

PROJECT REPORT
ON
“A STUDY ON PERFORMANCE MANAGEMENT
SYSTEM”

At

G.M.H. Organics Company

SUBMITTED TO HP UNIVERSITY SHIMLA



**In Partial Fulfillment of the Requirement for the Award
of the Degree of**

BACHELOR OF BUSINESS ADMINISTRATION

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IN SWAMI VIVEKANANDA GOVT. COLLEGE
GHUMARWIN

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ACKNOWLEDGEMENT

“Acknowledgement is an art, one can write glib stanzas without meaning a word, on the other hand one can make a simple expression of gratitude” I take the opportunity to express my gratitude to all of them who in some or other way helped me to accomplish this Project at **GMH Organics Baddi**. No amount of written expression is sufficient to show my deepest sense of gratitude to them. I very sincerely acknowledge my sense of reference to **Director HEIS Dr. Ram Krishan Co-coordinator BBA Asst. Prof. Rajender Kumar, Asst. Prof. Swati Thakur of Swami Vivekananda Govt. College, Ghumarwin**. I am also express deepest gratitude to my family for their blessing and good wishes.

Date:

Sign. Of Student

Place: Ghumarwin

DECLARATION

This is to certify that the project report entitled “**A STUDY ON PERFORMANCE MANAGEMENT SYSTEM**” at **GMH Organics Baddi**. has been prepared by **Ms. Nitika Sharma** in a partial of the requirement for the Degree of **BACHELOR OF BUSINESS ADMINISTRATION**.

I hereby declare that all the information and fact produced here are on based on my own findings are studies at **GMH Organics Baddi** are original in nature. The contents of report are a true expression of my efforts on the said topic. Any resemblance to earlier Project report is purely co-incidental.

DATE:

Sign. Of Student

PLACE: GHUMARWIN

CERTIFICATE

This is to certify that the project report entitled “**A STUDY ON PERFORMANCE MANAGEMENT SYSTEM**” for the award of the Degree of **BACHELOR OF BUSINESS ADMINISTRATION (B.B.A.)** from **HP UNIVERSITY SHIMLA**, is a record of project report carried out by **MISS NITIKA SHARMA** a student of **SWAMI VIVEKANANDA GOVT. COLLEGE GHUMARWIN** in **BBA 6th sem.** Roll No. **5190350019** under my supervision and guidance, no part of this report submitted to any other Degree/Diploma and this report may be taken for evaluation.

Sign of Candidate

Sign of Guide

Sign of Co-coordinator (BBA)

Date:

Place: Ghumarwin

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CHAPTER-1

1.1 COMPANY PROFILE

**1.2 INTRODUCTION TO PERFORMANCE MANAGEMENT
SYSTEM**

1.1 COMPANY PROFILE

INTRODUCTION TO G.M.H ORGANICS COMPANY

Company Profile



Fig. 1

G.M.H. Organics

GMH group came into existence in 1995 to ensure " good meaning health" for all. This strong belief leads to the name (GMH) of the group. G.M.H ORGANICS came into existence in 2007 with an aim to build quality into the products with the help of highly qualified, competent, & committed man power. We are WHO cGMP satisfied manufacturers and suppliers having valued clientele in Indian market and other countries.

We are a fast growing indian pharmaceutical company engaged in manufacturing and marketing a board range of pharmaceutical products globally. We carry a good institutional reputation because of which we are tied up with multinational companies like Cipla, Piramal health care, intascadila elder, wanbury, nectar life science, unimark remedies etc.

We have a state of art manufacturing unit equipped with latest technology machinery and have a team of more than 150 employees involed in strengthening the pillars of organization. We have in-house quality testing and quality assurance team to ensure best quality product.

We mantain highest standard soft quality by ensuring that the product shall meet relevent pharma copoeial standards and statutory requirements. In addition, the company shall ensure that all the steps envoled in the design, development and manufacture of a product leads to the intended level of quality performance in the market. This commitment to quality requires us to ensure that our facilty is geared up to provide.

Right environment trained and quality conscious personnel, products design with built - in quality, packaging provides requisite security and cosmatic appeal and complete customer satisfaction.

About G.M.H. Organics:-

Established in 2007, GMH Organics has made a name for itself in the list of top suppliers of in india. The suppliers company is located in Baddi, Himachal Pradesh is one of the leading sellers of listed products.

1.2 INTRODUCTION TO PERFORMANCE MANAGEMENT SYSTEM

❖ INTRODUCTION OF PERFORMANCE MANAGEMENT SYSTEM

The main objective of performance management is to promote and improve employee effectiveness. Performance management is the continuous process of setting objectives, assessing progress and providing on-going coaching and feedback to ensure that employees are meeting their objectives and career goals.

Performance management is a process by which manager and employees work together to plan, monitor and review an employee's work objective and overall contribution to the organization. The performance management process is very effective as it links individual employee work efforts with the organization's mission and objectives. Due to which, the employee and the organization understand how that job contributes to the organization.

Performance management is an ongoing process of **communication** between a supervisor and an employee that occurs throughout the year, in support of accomplishing the strategic objectives of the organization.

Performance management is developed to assist employees in succeeding. It not just requires direction, from the end of managers and supervisors, but also needs active participation on the parts of employees.

It makes sure that employees are known about their key job function, aware of the performance level exerted, get constant feedback on their performance and reward thereon, in just and fair manner.

• MEANING OF PERFORMANCE MANAGEMENT SYSTEM

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It makes sure that employees are known about their key job function, aware of the performance level exerted, get constant feedback on their performance and reward thereon, in just and fair manner. Performance management system (PMS) is the heart of any “*people management processes*” in organization. Organizations exist to perform. If properly designed and implemented it can change the course of growth and pace of impact of organizations. If people do not perform organizations don't survive. If people perform at their peak level organization can compete and create waves. In the past organizations as well as the HR function have wasted a lot of time by wrongly focusing on performance appraisals rather than performance management.

- **DEFINITION**

According to **Michael Armstrong** (2000), “*Performance Management is defined as a strategic and integrated approach to delivering sustained success to organization by improving performance of the people who work in them and by developing the capabilities of teams and individual contributors*”.

According to **Louis R. Gomez** and **David B. Mejia** (1999), “*Performance Management is a process through which managers ensure that employee’s activities and outputs contribute to organization goals*”.

According to **Herman Aguinis**(2007), “*Performance Management is a continuous process of identifying, measuring and developing the performance of the individuals and aligning performance with the strategic goals of the organization*”.

According to **Daniels** and **Rosen** (1984), “*Performance Management is defined as a data-guided approach to managing work behavior*”.

❖ **FACTORS AFFECTING PERFORMANCE MANAGEMENT SYSTEM**

Performance is affected by number of factors. These are:

- I) Personal factors-** the individual's skill, competence, motivation and commitment.
- II) Leadership factors-** the quality of encouragement, guidance and support provided by managers and team leaders.
- III) Team factors-** the quality of support provided by colleagues.
- IV) Systems factors-** the system of work and facilities provided by the organization.
- V) Contextual factors-** internal and external environmental pressures and changes.

❖ **AIMS/OBJECTIVES OF PERFORMANCE MANAGEMENT SYSTEM**

The major **objectives of performance management** are discussed below:

- i. To enable the employees towards achievement of superior standards of work performance.
- ii. To help the employees in identifying the knowledge and skills required for performing the job efficiently as this would drive their focus towards performing the right task in the right way.
- iii. Boosting the performance of the employees by encouraging employee empowerment, motivation and implementation of an effective reward mechanism.
- iv. Promoting a two way system of communication between the supervisors and the employees for clarifying expectations about the roles and accountabilities, communicating the functional and organizational goals, providing a regular and a transparent feedback for improving employee performance and continuous coaching.
- v. Identifying the barriers to effective performance and resolving those barriers through constant monitoring, coaching and development interventions.
- vi. Creating a basis for several administrative decisions strategic planning, succession planning, promotions and performance based payment.
- vii. Promoting personal growth and advancement in the career of the employees by helping them in acquiring the desired knowledge and skills.

❖ PRINCIPLES OF PERFORMANCE MANAGEMENT

Some of the major principles that are consistently found in an effective performance management process that can be adopted by an organization are listed below:

- i. **Be Honest and Open-** It requires a management system that is open and honest and encourages two-ways communication.
- ii. **Good Relationship-** Good performance management relies on a good relationship.
- iii. **Make Goals Interesting, Challenging and Encouraging-** That is what really motivates people to achieve.
- iv. **Pull together-** Aligns individual's goals with team and organizational goals.
- v. **Give Praise-** Recognizes and acknowledges good performance as soon as it happens.
- vi. **Regular Feedback-** Gives regular and timely feedback.
- vii. **Motivate-** Linking performance with financial rewards.
- viii. **Universal-** It should apply for all employees of the organization.
- ix. **Employee Recognition-** Needs to employee's success for employee performance and engagement.

❖ SCOPE OF PERFORMANCE MANAGEMENT

The performance of an employee in an organization depends upon various factors like accomplishment and implementation of tasks assigned to him/her, his/her potential, objectives, behavior, attrition risk, reduction by attrition etc.

So the scope of performance management must include:

- i. **Designing and assigning SMART action plans** to inspire and persuade employees according to specific department and role to achieve their goals that must be in turn aligned with the motive of achieving organizational objectives.
- ii. **Evaluating an employee's current benefaction and advance level of benefaction to an organization.**
- iii. **Consolidated Performance Reports** to enable extensive analysis.
- iv. **Measuring an individual's performance minutely by developing a 360 degree feedback** in your organization.

PROCESS OF PERFORMANCE MANAGEMENT

Performance Management is a management style that has grown increasingly popular. It involves a process in which a company, organization, or institutions creates a work environment that empowers employees to work to the best of their abilities. The process that an employer uses to accomplish this often varies from one business to the next. Despite these variations, the performance management process generally involves some form of goal setting, evaluation and reward. In addition, coaching is often offered throughout the process.

i. Planning:

The planning stage of the performance management process is meant to set achievement goals for the employee and discuss the expected level of performance for the job. The expectation for any given employee will typically depend on the work they are doing or the department they are in. At the end of the planning stage both the employee and management must be in agreement in terms of what is expected. In addition, the goal are set are once that should be achieved with in the course of one year.

ii. Assessment:

The assessment is an annual evaluation of the employee's performance. This often takes feedback from co-workers and clients into consideration, in addition to observation by management. Assessment also included a review of the previous year's evaluation and an assessment of skills. Some employers may have an employee complete an evaluation of their own performance that is then discussed during the evaluation and compared to the official evaluation.

iii. Recognition:

This portion of the process is about recognizing the employee's accomplishment as well as any areas that need improvement. During this process the manager/employer and the employee should discuss ways to make improvements. Management should also be open to things that they can do differently in efforts to help the employee. In terms of accomplishments, employees may be recognition verbally and/or in the form of bonuses or promotions.

iv. Career development:

This phase of the process is to promote and encourage future improvement and development of the employee. It should meet the needs of the business or organization; enhance the strengths of the employee and work to eliminate areas of weakness. This may involve training on site as well as sending the individual to off-site training. As with other phases or stages of the process, communication between management and the employee is important.

❖ **BENEFITS OF PERFORMANCE MANAGEMENT**

An effective performance management system can play a very crucial role in managing the performance in an organization. The benefits to the organization, managers and individuals of well- conceived and well-run performance management processes are summarized below:

I. For the Organization:

- Align corporate, individual and team objectives.
- Improve performance.
- Motivate employees.
- Increase commitment.
- Underpin core values.
- Improve training and development process.
- Help to develop a learning organization enlarge the skill base.
- Provide for continuous improvement and development.
- Provide the basis for career-planning
- Help to retain skilled employees.
- Support total quality and customer service initiatives.
- Support culture- change programs.

II. For the Managers:

- Provide the basis for clarifying performance and behavior expectations.
- Afford a framework for reviewing performance and competence levels.
- Improve team and individual performance. Support leadership, motivating and teambuilding processes.
- Provide the basis for helping underperformers.
- May be used to develop or coach individuals.
- Offer the opportunity to spend structured ‘quality’ time with teams and team members.
- Provide the basis for providing non-financial rewards to staff.

III. For Individuals:

- Greater clarity of roles and objectives.
- Encouragement and support to perform well.
- The provision of guidance and help in developing abilities and performance.
- Opportunities to spend ‘quality time’ with their managers.
- Opportunities to contribute to the formulation of objectives and plans and to improvements in the way work is managed and carried out.
- An objective and fair basis for assessing performance.

BEHAVIOURAL APPROACHES OF PERFORMANCE MANAGEMENT SYSTEM

The behavioral approach to the performance management system rests on the idea that you can get the right level of performance from employees based on a demonstration of desirable behaviors. This system contrasts with the outcome approach in which the results of employee work efforts are emphasized. Employees must receive direct explanation of expected behaviors at the beginning of their employment.

I) Focus on Process:

A focus on desirable employee behaviors is really scrutiny of the process that employees use to accomplish their work objectives. One way an organization can ensure that employees perform their jobs is through the development of internal policies and procedures. The more specific the procedures, such as flowcharts that indicate decisions employees should make in the scope of their work, the more that employees can be expected to execute the routines in their work processes correctly.

II) Behavioral Statements:

A performance management system consists of a form that a manager uses to evaluate employees in their specific position. Each employee's evaluation form includes statements that describe general behaviors, such as completing work assignments by the deadline, or specific behaviors, such as drafting letters of correspondence with fewer than three errors in grammar, punctuation and spelling. No matter what kinds of statements are included on the forms, these statements will describe the most essential criteria that employees need to perform well to help their business department achieve its goals.

III) Competencies:

Some organizations choose to link their descriptions of desirable behaviors into competency statements, while others focus on statements reflecting how employees embody the core values of the organization. Both types of statements outline a minimum level of competency so workers know what kind of behaviors to use in the workplace. Behaviors must always link to desired results for the organization to achieve in the business environment.

IV) Link to Recruitment and Selection:

An organization that wants to make the most use of its performance management system will link behavioral competencies to the recruitment and selection process. The desired behaviors in a new hire will be included in the job announcement in some form, perhaps under job criteria, and included in essay questions, interview questions and other applicant screening instruments. Hiring managers will look for these behaviors during every interaction with applicants. When an employee gets a new job with the organization, she will know at the start how the organizational culture values certain behaviors over others.

❖ **CONTRIBUTION OF PERFORMANCE MANAGEMENT SYSTEM**

There are many advantages associated with implementation of a performance management system. A performance management system can make the following important contributions:

1) Motivation to perform is increased:

Receiving feedback about one's performance increases the motivation for future performance. Knowledge about how one is doing & recognition about one's past success provides the fuel for future accomplishments.

2) Self-esteem is increased:

Receiving feedback about one's performance fulfils a basic human need to be recognized & valued at work. This in turn is likely to increase employee's self-esteem.

3) Managers gain insight about Subordinates:

Direct supervisors & other managers in charge of the appraisal gain new insights into the person being appraised. Also, supervisors gain a better understanding of each individual's contribution to the organization.

4) The definitions of Job & criteria are clarified:

The job of the person being appraised may be clarified and defined more clearly. In other words, employees gain a better understanding of the behaviors and results required of their specific position.

5) Self-insight & Development are enhanced:

The participants in the system are likely to develop a better understanding of themselves and of the kind of development activities that are of value to them as they progress through the organization.

6) Administrative actions are more fair & appropriate:

Performance management systems provide valid information about performance that can be used for administrative actions such as merit increases, promotions and transfer as well as terminations.

7) Organizational goals are made clear:

The goals of the unit and the organization are made clear, and the employee understands the link between what she does and organizational success. PMS can help improve employee acceptance of these wider goals.

8) Employees become more competent:

An obvious contribution is that employee performance is improved. In addition, there is a solid foundation for helping employees become more successfully by establishing development.

❖ CHALLENGES OF PERFORMANCE MANAGEMENT SYSTEM

The basic purpose of performance management is to develop and improve the performance effectiveness of team members. The manager and the team member work together to plan, monitor, review and appraise the latter are work objectives and overall contribution to achieving the organization's goals. A lot of time and energy is spent in getting the goals and measures right, reviewing performance, and appraising it.

But still, some of the major challenges in managing performance could be as follow:

I. Need Competencies in a Performance Management System:

The performance management system and tools must fit with the specific needs of the organization. The system should be fair and equitable. Performance Management should be viewed as a continuous process and not an activity conducted once or twice a year. The design should also include mechanisms for rewarding performance and handling poor performance. Competence to use the performance management system is necessary to ensure smooth implementation of the system.

II. Need to Align Employees with Organizational Objective and Strategy:

The Performance management system has to be integrated with strategic planning and human resources management system as well as with the organizational culture, structure and all other major organizational system and processes.

III. Leadership and Management Commitment:

The leadership and management challenge has a huge impact on integrated and aligning a management system to deliver a comprehensive performance management system. The commitment and understanding of leadership and management of the requirement for achieving a workable performance system is critical to performance success.

IV. Managing and Performance System:

Managing a performance system in an organization requires a disciplined framework; it requires the organization to work off one master plan broken down into relevant part and areas of responsibility. The management responsibility at various levels needs understand the contracting, measurement development and appraisal process very well and apply it consistently.

V. Linking Reward System to Performance Management:

The management of poor performance is normally a reactive action, but in many cases it is delayed and therefore turns into a discussion that is difficult to make relevant.

BUILDING A SUCCESSFUL PERFORMANCE MANAGEMENT SYSTEM

The following are some key elements that can improve the quality of the performance management system:

1. The system must be accurate and fair:

A manager does not always see an employee's performance accurately or comprehensively. Only by obtaining multiple perspectives can the system achieve fairness and accuracy. Individual performance is always a combination of the skills and capabilities of an individual put in the context of a job. Some jobs are easy and others are difficult.

2. The system must be efficient:

In some cases, systems can take an inordinate amount of time. They end up detracting from performance instead of elevating it. The program must be more than a "box checking" process or a flurry of paperwork. Bottom line, it should improve the way that people perform.

3. The system should elevate performance; not just measure against lower limits:

Traditional performance management practices have focused on insuring that subordinates were meeting minimal performance expectations, rather than looking at the potential upper limits. An effective system should clearly link the individual's performance to the organization's strategic objectives and current initiatives. It should emphasize a culture of taking responsibility, which goes beyond making people merely feeling accountable.

4. Compensation decisions should be a product of performance management:

Compensation decisions should not be the main reasons for its existence, nor should compensation be in the driver's seat. We would argue that only one discussion each year should deal with compensation. Furthermore, the reality is that the great bulk of salary increases are driven by the changes in cost of living. The differences in increases for the great bulk of people in the middle of the curve are miniscule. Yes, there are a few people at the extremes whose compensation will be strongly influenced by the performance management system. A few poorer performers will get minimal or no raises. At the other end, a few top performers will get large raises. Organizations are beginning to realize that many groups of people inside their firm are not neatly distributed on a normal curve.

5. The system should use multiple data sources:

Every system should use some form of multi-rater feedback. Managers who rely solely on their perceptions of a person's performance will introduce a certain amount of "rater bias." The manager can informally collect multiple inputs. The manager can also use some instruments to collect this data. When the manager's view is augmented with two peers and two subordinates, rater bias is erased, allowing the system to evaluate performance accurately.

6. The process should include formal development on coaching skills:

The common element in the great majority of recently implemented performance management systems is frequent coaching conversations. However, coaching and providing feedback to others are skills that don't come naturally to everyone.

DISADVANTAGES OF POORLY IMPLEMENTED PERFORMANCE MANAGEMENT SYSTEM

1) Increased turnover:

If the process is not seen as fair, employees may become upset and leave the organization. They can leave physically or withdraw psychologically.

S2) Use of misleading information:

If a standardized system is not in place, there are multiple opportunities for fabricating information about an employee's performance.

3) Lowered self-esteem:

Self-esteem may be lowered if feedback is provided in an inappropriate and inaccurate way. This in turn can create employee resentment.

4) Wasted time and money:

Performance management systems cost money and quite a bit of time. These resources are wasted when systems are poorly designed and implemented.

5) Damaged relationships:

As a consequence of a deficit system, the relationship among the individuals involved may be damaged, often permanently.

6) Decreased motivation to perform:

Motivation may be lowered for many reasons including the feeling that superior performance is not translated into meaningful tangible or intangible rewards.

7) Employee burnout & job dissatisfaction:

When the performance assessment instrument is not seen as valid and the system is not perceived as fair, employees are likely to feel increased levels of job burnout & job dissatisfaction.

8) Increased risk of litigation:

Expensive lawsuits may be filed by individuals who feel they have been appraised unfairly.

CHAPTER-2

2.1 NEED & OBJECTIVES OF THE STUDY

2.2 SCOPE OF THE STUDY

2.3 RESEARCH METHODOLOGY

2.1 NEED & OBJECTIVES OF THE STUDY

The main objectives of the study are as follows:

- To study the process and methods of existing Performance management systems at GMH Organics.
- To study the effectiveness of performance appraisal and methods in the company.
- To trace the drawbacks in prevailing system and suggest the latest methodology with respect to same.
- To support in bridging the gap between current performance and desired performance.
- To Introduce KEY RESULT AREAS instead of self achievement in sales department.
- To study the GMH Organics Performance Management System & Evaluate the benefits in context of the company.
- Improve the performance of the employees & thereby, improving the overall performance of the company.
- To know the effectiveness of Performance Management System in GMH Organics.
- To know the improvement area of GMH Organics through Performance Management System.
- To analyze the problems faced by the appraisee and the appraiser in this system.

2.2 SCOPE OF THE STUDY

This project aims on enhance the Performance Management System of GMH Organics. For this purpose a unit was chosen by the industry and the study was confined in that unit of GMH Organics. In these unit 30 employees has been chosen randomly by random sampling method.

The data have been collected through questionnaire .The data analyzed with the help of constructing tables and diagrams & result drawn with the help of percentage method.

The questionnaire was carefully prepared to evaluate the Performance Management System at the GMH Organics.

2.3 RESEARCH METHODOLOGY

Research methodology comprises of two words that are research and methodology. **Research** refers to a search for knowledge. Research is scientific and systematic search for pertinent information on specific topic. **Research methodology** is a way to systematically solve the research problem. Research Methodology refers to a back philosophy of research. As an example of methodology in theoretical work, the development of paradigms satisfies most or all of the criteria for methodology. A paradigm, like an algorithm, is a ‘constructive’ framework, meaning that the so-called construction is a logical, rather than a physical, array of connected or intercalated elements. Therefore in order to solve a research problem it is necessary to design a research methodology for the easy and accurate solution of the problem.

➤ BENEFITS OF RESEARCH METHODOLOGY:

There are benefits of research to different parties:

- ◆ **Benefit to researcher:** It enhances the practical knowledge of researcher.
- ◆ **Benefit to employees:** The problems of employees come in the air.
- ◆ **Benefit to organization:** The factors that employees want for job satisfaction come into the eye of management and this helps in reducing turnover.

■ **RESEARCH DESIGN**

The research design comprise of the plan and structure of investigation conceived so as to arrive at the responses to the research queries. The research design will be used here for this project is a descriptive research designs.

Research designs are concerned with turning the research question into a testing project. The best design depends on your research questions. Every design has its positive and negative sides. The research design has been considered as a "blueprint" for research, dealing with at least four problems: what questions to study, what data are relevant, what data to collect, and how to analyze the results.

The research is of descriptive in nature, which could provide an accurate picture of marketing procedure conducted in the organization. Descriptive research includes surveys and fact-finding inquiries of different kinds. The research is of Ex post facto nature in which researcher no control over the variables has. Statistical method lay stress on objectivity rather than rely on intuition and judgment and average & percentages can easily be calculated.

The following methodology was adopted in project:

- Questionnaire study
- Analysis of the primary and secondary data.

■ **SAMPLE DESIGN**

A sample design is a definite plan for obtaining a sample from a given population. It refers to the technique or the procedure that is adopted in selecting the sampling units from which inferences about the population is drawn. Sampling design is determined before the collection of the data.

❖ **Sampling Unit-** A decision has to be taken concerning a sampling unit before selecting sample. **Sampling unit** may be

◆ Employees of GMH Organics

❖ **Source list-**It contains the names of all items of a universe.

❖ **Size of sample:** It refers to the number of items to be selected from the universe to constitute a sample. It indicates the number of individuals who would be surveyed. Here the sample size is **50 Respondents.**

❖ **Research Design:** Descriptive

❖ **Sampling:** Simple Random Sampling

❖ **Data :** Primary and Secondary Data

❖ **Instrumentation Technique/Tools:** Questionnaire

❖ **Sample Size:** 50 Respondents.

➤ **SAMPLE DESCRIPTION**

The sample mainly consists of data from the primary sources that are utilized for the purpose of this study. This is done by means of administering questioners to dealer's retailer customers and influencers in the city of Bilaspur. Secondary data like company journals, newsletters, records etc. were also relied on for retrieving further information.

■ **STATISTICAL TOOLS USED**

Statistical tools like Tabulation, Factor analysis, Pie chart Representations, and percentage analysis are used in the compilation and computation of data.

■ METHODS OF DATA COLLECTION

For this study, the data in hand is Inadequate and hence, it becomes necessary to collect data that is appropriate.

➤ **TYPES OF DATA:**

Generally, the data is divided into two types which is listed below:

- I) Primary Data
- II) Secondary Data

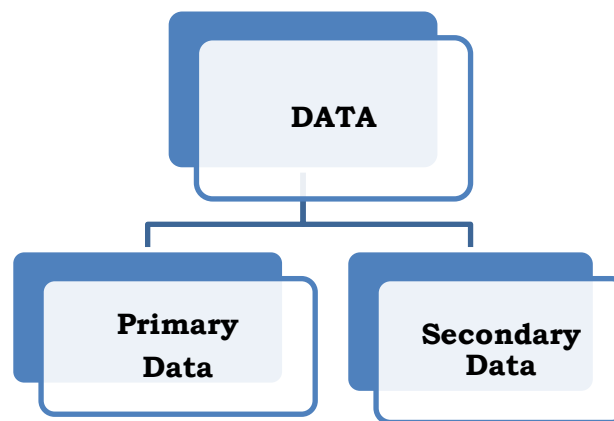


Fig.2.1
TYPES OF DATA

I) PRIMARY DATA:

This type of data which are collected afresh and for the first time, and thus happen to be original in character. For this type of study, I have used Survey method which includes Questionnaires. The survey will be undertaken on the lines of interaction with customers.

- **Survey Method:**

The survey method of obtaining information is based on the questioning and the answering of the respondent. Respondent are asked to verify of question regarding their opinion about project. The questions were asked verbally and respond were sought. The questions were direct as well as indirect.

- **Questionnaire:**

It is considered as the heart of survey operations and therefore should be very carefully constructed. It consists of a number of questions printed or typed in a definite order which is filled by the respondents on their own. A good questionnaire should be comparatively short and simple and the sequence shall be from easy the difficult ones.

II) SECONDARY DATA:

This is the type of data which have already been collected by someone else and which have already been passed through the statistical process. For my study of information regarding the secondary data is collected from various sources involving INTERNET, HR MANUAL, REFFERENCE BOOKS, etc.

CHAPTER-3

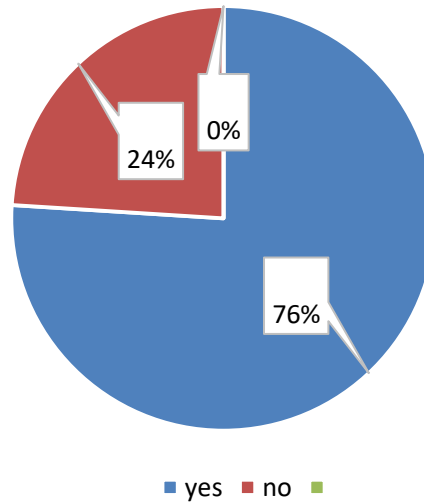
3.1 DATA ANALYSIS AND INTERPRETATION

3.2 LIMITATION OF STUDY

3.1 DATA ANALYSIS AND INTERPRETATION

Q.1: Are the goals of Performance Management System clearly specified?

Sr. No.	The Goals of PMS Clearly Specified	Response	Percentage (%)
1.	Yes	38	76%
2.	No	12	24%
	TOTAL	50	100%



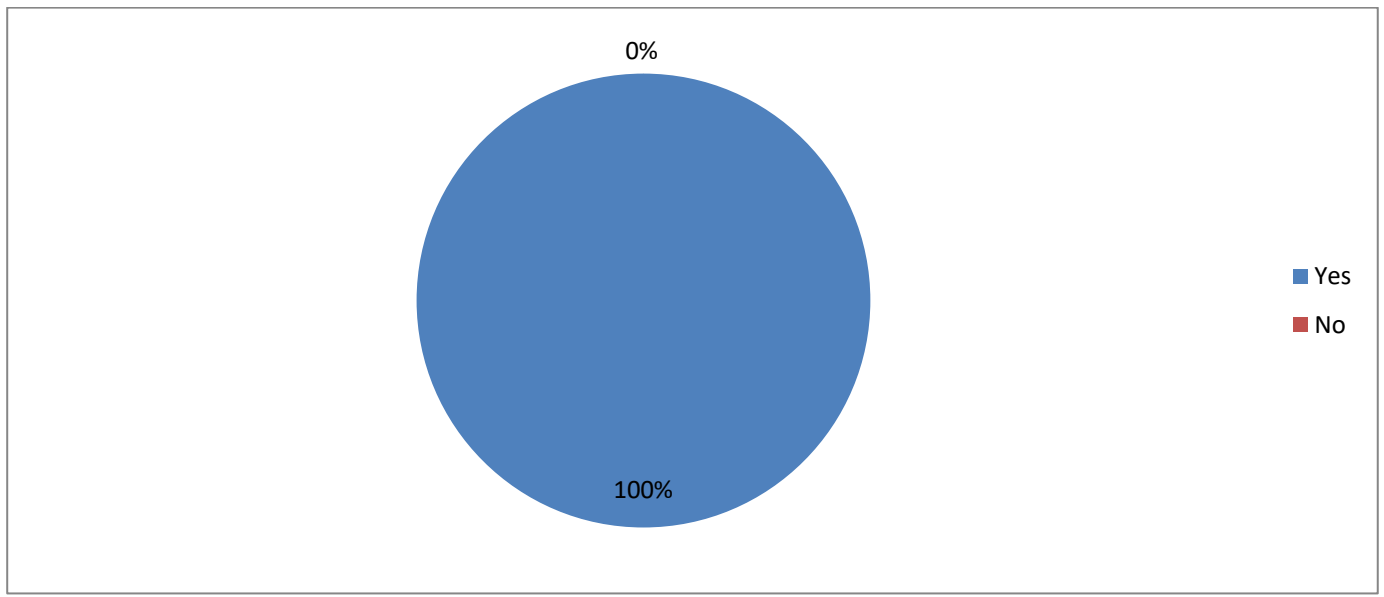
Graph 3.1

INTERPRETATION:

The above chart shows that the 94% of the employees agree to the point that the goals are clearly specified, but the 6% of the employees disagree to the point that the goals are not clearly specified.

Q.2: Is the Performance Management System successful in given a clear understanding of the appraisee's job to both the apraisee and appraiser?

Sr. No.	PMS Successful in given a clear understanding of the appraise's Job to appraisee& appraiser	Response	Percentage (%)
1.	Yes	50	100%
2.	No	0	0%
	TOTAL	50	100%



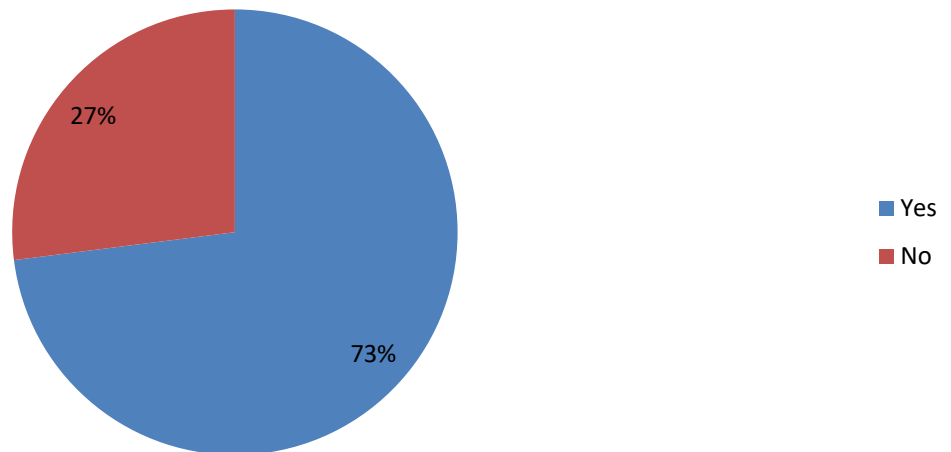
Graph 3.2

INTERPRETATION:

The above chart shows that the 100% employee thinks that Performance Management System is of the employee thinks that PMS is unsuccessful in giving a clear understanding of successful in given a clear understanding of the appraise's job to appraisee& appraiser, none the appraisee's job.

Q.3: Is there any transparent linking between the employees and managers?

Sr. No.	There is any transparent linking between the employees and the managers.	Response	Percentage (%)
1.	Yes	36.5	73%
2.	No	13.5	27%
	TOTAL	50	100%



Graph 3.3

INTERPRETATION:

The above chart shows that 73% of the employee's agree and 27% of the employees disagree to the point that there is transparent linkage between the employee & the manager.

Q.4: Do you feel free to express the disagreement regarding the appraisal decisions?

Sr. No.	Do you feel free to express the disagreement regarding the appraisal decisions?	Response	Percentage (%)
1.	Yes	50	100%
2.	No	0	0%
	TOTAL	50	100%



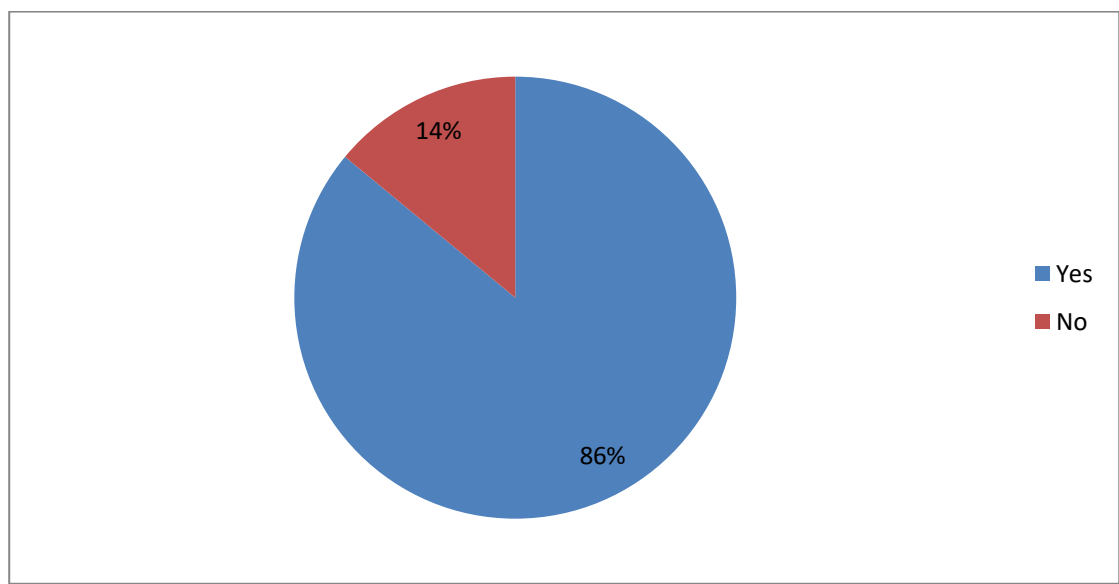
Graph 3.4

INTERPRETATION:

The above chart shows that the entire employee's feel free to express the disagreement regarding the appraisal decisions.

Q.5: Does GMH Organics strives for continuous individual improvement?

Sr. No.	Does GMH Organics strives for continuous individual improvement ?	Response	Percentage (%)
1.	Yes	43	86%
2.	No	7	14%
	TOTAL	50	100%



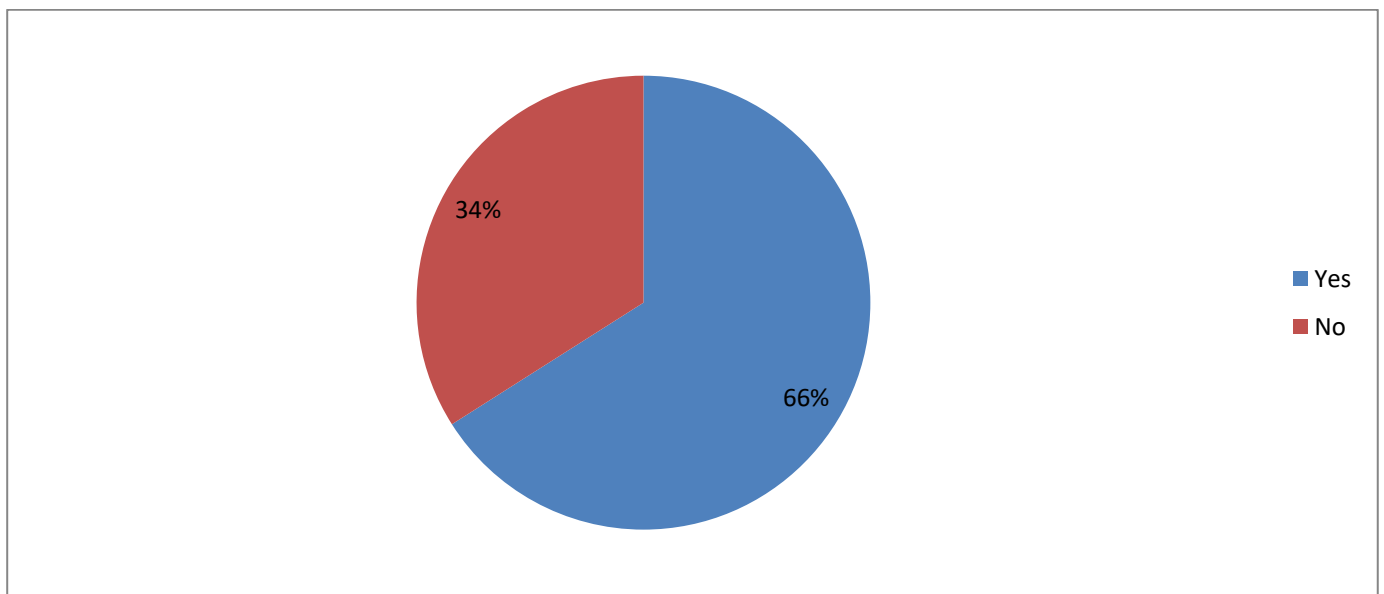
Graph 3.5

INTERPRETATION:

The above chart shows that 86% of the employee's thinks that GMH Organics. always strives for continuous individual improvement, and 14% of the employee's thinks that GMH Organics. doesn't always strives for continuous individual improvement.

Q.6: Your job description clearly defines KRA's (Key Result Area) on which your performance is rated?

Sr. No.	Your job description clearly Defines KRA's on which your performance is rated?	Response	Percentage (%)
1.	Yes	33	66%
2.	No	17	34%
	TOTAL	50	100%



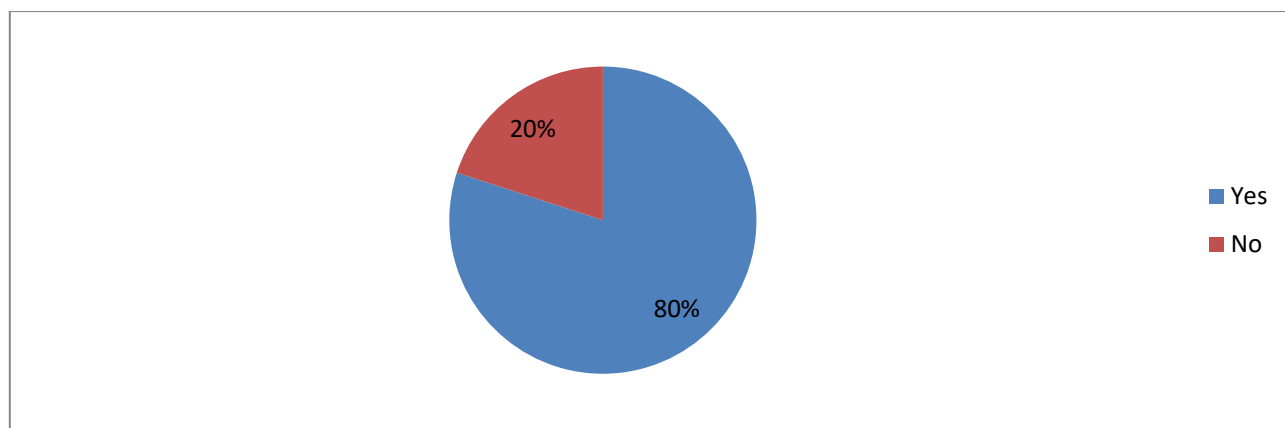
Graph 3.6

INTERPRETATION:

The above chart shows that 66% employee thinks that the KRA clearly defines the job description on which performance is rated, and 34% employee thinks that the KRA doesn't define the job description on which performance is rated.

Q.7: Do the Performance Management System implemented in your organization create a participative environment?

Sr. No.	Do the PMS implemented in your organization create participative environment?	Response	Percentage (%)
1.	Yes	40	80%
2.	No	10	20%
	TOTAL	50	100%



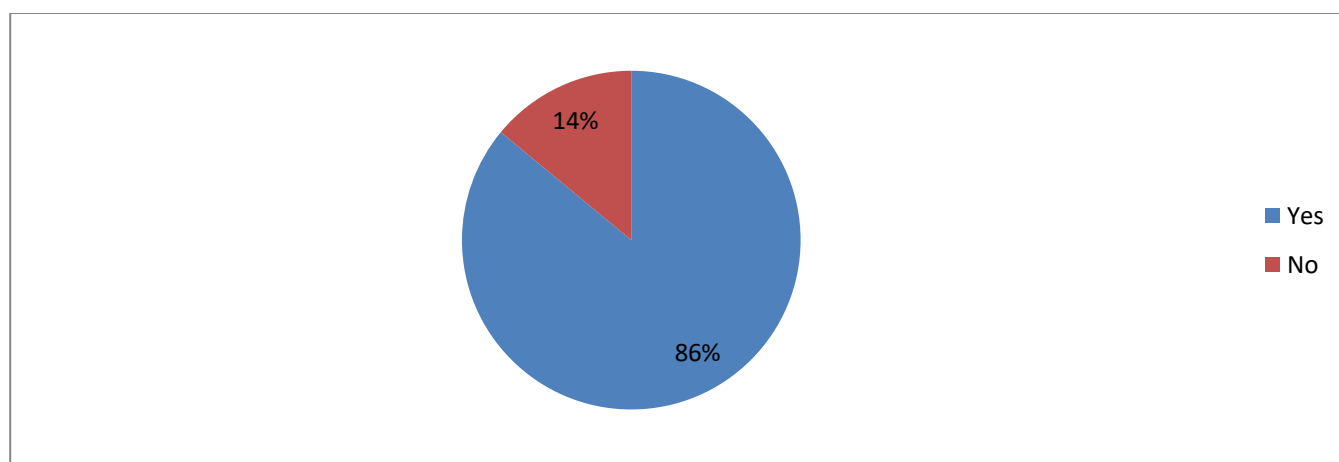
Graph 3.7

INTERPRETATION:

The above chart shows that 80% employee are agree and 20% employee are disagree to the point that PMS implemented in the organization create a participative environment.

Q.8: Does the advices and suggestions are given to the employees during the appraisal process?

Sr. No.	Does the advices and suggestions are given to the employees during the appraisal process?	Response	Percentage (%)
1.	Yes	43	86%
2.	No	07	14%
	TOTAL	50	100%



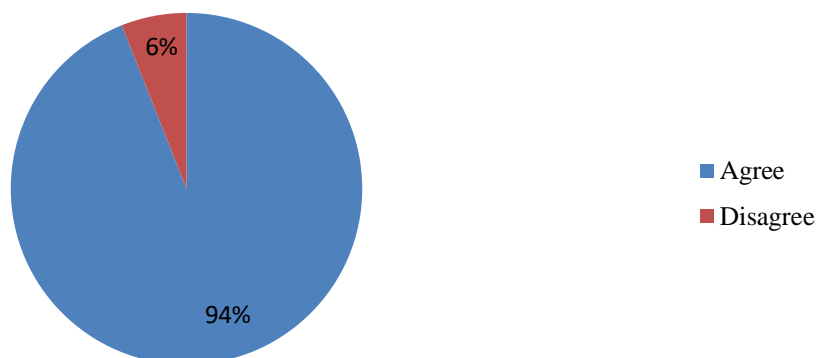
Graph 3.8

INTERPRETATION:

The above chart shows that 86% of the employee's agree and 14% of the employees are disagree to the point that advises and suggestions are given to the employees during the appraisal process.

Q.9: Is your work satisfying and worthwhile and helps contribute to the success of the company?

Sr. No.	Is your work satisfying and worthwhile and helps contribute to the success of the company?	Response	Percentage (%)
1.	Agree	47	94%
2.	Disagree	03	06%
	TOTAL	50	100%



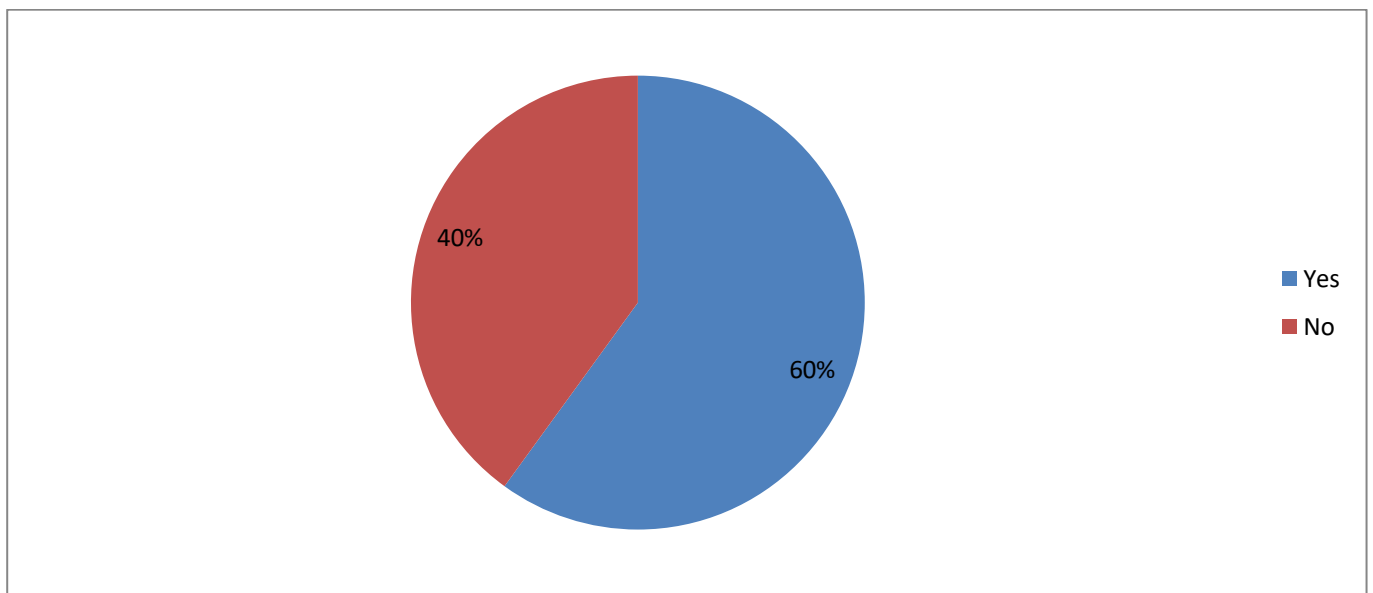
Graph 3.9

INTERPRETATION:

The above chart shows that 94% of the employees think that their work is satisfying and worthwhile and helps contribute to the success of the company, and 06% of the employees think that their work is not satisfying and worthwhile and helps contribute to the success of the company.

Q.10: Does the manager established plans and work-objectives with you?

Sr. No.	Does the manager established plans and work-objectives with you?	Response	Percentage (%)
1.	Yes	30	60%
2.	No	20	40%
	TOTAL	50	100%



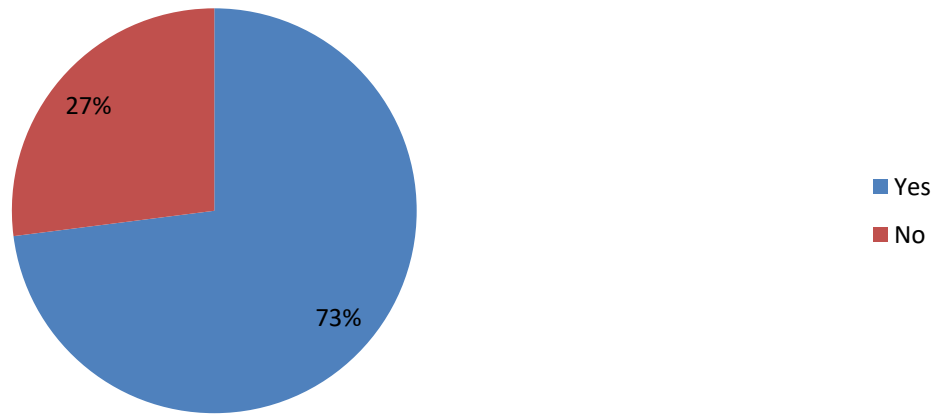
Graph3.10

INTERPRETATION:

The above chart shows that 60% of the employee's agree and 40% of the employees are disagree that manager establishes plans and work objectives with them.

Q.11: Would you recommend this company to a friend or relative as a good place to work?

Sr. No.	Would you recommend this company a friend or relative as a good place to work?	Response	Percentage (%)
1.	Yes	36.5	73%
2.	No	13.5	27%
	TOTAL	50	100%



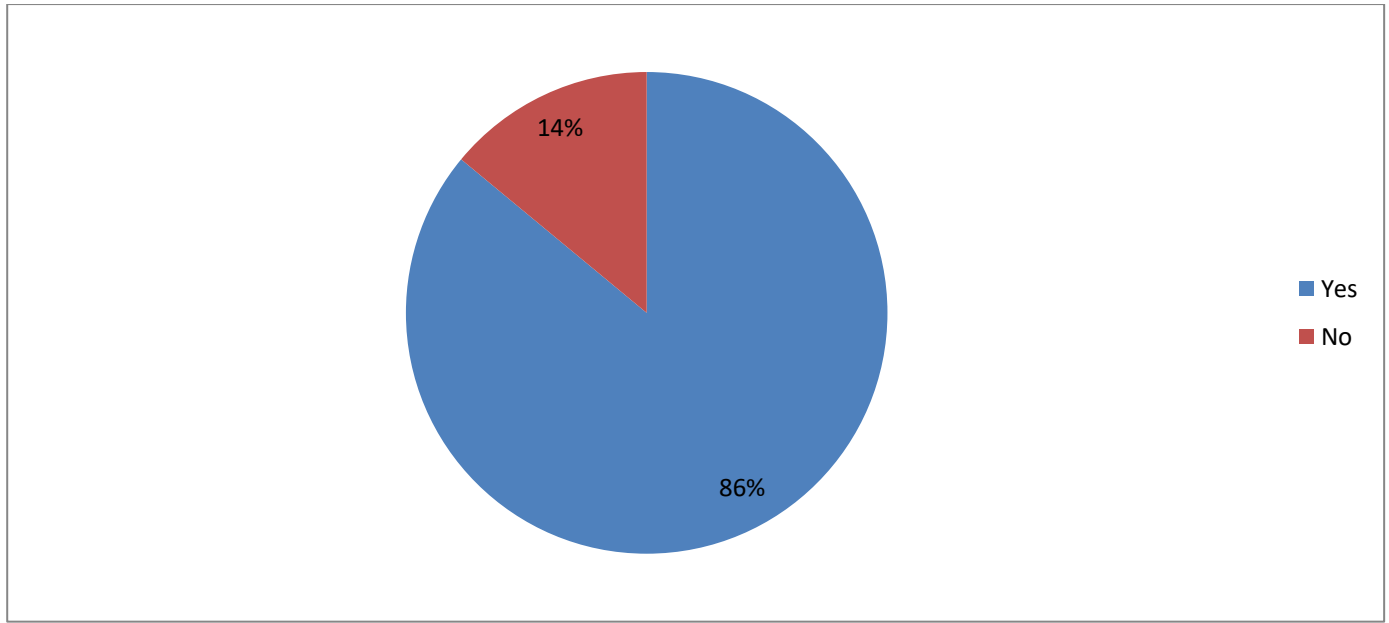
Graph 3.11

INTERPRETATION:

The above chart shows that only 73% of the employee's thinks that they will recommend this company to their friend or relative as a good place to work, and 27% of the employee's thinks that they doesn't recommend this company to their friend or relative as a good place to work

Q.12: Does your organization operate formal Performance Management System?

Sr. No.	Does your organization operate Formal PMS?	Response	Percentage (%)
1.	Yes	43	86%
2.	No	07	14%
	TOTAL	50	100%



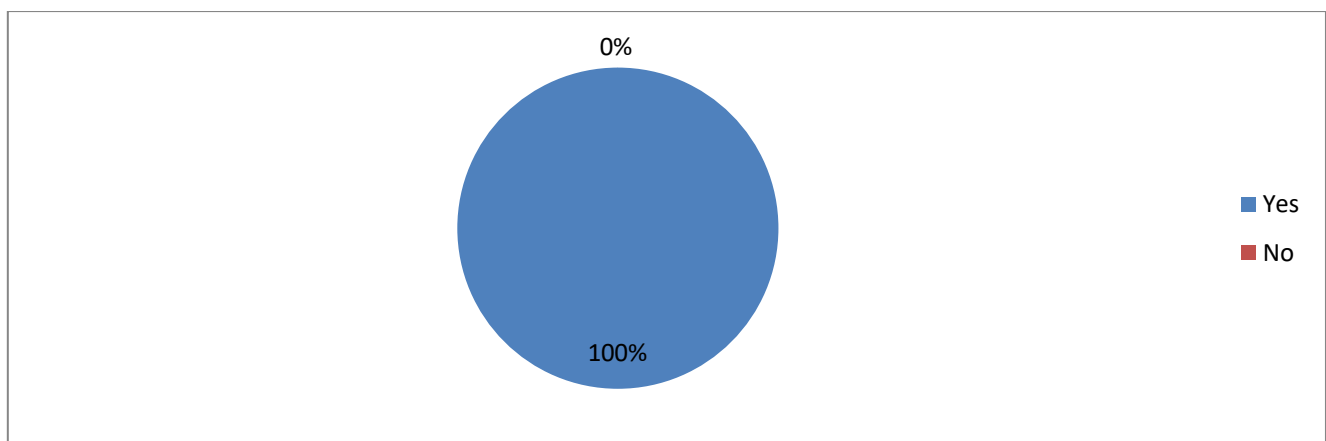
Graph 3.12

INTERPRETATION:

The above chart shows that the 86% of the employee are agree and 14% of the employee are disagree that their organization operate formal Performance Management System.

Q.13: Do you believe the current Performance Management System improving performance?

Sr. No.	Do you believe the current performance Management System improvii performance?	Response	Percentage (%)
1.	Yes	50	100%
2.	No	0	0%
	TOTAL	50	100%



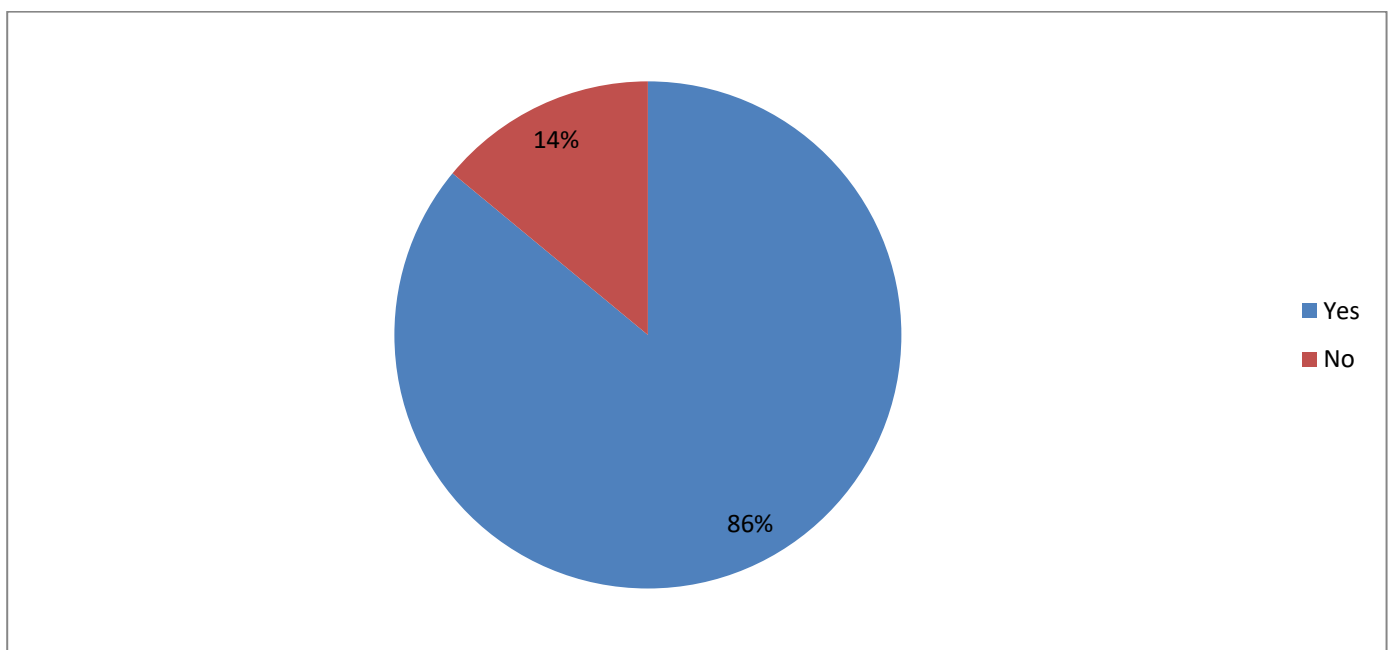
Graph 3.13

INTERPRETATION:

The above chart shows that the every employee of the GMH Organics. are agree that they believes in current Performance Management system improving performance.

Q.14: Do you know the services offered by the company?

Sr. No.	Do you know the services offered by the company?	Response	Percentage (%)
1.	Yes	43	86%
2.	No	07	14%
	TOTAL	50	100%



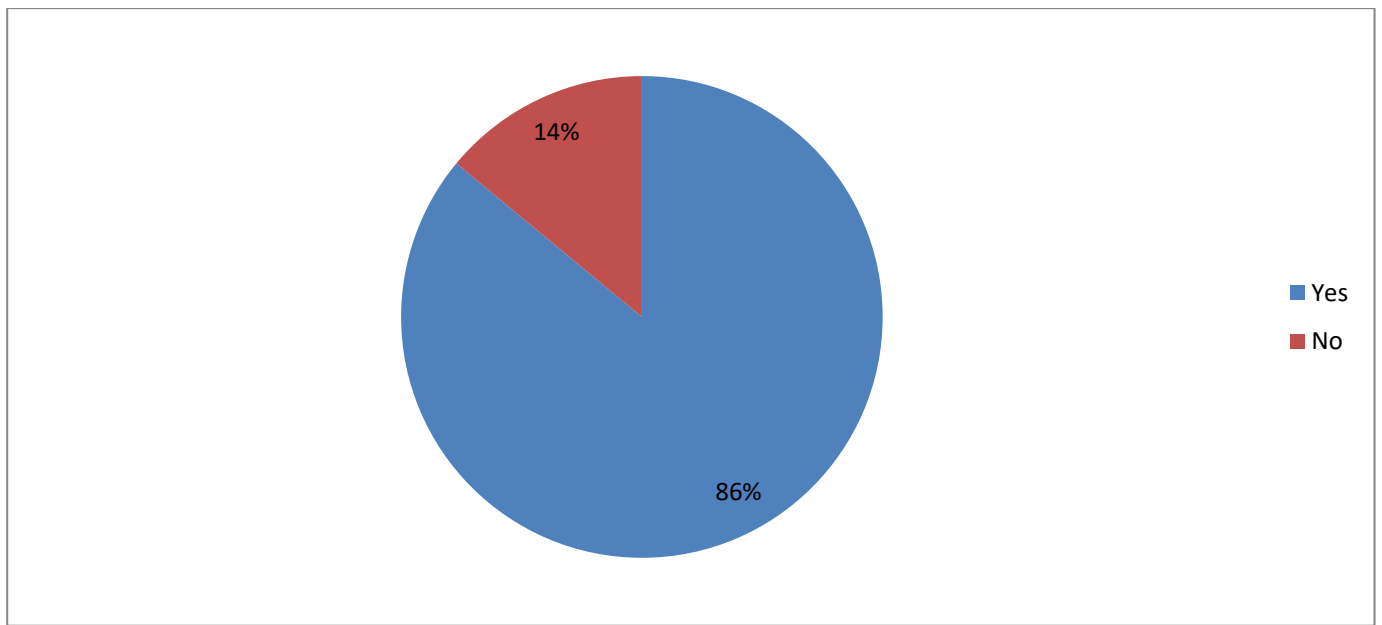
Graph 3.14

INTERPRETATION:

The above chart shows that 86% of the employees are agree and 14% employee are disagree that they know the services offered by the company.

Q.15: Do you give an overall rating for performance?

Sr. No.	Do you give an overall rating for performance?	Response	Percentage2 (%)
1.	Yes	43	86%
2.	No	07	14%
	TOTAL	50	100%



Graph 3.15

INTERPRETATION:

The above chart shows that 86% employee say yes to give an overall rating for performance and 14% employee say no to give an overall rating for performance.

3.2 LIMITATIONS OF THE STUDY:

Following points are the limitations of the study:

- I. The time period of the internship was not enough to understand the Performance Management System of the company.
- II. In such a small period getting views and opinions of the interviewee (HR manager) was a difficult task.
- III. There were breaks and hindrances while the study took place.
- IV. Some people have no time to give answer.
- V. Little co-operations of some person due to conservative mind.
- VI. Sometimes people do not tell truth and fill it just for fun sake.

CHAPTER-4

4.1 FINDING & CONCLUSION OF THE STUDY

4.2 SUGGESTIONS & RECOMMENDATION

4.1 FINDING & CONCLUSION OF THE STUDY:

❖ FINDINGS:

- Most of the appraisees find problem in selecting their KRA's (Key result areas).
- Some appraisers don't help their appraisees in selecting the KRA's (key result areas) as they think it is not their work.
- Formal feedback is given by the appraisers on day- to- day basis.
- Job related training is given to the executives and they think it really helps them in their further growth.
- Most of the executives are satisfied with the current scenario of performance appraisal as compared to older one.
- All the employees have aware about the current Performance Management System.
- All HR Professionals and majority of respondents told they are satisfied with current Performance Management System works well and no need to change.
- Most of the respondents are believe in current Performance Management System improving their performance.
- Most of respondents told that increase productivity is major elements to the business strategy at present.
- All HR Professional are told that they are some of the extent satisfied that they give consistent and fair ratings to members of their team.

❖ CONCLUSION OF THE STUDY:

Performance Management System is the process of reviewing employee performance vis-à- vis the set expectations in a realistic manner, documenting the review & delivering the review verbally in a face to face meeting, to upgrade performance standards year after year through honest& constructive feedback. In this process, management expects to reinforce the employee's strengths & identify the improvement areas so that one can work on them & also set stretched goals for coming year.

Effective performance management requires a good deal of face-to-face interaction between supervisor & employee. By knowing the subordinates, a supervisor can steer them onto a path of greater productivity & optimized output. It is one of the most significant & indispensable tool for an organization as it helps in getting to know the people who work for them, provide information, which helps in taking important decisions for the development of an individual & the organization.

The organization purpose should be to help an employee to improve his/her performance level, maintain his/her morale, guide him/her to identify & develop his/her strong points, overcome his/her weak points, develop new capabilities to handle more responsibilities. The performance management system implemented in the organization

creates a participative environment. The appraisee's & appraisers expectation from performance management system are almost same that is "The Determination of promotion or Transfer" & "Salary administration & benefits". Most of the employees of GMH Organics. agree that the goals are clearly specified. Through the help of the performance management system in GMH Organics. there is a transparency between the employee & manager which helps in achieving their goals as well as company's goals easily.

Through the help of performance management system the appraiser can motivate the employees who felt that they had no growth in the organization & serves the purpose of employee development, so that it can be used as a significant tool for career planning. Through performance management system the appraiser can feel that the goals & plans have been clearly communicated to the appraisees.

Majority of employees would like to recommend GMH Organics. to a friend or relative.

4.2 SUGGESTIONS OR RECOMMENDATIONS:

- HR Professional of the organization should apply strategic & integrative approach to performance management.
- Employees do not have enough knowledge about the Performance Management System and Performance Review Techniques that are used in assessing their performance.
- Organization can also use other methods of performance appraisal (like assessment centre, critical incident assessment) for assessing the performance of employees.
- The PMS should also be followed up with the session of counseling which is often neglected in many organizations which involves helping an employee to identify his/her growth & development.
- Communication is very essential for any system to function efficiently. Therefore, the appraiser should look into this matter & see to it that the goals & plans are communicated effectively.
- The appraiser can also motivate the employees who felt that they had no growth in the organization & serves the purpose of employee development.
- Post appraisal interview is to be conducted where they are given a proper feedback on their performance & they can also put forward their complaints, if any.
- Proper communication of the ratings can help the employers achieve the level of acceptability & commitment which is required from the employee.

CHAPTER - 5
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- <https://www.slideshare.net/ShaiKhIrshad/project-report-on-performance-management-system>
- <https://www.academia.edu/7332015/Project-Report-on-Performance-Management-System>
- <https://performancemanagementmadeeasy.com/>

CHAPTER – 6
QUESTIONNAIRE

“QUESTIONNAIRE ON A STUDY ON PERFORMANCE MANAGEMENT SYSTEM”

Respected Sir/Madam,

I am **NITIKA SHARMA** student of **BBA (6TH Sem.)** with specialization in **Human Resource Management** of the department of **BBA**, Faculty of **BBA**, **Swami Vivekananda Govt. College Ghumarwin**, pursuing a project report on **“A Study On Performance Management System”**.

I will grateful to you if you spare your valuable time and efforts with your valuable views on the subject of the research study.

Name: _____

Age: _____

Qualification: _____

Experience: _____

Q.1: Are the goals of Performance Management System clearly specified?

- a) Agree
- b) Disagree

Q.2: Is the Performance Management System successful in given a clear understanding of the appraiser's job to both the appraiser and appraisee?

- a) Yes
- b) No

Q.3: Is there any transparent linking between the employees and managers?

- a) Yes
- b) No

Q.4: Do you feel free to express the disagreement regarding the appraisal decisions?

- a) Yes
- b) No

Q.5: Does GHM Organics Ltd. strives for continuous individual improvement?

- a) Yes
- b) No

Q.6: Your job description clearly defines KRA's (Key Result Area) on which your performance is rated?

- a) Yes
- b) No

Q.7: Do the Performance Management System implemented in your organization create a participative environment?

- a) Yes
- b) No

Q.8: Does the advices and suggestions are given to the employees during the appraisal process?

- a) Yes
- b) No

Q.9: Is your work satisfying and worthwhile and helps contribute to the success of the company?

- a) Agree
- b) Disagree

Q.10: Does the manager established plans and work-objectives with you?

- a) Yes
- b) No

Q.11: Would you recommend this company to a friend or relative as a good place to work?

- a) Yes
- b) No

Q.12: Does your organization operate formal Performance Management System?

- a) Yes
- b) No

Q.13: Do you believe the current Performance Management System improving performance?

- a) Yes
- b) No

Q.14: Do you know the services offered by the company?

- a) Yes
- b) No

Q.15: Do you give an overall rating for performance?

a) Yes

b) No

Thank you for your time and experience