makes worker effective & active in their work. Performance appraisal leads to form a management group which improves the performance of company gradually. It is a procedure that evaluates the performance of individual personnel & the measures to improve it so that it can contribute to overall organizational performance. Motivation plays crucial role in performance appraisal. Likert says, Motivation as a willingness to expend energy to achieve a goal or a reward. Motivation is the primary energizer that drives employee's effort towards predetermined goals of an organization. The output of every organization depends on how well the performance of employee is evaluated & appraised.

Performance appraisal is a critical tool for organizations to assess and enhance employee performance, aligning individual goals with overall business objectives. It serves multiple purposes, such as recognizing top performers, identifying areas for improvement, and ensuring that employees are adequately supported in their career development. In recent years, performance appraisals have evolved from traditional annual reviews to more comprehensive systems incorporating continuous feedback, 360-degree evaluations, and goal-setting strategies.

This project focuses on Aditya Birla Fashion and Retail Limited (ABFRL), one of India's leading fashion retail companies, known for its brands like Louis Philippe, Pantaloons, Van Heusen, and Allen Solly. With over 3,200 stores and a strong workforce, ABFRL places significant importance on managing talent effectively. The company's performance appraisal system is a key aspect of its HR strategy, playing a vital role in employee motivation, retention, and development.

This study aims to analyze the effectiveness of ABFRL's performance appraisal system, evaluating its impact on employee motivation, career development, and overall job satisfaction. It will also explore employee perceptions of fairness and transparency, identify challenges faced in the appraisal process, and provide recommendations for improvements. The analysis will be based on employee feedback collected through surveys, providing real-world insights into the strengths and limitations of the current appraisal system at ABFRL.

## **1.2 THEORETICAL FRAMEWORK OF THE STUDY**

### **PERFORMANCE APPRAISAL**

Performance appraisal may be defined as a structured formal interaction between a subordinate and supervisor that usually takes the form of periodic interviews, in which the work performance of the subordinate is examined and discussed, with a view to identifying weaknesses and strength as well as opportunities for improvement and skills development.

Performance appraisal is the process of evaluating personnel job performance and his potential for development. Appraisal is the valuation of work, quality or merit. In the organizational context, performance appraisal is the systematic evaluation of personnel superiors or others who are familiar with the performance of personnel. In other words, it is a systematic and objective way of judging the relative worth or ability of an employee in performing his job. Performance appraisal and merit rating are used synonymously. Performance appraisal is a wider term than merit rating.

According to Dale S. Beach, "Performance appraisal is systematic evaluation of the individual with respect to his or her performance on the job and his or her potential for development. And according to Dale Yoder, "Merit rating refers to all formal procedures used in working organization to evaluate personalities and contributions

and potential of group members. In the words of Shubin, "Performance appraisal is a systematic appraisal of the employee's personality traits and performance on the job and is designed to determine his contribution and relative worth to the firm".

#### **1.4 SCOPE OF THE STUDY**

The report covers the details of the analysis of performance appraisal in the workplace. The report consists the observation during the internship period in the ADITHYA BIRLA FASHION AND RETAIL LIMITED, Bangalore. The study helps to understand the performance appraisal program in the workplace.

#### **1.5 OBJECTIVES OF THE STUDY**

- To study the performance appraisals at ADITHYA BIRLA FASHION AND RETAIL LIMITED, Bangalore.
- To study the impact of performance appraisal
- To analyse the performance and satisfaction of employee in the workplace.

#### **Hypothesis**

- $H_0$ : There is no relation between gender and employee satisfaction level  
 $H_1$ : There is a relation between gender and satisfaction level
- $H_0$ : There is no relation between effectiveness of performance appraisal communication and satisfaction of performance appraisal  
 $H_1$ : There is relation between effectiveness of performance appraisal communication and satisfaction of performance appraisal.

#### **1.6 RESEARCH METHODOLOGY**

##### **Descriptive research design**

Descriptive research has been used in this study. It is mainly used to describe the characteristics of the population that is being studied. Descriptive research primarily

focuses on describing the nature of a demographic segment of the study.

### **Sample size of the study**

The population of the study is 150 and the sample size of the study is 100

### **Duration of the study**

The duration of the study was 45 days.

## **METHODS OF DATA COLLECTION**

- **Primary Data**

Primary data were collected from the employees of the company directly

- **Secondary Data**

Secondary data for the study was collected from company website, research articles and magazines

## **TOOLS FOR ANALYSIS**

The tools used for the analysis are:

- Percentage analysis
- Chi square analysis

The chi square is commonly used for testing relationships between categorical variables.

The null hypothesis of the chi-square test is that no relationship exists on the categorical variables in the population.

## **1.7 LIMITATIONS OF THE STUDY**

- The study was time consuming because of the busy schedule of employees.
- The responses given by the employees may not be true or may be biased.
- Data availability constraints due to data confidentiality

## **1.8 CHAPTER SCHEME**

- CHAPTER -1

Introduction in first chapter includes introduction to the study, theoretical aspects, statement of the research problem, significance of the study, hypothesis, methodology of the study, chapter scheme, and limitations of the study.

- CHAPTER -2

Review of related literature

In second chapter it refers to background of the organization study Analysis of literature.

- CHAPTER -3

Profile of the company. It includes Industry profile & Company profile

- CHAPTER -4

Data analysis and interpretation.

In fourth chapter to collect the customer data sources

It is required to include analysis of data using diagram and graph, the output obtained by using statistical data.

- CHAPTER -5

Finding, recommendations and conclusion.

In fifth chapter It includes that what are the findings of the project and organization explain in the last chapter, and in my own words I conclude the project and what I understand my project base I give the suggestions to the organization.