



A STUDY ON PERFORMANCE APPRAISAL SYSTEM OF EMPLOYEES IN IT INDUSTRY IN INDIA

Dr. A. Chandra Bhanu Reddy

Faculty, Department of Commerce and Business Administration, Acharya Nagarjuna University.

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Abstract

Performance Appraisal refers to the regular review of an employee's job performance and overall contribution to company. Performance Appraisal is used by companies to provide employees with broad feedback on their work and to compensate suitably. The purpose of the study is to determine performance appraisal system followed by the famous companies in Information Technology sector. The other objective is the concept of the Performance Appraisal system of employees in IT sector companies like WIPRO, INFOSYS and TCS. The secondary data is collected from various sources from websites and articles. Thus, the study mainly focuses on each company's merits and demerits of the performance appraisal system.

Key words: *Performance Appraisal, Management, Employees, Information Technology.*

Introduction:

A periodical evaluation of a worker's performance on the job and overall value to the firm is called a performance appraisal. Companies utilize performance reviews to give employees detailed feedback on their job. Typically, a performance evaluation takes place once a year. In actuality, the term "industrial relations" come to describe the interaction between labor unions and management in industrial enterprises. Whether or not there is a union in a certain unit, it should mention "employee relation." We are all aware that unions were established as a result of long standing workplace abuses. Certainly, the majority of businesses—large and small—are expanding the scope of traditional mentoring practices by creating mentoring communities. An organization with a strong mentoring culture continuously develops its mentoring capabilities, knowledge, and expertise. The success of the organization depends on having well-written job descriptions as a communication tool. On the other side, poorly written job

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descriptions frustrate people at work, inhibit communication, and give them the impression that they are unsure of their responsibilities. Job specifications are written descriptions of a job's responsibilities, duties, necessary abilities, and reporting structure. Job descriptions are created using analytical data gathered through job review, an understanding of the competencies and skills needed to complete required tasks, and the organization's needs to deliver work. Job descriptions identify and detail the specific responsibilities of each employment. The job description includes information about the environment, equipment, supplies, knowledge and abilities required, and relationships to other positions.

Objectives:

- To study the significant relationship between employee satisfaction on performance appraisal system.
- The study is based on different MNC'S companies' employee's performance appraisal.

Review of literature

Dr. K. R. Mahalaxmi and U. D. Gokul: An analytical study on Performance Appraisal system and its implication on Individual Employee Performance Using Content Analysis. This article is to study the employee Performance Appraisal System at ITC Ltd., Chennai and to examine the factors such as job satisfaction, training needed by employee, training program attended by the employee, and achievement made by the employee.

P. Ramlal, Garimidi Siva Sri and Ankush Gupta: A case Study on the Perception of Employees in leading MNC's in India Regarding Performance Appraisal System and proposing a Sustainable Performance Framework for Indian Organizations to Lower Attrition Rate.

Rajput (2015): In their work titled "overall performance Appraisal System," explain why many agencies conduct overall performance appraisals on a quarterly basis for trainees and new hires but annually for current personnel. Here, the author examines the multifaceted character of the job where the nurse supervisor assigns scores to various nursing techniques; as a result, individuals who face noticeably less resistance or leniency from appraisers receive higher ratings than similarly qualified employees.

K. Chandana and Dr. David T. Easow (2016): In their study titled "Appraising the Appraisal Process," noted that "performance Appraisal tool in select IT companies had loop holes in their overall performance appraisal which had been used in their respective groups inclusive of – 360- degree appraisal & Balanced score Card: in a review." It was found that both the 360-degree remarks and balanced score card had their own loopholes, through those techniques are

the effectiveness of personnel appraisal approaches had a very low level of satisfaction, thus a new appraisal strategy was necessary to avoid such mistakes and to benefit from these techniques.

Dr. Cross Ogohi Daniel: Analyzing the concept of Performance Appraisal System on Employees development. This article is to find out the significant relation between performance appraisal system and Employee's Development and to identify the impacts of Performance Appraisal on Employee's Development.

Research Methodology:

The research was done in order to understand the Performance Management System and the Performance Appraisals process followed at Software Companies and the perception of all the employees from all the cadres regarding it. As the Analysis and Interpretation are based on the secondary data. Secondary data are collected through Websites, Articles and research papers.

WIPRO Pvt Ltd:

Mohamed Premji founded the business on December 29, 1945, in Amalner, India, as Western India Vegetable Products Limited, afterwards known as Wipro. It was originally established as a producer of refined and vegetable oils with the trade names Kisan, Sunflower, and Camel. After Mohamed Premji passed away in 1966, his son Azim Premji, then 21 years old, became chairman of Wipro. Leading technology services and consulting firm Wipro Limited is dedicated to developing cutting-edge solutions that handle the most demanding digital transformation requirements of clients.

Activities of Performance Appraisal system in WIPRO Pvt Ltd:

- Setting targets and goals as Performance standards.
- To review the performance of the employees over a given period of time.
- Identifying training and development needs.
- Rewarding performance
- Improving performance
- To strengthen the relationship and communication between superior subordinates and management-employees
- To reduce the grievances of the employees.

The 360 Degrees Performance Appraisal System at WIPRO:

The most thorough appraisal is the 360-degree feedback, commonly referred to as "multi-rater feedback," in which the employee's work is evaluated by all the people with whom he or she interacts on the job.

Any person who comes into contact with the employee and is able to offer insightful observations, information, or feedback regarding the employee's "on the job" performance is eligible to participate in a 360-degree feedback survey. Peers, managers, subordinates, team members, customers, suppliers/vendors, and others are all eligible.

INFOSYS Pvt Ltd

In Pune, Maharashtra, India, seven engineers created Infosys. \$250 served as its first funding. On July 2nd, 1981, Infosys Consultants Private Limited was registered. It moved to Bangalore, Karnataka, in 1983. When the business became a public limited company in June 1992, it changed its name from Infosys Technologies Private Limited to Infosys Technologies Limited. In June 2011, Infosys Limited was given a new name.

The evaluation of a person's personal skills for the tasks given to them during the performance appraisal period was the first step in the performance appraisal process at Infosys. A variety of factors, including timeliness, the employee's work quality, customer and peer satisfaction, as well as business potential, were taken into account while evaluating performance. The employees' personal abilities were also assessed based on their capacity for learning and analysis, communication, decision-making, change management, and planning and organizing. On a scale of 1 to 5, every one of these requirements was evaluated (with 1 signifying above the expected performance level and 5 below the expected performance level).

Performance Appraisal system at INFOSYS:

360-Degree Feedback: Employees assess a manager's performance as well as their strategic vision, communication skills, problem-solving abilities, and responsiveness. The survey's findings, including the ratings and comments, are then compiled and made publicly available online. At INFOSYS a 360-degree appraisals used which have 4 components

- Self-appraisal
- Superior's appraisal
- Subordinate appraisal
- Peer appraisal

Recognition for Adding Value: The business follows the tenet that "what gets measured gets reviewed and what gets reviewed gets improved" and compensates any employee whose invention is praised by the client.

Employee-Management Interface: It bridges the communication gap between management and employees. Direct Q&A link with the President, who will react in predetermined amount

of time. **Focus on Learning:** There has been significant investment in employee-focused resources (e-Learning), employee libraries, and workshops. After one year of employment, all personnel become eligible for ESOPs.

Innovation: By receiving help and direction from the firm itself, you can invent and cultivate your own business ideas. One such electronic forum is Innovate @ HCL, which encourages employee interaction and participation in ideas both within and beyond the workplace.

Business Continuity Plan: A thorough succession plan for the business ensures continuity in the event of an employee-related emergency.

Employee Engagement: Preventive health check-ups, yoga classes, and employee relief funds are some of the existing programs, while My Pal, Three Cheers, the Wellness Program, Little Indian, and the Bringa Smile Program are some of the newer ones. At Infosys, the Performance Management System is a bi-annual procedure. The programme is known as Per for Magic. KRAs are agreed upon by the project manager and software engineer after discussion. The annual certifications are also mentioned during this meeting. A worker may earn many certifications. The certifications from the prior year are also examined, and any training requirements are determined. The causes of certification failure are also examined.

TCS (TATA CONSULTANCY SERVICES)

With its headquarters in Mumbai, Tata Consultancy Services (TCS) is a multinational Indian provider of IT services and consulting. It operates in 150 locations throughout 46 countries as a part of the Tata Group. According to a report from July 2022, TCS employed more than 600,000 people worldwide. TCS is one of the most valuable IT service brands in the world and the second

Largest Indian corporation in terms of market value. TCS, one of the top-ranked Indian corporations and an IT services provider, was ranked 64th overall in the Forbes list of the "World's Most Innovative Companies" in 2015. As of 2018, it is ranked eleventh on the Fortune India 500 list. In September 2021, TCS recorded a market capitalization of US\$200 billion, making it the first Indian IT tech company to do so.

Performance Appraisal System at TCS:

TCS conducts two Appraisals:

1. At the end of the year
2. At the end of a Project

Appraisals are based on Balanced Scorecard, which tracks the achievement of employees on the basis of targets at four levels-

- Financial
- Customer
- Internal
- Learning and Growth

Appraising at TCS:

- Based on their individual achievements, employees are rated on a scale of one to five. (Five = “superstar”). If employees get a low rating (less than two) in two consecutive appraisals, the warning flags go up. “If the poor performer continues getting low scores, then the exit option may be considered”.
- Over the years TCS has found the pattern that leads to the maximum decline in performance -boredom. If employees work for more than two years on the same project, typically either their performance dips or they leave the organization.
- To avoid that, TCS shuffles its employees between projects every 18 months or so.
- TCS believes “Performance dips if motivation drops”.

Findings:

- In this research, these software companies conduct the Performance Appraisal system very effectively.
- In the process of comparison, the merits of TCS Company are high.
- Infosys is in the first place to recruit the more number of employees.
- These software companies’ conduct both 360-degree performance appraisal and Balanced score card.
- Employees are working with the motivation by the companies conducting Performance Appraisal System.

Suggestions:

- A continuous feedback process helps in regulating frequent recognition in the workplace. This, in turn, results in increased employee engagement and, ultimately, higher performance standards.
- While training managers, avoid the usual process of being an administration chore to do. Instead, promote the appraisal system as a necessary process to better the workforce’s future performance standards and elevate the business goals.
- A good survey tool and standardized questionnaires can be used to review the performance appraisal system.

Conclusion:

Every organization's most important resource is its human capital. The effectiveness and reputation of every company are improved by every employee. Being a unique person, an employee is valued as an asset by the company. Therefore, the organization should place a strong emphasis on its development programme and performance appraisal methods. Both the appraiser and the appraisee should be aware of this idea and make constructive use of the appraisal system's instrument for the organization's success. The organization uses a fair method of performance evaluation. Employee satisfaction with the current, conventional system of performance evaluation is high. The organization can use a current technique that would be more effective as a result of the proliferation of new appraisal procedures. The organization's welfare measure is consistent with its corporate values and has increased the employees' sense of commitment to their jobs. The effectiveness of the system for performance evaluation will be improved if the suggested measures are taken into account.

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