

# Performance Appraisal of Employees and the Impact of Reward Systems

An Internship Report for

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MBA in (Human Resource)

by

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Under the Supervision of / Mentor

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Goa University

Date: 26<sup>th</sup> April 2023

Examined by:



Seal of the School

## **DECLARATION BY STUDENT**

I hereby declare that the data presented in this Dissertation / Internship report entitled, “Performance Appraisal of Employees and the Impact of reward systems” is based on the results of investigations carried out by me in the (Management Studies) at the Goa Business School, Goa University under the Supervision/Mentorship of Dr. R. Nirmala and the same has not been submitted elsewhere for the award of a degree or diploma by me. Further, I understand that Goa University or its authorities will not be responsible for the correctness of observations / experimental or other findings given the dissertation.

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Place: Goa University

### COMPLETION CERTIFICATE

This is to certify that the dissertation / internship report "Performance Appraisal of Employees and the Impact of reward systems" is a bonafide work carried out by Ms. Richa Ratikant Mapari under my supervision/mentorship in partial fulfillment of the requirements for the award of the degree of Masters in Business Administration in the Discipline of Management Studies at Goa Business School, Goa University.



Dr. R. Nirmala

Management Studies

Date: 28-4-2023



Prof. Jyoti Pawar  
Dean,  
Goa Business School



School Stamp

Date: 28-4-2023  
Place: Goa University

**INTERNSHIP CERTIFICATE**

This is to certify that Ms. Richa Ratikant Mapari, student of the Goa Business School, undergoing Masters in Business Administration has successfully completed Internship between 1<sup>st</sup> March 2023 to 26<sup>th</sup> April 2023 at Kineco Kaman Composites Structure Pvt Ltd. She actively participated in the activities during the period of internship and learned the skills needed for various activities in Human Resource Department which includes Statutory Compliance, Recruitment process, Salary Processing, Housekeeping, Security and Contract Management, Performance Management System along with general Human Resource duties.



Mr. Geetesh Chari  
Manager – HR & Administration  
Kineco Kaman Composites India Pvt  
Ltd.

Place: Pilerne - Goa

Date: 26<sup>th</sup> April 2023

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My special thanks to all our faculty members of Goa Business School for giving me an opportunity to undergo this internship program and familiarizing me with the real day-to-day business world. My sincere gratitude to my project mentor Dr. R.Nirmala for helping and guiding me throughout the internship period. She provided me with valuable insights and guidance that helped me to use my knowledge in a better way. She was always available to answer my queries and provide support. I am thankful for her time and support, and for sharing her valuable insights with me.

I recognize this opportunity as a breakthrough in my career development and will use this gained knowledge in the best possible way, and continue to work hard and improve myself.

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## **1. EXECUTIVE SUMMARY**

This report summarizes my final internship project conducted at Kineco Kaman Composite Structure Pvt Ltd located at Pilerne Industrial Estates, Pilerne, Goa from the period of 1st March 2023 to 26th April 2023.

The final year internship program is an important aspect in MBA which provides with mere experience in company environment. Since my specialization is in human resources, I conducted my internship in the HR department. The HR department is responsible for looking employee resources and is an essential part of the organization's success. It is also responsible for managing company culture and work environment. Human resources management view employees as the company's most valuable asset. Therefore, it takes into consideration various actions to develop the human resource of company. HR department performs various duties such as recruitment processes, training and development, employee motivation and welfare, compensation and benefits, statutory compliance, and performance management. HR plays a strategic role in business management and the implementation of workplace culture.

A research study was conducted on the performance appraisal of employees and the impact of reward systems at Kineco Kaman Composites Structure. Performance appraisals are conducted by the companies to improve their productivity, and make various settlements regarding training, promotion and rewards. The objective of my research study was to understand the perception of employees on performance appraisal and the impact of rewards on employee performance.

## 2. PROFILE OF THE COMPANY

**Name:** Kineco Kaman Composites Structure Pvt Ltd

**Address:** Plot no. 60, Pilerne Industrial Estates, Pilerne, Goa

**Website:** <http://www.kinecokamanindia.com/>

Kineco Kaman Composites India (KKCI) is a successful multinational joint venture between Kaman Aerospace Group (USA) and Kineco Limited (India). The joint venture is set up with its headquarters and manufacturing facility based in Goa with an objective of addressing the growing needs of global aerospace and defence companies. They are a world class composite manufacturers based in Goa-India with a global customer base. They design, develop and manufacture a wide range of composite parts and assembly for:

- Telecommunications
- Automotive
- Railways
- Water treatment and process equipment
- Aerospace and defence

The knowledge of design and engineering of complex composite structures and components coupled with their expertise in a wide range of composite materials and manufacturing processes makes them a one-stop shop for all composite product requirements of their discerning customers.

They are located with access to sea, surface, and air transport to offer the best logistical advantage. Their total solution support capabilities are world-class in terms of low cost, high quality, and on-time delivery of products to their customers. KKCI has established itself as one of the leaders in composite manufacturing in India. Their customers are solely



responsible for bringing them to this position as they have come to recognize that KKCI stands for value, quality, and integrity.



**Mission** - Focusing on Innovation and Technology.

**Vision** - Delivering world-class products.

**No. of employees**

Total number of employees: 180

Managerial staff: 67

Employees: 73

Contract workers: 40

## **Departments**

HR and Admin, Accounts, SCM, Maintenance, IT, Engineering/Bid engineering, Projects, Quality, Operations.

## **Company Policies**

- Code of business conduct and Ethics
- Environment Health & Safety (EHS) policy
- Quality policy
- CSR policy

## **2.1. HISTORY**

### **1995 - A star is born**

Kineco begins commercial operations. Kineco made a modest beginning in 1995, in Goa, manufacturing FRP industrial equipment with a workmen strength of 10 and a building space of 250 sq. mts. At that point they made only layup products.

### **1999 - Serving the nation**

Kineco builds unique FRP shelters for Indian troops in Northern Himalayas (Post Kargil).

### **2002 - Serving your water needs**

Kineco bags its first export contract for \$2 million from US water treatment company.

### **2003 - On time every time**

Kineco wins suppliers of the year award for delivery of tripod bases for water treatment equipment.

**2003** - Kineco develops the indigenous technology of 5 axis filament winding with funding from Ministry of Science and Technology.

**2004** - Reliability is our middle name

Kineco wins supplier of the year award for second consecutive year for delivery of tripod bases for water treatment equipment.

**2004** - Composites our passion

Kineco, in association with IIT Bombay & TIFAC constructs the world's first sky bus metro made entirely from composites.

**2006** - Establishes ACD – Kineco established advanced its Advanced Composites Division (ACD).

**2007** - Kineco ACD selected as manufacturers of body panels for A1 Grand Prix Formula racing cars.

**2008** - Innovation our mission

Kineco wins the prestigious and global JEC INNOVATION AWARD for development of under slug water tanks for AC coaches of the Indian Railways.

**2010** - Acquires major contract

Kineco acquires a contract from European major for supply of complete racing cars chassis and bodies. Kineco achieves AS 9100 accreditation which is prerequisites to enter the main stream aerospace market.

**2011** - Develops dorsal unit

Kineco develops a dorsal unit for airborne early warning & control systems (AEWACS). Displayed at Republic Day parade as one of the key successes in indigenous development.

## **2012 - A new Joint Venture**

Kaman Aerospace group acquires a 26% strategic stake in Kineco's aerospace vertical, a new JV 'Kineco Kaman Composites India' formed.

## **2013-14 - Into the international markets**

Kineco Kaman starts the delivery of aerospace contracts to the international markets.

**2015** - Indo-national limited, a listed company acquires controlling stake in Kineco.

**2015-16** - Kineco Kaman bags NADCAP (National Aerospace and Defence Contractors Accreditation Program) certification.

**2017** - Kineco supplies pultruded composites to telecom sector; Kaman increases stake in JV to 49%.

**2019** - Kineco develops composite carbon bridge for military application for the first time in India. Kineco bags contract from R&DE (DRDO Lab) for development of composite radome segments for airborne early warnings and control systems.

## **2020 - Kineco achieves IRIS Certificate**

Kineco achieves International Railway Industry Standard (IRIS) Certification for its railway division. The awardee of IRIS enjoys the confidence of all rail industrial stakeholders, national as well as international.

## 2.2. Customers

1. British Aerospace
2. Israel Aerospace Industries
3. Vikram Sarabhai Space Centre



## 2.3. Competitors

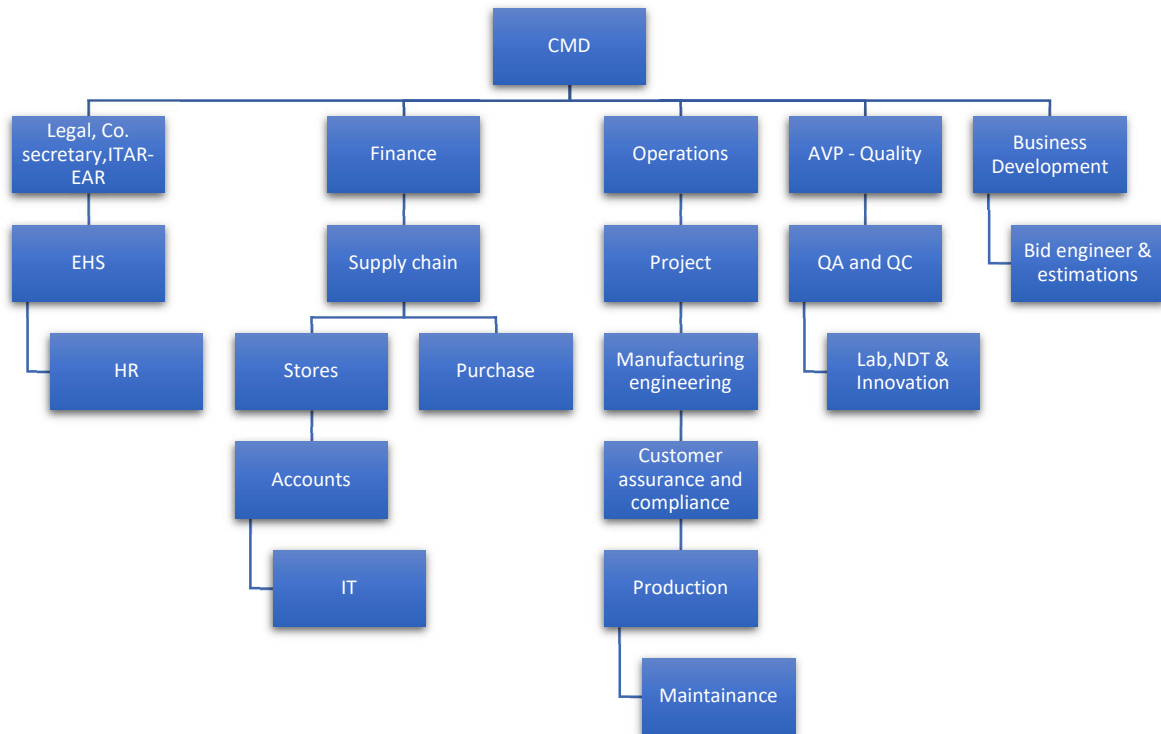
Kineco Kaman composite structure have competitors all over the country and abroad.

However, they do not have any competitors within the state of Goa. Some of its competitors in India are as follows:

1. Hawk Aerospace Pvt Ltd, Mumbai, Maharashtra
2. Prime Tech, Chennai, Tamil Nadu



## 2.4. ORGANIZATIONAL CHART



CMD – Chief Managing Director

QA – Quality assurance

ITAR – International Traffic in Arms Regulations

QC – Quality control

EAR – Export Administration Regulations

NDT – Non-destructive testing

EHS - Environment, health and safety

## **2.5. Human Resource Management**

The HR department is an essential element of any organization. Employee well-being in any business is partially dependent on the HR department. HR has to take into consideration payroll, benefits, hiring, and keeping up to date with various laws relating to labour and industry. The HR manager of the company also has to look after various databases, files, and medical reports of employees working in that organization.

## **2.6. Roles and responsibilities of HR at Kineco Kaman**

- Plan, develop, and implement processes for human resource management.
- Ensure employees of the required skills are deployed in the appropriate department.
- Conduct induction training for new recruits or on the job, etc.
- Ensure adequate first aid is available and ensure staff are trained in basic firefighting.
- Maintain skill matrix, identify and monitor individual training needs and provide the required training.
- Maintain personal files of each employee, attendance, records, payroll processing, and performance appraisal.
- Ensure proper housekeeping and security conditions in the factory premises.
- Ensure environmental health and safety requirements are compiled for all employees working in different areas.
- Recruitment drafting and execution of strategic policies in human resource and industrial relations, development of rewards and recognition program.

### 3. INTRODUCTION

#### Performance Appraisal of Employees and the Impact of Reward Systems

Performance appraisal refers to an orderly review of an employee's job accomplishment and overall contribution to a company. Companies use performance appraisals to ascertain which employees have contributed the most to the growth and progress of the company and reward high-achieving workers. Reward systems are carried out in order to provide motivation to employees to increase their performance.

The purpose of the study is to find out how far the employees are perceived with the existing performance appraisal provided by the company and whether the provided performance appraisal system is sufficient to improve performance level in the organization.

### 4. LITERATURE REVIEW

No.	Journal	Title	Findings	Relevant
1.	Accounting, organizations and society	Fullerton, R. R., & McWatters, C. S. (2002). The role of performance measures and incentive systems in relation to the degree of JIT implementation. <i>Accounting, Organizations and Society</i> , 27(8), 711-735.	1.Long-term competitive advantage. 2.Just in time production system. 3.Adapt control systems and empower workers.	1.Competitive advantage to the company with respect to performance.
2.	International Journal of Human Resource Studies	Hee, O. C., & Jing, K. R. (2018). The Influence of human resource management practices on employee performance in the manufacturing sector in Malaysia. <i>International Journal of Human Resource Studies</i> , 8(2), 129-147.	1.Relationship between HRM and employee performance. 2.Employee performance through training and development and performance appraisal.	1.Measurement of employee performance. 2.HRM and performance. 3.Performance appraisal through compensation and benefits.



			3.Compensation and benefits	
3.	South African Journal of Economic and Management Sciences	Zondo, R. W. (2018). The influence of a 360-degree performance appraisal on labour productivity in an automotive manufacturing organisation. <i>South African Journal of Economic and Management Sciences</i> , 21(1), 1-7.	1.360-degree performance appraisal system. 2.Improvement in labour productivity.	1.Influence of 360-degree performance appraisal for labour productivity.
4.	The International Journal of Human Resource Management	Cheng, S. Y. (2014). The mediating role of organizational justice on the relationship between administrative performance appraisal practices and organizational commitment. <i>The International Journal of Human Resource Management</i> , 25(8), 1131-1148.	1.Performance standards by Salary adjustments and promotion decision. 2.Employee perceptions of organizational justice and organizational commitment. 3.Administrative performance appraisal.	1.Effects of salary and promotion on performance appraisal. 2.Performance based rewards.
5.	International Journal of Research in Management & Business Studies.	Xavier, J. V., & Joseph, S. (2015). A study on the effectiveness of performance appraisal system and its influence with the socio-demographic factors of the employees of a manufacturing industry in Tamil Nadu. <i>International Journal of Research in Management &amp; Business Studies</i> , 2(1).	1.Effectiveness of the performance appraisal system. 2. Influence of PA system with the socio-demographic factors. 3. Make the employees understand about the ways and means to develop a sound financial viability and growth.	1.Effectiveness of the performance appraisal system. 2.Influence of PA system on employees.
6.	The International Journal of Human Resource Management	Bayo-Moriones, A., Galdon-Sanchez, J. E., & Martinez-de-Morentin, S.	1.Determinants of the dimensions of	1.Dimensions of performance appraisal.

		(2020). Performance appraisal: dimensions and determinants. <i>The International Journal of Human Resource Management</i> , 31(15), 1984-2015.	performance appraisal. 2.Measure of performance. 3.Factors that influence the design of performance appraisal.	2. Factors influencing the design of performance appraisal.
7.	International Journal of Quality & Reliability Management	Na-Nan, K., Joungrakul, J., Smith, I.D. and Sanamthong, E. (2022), "Reliability and validation of an instrument for measuring problems with performance appraisal of automotive parts manufacturing employees", <i>International Journal of Quality &amp; Reliability Management</i> , Vol. 39 No. 1, pp. 53-76. <a href="https://doi.org/10.1108/IJQRM-05-2020-0171">https://doi.org/10.1108/IJQRM-05-2020-0171</a>	1.Problems with performance appraisals process. 2.Problems with person conducting performance appraisals.	1.The impact of appraising employees in an organization and on their productivity.
8.	Sri Lankan Journal of Human Resource Management.	Ali, M. H., & Opatha, H. H. D. N. P. (2008). Performance appraisal system and business performance: An empirical study in Sri Lankan apparel industry.	1.Positive relation of performance appraisal with business performance. 2.Difference between large apparel firms and non-large apparel firms.	1.Performance appraisal relation with performance of the business.
9.	Chinese Management Studies	Chen, J., & Eldridge, D. (2010). Are “standardized performance appraisal practices” really preferred? A case study in China. <i>Chinese Management Studies</i> .	1.Standardised performance appraisal practices. 2.Seniority based reward system. 3.Managers hesitate to take ownership of performance reviews.	1.Reward systems used in the company. 2.Ownership of performance review.

10.	Nordic Journal of Working Life Studies	Ulfsdotter Eriksson, Y., Larsson, B., & Adolfsson, P. (2021). Employees of greatness: signifying values in performance appraisal criteria. <i>Nordic Journal of Working Life Studies</i> , 11(2), 121-141.	1.Pricing, prizing and appraising labour. 2.Evaluation of employees in yearly salary review. 3. Organisational performance based on characteristics. 4.Employer expectations from employees in order to become highly valued workers.	1.Employee expectations from performance appraisals. 2.Rewarding high performers.
11.	Advances in Economics, Business and Management Research	Somu, H., Halid, H., Nasurdin, A. M., Lim, Y. Y., & Tan, C. L. (2020, May). Human Resource Management Practices (Training and Development, Performance Appraisal, and Reward System) as Latent Predictors of Job Performance: A Technology-Based Model Development. In <i>First ASEAN Business, Environment, and Technology Symposium (ABEATS 2019)</i> (pp. 42-47). Atlantis Press.	1.Human Resource Management Practices to enhance employee's job performance. 2.Linkage between Human resource management practices and employee performance.	1.Enhancing job performance through performance appraisals.
12.	International Review of Management and Business Research	Akhter, N., Raza, H., Ashraf, A., Ahmad, A., & Aslam, N. (2016). Impact of training and development, performance appraisal and reward system on job satisfaction. <i>International Review of Management and Business Research</i> , 5(2), 561.	1.Relationships between rewards, performance appraisal and training & development on job satisfaction. 2.Motivating employees through rewards. 3.Increase in productivity through performance appraisal.	1.Performance appraisals and rewards. 2.Increase in productivity through performance appraisal and rewards.

13.	Journal of Applied Psychology	Mayer, R. C., & Davis, J. H. (1999). The effect of the performance appraisal system on trust for management: A field quasi-experiment. <i>Journal of applied psychology</i> , 84(1), 123.	1.Recognition of the importance of trust in organizations. 2.Performance appraisal system increased trust for top management. 3.Impact of performance appraisal and reward system on trust.	1.Impact of performance appraisal and rewards on relation between employer and an employee.
14.	International Journal of Advances in Engineering and Management	Chauhan, Y. P., & Gupta, R. Z. A Literature Review on Training and Performance Appraisal Process of Teaching Faculties of Educational Institutes.	1.Increasing employee performance through training. 2.Areas of training need and performance appraisals.	1.Increasing performance through performance appraisal.
15.	Academy of Strategic Management Journal	Ngwa, W. T., Adeleke, B. S., Agbaeze, E. K., Ghasi, N. C., & Imhanrenialena, B. O. (2019). Effect of reward system on employee performance among selected manufacturing firms in the Litoral region of Cameroon. <i>Academy of Strategic Management Journal</i> , 18(3), 1-16.	1.The effect of reward system on employee performance. 2.Profit sharing has a positive effect on employee commitment in manufacturing firms. 3.Employee commitment can be achieved through the use of an appropriate reward system. 4.Reward systems serve as a motivating factor to improve employee performance.	1.The positive effects of rewards on employee performance. 2.Employee commitment through rewards.
16.	World Applied Sciences Journal	San Ong, T., & Teh, B. H. (2012). Reward system and performance within Malaysian	1.Implementation of extrinsic rewards have an adverse	1.Implimentati on of rewards on

		manufacturing companies. <i>World applied sciences journal</i> , 19(7), 1009-1017.	relationship with financial performances of the organization. 2. An intrinsic reward is believed to be able to satisfy and motivate employees to perform better.	performance of the employees.
17.	IOSR Journal of Humanities And Social Science	Mehmood, S., Ramzan, M., & Akbar, M. T. (2013). Managing performance through reward system. <i>Journal Of Humanities And Social Science</i> , 15(2), 64-67.	1.Job dissatisfaction leads to poor performance of employees. 2.Work environment conducive to a continuous learning culture associated with performance management.	1.Managing performance in organization through reward systems.
18.	<i>Jurnal Intelek</i>	Noorazem, N. A., Md Sabri, S., & Mat Nazir, E. N. (2021). The effects of reward system on employee performance. <i>Jurnal Intelek</i> , 16(1), 40-51.	1.Keeping employees motivated through reward systems. 2.The effect of salary, bonuses, appreciation and medical benefits towards employees' performance. 3.Factor that affect reward systems on employee performance.	1.Motivating employees by giving them rewards. 2.Effects of rewards on employee performance.
19.	International Journal of Business and Management	Boachie-Mensah, F. O., & Seidu, P. A. (2012). Employees' perception of performance appraisal system: A case study. <i>International journal of business and management</i> , 7(2), 73.	1.Socio-demographic characteristics of employees towards performance appraisals. 2. The trait-rating or graphic rating scale for appraisal	1.Employee perception towards performance appraisal. 2.Methods used to measure performance of employees.

			of employees' performance. 3. Investigation of the perception of errors that employees have relating to performance appraisals.	
20.	International Journal of Management and Commerce Innovations	Bekele, A. Z., Shigutu, A. D., & Tensay, A. T. (2014). The effect of employees' perception of performance appraisal on their work outcomes. <i>International Journal of Management and Commerce Innovations</i> , 2(1), 136-173.	1. Employee perception towards fairness of performance appraisal. 2. Assessing the influence of perception of performance appraisal on employee work outcomes.	1. Effects of employee perception towards performance appraisal on work. 2. Fairness of performance appraisal systems.

### Definitions:

#### 1. Performance appraisal

Performance appraisal refers to the process of evaluating and recording an employee's performance at his workplace. It belongs to the performance management system of the company where all the employees are reviewed once a year. Performance appraisals are constructed on the basis of employee growth and progress against goals set by the manager once a year.

#### 2. Reward system

A reward system refers to all the monetary, non-monetary, and psychological payments that an organization provides for its employees in exchange for the work they perform.

### 3. Employee perception

Employee perception is the aspect to know how much an employee is satisfied towards the organization it is the most essential aspect that can drive the employees toward the organization.

This report serves why performance appraisals are important in organizations and their impact on the employees. An overview of the research related to performance appraisal is presented to examine the perception of employees towards existing performance appraisal in the organization.

**Fullerton, R. R., & McWatters, C. S. (2002)** This article focuses on the long-term competitive advantage of using performance appraisals in relation to Just-in-time management. An organization uses performance appraisals as a competitive advantage towards the growth of the company. **Hee, O. C., & Jing, K. R. (2018)** Indicate the relationship between Human resource management and employee performance in the manufacturing firm. It also signifies the impact of training on performance of the employees. It indicates the ways through which performance of the employees can be measured.

**Zondo, R. W. (2018)** This article states that the manufacturing company uses 360-degree feedback in performance appraisal systems. The impact of performance appraisal is highlighted on the labour productivity. **Xavier, J. V., & Joseph, S. (2015)** shows the influence of performance appraisals on the employees and also the level of its effectiveness.

**Ali, M. H., & Opatha, H. H. D. N. P. (2008)** says that, there is a positive relation between performance appraisal and business performance. Performance appraisals provide a sense of motivation to the employees to perform better. **Ngwa, W. T., Adeleke, B. S., Agbaeze, E. K., Ghasi, N. C., & Imhanrenialena, B. O. (2019)** says that employees see profit sharing through performance incentives as a positive prospect so they show their commitment

towards the organisation. Performance appraisal has a positive impact towards keeping employees committed to their work. **Mehmood, S., Ramzan, M., & Akbar, M. T. (2013)** indicates that job dissatisfaction leads to poor performance of the employees. Identifying reason for employee dissatisfaction is important and providing them with rewards will help motivating them. **Boachie-Mensah, F. O., & Seidu, P. A. (2012)** uses trait-rating or graphic rating scale for performance appraisal in manufacturing companies. Identifying various measures used by the company to measure performance of the employees is important and employee perception towards each measure. **Bekele, A. Z., Shigutu, A. D., & Tensay, A. T. (2014)** mentions about the fairness of performance appraisals to the employees. It should be conducted in such a manner that biasness be avoided that fairness to be given to all the employees.

Rewards in terms of increase in salary and promotion shows a positive effect on performance of the employees. This is indicated by **Cheng, S. Y. (2014)** with respect to employee perceptions of organisational justice and commitment. **Chen, J., & Eldridge, D. (2010)** states that rewards in manufacturing companies are mostly based on the level of seniority. Better rewards are given to employees with higher position in the organisation. Similarly, who is responsible to review performance is also necessary. **Ulfsson, Y., Larsson, B., & Adolfsson, P. (2021)** indicates the pricing, prizing and appraising employees based their performance. This article shows how high performers are rewarded in the organisation and the impact of rewards on other employees.



## **5. RESEARCH GAPS AND QUESTIONS**

Performance appraisal regulates the effectiveness and efficiency of the organization's human resources. It determines whether the human resource in the organization is being utilized as planned. Whether they are contributing to the organization's goals. The research is conducted to analyse the thoughts of employees on performance appraisal in the organization.

- Is there a linkage between performance appraisal and rewards?
- What are employee perceptions regarding present performance appraisal?
- Which reward motivates employees the most?

## **6. PROJECT OBJECTIVES**

- 1.To study employees' perception regarding present performance appraisal system.
- 2.To find out the linkage between performance appraisal and rewards.
- 3.To assess the existing rewards in the company.
- 4.To evaluate the impact of rewards on employee performance.

### **6.1. BENEFITS TO THE ORGANIZATION**

A study on performance appraisal will help the organization understand each employee's performance level. It will also help in getting the right people, setting the right employee expectations, and dealing with under-performers in an appropriate manner. It will also provide the impact of rewards on the level of performance of the employees.

## **6.2. LEARNING VALUE TO ME**

The project on performance appraisals and reward systems will help me understand how each employee is evaluated based on his performance and how the company's limited budget is distributed for giving out incentives in terms of rewards and bonuses. The various type of performance appraisal methods adopted by the organization in order to measure the performance levels of each employee. In addition, also identify the workers who have made the most contributions and how they are appropriately rewarded.

## **7. PROJECT METHODOLOGY**

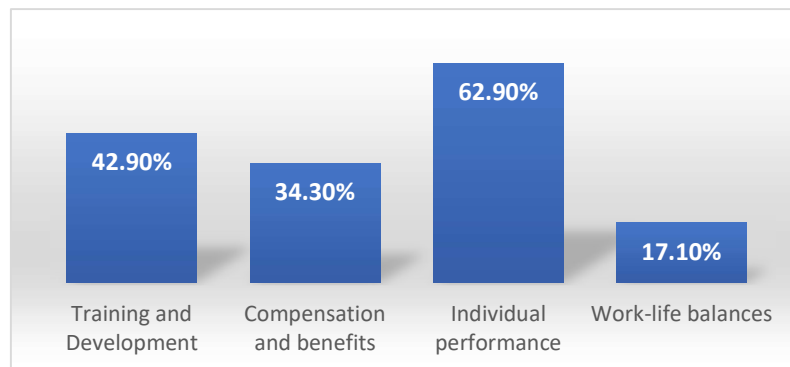
This project report is based on the performance appraisal and the impact of reward systems used at Kinenco Kaman Composites Structure Pvt Ltd. Quantitative data is collected through the specifically designed questionnaire which is based on the theoretical framework of the study. The questionnaire consists of 22 questions where respondents are given multiple-choice questions. A total of 35 employees participated in the study.

## **8. DATA ANALYSIS AND DISCUSSION**

Graphs, pie charts, and regression analysis are used to analyze the collected data. A total of 35 employees participated in the study, which is composed of 31(88.6%) males and 4(11.4%) females. Most of the respondents fall in the category of more than 5 years (40%) within the organization. The majority of the respondents are aged between 20 to 30 years old (54.3%). Out of 35 responses, 10(28.6%) belong to assistant position, 11(31.4%) are engineer/senior engineer, 7(20%) are executive/senior executives, 2(5.7%) are assistant managers and 5(14.3%) are managers. 6(17.1%) respondents belonged to production department, 5(14.3%)

belong to SCM department, 4(11.4%) from HR & Admin, 4(11.4%) from accounts, 4(11.4%) from engineering and 4(11.4%) respondents from maintenance department and another 8(23%) respondents belong to other departments. A total of 35 employees participated in the survey. Graphs, pie charts, and regression analysis are used to analyze the collected data.

### 1. Performance management linkage to the following factors.



The above graph shows the employee's thoughts on the linkage of performance appraisal. The majority of employees, that is 62.9% feel that performance appraisals are linked to individual performance, 42.9% think that it is linked to training and development, 34.3% think performance appraisals are linked to compensation and benefits, and least with 17.1% think that it is linked to work-life balances.

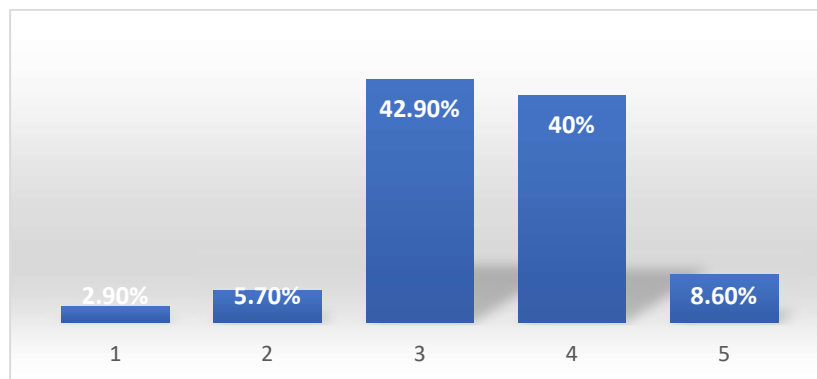
### 2. Employees perception on performance appraisal



In the above graph, we see employees' perceptions with respect to performance appraisal. Most of the employees with 65.7% think that performance appraisals are conducted for the

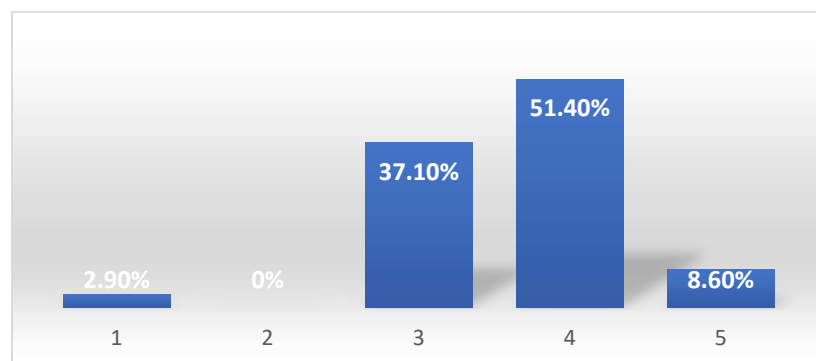
evaluation of employees. 31.4% feel that it is conducted to provide motivation to employees. Very less employees with 22.9% and 17.1% feel that is conducted for job satisfaction and promotion of employees.

### **3. The expectation level of employees from the current performance appraisal system**



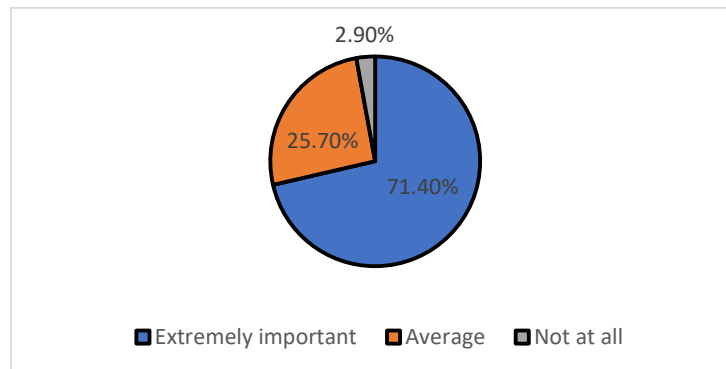
The above graph shows the expectation level of employees from the current performance appraisal within the organization. Employees were asked to rate their expectation level from 1-5. 42.9% have a medium level of expectations from performance appraisal. 40% have much of the expectations and only 8.6% have high expectations from the current performance appraisal.

### **4. Motivation level through rewards provided by the organization**



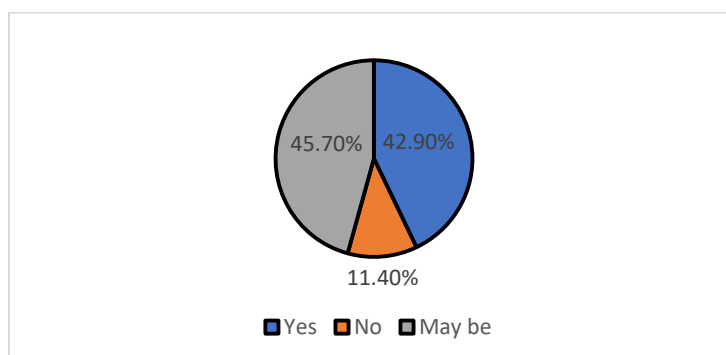
In the above graph, employees were asked to rate their motivation level from rewards given for their performance in the organization. Employees were satisfied with the rewards provided to them with 51.4% with 4<sup>th</sup> position on the rating scale. Only 2.9% are least satisfied.

#### 5. The importance of performance appraisal for an organization



The pie chart above shows the employee perception towards performance appraisals. Most of the employees with 71.4% feel that performance appraisals are extremely important for an organization. 2.9% feel that it is average important and only 2.9% feel it is not at all important.

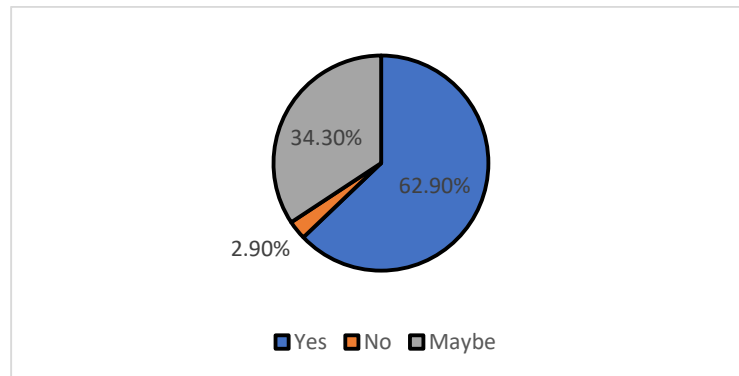
#### 6. Employee expectations are satisfied with current performance appraisal systems



The above chart signifies the satisfaction of expectations with respect to the existing performance appraisal system in the organization. Expectations of 42.9% are satisfied with

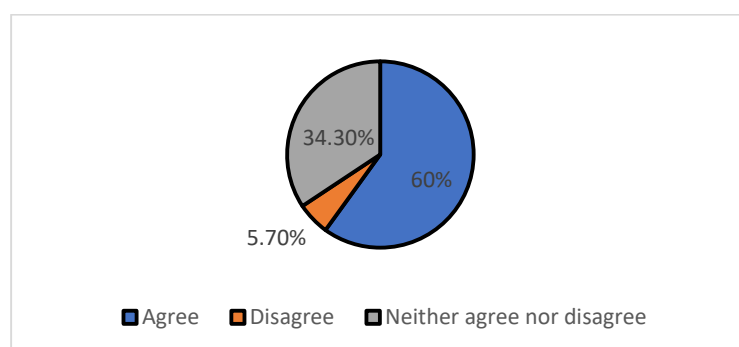
the current performance appraisal system. 11.4% are not satisfied and 45.7% say maybe which denotes that these employees don't want to say neither yes nor no

### 7. Performance appraisal provides encouragement



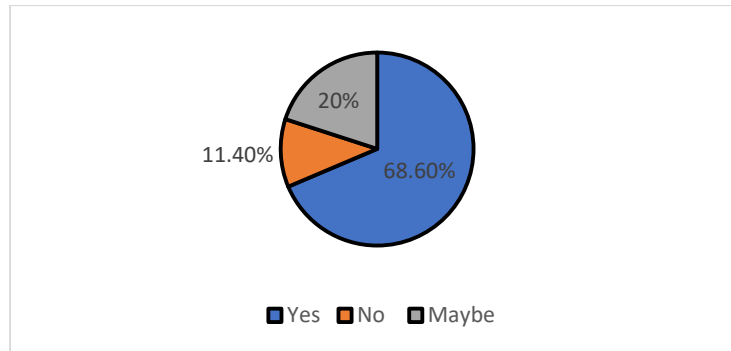
The above chart states the encouragement provided to the employees through performance appraisal. The majority of the employees with 62.9% gain encouragement through performance appraisal. 34.3% neither says yes nor no for encouragement and only 2.9% don't receive encouragement through performance appraisal.

### 8. Performance appraisal gives constructive criticism in a friendly and positive manner.



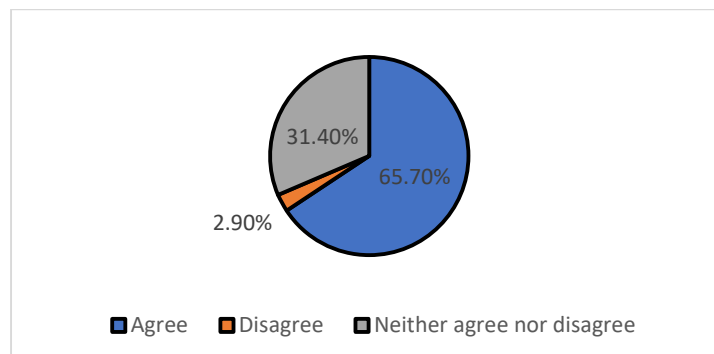
As you can see that 60% agree with the statement "Performance appraisal gives constructive criticism in a friendly and positive manner". 34.3% neither agree nor disagree and only 5.7% disagree with the statement.

## 9. Improvement in job performance after performance appraisal



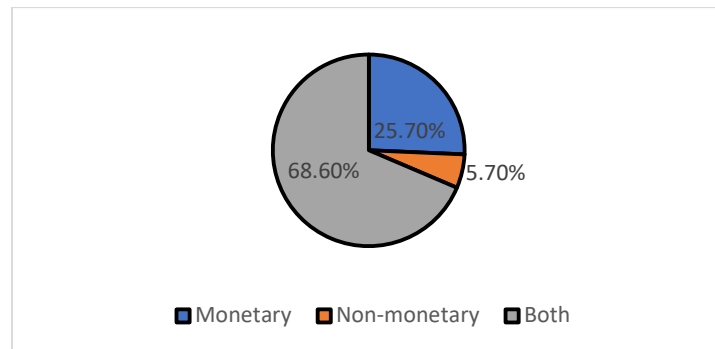
This graph shows whether there is an improvement in the performance of employees after performance appraisal. The majority with 68.6% said yes and 11.4% said no. The remaining 20% said may be which signifies that they are not sure.

## 10. Performance appraisals at your organization are based on objective and quantifiable results



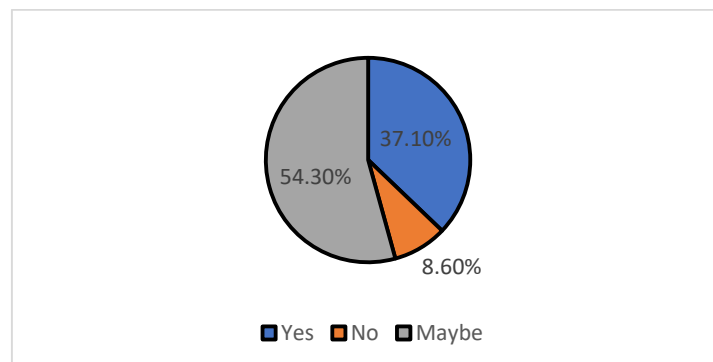
The above graph states that 65.7% agree to the statement "Performance appraisals at your organization are based on objective and quantifiable results". 2.9% disagree and 31.4% neither agree nor disagree with that statement.

## 11. Types of reward preferred by employees



The above graph shows the type of reward preferred by the employees. The majority with 68.6% prefer both types of rewards, that is monetary and non-monetary. 25.7% prefer monetary rewards and 5.7% prefer non-monetary rewards.

## 12. Satisfaction with respect to the recent performance review



The above graphs show whether employees are satisfied with the recent performance review. 37.1% are satisfied with the recent performance review and 8.6% are not satisfied. The remaining 54.3% said maybe which means they neither want to say yes nor no.



## Regression Analyses

For further data analysis, regression is used. In the below table. X denotes satisfaction with the recent performance review and Y denotes motivation level. The analysis shows that 12% (0.12) of the variance satisfaction with the recent performance review can be explained by motivation level. If the employees are satisfied with the performance reviews, then they will be highly motivated to perform better.

### SUMMARY OUTPUT

<i>Regression Statistics</i>	
Multiple R	0.350930717
R Square	12%
Adjusted R Square	0.096581228
Standard Error	0.907163809
Observations	35

<i>ANOVA</i>					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	3.814204775	3.814204775	4.634816818	0.038735258
Residual	33	27.1572238	0.822946176		
Total	34	30.97142857			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>
X	3.749291785	0.748782875	5.007181534	1.80608E-05	2.225881571	5.272702	2.225881
Y	-0.43484419	0.201984195	-2.152862471	0.038735258	-0.845784127	0.02390426	-0.84578

## 9. PROJECT FINDINGS AND CONCLUSION

The main purpose of the research was to find out employee perception of performance appraisal and the impact of rewards at Kinenco Kaman Composite Structure Pvt Ltd. To get better and authentic output, a literature review of various research papers was conducted and then the understanding of the topic was developed based on scholars' responses.

The performance appraisal and reward system are linked together and has a positive relationship. If the employees are satisfied with the performance reviews, then they will be highly motivated to perform better. Rewards are given to those employees who perform better at work. The balanced scorecard method is used by the company to analyse each employee's performance.

Rewards are given in the form of promotions to a higher level and also incentives. Through data analyses, it is observed that most employees prefer monetary rewards rather than non-monetary rewards and some prefer rewards of both types. Employees are motivated when they receive rewards and recognition in the company.

Employee perception with respect to performance appraisal is such that the majority of the employees feel that it is very important for an organization to carry out performance appraisal. Employees believe that performance appraisals are conducted for the evaluation of employees and to provide motivation to them.

To conclude, I would say that my overall experience at Kineco Kaman Composite Structures Pvt Ltd was good as it gave me learning value. The stern nature of the subordinates focuses on how work gets to be done effectively and efficiently. This internship gave me a living experience of working in the business world. I strive to use gained knowledge in a better way.

## **10. RECOMMENDATIONS TO THE COMPANY**

The company functions extremely well in its day-to-day functioning. Employers as well as employees give their 100% towards the company and strive to achieve its goal. However, as I was interned for a period of 2 months, would like to give a few of my recommendations to the company.

- As the company reviews the performance of every employee at the end of every year and does performance appraisal, I would like to suggest that they should conduct a performance review half yearly, that is, after every 6 months, and should actively provide feedback. Performance review in 6 months will help the company to know who are the employees who are underperforming so that the company can take necessary actions at an early stage in order to improve their performance rather than continuing with the same poor performance and waiting to correct it at the end of the year. A monthly review of the performance will also help the company to measure the gap and to know what skills their employee needs in order to full fill that gap and undertake corrective measures to fill the gap.
- In order to motivate employees to perform better at work, the company can provide an employee with free lunch for one day of any month whose performance is excellent.
- The company should adopt a 360-degree feedback method in which the employees will receive confidential and anonymous feedback from the people working around them. This will help the employees to know which skills they are lacking and how they can improve themselves to perform better.
- Apart from performance reviews, encouraging employees to maintain a goal sheet in which various goals have to be listed down and displayed at the desk of every employee. This will keep the employees motivated to accomplish the goals.

## 11. WORK DONE AND LEARNINGS DERIVED

I was fortunate to complete my internship and have face-to-face interactions with the work team at Kineco Kaman.

- I gained knowledge about how each employee is evaluated and rewarded based on his performance through a balanced scorecard. A balanced scorecard is a type of management performance method used by companies to recognize and improve the performance of employees for better output. It is used to measure employee performance and provide feedback.
- The calculation of bonus for each employee based on the category to which he belongs. In order to calculate a bonus, various rates of bonus are taken into consideration.

Unskilled	399	10374
Semi-skilled	460	11960
Skilled/Clerical	515	13390
Highly skilled	557	14482

**Formula – Rate of bonus x No. of months x 8.33% = Total**

- I also learned the filing of documents, and how the documents of each worker, as well as staff, are maintained separately. Filing helps in keeping documents in a safe place and being able to obtain them easily and timely whenever required.
- I learned about how salary is calculated including the cost to company (CTC). The salary paid to the employees consists of various components such as Gross salary consisting of basic salary, HRA (House rent allowance), Conveyance, and other allowances. Net salary consisting of PF, ESIC, LWF (Labour Welfare Fund), TDS (Tax Deducted at Source), and Advances. CTC (Cost to Company) which is gross or all employer contributions including PF, ESIC, LWF, and bonus.

- Gained knowledge about the Labour welfare fund (LWF). Labour welfare fund is a statutory contribution which is managed by the state authorities. In Goa, it is under the Goa Labour Welfare Act 1986. The state labour welfare board determines the amount of the contribution. The contribution and period of settlement is different for every state. The employer contributes Rs. 30 and the employee contributes Rs.10 towards the salary of employees.
- Learned about the Employees' Provident Fund (EPF) and Employees' State Insurance Corporation (ESIC). For EPF, the Employees' Provident Fund Organization generates provident funds for employees which comes under the Ministry of Labour and Employment and was established in 1951. Their official site is [www.epfindia.gov.in](http://www.epfindia.gov.in). EPFO provides the administration of a provident fund scheme, pension scheme, and insurance scheme for the registered establishments in India and includes employees of such establishments and international workers who are covered. EPFO provides UAN (Universal Account Number) to the employees on their official website to maintain individual identities for different employers. Similarly, ESIC is generated on [www.esic.gov.in](http://www.esic.gov.in).
- Also learned about contract management of contract employees, housekeeping, and security services.