#### A Project report on

#### PERFOMANCE APPRAISAL SYSTEM

A Dissertation submitted to JNTU Hyderabad in partial fulfillment of the academic requirements for the award of the degree.

#### **Bachelor of Technology**

in

#### **Computer Science and Engineering**

Submitted by

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#### **CERTIFICATE**

This is to certify that the Major Project Phase I report entitled "Performance Appraisal System" being submitted by Yoddi Sandeep (20H51A0527), Sreya Srungarapu (20H51A0550), Guduru Sai Bhargav (20H51A05K6) in partial fulfillment for the award of Bachelor of Technology in Computer Science and Engineering is a record of bonafide work carried out his/her under my guidance and supervision.

The results embodies in this project report have not been submitted to any other University or Institute for the award of any Degree.

Ms. Princey Joseph Assistant Professor Dept. of CSE Dr. Siva Skandha Sanagala Associate Professor and HOD Dept. of CSE

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#### **ABSTRACT**

Performance appraisal is a vital tool to measure the frameworks set by any organization to its employees. It is utilized to track individual contribution and performance against organizational goals and to identify individual strengths and opportunities for future improvements and assessed whether organizational goals are achieved or serves as basis for the company's future planning and development.

The traditional form of appraisal, also known as "Free Form method" involves a description of the performance of an employee by his superior. The description is an evaluation of the performance of any individual based on the facts and often includes examples and evidences to support the information. Under these methods the performance appraisal is based on personal judgment of the appraiser who is not free from personal prejudice and bias. The evaluator has not received adequate training in the job and hence he is unable to evaluate the performance of other properly.

We are using an automated system where in the appraisal phase, performance, such as that of the employee, is assessed and rated. Managers can perform a calibration to compare the performance of employees in their teams and classify the employees accordingly. This is done by dragging and dropping employees into the desired position.

# CHAPTER 1 INTRODUCTION

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#### 1.1. Problem Statement

SAP SuccessFactors Performance Appraisal System can help you align your strategy and goals, improve employee performance through ongoing coaching and feedback, and recognize top talent.

#### 1.2. Research Objective

Following are the research objectives for SAP Performance Appraisal System in Successfactors:

- > To diagnose the strengths and weaknesses of the individuals so as to identify the training and development needs of the future.
- > To provide feedback to the employees regarding their past performance. Provide information to assist in the other personal decisions in the organization.
- > To judge the effectiveness of the other human resource functions of the organization such as recruitment, selection, training and development.
- > To reduce the grievances of the employees

# CHAPTER 2 BACKGROUND WORK

# CHAPTER 2 BACKGROUND WORK

#### 2.1 Free Form Method

#### 2.1.1 Introduction

The traditional form of appraisal, also known as "Free Form method" involves a description of the performance of an employee by his superior.

#### 2.1.2 Merits, Demerits and Challenges

- ➤ Merits:
  - Rich and Detailed Feedback
  - Flexibility and Adaptability
- > Demerits:
  - Lack of Standardization
  - Subjectivity and Biasness
- > Challenges:
  - Employment Engagement
  - Legal and Ethical Concerns

#### 2.1.3 Implementation Of Free Form Method

- > Define objectives and goals
- > Communicate change
- > Integrate goal setting
- ➤ Monitor and Evaluate
- > Review and Iterate



Fig: 1 Free Form Method

#### 2.2 HCL Solution

#### 2.2.1 Introduction

The performance management module in Oracle HCM is commonly referred to as "Oracle Performance Management" or "Oracle Talent Management."

#### 2.2.2 Merits, Demerits and Challenges

- ➤ Merits:
  - Scalability
  - Configurability
- > Demerits:
  - Complex Implementation
  - Cost
- > Challenges:
  - Data security and privacy
  - Customization complexities

#### 2.2.3 Implementation of HCM Solutions

- > Define objectives and goals
- > Stakeholder Involvements
- ➤ Select HCM Solution
- ➤ Goal setting and alignment
- ➤ Performance Review Process
- > Feedback mechanism



Fig: 2 HCL Solutions

#### 2.3 HRM: Performance Appraisal

#### 2.3.1 Introduction

The performance management module in Oracle HCM is commonly referred to as "Oracle Performance Management" or "Oracle Talent Management."

#### 2.3.2 Merits, Demerits and Challenges

- ➤ Merits:
  - Scalability
  - Configurability
- > Demerits:
  - Complex Implementation
  - Cost
- > Challenges:
  - Data security and privacy
  - Customization complexities

#### 2.3.3 Implementation of HRM

- > Define objectives and goals
- > Stakeholder Involvements
- ➤ Select HCM Solution
- > Goal setting and alignment
- ➤ Performance Review Process
- > Feedback mechanism

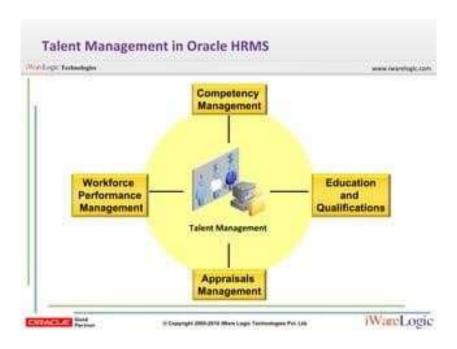


Fig: 3 HRM Solutions

# CHAPTER 3 RESULTS AND DISCUSSION

#### **CHAPTER 3**

#### RESULTS AND DISCUSSION

#### 3.1 Performance Metrics

SAP SuccessFactors provides a robust Performance and Goal Management system, which includes a variety of performance metrics to assess individual and organizational performance. These metrics help organizations measure employee contributions, align individual goals with overall business objectives, and evaluate the effectiveness of performance management processes. Please note that specific metrics may vary based on the version of SuccessFactors and any updates or enhancements made by SAP. As of my last knowledge update in September 2021, here are some common performance metrics associated with SAP SuccessFactors:

#### **➢** Goal Achievement:

- Metric: Percentage of achieved goals against the set goals.
- Purpose: Measures how well employees have met their individual and team goals.

#### **Competency Assessment:**

- Metric: Ratings or scores based on assessed competencies.
- Purpose: Evaluates employees based on specific competencies relevant to their roles.

#### > Performance Rating Distribution:

- Metric: Distribution of performance ratings across the organization.
- Purpose: Provides an overview of how performance ratings are distributed,
   aiding in talent calibration and workforce planning.

#### ➤ Manager and Employee Feedback Participation:

- Metric: Percentage of managers and employees who actively participate in the feedback process.
- Purpose: Indicates engagement levels and the effectiveness of feedback mechanisms.

#### Continuous Feedback Frequency:

- Metric: Average number of continuous feedback interactions per employee.
- Purpose: Measures the frequency of ongoing feedback, supporting a culture of continuous improvement.

#### **Calibration Effectiveness:**

- Metric: Calibration session outcomes, such as adjustments made to ratings.
- Purpose: Assesses the effectiveness of calibration sessions in ensuring fairness and consistency in performance assessments.

#### **Employee Development Plan Completion:**

- Metric: Percentage of employees who complete their development plans.
- Purpose: Measures the commitment to employee development and the effectiveness of the performance management process in supporting growth.

#### > Training and Development Participation:

- Metric: Participation rates in training and development activities linked to performance goals.
- Purpose: Evaluates the integration of performance management with learning and development initiatives.

#### > Succession Readiness:

- Metric: Identification and readiness of employees for key roles.
- Purpose: Assesses the pipeline of talent and the organization's preparedness for future leadership needs.

#### Employee Engagement Scores:

- Metric: Employee engagement survey results.
- Purpose: Correlates performance management effectiveness with overall employee engagement.

#### > Time-to-Competency:

- Metric: Time taken for employees to achieve desired competencies.
- Purpose: Measures the efficiency of training and development programs linked to performance goals.

# CHAPTER 4 CONCLUSION

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In conclusion, SAP SuccessFactors provides a comprehensive Performance and Goal Management system equipped with a diverse set of performance metrics aimed at evaluating individual and organizational success. These metrics, ranging from goal achievement and competency assessment to feedback participation and employee engagement scores, offer organizations valuable insights into their workforce dynamics.

The platform's strength lies in its ability to align individual goals with broader organizational objectives, fostering a culture of continuous improvement through ongoing feedback and development planning. SuccessFactors also supports talent calibration and succession readiness, contributing to strategic workforce planning and leadership development.

However, like any performance management system, SuccessFactors is not without challenges. Organizations must navigate the complexity of customization, ensuring that the system is tailored to their unique needs while maintaining simplicity. Resistance to change, data security concerns, and the potential for bias in assessments also pose challenges that require careful consideration.

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