



ANALYSIS ON THE EFFECTIVENESS OF PERFORMANCE APPRAISAL SYSTEM AT CENTAUR PHARMACEUTICALS

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Abstract:

The pharmaceuticals sector plays a vital role in underpinning the economic development of a country. This study attempts to evaluate performance appraisal in centaur pharmaceuticals private limited. It focuses on the importance of performance appraisal and its impact on the employees. In the study we found the level of work conditions, level on pay and promotion, level on fairness, level on relationship with co-worker, level of relationship with immediate supervisor; we also found the performance appraisal procedure in centaur pharmaceuticals private limited. Centaur Pharmaceuticals private limited was established in year 1980. The company is engaged in the manufacturing, marketing and exports of pharmaceutical specialties conferring to international standards. The plant manufactures various ph. Dosage's formulations such as tablets, capsules, liquid etc. it has its own marketing network for sale of its own trade product and exports. Results of the study reveal that a good performance appraisal system, work environment and good work conditions can increase the employee performance and the employees will try to give their best which can increase the employee work performance.

1. Introduction:

India is the largest provider of generic drugs globally as it exports to more than 200 countries in the world, with US being the key market. Indian pharmaceutical sector supplies over 50% of global demand for various vaccines, 40% of generic demand in the US and 25% of all medicine in the UK. India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers with a potential to steer the industry ahead to greater heights. India's domestic pharmaceutical market turnover reached Rs. 1.4 lakh crore in 2019 and in May 2020, pharmaceutical sales grew 9% to Rs. 10,342 crores.

The pharmaceutical sector of India is heavily reliant on the small and medium enterprises (SMEs), as they form a critical part of the supply chain for the larger players. There are more than 24,000 registered units in the Indian pharma sector, which meet around 70 per cent of the country's needs. Small and medium scale units have played a crucial role in the growth story of the Indian pharmaceutical industry and form an integral part of the sector, according to India Micro, Small and Medium Enterprise Report 2013. The tax reduction demands of SMEs are to the tune of 150 per cent on R&D spend. The Government of India has initiated multiple reforms such as the cluster development programme, technology up gradation fund, credit link capital scheme, amongst others, which have rendered success.

Pharmaceutical companies have taken note of new opportunities and begun to make meaningful investments in these areas. On balance, multinational companies have probably covered more ground. Most leading multinational companies have set bold aspirations for their India businesses, adopted a localised model including dramatic sales force ramp-ups and branded generics launches, and made major investments in

their local organisations. Leading local players have made investments in market creation, developed differentiated business models and maintained the momentum of new product launches. India's pharmaceuticals market has grown in confidence and firmly moved on to an accelerated growth path. Backed by solid fundamentals, the market is giving rise to a variety of business opportunities.

The varied functions such as contract research and manufacturing, clinical research, research and development pertaining to vaccines are the strengths of the Pharma Industry in India. Multinational pharmaceutical corporations outsource these activities and help the growth of the sector. The Indian Pharmaceutical Industry has a bright future.

2. Objective of the Study:

- To analyse the present performance appraisal system in centaur pharmaceuticals company in order to get an overall review on performance appraisal process
- To scrutinize the employees' attitude towards the present implemented performance appraisal system by centaur pharmaceuticals.
- To identify various factors to improve satisfaction level of employees in regards to performance appraisal
- To analyse the findings and draw out some implication which will make the present performance appraisal system effective and efficient.
- To throw light on any grievances towards performance appraisal and what measures can be taken to correct it
- To analyse whether managers are conducting performance appraisal correctly

3. Scope of Study:

This study has strengthened my theoretical knowledge of Performance appraisal with the practical experiences carried out at Centaur Pharmaceuticals Company. The survey has furnished good amount of feedback and interaction with the employees. Besides this research has clarified my personal interests, skills and competencies and their implementation towards development of my career.

4. Research Methodology:

Research methodology is a systematic gathering of data to investigate and identify problems to be dealt with the finest solution. It aids in giving new insights in particular phenomenon as it accurately portrays various characteristic of a particular individual. Therefore, research contributes in advancement of existing knowledge with the help of primary and secondary data.

5. Sample Plan:

- Sample taken for the study: This study was conducted on the sample size of 100 employees out of which 60 are males and 40 are females. The following are characteristics of the sample taken.
- Age group: Out of 100 sample size most of their age group is between 35-45
- Married or unmarried: Out of 100 sample size most of them are married.
- Sampling method: the method adopted for the conduct of this study is convenience sampling method

6. Data Analysis:

Table 1: Representation of respondents on appraisal system is not time consuming and arduous.

	Respondents	Percentage
Strongly Agree	02	02

Agree	22	22
Neither agree/ nor disagree	46	36
Disagree	40	40
Strongly Disagree	00	00

Interpretation: The above graph shows slight differences between disagree and neither agree nor disagree as BARS approach is time consuming and costly whereas it's easy to use and aids in conducting performance appraisal properly.

Table 2: Representation of respondents if company is maintaining records of self-appraisal

	Respondents	Percentage
Strongly Agree	42	42
Agree	46	46
Neither agree/ nor disagree	12	12
Disagree	00	00
Strongly Disagree	00	00

Interpretation: As the above graph shows high percentage towards strongly agree and agree it can be interpreted that the company maintains record of self-appraisal of individual employee to as to keep the record of the performance and can make correct decisions such as promotion, increment etc.

Table 3: Representation of respondents for process able to point out areas in which an employee requires training

	Respondents	Percentage
Strongly Agree	42	42
Agree	32	32
Neither agree/ nor disagree	16	16
Disagree	06	06
Strongly Disagree	04	04

Interpretation: As the above graph shows high response in strongly agree it can be thus interpreted that performance appraisal points out weak areas where an employee actually require training.

Table 4: Representation of respondents about BARS rating method

	Respondents	Percentage
Strongly Agree	12	12
Agree	48	48
Neither agree/ nor disagree	32	32
Disagree	02	02
Strongly Disagree	06	06

Interpretation: The above graph shows that employees are quite happy with the BARS rating method which is implemented by the company. It even throws light on the fact that employees consider BARS as an efficient method to evaluate performance

Table 5: Representation of respondents on co-operation between managers and employees

	Respondents	Percentage
Strongly Agree	44	44
Agree	50	50
Neither agree/ nor disagree	04	04
Disagree	02	02
Strongly Disagree	00	00

Interpretation: As the above graph shows high percentage in agree which is a good sign if the employee and the manager are co-operating during performance review meeting as at time things can get heated up.

Table 6: Representation of respondents on time gap for appraisal system

	Respondents	Percentage
Quarterly	00	00
Half-yearly	00	00
Annually	100	100

Interpretation: The above graph states that performance appraisal is conducted annually, as the methods implemented such as peer appraisal and 360 degree seems to be time consuming thus company does it on annual basis.

Table 7: Representation of respondents on the general outcome of appraisal system

	Respondents	Percentage
Finalization of increments	02	02
Identification of training needs	08	08
Feedback from the boss	08	08
All the above	82	82

Interpretation: The above graph shows high percentage on “all the above” as performance appraisal system in the company aids in giving adequate data for training, increments and feedback of their performance.

7. Findings:

Centaur pharmaceuticals recognises the importance of performance appraisal for its employees as it provides appropriate feedback of their performance so as to create an efficient manpower in the company.

Centaur makes sure that the company conducts performance appraisal annually and have an ethical performance review meeting with its supervisors to know what all skills need to be polished. BARS method implementation has made the performance appraisal system more effective and convenient in evaluating specific skills of an employee for their particular job even though its time consuming. Self-appraisal system and peer appraisal has thrown light on the behaviour they have on job and how do they see themselves which are important aspects while completely understanding their performance. The 360-degree performance appraisal system has been fortunate to Centaur.

In Centaur, the main objective behind conducting performance appraisal is to accurately understand training requirements of a particular employee. It is even utilised for increasing increments, promoting an employee and giving feedbacks to their employee. The appraisal system facilitates for employee’s self-development and indirectly achieves the goals of the company.

8. Suggestions:

Overall, the performance appraisal adopted by centaur pharmaceuticals is a success but has small loop holes which can be fixed by the company. The following are four suggestions on the basis of my research.

- Open system of appraisal should be adopted by the company. So that the employees get more motivated to get their work done in an efficient manner.
- Employee’s performance should be evaluated half-yearly instead of annually.
- Performance appraisal forms can be much simplified as the elaborated forms might lead to time consuming.

- Mentors should clearly communicate where they stood in the last performance appraisal evaluation, how much growth has been so far and how much they need to grow.

9. Conclusion:

Performance appraisal has become one of the important functions in the present century of Human resource, as it plays a vital role in the organisation. Every organisation has its own performance appraisal system that should have a regular review of an employee's job performance which should be rightly communicated to the employee without hurting their feelings. An organisation should implement performance appraisal correctly so that it contributes to the success of the company.

After the present research, on performance appraisal at Centaur pharmaceuticals we can conclude that there can be some alteration in the present performance appraisal to make it more effective and efficient. So that employee's satisfaction increases which will positively result in more productivity of the company.

10. References:

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