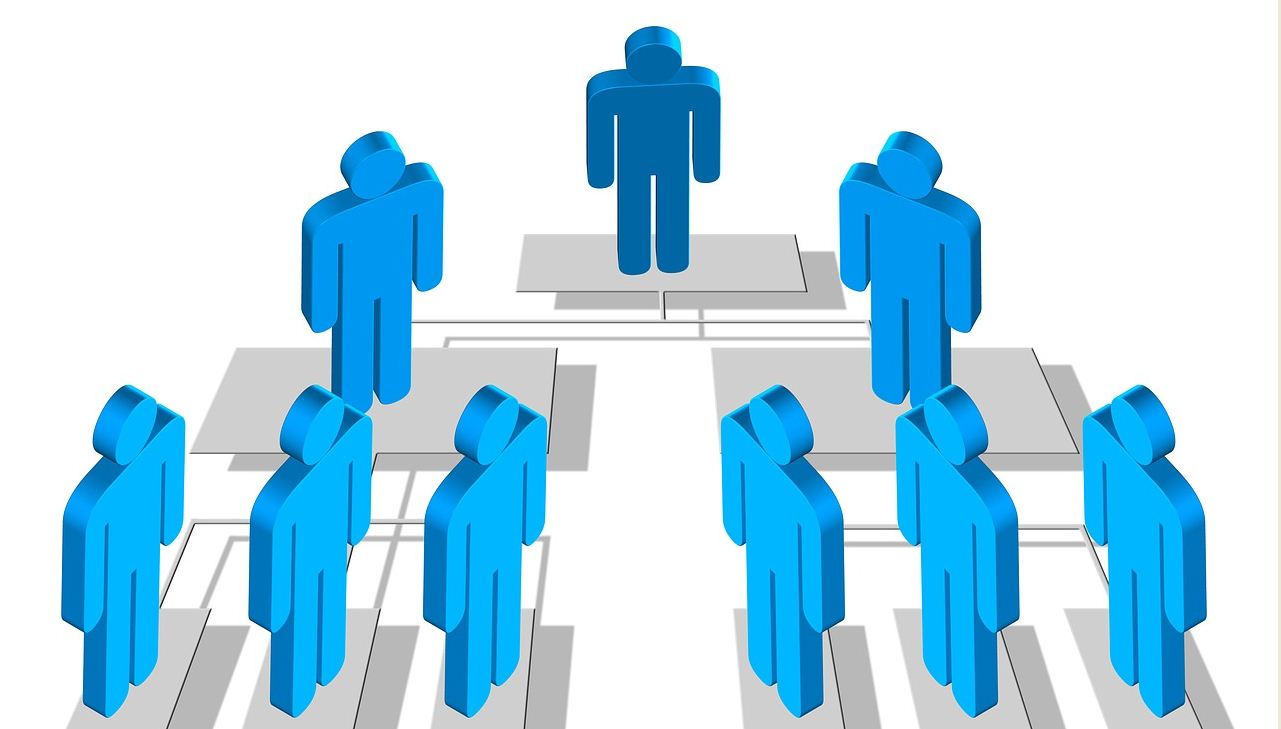
**Chapter 1: INTRODUCTION**

**1.1 INTRODUCTION**

Under the guidance of MASSIA and GIZ we are privileged to work on a industrial project “Software Development for Performance Measure Review Discuss” with guidance of Abhijay auto parts, Waluj, Aurangabad.

PMRD is an employee work and skill management system where all the employee work together as a team. The purpose of this project is to overcome the problems that employee face during their work schedule. In today’s industrial era we come to find that there are certain industries where work is carried out in paperwork or excel sheet format. So, we are developing real time software to overcome this problem. The scope of these projects increases as the number of automated work will be executed. As it will become easy to manage work load as compared to traditional workflow that has been going so far The origin of this project was from an industry problem. Industry are supposed to work in automatized manner as the time consumption must be reduced. This product will be based on “Hoshin Kanri”, which is a technique developed to automate the work distribution of employees working in the industry. In existing system, the work is done in manually on excel which is pretty much time consuming as well as the transparency is not maintained. To overcome these flaws this system is created in software format that is full of transparency as well as less time consuming.

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**FIGURE 1.1: EMPLOYEE ANALYSIS**

PMRD is software which can be sell as product to various clients with “Product-Key” for each individual credential. This project targets a small-scale industry. This can be implemented in such industries where number of users are limited to 80 to 100. Considering cities like Mumbai, Pune, Aurangabad, Hyderabad, Chennai Where number of startups, small scale industry which provides a parts/ services to the big companies like Bajaj Auto Pvt Ltd, Varroc, Videocon, etc. have big impact on Industry. To maintain the Transparency between the company and employee PMRD is used. Considering present scenario some industries use PMRD concept which is built in Excel-sheet format. If we want to implement this project for large scale industry where number of users are more, this can be implemented using a web-based application which uses a cloud technology to maintain data/ records for each company.

This study focuses on analyzing and exploring the impact of performance management system on employee performance. According to Chan and Lynn (1991), the organizational performance criteria should include profitability, productivity, marketing effectiveness, customer satisfaction, but also employee morale. In this perspective, employee performance is tightly related to organizational performance, effective and efficient employee performance will positively influence organizational performance. On the other view, Millar (2007) built a framework of talent management which consists of planning, recruiting, performance, learning, career development, succession planning, compensation, and measuring and reporting. In order to organize a company effectively, companies must rethink how they hire, train and reward their employees; therefore the employees could be encouraged to be competitive. Undoubtedly, there is an important factor is human in organizations. One of the main management strategies of the organizations is to invest in employees. Organizations are seeking to develop, motivate and increase the performance of their employees in a variety of human resources applications (Gungor, 2011). Thus, performance management should be an important step in the organization's HRM system and influences employee performance and then to organizational performance. The reason why I chose this research topic is that nowadays there are many organizations that are relying on employees for success and competitiveness. According to the resource-based view, employees are the resources and assets of an organization. Consequently, organizations need to figure out strategies for identifying, encouraging, measuring, evaluating, improving and rewarding employees' performance at work. According to this respect, performance management and appraisal systems have come to play an indispensable role in helping organizations to reach their goals of productivity (Stevers & Joyce, 2000). In fact, human resource management practices could influence the behaviors of individual employees.

The impact of Human Resources (HR) practices on employees' commitment and performance depends on employees' perception and evaluation of these practices (Guest, 1999). Performance management is a process for ensuring employees focus on their work in ways that contribute to achieving the organization's mission is indispensable for a business organization. Actually, performance management includes various types or system. Performance management system is a kind of performance management forms. Supervisors and managers are responsible for managing the performance of their employees. Each organization's policy should specify how the performance management system will be carried out. Organizations should adopt performance management practices that are consistent with the requirements of this policy and that best fit the nature of the work performed and the mission of the organization. Therefore, it is important that this research will be conducted, or existing research will 5 be expanded to understand employees' experiences and perceptions of performance management and appraisal system so that a completed and comprehensive performance system could be built up. Moreover, it is important for employees and managers to understand that performance management and performance management systems are the key determinants of an organization's long-term success or failure. If employees are not happy or do not agree with the performance management system, they are likely to be unwilling to take an active part in the process because they do not see any value of it. As a result, the organizational performance and productivity would decrease due to the inefficient employee performance.

To conclude, this topic would be interesting and meaningful for any organization because the performances of employees have a significant relationship with organizational performance. Also, understanding how HRM practices influence employee performance could help organizations setting up a better management system, and finally improve employee performance and organizational performance. This master thesis is an academic research which tests how a performance management system influences employee performance. Firstly, I will do a literature review which is a theory conclusion of former researches about performance management system and performance management. The research method in this study is secondary data analysis method. I will use the relevant independent and dependent variables from WERS 2004 questionnaire to analyze the relationship between performance management system and employee performance.

The 2004 Workplace Employment Relations Survey (WERS 2004) is the fifth in a series of surveys and is the latest of such surveys in the series that aims to provide a national representative of the state of employment relations and working life inside British workplaces. The main statistic tool is STATA which is a powerful tool for analyzing data. STATA can make statistics and data analysis fun because it does so much of the tedious work for user. Moreover, the main tests consist of Spearman's rho, chi-square test and Multivariate regressions. In this master study, I attempt to discuss some hypotheses which would be built after the literature review. These hypotheses are relevant to the impact of performance management system on employee performance. Therefore, I could better understand the relationship between performance management system and employee perfor

**1.2 PROPOSED SYSTEM**

The proposed system is to implement an automated software where all the work flow is carried out in systematic manner without any complexity of work. This software will improve the entire inventory handling process by providing an automated systematic and accurate flow of company work that is error free, efficient and updated real time. The proposed system is composed of four phases i.e (a) performance (b) measure (c) review (d) discuss

In performance phase the software will calculate the performance and skill of the employee. This performance is evaluated on the daily, weekly or monthly bases. According to the the performance of employee admin will allocate task. In measure phase evaluation of work is done on the basis of how much time the employee had worked In review phase all the working process is analysed by software and report is given. This review is discuss among admin. In discuss phase discussion between employee and admin takes place on the basis of performance

Some of the merits of proposed system are as follows:-

* Accuracy: Precise and accurate performance measurement is hard. We are interested in approaches to enable more reliable and repeatable experimental evaluations of systems and to improve the accuracy and precision of performance measurements
* Time saving: The computerized system is time saving.
* Easy maintenance: The maintenance of software is not tough, as the software is not be crash or damage
* Easy modification: In case of any change in data stored the modification can be done very easily.

**1.3 OBJECTIVIES**

* To study the employee performance.
* Automate the manual data filling work.
* To know about the solvency about the company.
* To calculate employs skills on basis of daily work.
* To improve quality standards of the company.
* To Reduce human errors.
* To maintain transparency between employee and executives.