



## Depth Study on Performance Appraisal Practices of Selected Dairy Units in Gujarat State

DR. CHHAYA CHAVDA

Associate Professor,  
Anand Institute of Management (MBA), Anand  
Gujarat (India)

DR. PINAKIN YGNIK

Associate Professor,  
Anand Education College, Anand  
Gujarat (India)

### Abstract:

*The paper describes Performance Appraisal practices of selected dairy units in the Gujarat state. For present study five dairy units were selected and from each unit 1-2 managers (employers) and 30 employees were selected using simple random sampling method. Almost all dairy units are doing Performance Appraisal practices appropriately. Majority of the employees were satisfied with Performance Appraisal practices of their dairy units. Almost all employers said that they were doing fair practices and their employees were also satisfied with the present practice. It is concluded that Amul dairy had best setup of performance appraisal followed by Baroda, Dudhsagar, SUMUL and Mother dairy.*

**Keywords:** Dairy, Performance Appraisal practices

### 1. Introduction

India is a country connected with agricultural and cattle rearing from ancient time nearly more than 70% on agriculture and cattle rearing. So dairy industry is the best suited for the growth of India. The positive role that dairying could play in providing income and employment opportunity was clear to the policy-makers long time back and a set of measures were put in place to develop and protect the dairy industry. The most significant contribution of the dairy sector is in generating income and employment for millions across the countryside. With a daily procurement of 21.5 million liters each day, there are 117,575 village dairy cooperatives which provide income to 12.4 million farmers.

Dairy industry is of crucial importance to India. India is world's largest milk producer, accounting for more than 13% of world's total milk production. It is the world's largest consumer of dairy products, consuming almost 100% of its own milk production. Dairy products are a major source of cheap and nutritious food to millions of people in India and the only acceptable source of animal protein for large vegetarian segment of Indian population, particularly among the landless, small and marginal farmers and women.

### 2. Performances Appraisal (PA)

The performance appraisal can be defined as a process, typically delivered annually by a supervisor to a subordinate designed to help employees understand their roles, objectives, expectations and performance success. Performance appraisals are used most widely as a basis for compensation decisions. The practice of "pay – for – performance" is found in all types of organizations. Performance appraisal is directly related to a major HR functions, such as

promotion, transfer and lay – off decisions. The appraisal process provides an opportunity to identify issues for discussion, eliminate and potential problems and set new goals for achieving high performance. The success or failure of a performance appraisal program depends on the philosophy underlying it, its connection with business goals and the attitudes and skills of those responsible for its administration. The process of performance appraisal helps the employee and the management to know the level of employee's performance compared to the standard or pre-determined level. Performance appraisal is essential to understand and improve the employee's performance through HRD. In fact, performance appraisal is the basis for HRD. It was viewed that performance appraisal was useful to decide upon employee promotion and transfer, salary determination and the like. But the recent developments in human resource management indicate that performance appraisal is the basis for employee development. PA is a method of evaluating the behavior of employees in the work spot, normally including both quantitative and qualitative aspects of job performance. Performance she refers to the degree of accomplishment of the tasks that make up an individual's job. It indicates how well an individual is fulfilling the job demands.

### 3. Reviews of Literature

According to **Brown and Hey Wood, 2005**, "Performance Appraisal" represents, in part, a formalized process of worker monitoring and is intended to be a management tool to improve the performance and productivity of workers. Employee commitment and productivity can be improved with performance appraisal systems (**Brown and Benson, 2003**). Appropriate explanation and supervision of performance lead to higher job satisfaction and professional commitment amongst teachers. In one of the case study, **Themba Lambert Zwane** studied on "The Role of Performance Management in the Motivation of Employees" in **Nov. 2009**, and discussed that performance management systems can assist an organization to achieve synergistic results. Motivated staff work harder are more productive, happier, more concerned with customer satisfaction and ultimately more profitable for company. Possibility of performance appraisal is enhanced by complementary human resource management practices like formal training and incentive pay and performance appraisal leads to greater influence of productivity (**Brown and Heywood, 2005**). **360 – Degree feedback** is aimed at improving performance by providing a better awareness of strengths and weaknesses. The employee receives feedback, in anonymous form, on performance ratings from peers, superiors and subordinates (**Kaplan and Palus, 1994**). Feedback from multiple sources, such as superiors, peers, subordinates and others has a more powerful impact on people than information from a single source, such as their immediate supervisor. Employees view performance information from multiple sources as fair, accurate, credible and motivating. They are more likely to be motivated to change their work habits to obtain esteem of their co-workers than the respect of their supervisors. (**Edwards and Ewin, 1996**). **Dr. Muhammad Malic, Ghafoor and Naseer had published their research paper in Far East Journal of Psychology and Business, Vol. 2, No. 1, January 2011**. This study focused on employee performance, employee motivation and organizational effectiveness. Employee performance has a positive relation with organizational effectiveness and employee motivation has also positive relation with organizational effectiveness. There is a relation among these variables but strong relationship does not exist. Organizations of banking and telecommunication sectors should give proper attention to their staff regarding employee performance and employee motivation. Happy employees are more productive rather than productive employees are happier.

### 4. Research Methodology

It is an observational descriptive study. Total 150 respondents were selected from five selected dairies using simple random sampling. The aim of the study is assessing overall appraisal

practices of dairy units. Primary data was collected from the employees and management persons of selected dairy units through interaction and interviews with executives and leaders of dairy units. Other primary data was also collected from employees with the help of structured questionnaire by personal visit and conversation. Secondary data was collected from Books, magazines, Journals, News Papers, Websites, Dairy publications, etc. It was useful source to design scientific instrument (questionnaire) for primary data collection.

### 5. Observations and Results

Two statistical tests were applied for checking the significance of the particular null hypothesis. Chi-square test was applied to check the association between two attributes. Researcher had used the parametric test called “Analysis of Variance (ANOVA)” to compare different views / satisfaction levels of respondents, from selected dairy units, regarding Performance Appraisal Practices. F-test was carried out in ANOVA to test the significant difference. At the end of each statistical test, p-values were obtained to get conclusion regarding probable acceptance or rejection of the null hypothesis.

Out of 150 respondents, 49(32.7%) were having 25-30 yrs of age; 54(36.0%) with 31-35 yrs; 26(17.3%) with 36-40 yrs; 19(12.7%) with 41-45 yrs whereas only 2(1.3%) were having more than 45 yrs. of age. Among selected respondents, 48(32.0%) were less experienced ( $\leq 5$  yrs); 36(24.0%) were having 6-10 yrs experience whereas majority i.e. 66(44.0%) were senior persons ( $>10$  yrs of exp.).

**Table 1. Mean score of Performance Appraisal given by respondents of selected dairy units [Descriptive Statistics]**

Dairy	N	Mean	S.D.	S.E.	95% C. I. for Mean		Min.	Max.
					Lower Bound	Upper Bound		
Amul	30	16.37	2.17	0.39	15.55	17.17	11.00	21.00
Baroda	30	17.10	2.72	0.49	16.08	18.11	11.00	24.00
Dudhsagar	30	19.60	2.19	0.40	18.78	20.41	16.00	24.00
Sumul	30	20.07	1.79	0.32	19.39	20.73	16.00	24.00
Mother	30	20.53	1.73	0.31	19.88	21.18	17.00	25.00
<b>Total</b>	150	18.73	2.70	0.22	18.29	19.17	11.00	25.00

Note: Scores 1-5 were given as 1: Highest and 5 : Lowest

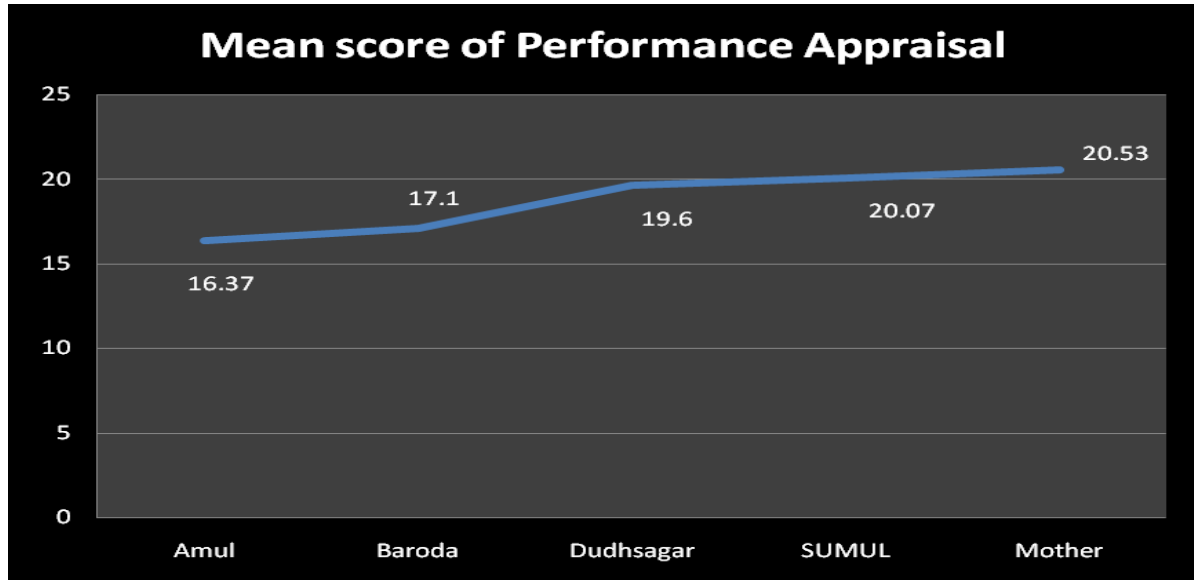
Descriptive statistics (e.g. mean, SD, etc.) of PA score (given by respondents) is given in above table. As it can be depicted from above table, Amul and Baroda dairy had lowest score as compared to others. To check the significant difference in mean score between dairy units, ANOVA test was applied. As given in below table, F-value for this test was 22.711 and p-value was 0.000. As p-value was less than 0.05, null hypothesis was rejected and concluded that there is significant difference in mean score of Performance Appraisal between selected five dairy units.

**Table 2. ANOVA**

Calculations	Sum of Squares	df	Mean Square	F	p-value
Between Groups	421.133	4	105.283	22.711	0.000
Within Groups	672.200	145	4.636		
<b>Total</b>	1093.333	149			

From above discussion it was clear that there was significant difference in mean PA-scores between selected dairy units. After performing ANOVA test, researcher had obtained Post Hoc Test for multiple comparisons of dairy units.

**Graph 1. Mean score of Performance Appraisal given by respondents of selected dairy units**



## 6. Findings

### 6.1 For Employees

- All dairy had performance appraisal system for employees. The duration of appraisal was either 6 months or yearly base. Common methods used for performance appraisal were “Confidential report”, “Grading”, “Check lists” and “Management by objective”.
- Respondents had given their views regarding problems faced by them in performance appraisal, are listed below :
  - Judgment bias
  - Social differentiation
  - Miscellaneous biases
  - Criteria problem
  - Central tendency problem
  - Influence of man’s job
  - Personal prejudice

The highest satisfaction in Performance Appraisal was in employees of Amul dairy followed by Baroda dairy, Dudhsagar, SUMUL and Mother dairy.

### 6.2 For Employers

The Performance Appraisal methods followed in the organizations were balanced scorecard method and MBO method. In some organization / department Rating scale method was also followed for Performance Appraisal.

- An individual employee was evaluated on the basis of his / her adaptability in the organization, behavior and technical skills.
- Majority of the employers were using 180 degree feedback to evaluate employees.
- The appraisal feedback was communicated to the respective employee.
- All employees were satisfied with the prevailing appraisal system.

- All dairy units had mentor system intended to help employees in their career progression.

## 7. Conclusion

On the basis of above stated findings of the research work, the researcher concluded that there is significant difference in Performance Appraisal between selected dairy units. As far as performance appraisal is concern, Amul dairy had best setup of performance appraisal followed by Baroda, Dudhsagar, SUMUL and Mother dairy. Overall Amul and Baroda dairy had better Performance Appraisal practices as compared to SUMUL, Dudhsagar and Mother dairy.

## References

1. Aswathappa, K. (2008). Human Resource Management, Tata Mc Graw Hill Publishing Co. Ltd, New Delhi.
2. Calhoon, R. (1964). Managing Personnel, Harper and Row, New York
3. French, Wendell (1974). The Personnel Management Process: Human Resources Administration, Houghton Mifflin Company, New York, 1974
4. Gary, Dessler (1998). Human Resource Management, Printice Hall Publication, New Delhi.
5. John, M. Ivancevich, (2008). Human Resouce Management, Tata McGraw-Hill Publishing Company Ltd., New Delhi, Tenth Edition.
6. Khanka, S.S. (2001). Human Resource Management, Sultan Chand and Company Ltd.
7. Kothari, C.R. (2001). Research Methodology Methods and Techniques, New Age International Publishers, New Delhi.
8. Krishnaswami, O. R. and Ranganathan M. (2005). Methodology of Research in Social Sciences, Himalaya Publishing House, Mumbai
9. Luis, R. Gomez-Mejia, David B. Balkin, Robert L. Cardy, (2004). Managing Human Resources, Pearson Publication, Delhi. Third Edition.
10. Mousumi, S. Bhattacharya and Nilanjan Sengupta, (2009). Compensation Management Text and Cases, Excel Books Publication, New Delhi, First Edition 2009
11. Pattanayak, Biswajeet (2005). Human Resource Management, Prentice Hall India.
12. Rao, P.L.(2008). Enriching Human Capital through Training and Development, Excel Books Publication, New Delhi, First Edition 2008
13. Raymond, A. Noe. (2008). Employee Training and Development, McGra Hill Publication, New Delhi. Fourth Edition, 2008
14. Sarma, A.M. (2005). "Personnel and Human Resource Management, Himalaya Publishing House.
15. Scott, Snell and George Bohlander (2008). Human Resource Management, Cengage Publication, New Delhi. Fourth Edition.
16. Subba Rao, P. (2000). Personnel and Human Resource Management, Himalaya Publishing House, Mumbai

## Magazines and Journals References

1. The Indian Journal of Labour Economics, Volume -47, No - 4, October - December 2004
2. Human Resource Management Review, An IUP Publication, Volume - XI, No- 9, September 2011
3. Human Resource Management Review, ICFAI University Press, Volume - IX, Issue - IV, April 2009
4. Human Resource Management Review, ICFAI University Press, Volume -X, Issue - XI, November 2010
5. The Times of India

6. The Economic Times
7. Business world August 9, 2010
8. The Indian Journal of Commerce, Volume -64, No – 1, January - March 2011
9. The Indian Journal of Commerce, Volume -3, No – 1, January- June 2009
10. The Indian Journal of Commerce, Volume -64, No – 2, April - June 2011
11. The Indian Journal of Commerce, Volume -64, No – 4, October – December 2011
12. Effective Executive, IUP Publication, Volume – XIII, No - 10, October 2010 o Synergy,  
Journal of Management, Volume – 11, No - 1 January – June 2009 o 62nd Annual  
report of Amul

### Web References

1. CFUcb6wodMT56DQ
2. [http://marketing-bulletin.massey.ac.nz/V7/MB\\_V7\\_A5\\_Bhaskaran.pdf](http://marketing-bulletin.massey.ac.nz/V7/MB_V7_A5_Bhaskaran.pdf)
3. <http://www.aavinmilk.com/dairyprofile.html>
4. <http://www.academon.com/Research-Paper-Employee-Development/96865>
5. <http://www.docstoc.com/docs/14833911/Indian-Dairy-Products--A-Profile>
6. [http://www.euromonitor.com/dairy-in-india/report?gclid=COi7s7\\_1968](http://www.euromonitor.com/dairy-in-india/report?gclid=COi7s7_1968)
7. <http://www.indianmirror.com/indian-industries/dairy.html>
8. [http://www.technopak.com/resources/Food/PPP%20in%20Indian%20Dairy%20In%20Industry\\_Technopak\\_CII\\_Background%20Paper\\_May08,2010%20pdf%20ver.pdf](http://www.technopak.com/resources/Food/PPP%20in%20Indian%20Dairy%20In%20Industry_Technopak_CII_Background%20Paper_May08,2010%20pdf%20ver.pdf)
9. [www.Academicjournals.org](http://www.Academicjournals.org)
10. [www.Academon.com](http://www.Academon.com)
11. [www.Amul.com](http://www.Amul.com)
12. [www.citehr.com](http://www.citehr.com)
13. [www.Ijbsnet.com](http://www.Ijbsnet.com)
14. [www.indiাদairy.com/site\\_infoindiাদairy.html](http://www.indiাদairy.com/site_infoindiাদairy.html)
15. [www.Mobilityagenda.org](http://www.Mobilityagenda.org)
16. [www.scribd.com/doc/53145795/68/INDIAN-DAIRY-INDUSTRY](http://www.scribd.com/doc/53145795/68/INDIAN-DAIRY-INDUSTRY)
17. [www.uwstout.edu](http://www.uwstout.edu)