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A Study On The Performance Appraisal System Of Narsi Trading Company

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Abstract: The performance appraisal system is an essential element of effective human resource management. It helps organizations measure employee contributions, provide feedback, and align individual efforts with organizational goals. This study examines the performance appraisal system at Narsi Trading Company, Suratgarh, focusing on awareness, frequency, criteria, training needs, and challenges encountered during the process. Using a descriptive research design, data was collected from 50 employees through structured questionnaires. The findings indicate high awareness and overall satisfaction with the appraisal system, although issues such as bias, inconsistency, and conflict were reported. The study suggests improvements for enhancing transparency, fairness, and effectiveness in the appraisal process.

Introduction

1. Introduction to the Company

Narsi Trading Company, located in Suratgarh, Rajasthan, is a sole proprietorship specializing in premium, eco-friendly paperware products. The company manufactures high-quality paper plates, bowls, and cups with customizable designs suitable for weddings, birthdays, corporate events, and other occasions. It serves supermarkets, caterers, restaurants, and distributors by offering bulk orders and tailored solutions. The company emphasizes integrity, client satisfaction, superior product quality, and long-term employee development. With a customer-centric philosophy, Narsi Trading Company has emerged as a reliable and competitive supplier in the paperware industry.

2. Introduction to the Topic

Performance appraisal is a formal and systematic process of evaluating an employee's performance, skills, and contributions. It provides constructive feedback, identifies training needs, supports promotions, and ensures alignment between individual and organizational objectives. In competitive business environments, effective performance appraisal systems enhance employee motivation, improve efficiency, and foster continuous development. At Narsi Trading Company, the appraisal system helps set clear goals, evaluate work quality, and promote professional growth. This study explores employee perceptions of the appraisal process and its impact on work performance.

3. Objectives of the Study

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The primary objectives of the study are to:

1. Analyze the performance appraisal system at Narsi Trading Company.
2. Understand employee awareness, satisfaction, and acceptance of appraisal methods.
3. Identify conflicts and challenges emerging from the appraisal process.
4. Examine how appraisals support training, development, and employee growth.
5. Provide recommendations to improve the appraisal system for enhanced efficiency.

4. Research Methodology

4.1 Research Design

A descriptive research design was employed to systematically study the appraisal practices at Narsi Trading Company.

4.2 Sources of Data

Primary Data: Collected through structured questionnaires distributed to 50 employees.

Secondary Data: Books, journals, company records, and online HRM resources.

4.3 Sampling Design

Random sampling was used to select employees of Narsi Trading Company.

4.4 Sample Size

A total of **50 employees** participated in the survey.

4.5 Instrumentation Technique

A questionnaire served as the primary tool for data collection. Responses were analyzed using percentage analysis, graphs, and charts.

4.6 Limitations of the Study

- Limited time for data collection and analysis.
- Dependence on employee self-reported data.
- Some incomplete responses were received.
- Difficulty in ensuring full participation.

5. Data Analysis

The key results based on employee responses are:

1. **Awareness of appraisal methods:** 100% of employees are aware of the process.
2. **Frequency of appraisals:**
   - 58% monthly/quarterly
   - 6% half-yearly
   - 36% yearly
3. **Basis of appraisal:**
   - 30% total output
   - 48% behavioral efficiency
   - 22% both factors
4. **Appraisal identifies training needs:**
   - 30% highly agree
   - 40% agree
   - 10% disagree
5. **Conflicts after appraisals:**
   - 10% frequently
   - 36% often
   - 50% sometimes
   - 4% never
6. **Who rates performance:**
   - 20% superiors
   - 30% subordinates
   - 50% clients
7. **Changes after appraisal:**
   - 64% observed changes
   - 36% saw no change
8. **Perception of appraisal system:**
   - 58% positive
   - 22% negative
   - 20% no response
9. **Appraisal improves work output:**
   - 60% yes
   - 40% no
10. **Satisfaction with appraisal process:**
    - 96% satisfied
    - 4% dissatisfied

6. Findings

- Employees are fully aware of the appraisal methods.
- Appraisals are mostly conducted monthly or quarterly.
- Behavioral efficiency is a significant evaluation criterion.
- Appraisals help identify training and development needs.
- Conflicts sometimes occur due to appraisal outcomes.
- Client feedback plays a major role in performance ratings.
- A majority of employees believe appraisals bring positive change.
- Overall employee satisfaction with the appraisal system is high.

7. Suggestions

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1. Improve the effectiveness of appraisals by recognizing employee strengths and growth potential.
2. Encourage open communication and feedback during appraisal sessions.
3. Ensure transparency and remove bias in evaluations.
4. Maintain detailed appraisal records for accuracy in decisions.
5. Address conflicts through clear communication and grievance channels.
6. Provide training to supervisors to enhance their evaluation skills.
7. Tailor appraisal parameters according to specific job roles.

8. Conclusion

The performance appraisal system at Narsi Trading Company plays a key role in promoting employee development and organizational efficiency. Employees acknowledge the system's contribution to their professional growth, although issues such as bias and inconsistency persist. Enhancing transparency, improving communication, and strengthening evaluator training will make the appraisal process more effective. The study reinforces the value of well-structured appraisal methods in aligning individual goals with organizational success.

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