

EVALUATION OF PERFORMAMANCE APPRAISAL AT HETERO DRUGS LTD

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ABSTRACT

In every organization various factors like promotion , training and development programs, incentives, compensation and rewards are considered based on the performance. In order to do this each and every organization conduct performance appraisals to measure and assess the performance levels of employees.

Performance Appraisal is a study about how the company evaluates the performance of its employees on a timely basis ; it speaks about the company's efficiency in recruiting, training, performance and then the appraisal of the employees.

Service sector organizations can compete by innovating and developing the core competencies of their human resources. The human resource system can be made effective by having a valid appraisal system that also acts as a true motivator.

This project is an attempt to understand the performance of employees against the targets set by the organization, career progression based on the performance, reward opportunities, to understand the opinion of employees towards the appraisal process and recommendations for improving the appraisal process are presented.

INTRODUCTION

PERFORMANCE APPRAISAL SYSTEM

Human Resource Management is basically concerned with the people's dimension in the organization. Here, people are treated as assets to be use for benefit of the organization. It refers to the set of programs, functions and activities designed ad carried out in order to maximize both employees as well as organizational effectiveness. HRM is the management of employees, skills, knowledge, talent, aptitudes, creative abilities etc. Here employees are treated as profit centers.

“Personnel Management is the planning, organization, and controlling of the procurement, development, compensation, integration, maintenance and separation of human resources to the end those individual, organizational and social objectives is accomplished”.

Human resource is considered to be the most valuable assets in any organization. It is the sum total of inherent abilities, acquired knowledge and skills represented by the talents and attitudes of the employed persons who comprise executives, supervisors, and the rank and file employees.

It may be noted here that Human Resource should be utilized to the maximum possible extent in order to achieve individual and organization goals.

NEED FOR THE STUDY

Performance appraisal has been considered as the most important and significant tool for the information it provides is highly useful in making decisions regarding personal aspects such as promotions and merit increases. Performance measures also link information gathering and decision making process, which provide a basis for judging the effectiveness of the personnel sub-divisions such as recruiting, selection, training and compensation. Accurate information plays an important role in the organization as a whole. SCOPE OF THE STUDY

The study enables me to understand the practical way of implementing the performance appraisal system. This study helps the organization to identify the areas to improve their performance appraisal system in tune with the employee requirements. The present study makes a comparison of the old performance appraisal with the new performance system and how the new performance system is a best fit for the present industry trends. The study covers the employees who are in the arena of the new performance appraisal system.

OBJECTIVES OF THE STUDY

The following are the specific objectives behind taking up of the study in this organization:

- To study and analyze the performance appraisal method prevailing in the organization.
- To study the effectiveness of the performance appraisal methods used in Organization

- To know how best these methods help the organization in achieving the goals.
- To suggest if any, to enhance the performance appraisal methods in Organization.

RESEARCH METHODOLOGY

Data is collected in the form of survey method with the help of questionnaire.

Taking the sample size as 100 employees

Sample technique: convenience sampling

Questionnaire: open ended and closed ended questions.

- **SAMPLE SIZE:**

The well-structured questionnaire with a sample size of 100 employees.

- **SAMPLE UNIT:**

The sample unit i.e., total employees in the organization were 600 of which was taken as the sample size. So that it would confine to 40% of the total sample unit.

LIMITATIONS OF THE STUDY

- Accuracy of the report is completely dependent on the employee's respondents.
- The study is limited to only Hyderabad branch.
- An in depth study couldn't be conducted because of the limited time period.

REVIEW OF LITERATURE

The top organizations are on the top because they value their employees and they know how to keep them glued to the organization. Employees stay and leave organizations for some reasons.

The picture states the latest statement that corporate believes in "Love them or Lose them" would be left with no good employees. A good employer should know how to attract and retain its employees.

The reason may be personal or professional. These reasons should be understood by the employer and should be taken care of. The organizations are becoming aware of these reasons and adopting many strategies for employee retention. Employee retention is a process in which the employees are encouraged to remain with the organization for the maximum period of time or until the completion of the project. Employee retention is beneficial for the organization as well as the employee. Employees today are different. They are not the ones who don't have good opportunities in hand. As soon as they feel dissatisfied with the current employer or the job, they switch over to the next job. It is the responsibility of the employer to retain their best employees.

INDUSTRY PROFILE

The Indian Pharmaceutical Industry (IPI), estimated at US\$ 9 bn, has grown at a CAGR of 7% during the last six years. It is ranked 4th in volume terms and 11th in value terms globally. India's share in the global pharmaceutical market is less than 2% in value terms as drug prices in India are one of the lowest in the world. Exports contributed to more than half of IPI's turnover during 2005-06 and have been a major growth driver for the industry growing at a CAGR of 19% during the last six years. The playing field for the domestic pharmaceutical companies changed completely with the advent of product patent regime from January 2005. The IPI is now exposed to a host of new opportunities and risks. This has led the domestic pharmaceutical companies to pursue various strategies on the business and R&D front with the aim of achieving long-term sustainable growth under the new regulatory regime. Besides changes in the patent laws, the issues with respect to drug pricing and the Union Pharmaceutical policy will shape the regulatory environment for the industry in future.

The changing dynamics of the global pharmaceutical industry especially that of the regulated markets like USA and Europe have presented a number of opportunities for IPI to capitalize on. Some of the major concerns facing the global pharmaceutical industry are higher healthcare costs, competition from generics, patent expiries of block buster drugs, drying R&D pipelines and increasing R&D costs. These translate into a significant growth opportunity for IPI in the form of exports of generics to regulated markets and contract manufacturing/ research for global pharmaceutical companies. It has in its report on the Indian Pharmaceutical Industry developed an IPI Value Road which enlists the

COMPANY PROFILE

Today **HETRO DRUGS LIMITED** is a name, epitomizes hard work, experience and success.

A relatively young company that is making its presence felt and making rapid progress nationally and internationally.

Involved in the manufacturing of active pharmaceutical ingredients and finished dosage forms, Hetero is one of its kinds of the very few companies, which have been able to carve a niche in the pharmaceutical industry, given the present scenario where it requires a right blend of intellectual strength, core competencies and a precise foresight for the future.

Hetero has come a long way since its inception in the year 1993 to be recognized as a strong player in the field of pharmaceutical, as a result of its combined strength in research, manufacture and marketing.

Established in the year 1993, with the motto to be the best in the API manufacturing, Hetero today embodies the vision of a top notch player in developing and commercializing products catering to a variety of therapeutic categories, Integrating into a leading finished dosage manufacturer.

True to the statement, “Where the Future Started Yesterday”, with a foresight on the current trends in the pharmaceutical Market, Hetero has grown from strength to strength, combining its Research strengths, Manufacturing capabilities, and Human Resources and well established quality management system.

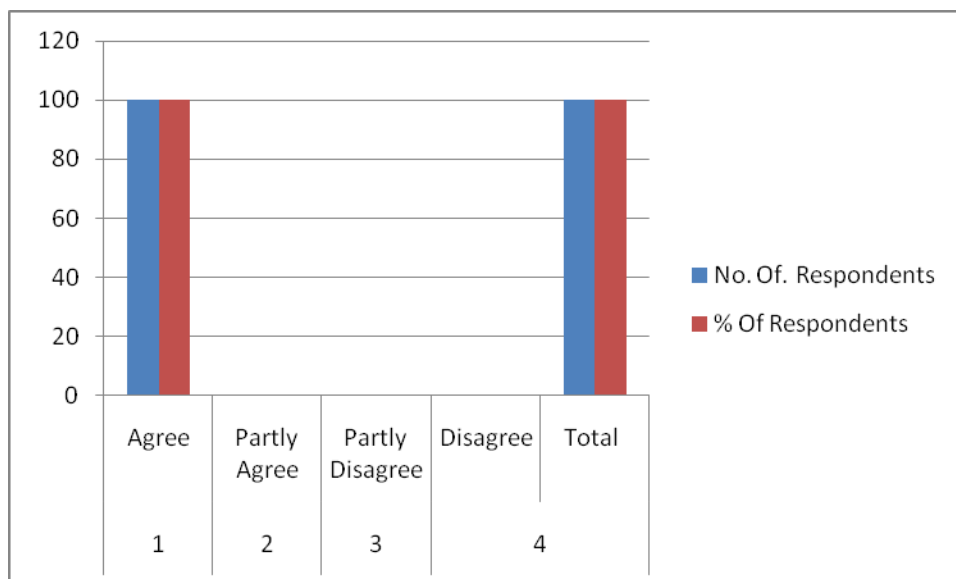
With full-fledged marketing capabilities, the company has been able to market its products in over 80 countries in Asia,

DATA ANALYSIS AND INTERPRETATION

1) You are aware of the New Performance Appraisal System in your Organization?

S.NO	Accepted level	No. Of. Respondents	% Of Respondents
1	Agree	100	100
2	Partly Agree	0	0
3	Partly Disagree	0	0
4	Disagree	0	0
	Total	100	100

Above table is represented in the form of a graph



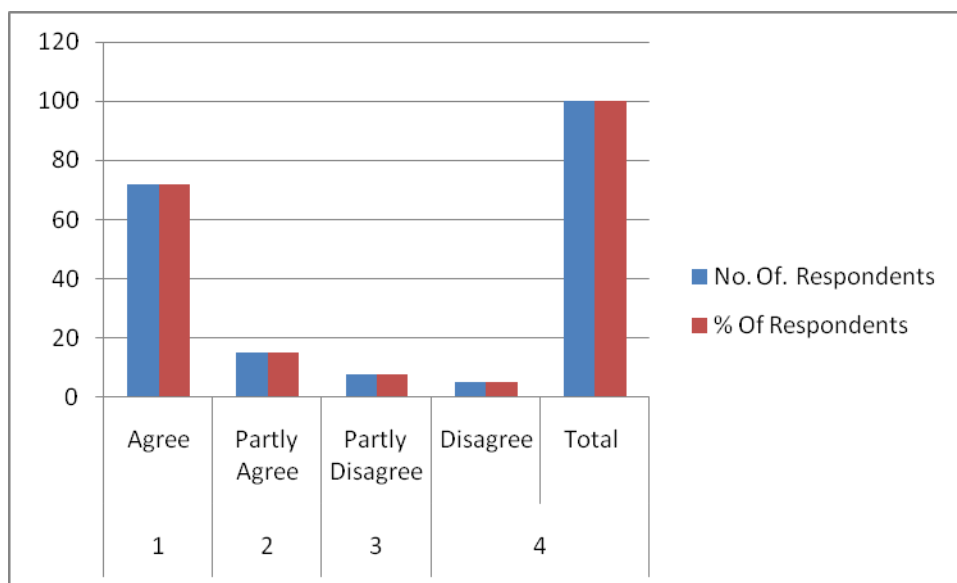
INTERPRETATION

From the above table it is clear that Here 100% agreed that they are aware of objective of this organization.

2) You are clear about the policies, procedures involved in the New Appraisal System.

S.NO	Accepted level	No. Of. Respondents	% Of Respondents
1	Agree	72	72
2	Partly Agree	15	15
3	Partly Disagree	8	8
4	Disagree	5	5
	Total	100	100

Above table is represented in the form of a graph



INTERPRETATION

From the above table it is clear that 72% of the employees say that it is agree that there are clear about the policies, procedures and techniques involved in the New Appraisal System. Where as 15% of the employees say that it is partly agree. 8% say that it is to partly disagree and 5% say disagree.

FINDINGS

- Most of the employees have clear understanding of existing performance appraisal system (new) and they are aware of the policies and procedures of evaluation of the existing system.
- Employee has a clear understanding about the procedures used in the new performance appraisal.
- The new performance appraisal system is helping the employees and organization to identify the training & development program.
- Employees are not so comfortable with the existing performance appraisal system because they do not have proper knowledge about the tools used in performance appraisal system.

SUGGESTIONS

The strength of any organization is its Human Resources, so in order to change human resource in to valuable assets performance appraisal system is helping so much to the organization.

It is suggested that the global organization adopt good procedures and policies for the effective implementation of the new appraisal system

It should be seen that the co-ordination between the superior and subordinates is made effective for the effective implementation of the new performance appraisal

- Arrange regular meetings and ground discussions so that your superior-subordinate relations can improve.

CONCLUSIONS

- From the above findings we can conclude that the new appraisal system followed in Hetero drugs is adequate and relevant. The system in Hetero drugs is well defined and appropriate, and is tied directly to the organization to the strategies.
- It is found that the new performance appraisal is just not used for giving increments and salaries but also helping the employee to develop his performance and it has increased the relationship between the superior and subordinates.

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- www.citehr.com
- www.shrm.co.in

QUESTIONNAIRE

Employee Name:

Age:

Designation:

Experience:

1) You are aware of the New Performance Appraisal System in your Organization?

A) Agree B) Partly agree C) Partly disagree D) Disagree

2) You are clear about the policies, procedures involved in the New Appraisal System?

A) Agree B) Partly agree C) Partly disagree D) Disagree

3) The New Performance Appraisal system is good but depends on how it is implemented.

A) Agree B) Partly agree C) Partly disagree D) Disagree

4) The New Performance Appraisal System identifies even the small factors of performance which were not included in the previous format.

A) Agree B) Partly agree C) Partly disagree D) Disagree

5) The New Performance Appraisal system is helps in identifying our performance and to analyze our work effectively.

A) Agree B) Partly agree C) Partly disagree D) Disagree

6) The New Performance Appraisal system is definitely an improvement over the previous systems in terms of co-ordination from the supervisor for facilitation of work.

A) Agree B) Partly agree C) Partly disagree D) Disagree

7) The performance appraisal system is not desirable for the company.

A) Agree B) Partly agree C) Partly disagree D) Disagree

8) The new appraisal system offers an opportunity for you to discover your strength and weakness.

A) Agree B) Partly agree C) Partly disagree D) Disagree

9) What Problems did you experience during self appraisal?

Found self appraisal easy or had no problems.

A) Agree B) Partly agree C) Partly disagree D) Disagree

10) The new Performance Appraisal System Motivates.

To improve your performance

A) Agree B) Partly agree C) Partly disagree D) Disagree

11) The appraiser is the right person to appraise your performance.

A) Agree B) Partly agree C) Partly disagree D) Disagree

12) The new appraisal system provides for a frank discussion between the appraiser and the appraise

A) Agree B) Partly agree C) Partly disagree D) Disagree

13) The new method is giving regular feedback about their potential for higher level of jobs.

A) Agree B) Partly agree C) Partly disagree D) Disagree

14) This system is identifying training & development systems.

A) Agree B) Partly agree C) Partly disagree D) Disagree

15) The organization has got effective communication for execution of the New Performance Appraisal.

A) Agree B) Partly agree C) Partly disagree D) Disagree