

A Study On Appraisal Policy Adopted By Homkit Modular Concepts, Malappuram

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Abstract- *The study on the topic A Study on Appraisal Policy Adopted by Homkit Modular Concepts, Malappuram examines the effectiveness of performance appraisal policies within an organization. It explores how these policies influence employee engagement, productivity, and overall organizational performance. The research analyzes the current appraisal system at Homkit Modular Concepts, Malappuram. It identifies factors affecting the policy, employee awareness, and its impact on motivation. The study suggests recommendations for improvement, including increasing appraisal frequency, tailoring communication, and recognizing specific skill development. Overall, the findings aim to contribute to enhancing the efficacy of performance appraisal policies and maximizing their potential to drive organizational performance and employee development.*

Keywords- Performance appraisal, Employee engagement, Organizational performance

I. INTRODUCTION

In today's dynamic and competitive business landscape, organizations strive to optimize their human capital to achieve sustainable growth and success. Central to this endeavor is the implementation of performance appraisal policies. Performance appraisal plays a crucial role in assessing employee performance, providing feedback, and facilitating professional development within an organization. By conducting a comprehensive analysis, this research seeks to identify the key factors that contribute to the success or failure of appraisal policies and provide actionable insights for organizational leaders. By shedding light on the nuances of performance appraisal within an organization, this study aims to offer practical recommendations for enhancing the efficacy of appraisal policies and maximizing their potential to drive organizational performance and employee development. Ultimately, the findings of this research endeavor seek to contribute to the broader discourse on human resource management and organizational effectiveness in today's ever-evolving business environment.

1.1 INDUSTRY PROFILE

MODULAR FURNITURE MANUFACTURING INDUSTRY

The modular furniture manufacturing industry has grown significantly in recent years, driven by the increasing demand for functional, space-saving, and adaptable furniture solutions. The modular furniture manufacturing industry designs, produces, and distributes furniture systems built from standardized parts (modules). These modules can be assembled, disassembled, and rearranged to fit various functional needs and spaces. This industry caters to residential, commercial, and institutional settings, offering products like:

- Modular shelves and cabinets
- Sectional sofas and ottomans
- Desks and workstations
- Beds and storage units
- Room dividers
- Modular kitchen etc.,

The global modular furniture market is flourishing, expected to reach a value of USD 102.15 billion by 2030, driven by factors like:

- Increasing urbanization and smaller living spaces: Modular furniture maximizes space utilization in compact homes.
- Rising demand for customization: Modular furniture allows for personalized configurations based on individual needs.
- Growing focus on functionality and aesthetics: Modern designs cater to both form and function.
- Shifting consumer preferences towards flexibility: People seek furniture that adapts to changing needs and lifestyles.

1.2 COMPANY PROFILE

HOMKIT MODULAR CONCEPT

Redefining South India's Furniture Landscape

Homkit is one of the leading modular furniture manufacturers in South India. It is established in 2016 and headquartered in Malappuram, Kerala. With an array of aesthetically abreast designs and personalized customizations, Homkit values customer preferences without compromising on authenticity and sustainability. Putting customers first, the company strives to exceed expectations and build trust.

Homkit operates under the umbrella of Naran Chirakkal Pvt. Ltd., our parent company, which forms a solid and robust foundation alongside our other successful ventures. Rooted in expert craftsmanship and unwavering commitment to quality, Homkit excels as the customer's top choice for sustainable furniture. Leveraging modern technologies and fine-crafting techniques, the brand sets new standards in the industry, consistently offering relevant and top-notch products. Homkit's core values are evident in its dedication to customer satisfaction. While the company's unique knockdown fitting technology ensures easy assembly, our flat packed delivery system ensures compact packaging which minimizes the space required for transportation and storage. Homkit values its customers' money, delivering worthwhile and cost-efficient services along with robust warranties.

II. LITERATURE REVIEW

Maryam Alsuwaidi, Muhammad Alshurideh, Barween Al Kurdi, Said A Salloum (2021) aims to determine how fairness in performance appraisals impacts employee motivation within an organization. To meet this objective, the study will employ a descriptive research approach, utilizing surveys and a strategically selected sample to ensure cost-effectiveness. Various data collection methods will be employed, as the study will gather primary data. Interviews will be conducted with the sample group, and their responses will be documented. However, to mitigate any influence the presence of the researcher might have on participants, questionnaires will also be used, allowing respondents to provide their answers independently. The majority of existing studies reviewed were conducted in Malaysia, China, Pakistan, and India, primarily focusing on job satisfaction and performance, followed by employee motivation and organizational effectiveness. Consequently, this review offers insight into current trends regarding the impact of performance appraisals on employee motivation.

Abdijabbar Ismail Nor (2018): The investigation discovered that Exhibition evaluation results are utilized for regulatory choices like advancements, downgrades, terminations, cutbacks, and move choices as well with respect to advancement choices including execution improvement plans, preparing and advancement choices, and vocation arranging

and improvement choices. The review suggests that Associations ought to set and foster a reasonable and deliberate execution evaluation framework as well as clear, sensible, and reachable execution objectives and convey execution assumptions to the workers. The associations ought to likewise make the Exhibition examination manuals accessible to the representatives in the associations for direction about the exhibition evaluation process. At long last, the review suggests that Presentation Appraisers ought to be prepared in directing execution evaluations since the presentation examination results are utilized for managerial and improvement choices.

III. OBJECTIVES OF THE STUDY

Primary Objective:

1. To evaluate the appraisal policy adopted in Homkit Modular Concepts, Malappuram

Second Objectives:

1. To study the factors affecting appraisal policy.
2. To identify the level of employee awareness towards current appraisal policy.
3. To analyse how does performance appraisal influences on employee motivation.

IV. RESEARCH METHODOLOGY

4.1 RESEARCH DESIGN

The research design adopted for this study is descriptive research. Descriptive research is crucial for providing a clear snapshot of a particular phenomenon or population. It focuses on describing the characteristics of a group, situation, or phenomenon without manipulating variables. Its importance lies in providing insights into what exists or what is happening, aiding in understanding, decision-making, and forming hypotheses for further research.

4.2 POPULATION

The term population means a group on which information being gathered and analysed for the study. The population under study is made up of Homkit Modular Concepts employees. The population for this study is 54.

4.3 SAMPLE DESIGN

The sample size of this study includes selected 54 employees by using complete enumeration method.

4.4 SAMPLING METHOD

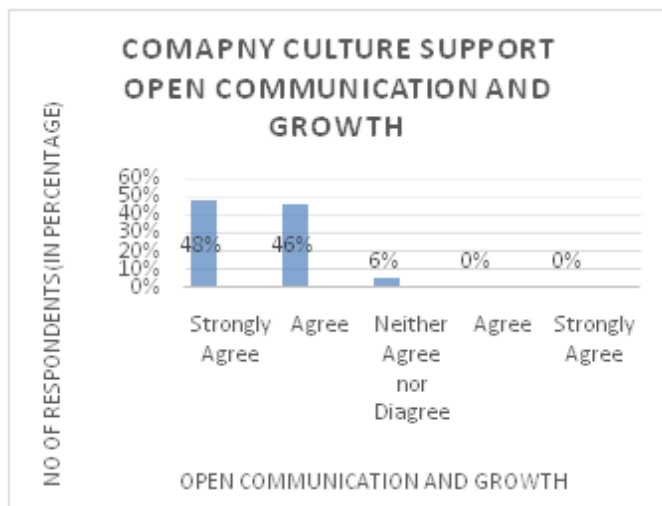
The sampling method used for this study is census sampling. A census is a study of every unit, everyone or everything, in a population. It is known as a complete enumeration, which means a complete count. Here, the researcher selects whole population for the study.

V. DATA ANALYSIS

5.1 PERCENTAGE ANALYSIS

5.1.1 Table showing the details regarding company culture support open communication and growth of the respondents

Sl. No	Particulars	No of Respondents	Percentage
1	Strongly Agree	26	48%
2	Agree	25	46%
3	Neither Agree nor Disagree	3	6%
4	Disagree	0	0%
5	Strongly Disagree	0	0%
	Total	54	100

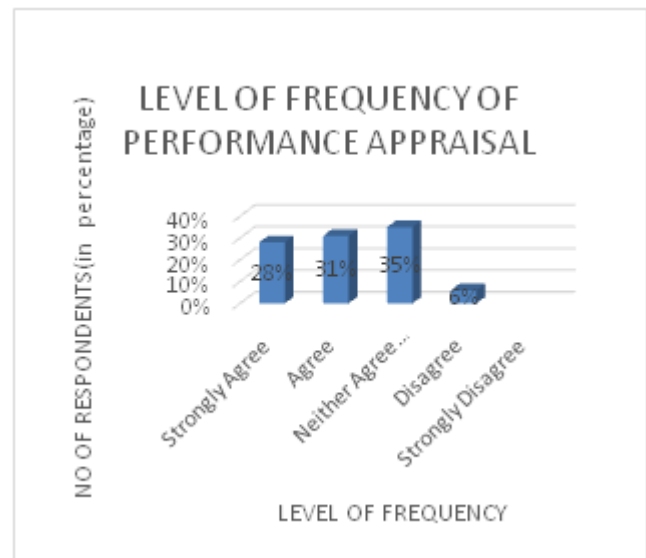


5.1.1 Chart the details regarding company culture support open communication and growth of the respondents

Interpretation: From above table and chart showing out of 54 respondents 94% of them are agree that the company culture support open communication and growth, and only 6% of respondents neither agree nor disagree the statement. Ans also no one disagree the statement.

5.1.2 Table showing the details regarding the level of frequency of performance appraisal

Sl. No	Particulars	No of Respondents	Percentage
1	Strongly Agree	15	28%
2	Agree	17	31%
3	Neither Agree nor Disagree	19	35%
4	Disagree	3	6%
5	Strongly Disagree	0	0%
	Total	54	100



5.1.2 Chart showing the details regarding the level of frequency of performance appraisal

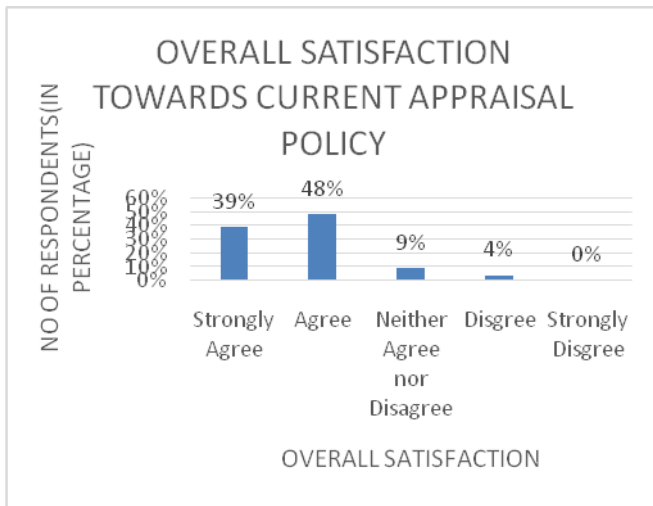
Interpretation: From the above table and chart showing, out of 54 respondents 59% of them agree, 35% of them are included in Neither agree nor disagree and only 6% of respondents are disagree the statement.

Table 5.1.3 showing the details regarding overall satisfaction towards current appraisal policy

Sl. No	Particulars	No of Respondents	Percentage
1	Strongly Agree	21	39%
2	Agree	26	48%
3	Neither Agree nor Disagree	5	9%
4	Disagree	2	4%
5	Strongly Disagree	0	0%

Total	54	100
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Chart 5.1.3 showing the details regarding overall satisfaction towards current appraisal policy



Interpretation: From the above table and chart showing, out of 54 respondents 87% of respondents are agree with the overall satisfaction towards appraisal policy, 9% of them are neither agree nor disagree, and only 4% of them are disagree the statement.

5.2 CORRELATION ANALYSIS

5.2.1 Table showing the degree of association between experience and annual income.

(H0): There is no significant relationship between experience and annual income of the employees.
(H1): There is a significant relationship between experience and annual income of the employees.

Let's x = Experience, y = Annual Income

x	y	x ²	y ²	xy
12	2	144	4	24
20	26	400	676	520
19	18	361	324	342
2	6	4	36	12
1	2	1	4	2
54	54	910	1044	918

$$r = \frac{n(\sum xy) - (\sum x)(\sum y)}{\sqrt{[n\sum x^2 - (\sum x)^2][n\sum y^2 - (\sum y)^2]}}$$

r = 0.816371648

df = n-2 = 5-2 = 3
 p-value = 0.0918

Interpretation: The Pearson Correlation Coefficient r = 0.816 indicates a strong positive correlation between experience and annual income. This suggests that as experience increases, annual income tends to increase as well. The p-value of 0.918 is greater than the 0.05 significance level. This means that fail to reject the null hypothesis at the 0.05 significance level. In other words, while there is a strong correlation, the result is not statistically significant at the 5% level

5.3 WEIGHTED AVERAGE METHOD

5.3.1 Table showing the weighted average of appropriate option on performance appraisal factor.

	FACTORS FOR PERFORMANCE APPRAISAL	WEIGHTED AVERAGE	RANK
1	Attendance	17	1
2	Competency	15.93333333	6
3	Initiative and Motivation	15.8	8
4	Productivity and Efficiency	16.46666667	4
5	Teamwork and Relationship	16.06666667	5
6	Core values and Ethics	16.8	3
7	Communication skill	15.2	10
8	Professionalism	15.4	9
9	Leadership skills and Managerial skill	15.93333333	6
10	Discipline	16.93333333	2

Interpretation: The above table shows the analysis of various opinions of employees on performance appraisal factor using weighted average method of data analysis. The mean score percentage in the table has been identified by using mean/number of scales *100 and the factors are given weights as per mean score percentage. According to the above analysis

rank 1 is obtained by attendance, rank 2 is discipline, rank 3 is core values and ethics, rank 4 is productivity and efficiency, rank 5 is teamwork and relationship, rank 6 is shared by competency and leadership skills & managerial skills, rank 8 is initiative and motivation, rank 9 is professionalism, and the last rank 10 is communication skill.

VI. FINDINGS

1. 76% of respondents are male.
2. 94% of respondents agree that the company culture supports open communication and growth.
3. 59% of respondents agree the level of frequency of performance appraisal.
4. From the table 5.2.1 shows that, a strong positive correlation exists between experience and annual income, indicating experienced employees earn higher salaries
5. From the table 5.3.1 shows that, the weighted average method ranks attendance as the most critical factor, followed by discipline, core values and ethics, productivity and efficiency, teamwork and relationship, competency, leadership skills and managerial skills, initiative and motivation, professionalism, and communication.

VII. SUGGESTIONS

1. To consider increasing appraisal frequency to address the moderate satisfaction regarding frequency. Quarterly or bi-annual reviews might be beneficial.
2. Maintain open communication channels throughout the year to encourage continuous dialogue and feedback exchange between employees and managers. This can further strengthen the positive perception of transparency.
3. Offer training programs or workshops to improve communication skills across all levels. Explore if communication styles can be incorporated into the appraisal process.

VIII. CONCLUSION

This study reveals a generally positive perception of Homkit Modular Concepts' appraisal policy. Employees are satisfied with the current appraisal policy adopted by the company. However, there's room for improvement in appraisal frequency and potentially incorporating a more nuanced approach to communication catering to diverse employee needs. The strong correlation between experience and income highlights the potential for further tailoring development opportunities. Overall, by implementing the suggested improvements and fostering a culture of open communication, Homkit Modular Concepts can continue to refine its appraisal

policy, maximizing its effectiveness in motivating and developing its workforce.

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