A Study on Effectiveness of Performance Measurement In Rnd Softech Private Limited, Coimbatore

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I. INTRODUCTION

Performance measurement is a fundamental building block of employee performance and a total quality organization. Historically, organizations have always measured performance in some way through the financial performance, be this success by profit or failure through liquidation. However, traditional performance measures, based on cost accounting information, provide little to support organizations on their quality journey, because they do not map process performance and improvements seen by the customer. In a successful total quality organization, performance will be measured by the improvements seen by the customer as well as by the results delivered to other stakeholders, such as the shareholders.

Meaning:

Performance measurement is a process for collecting and reporting information regarding the performance of an individual, group or organizations. It can involve looking at process/strategies in place, as well as whether outcomes are in line intended or should have been achieved.

Performance measurement is a formal system that evaluates the quality of a employee's performance. An appraisal should not be viewed as an end in itself, but rather as an important process within a broader performance management system that links:

- Organizational objectives
- Day-to-day performance
- Professional development
- Rewards and incentives

All process of measuring performance requires the use of statistical modeling to determine results. A full scope copy of the performance of an organization can never be obtained, as generally some of the parameters cannot be measured directly but must be estimated via indirect observation and as a complete set of records never delivers a without compression to key figures.

Author(s): Andy Neely, Mike Gregory, Ken Platts,
Year: (1995)
Title: Performance Measurement
Publisher: MCB UP Ltd

The importance of performance measurement has long been recognized by academics and practitioners from a variety of functional disciplines. Seeks to bring together this diverse body of knowledge into a coherent whole. To ensure that the key issues are identified, focuses on the process of performance measurement system design, rather than the detail of specific measures. Following a comprehensive review of the literature, proposes a research agenda.

Author(s): A. Gunasekaran, C. Patel, E. Tirtiroglu,
Year: (2001)
Title: Performance Measurement
Publisher: MCB UP Ltd

In today's world, supply chain management (SCM) needs to be assessed for its performance. Based on a literature survey, an attempt has been made in this paper to develop a framework for measuring the strategic, tactical and operational level performance in a supply chain. In addition, a list of key performance metrics is presented. The emphasis is on performance measures dealing with suppliers, delivery performance, customer-service, and inventory and logistics costs in a SCM. In developing the metrics, an effort has been made to align and relate them to customer satisfaction.

II. RESEARCH METHODOLOGY

RESEARCH:

Research Methodology is a systematic process of identifying and formulating by setting objective and method for collecting, editing, and tabulating to find solution. In the

broadest sense of the word, the definition of research includes any gathering of data, information and facts for the advancement of knowledge. Research is the effective and systematic inquiry or investigation in to a subject in order to discover new facts.

PRIMARY OBJECTIVE:

To study on analysing performance measurement at RNDSOFTECH PRIVATE LIMITED COIMBATORE.

SECONDARY OBJECTIVES:

- To analyses over all current performance.
- To identify their strength of opportunities for improvement.
- To find administrative and programmatic goals.
- To analyses adequate remuneration.
- To analyses their own performance level due to the imply of display board.
- To analyses past and current performance instant of work.
- To provide further suggestions to impressive RNDSOFTECH PRIVATE LIMITED COIMBATORE.

III. SCOPE OF THE STUDY

- The top management can use the information obtained through the study in the following areas:
- Identify the drawbacks in the existing system.
- Improve the system in human resource development areas

Research designs:

The research design which involves a seriesof rational decision-making. From a long time, research design has been considered a highly specialized tool for success of a research programme. Research design defines that domain of generalize ability. It is thus a process of deliberate anticipation directed towards bringing an expected situation under control. The research design adopted for the survey is descriptive in nature.

Descriptive research:

Descriptive research studies, those studies, which are concerned with describing the characteristics of a particular individual, or of a group. Descriptive research includes surveys and fact-finding enquiries of different kinds. The major purpose of descriptive research is description of the state of affairs, as it exists at present. A descriptive study is undertaken in order to ascertain and be above to describe the characteristics of the variables of interest in a situation.

Sampling plan:

Sampling plan is a definite plan for obtaining a sample from a given population. Sampling is that part of statistical practice concerned with the selection of individual observations intended to yield some knowledge about a population of concern.

Sampling unit:

A unit is a person or thing which is actually studied by a researcher; the basic objects upon which study or experiment is carried out. The sampling unit means who is to be surveyed. Sample unit consists of the employees of RND SOFTECH PRIVATE LIMITED COIMBATORE.

Sample area:

The sample area was in RND SOFTECH PRIVATE LIMITED COIMBATORE.

Sample size:

The sample size taken for study is one hundred eight.(108)

Types of sampling:

All the items under consideration in any field of inquiry constitute are "population". The item so selected constitute what is technically called a sample design is a defined plan determined that before any data are actually collected for obtaining a sample from a given population. Samples can either probability samples or non-probability samples.

Probability samples are those based on:

- Simple random sampling.
- Systematic sampling.
- Stratified sampling.
- Cluster sampling.

Non-probability samples are those based on:

- Convenience sampling
- Judgment sampling
- Quota sampling.

In this sampling, cluster sampling was used. It is the one in which the entire population will be divided in to a number of clusters. The samples will be randomly selected from each cluster.

IV. METHODS OF DATA COLLECTION

PRIMARY DATA

The primary data are those, which are collected afresh and for the first time, and thus it is original in nature. A questionnaire is a research instrument consisting of a series of questions and other prompts for the purpose of gathering information from respondents. The researcher has collected the primary data through survey method. The primary data is collected with the use of structured questionnaire. The questionnaire consists of a number of questions printed in a definite order.

SECONDARY DATA

The secondary data are those which have already been collected by someone else and which have already been passed through the statistical process. The secondary data has collected by the researcher from the reports, Internet and books.

TOOLS USED FOR ANALYSIS

It is not possible to imagine, organizing the enormous amount of data and manipulating them as easily without data collection tools. Then again, the task is not easily done unless the right kind of tool appropriate for the project is not selected. These data collection tools are very much needed to generate the numerical data. The various analysis techniques used are

- Weighted Average Method
- Chi-Square Test
- Correlation method
- One way ANOVA
- Percentage Analysis

Weighted Average Method:

The weighted mean is similar to an arithmetic mean(the most common type of average), where instead of each of the data points contributing equally to the final average, some data points contribute more than others. The notation of weighted mean plays a role in descriptive statistics and also occurs in a more general form in several other areas of mathematics.

Where,
Xw= Weighted arithmetic mean.
x=Values of the item
W=Weight of the item

CHI-SQUARE TEST

Chi-Square is a statistical measure used in the context of sampling analysis for comparing a variance to a theoretical variance. It is an important non-parametric test and such as no rigid assumptions is necessary in respect of the type of population. We require only the degrees of freedom for using this test. The quantity of $\chi 2$ describes the magnitude of discrepancy between the theory and observation. It can only be used if the sample observations are independent of each other. The data collected must be drawn at random from universe of population. These data are presented in original units, not in percentage. The number of observations on each cell should not be less than five. The value of the test-statistic is

(CHI – SQUARE TEST) $\Psi^2 = (O\text{-}E)^2 / E =$

Where,

O= Observed frequency
E= an expected frequency

Rank Correlation method:

The Correlation method is using to this study for finding the relationship with the help of the below formula.

$$= 1 - \frac{6\left(\sum D^2\right)}{n^3 - n}$$

Rank Correlation =

One way ANOVA:

Professor R.A Fisher was the first man to use the term 'Variance' and in a factor, It was he who developed a very elaborate theory concerning ANOVA explaining its usefulness in a practical field. It is two types, there are One way ANOVA and Two way ANOVA. Now One way ANOVA or single factor, we consider only one factor and then observe that the reason for said factor to be important is that several possible types of the samples can occur within the factor. We when determine if there are differences within the factor.

$Q = \sum i \sum j \, xij^2 - Ti^2/ N$
$Q_1 = \sum i \; Ti^2/ni - Ti^2/N$
$Q_2 = Q - Q_1$

Percentage Analysis:

Percentage analysis ratio refers to a special kind of ratio, percentage are used in asking comparison between two or more series of data. Percentage are used to describe the relationship. Percentages are calculated as follows:

Percentage   =   No.of respondents x 100 / Total No. of respondents

V. FINDINGS

- 47% of the employees are under the age group between 20 - 30 and 4% ofrespondentshaving above 50 of their age.
- 56% of respondents are Male.and44% of respondents are female in gender wise distribution.
- 44% of respondents have their monthly income between 11000 -25000.   And 4% ofrespondents them having above 40000 of their monthly income.
- 44% of respondents are experience between 1 – 5 years. and   15% of respondents are experience between 11- 25 years.
- 69% of respondents are married.and31% of respondents are unmarried in a marital status wise distribution.
- 32% of respondents are UG holder, and 46% of respondents are PG.
- 46% of respondents are from Medical Transcription, and 10% of respondents are from Production in the department wise distribution.
- 49% of respondents are Highly Agree, and 3% of respondents are Highly Dis Agreefor resource availability of the organization.
- 67% of respondents are Agree, and 2% of respondents are Highly Dis Agreefor efficiency training and development of organization.
- 63% of respondents are Agree, and1% of respondents are Highly Dis Agree for periodical assessment on performance measurement system.
- 43% of respondents are Agree, and 1% of respondents are Dis Agree and Highly Dis Agree on promotion based on performance measurement system.
- 54% of respondents are Agree, 1% of respondents are Highly Dis Agree on self involvement due to performance measurement system.
- Almost 64% of respondents are Agree, and 7% of respondents areModerate on assessment in the currentperformance measurement system.
- 57% of respondents are Agree, and 1% of respondents are Highly Dis Agree on approaches of performance measurement system.

- 57% of respondents are Agree, and5% of respondents are Dis Agree and   Highly Dis Agree for remuneration organizational employees.
- Almost 51% of respondents are Agree, and 7% of respondents are Dis Agree on the employee motivation in the organization.
- 52% of respondents are Moderate, and 4% of respondents are Highly Dis Agree onthe employee incentives in the organization.
- 37% of respondents are Dis Agree, and 14% of respondents are Highly Agree on warning of improper work on organization.
- 42% of respondents are Agree, and 13% of respondents are Dis Agree in workforce of on organization.
- 50% of respondents are Agree, and 4% of respondents are Highly Dis Agree on existing performance system.
- 52% of respondents are Agree, and 2% of respondents are Highly Dis Agree onperformance measurement help to win co-operation and team work.
- 44% of respondents are Highly Agree, and3% of respondents are Dis Agree performance measurement help improving personnel skills.
- 41% of respondents are Highly Agree,and 2% of respondents are Highly Dis Agree on performance measurement needed in organization.
- 50% of respondents are Highly Agree, and 2% of respondents are Dis Agree on reinforce of work in the organization.
- 57% of respondents are Highly Agree, and 2% of respondents are Dis Agree then Highly Dis Agree on greater job of on organization.

VI. SUGGESTIONS

- The management have to provide bonus at regular intervals.
- Most of the respondents are felt that they didn't not satisfiedabout their   incentives so that the management should have to provide incentives as per the industrial norms.
- Majority of the respondents are felts that the warning of improper workforce did not satisfied. So that the management should have to provide proper guidelines of the employees.
- The employees felt about the workforce, So the company management reduce the work level and provide the work on the basis of skill.
- Performance measurement system helps the employees to place their career
- Majority of the respondents are measurement must be based on the target achievement of the organization. So

the organization must be consider these factor while assessing employees.

- Through the overall rating of the current performance measurement system is found to be good, Some of the employees the current performance measurement system. The organization may take the corrective action to improve the entire system.

VII. CONCLUSION

The study was helpful in finding out the effectiveness of an performance measurement followed in the organization.The employee source is avital source in an organization and closely follow the employee activity, behaviour and their attitude.Through the overall rating of the current performance measurement system is found to be good, Some of the employees need in the current performance measurement system.

During the project period I was able to interact with different people in the organization and know the functioning of the Human Resource department. It helped me in getting a concepts and in depth I was able to know about performance measurement system which in turn aided me in applying to my study.

REFERENCES

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