

# “ANALYSIS ON THE EFFECTIVENESS OF PERFORMANCE APPRAISAL” UNDERTAKEN AT “CENTAUR PHARMACEUTICALS PRIVATE LIMITED”

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**Abstract:** *The pharmaceutical industry plays a critical part in a country's economic growth. This study attempts to evaluate performance appraisal in centaur pharmaceuticals private limited. It focuses on the significance of performance evaluation and its influence on the workplace. We discovered the degree of work conditions, salary and advancement, fairness, and co-worker relationships in our study, we also discovered the performance assessment method and the amount of interaction with immediate supervisor in centaur pharmaceuticals private limited. In the year 1980, Centaur Pharmaceuticals Private Limited was founded. The business specialises in the production, marketing, and export of pharmaceutical specialties that meet worldwide standards. The facility produces a variety of ph. Dosage formulations, such as tablets, capsules, and liquid, and it has its own marketing network for both domestic and international sales. The study's findings show that a strong performance assessment system, a decent work environment, and excellent working circumstances may improve employee performance, as employees will strive to offer their best, resulting in improved employee job performance. I have done this research article under the title of “Study of effectiveness of Performance Appraisal” from this I have understood how performance appraisal process works and how the process has been carried out in the organization. I learned how a large corporation like Centaur Pharmaceuticals handles its departments from this instance. Centaur pharmaceuticals have Four main departments like good Manufacturing Practices, Good Laboratory Practices, Quality Control, and Quality Assurance are the four primary divisions.*

**KEY WORDS:** *Performance appraisal, performance evaluation, Centaur Pharmaceuticals Private Limited*

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## 1. INTRODUCTION:

India sells generic medicines to almost 200 nations throughout the world, making it the world's largest supplier, with US being the key market. The Indian pharmaceutical industry supplies more than half of worldwide demand for vaccines, 40% of generic demand in the United States, and 25% of all medication in the United Kingdom. In the global medicines industry, India holds a significant role. In addition, the country boasts a vast pool of scientists and engineers that have the capacity to propel the sector forward to new heights. India's domestic pharmaceutical market turnover reached Rs. 1.4 lak cror in 2019 and in May 2020, pharmaceutical sales grw 9% to Rs. 10,342 crors.

The Indian pharmaceutical industry is highly reliant on small and medium businesses (SMEs), which are an important element of the supply chain for the larger firms. The Indian pharmaceutical industry has about 24,000 registered units, which fulfil around 70% of the country's demands. According to the India Micro, Small and Medium Enterprise Report 2013, small and medium size units have played a critical role in the Indian pharmaceutical industry's growth narrative and are an important element of the sector. SMEs are requesting a tax cut of 150 percent on R&D expenditures. The Indian government has implemented a number of successful reforms, including the cluster development programme, technology

upgradation fund, and credit link capital plan, among others.

Due to the COVID-19 epidemic, the pharmaceutical and life sciences industries have been at the forefront of public debate like never before. The pharmaceutical industry's participation has been critical not just in finding possible COVID-19 therapies or vaccinations, but also in ensuring that medication supply for other diseases are not disrupted. During this epidemic, the drug regulator has also worked promptly and aggressively to ensure that pharmaceutical firms have the support they require to maintain a stable supply of medications.

Pharmaceutical firms have seen new prospects and have begun to spend significantly in these areas. Multinational corporations have likely covered more ground overall. Most large multinational corporations have set lofty goals for their India operations, implemented a localised strategy that includes significant sales force ramp-ups and branded generics releases, and invested heavily in their local operations. Leading local businesses have invested in market development, created distinctive business strategies, and kept new product releases on track. India's medicines sector has gained confidence and firmly established itself on a fast-growing route. The market is giving birth to a range of business possibilities, backed by solid fundamentals.

The Pharma Industry in India excels in a variety of tasks such as contract research and manufacture, clinical research, and vaccine research and development. These operations are outsourced by multinational pharmaceutical firms, which contribute to the sector's growth. The pharmaceutical industry in India has a promising future.

## 2. LITERATURE REVIEW:

According to Nayarana.D (1997): Furthermore, rather than management by command, performance assessment is founded on the idea of management by agreement or contract. It may, in fact, play a significant role in ensuring an integrated and coherent set of human resource management procedures that are mutually supportive and contribute to overall organisation effectiveness.

According to Boipono.M (2014): The Performance Management System enabled the majority of public servants to plan, monitor, and account for their performance. However, the implementation of PMS was hampered by the fact that some leaders did not understand the system and thus were unable to guide their subordinates toward achieving the system's goals.

According to Imran. M, (2014): The system of performance appraisal has a defined route, as well as honest and relevant comments. There should be immediate and honest strengthening, as well as the opportunity for workers to participate in the development of performance management objectives and standards.

According to Nadeem. M (2014): The well-organized preparation, attainment, and completion of the specified task is referred to as performance. It emphasises not just on achieving goals, but also on how those goals are accomplished. Performance demonstrates both behaviour and accomplishment. It is dependent on a wide range of issues and multifaceted concepts. In the context of school administration, performance refers not only to efficiency but also to the behaviours and actions used to attain the objectives.

According to Craig.S (1996): Performance appraisal has three main goals: to measure performance fairly and objectively against job requirements, to increase performance by identifying specific development goals so that workers can keep up with the demands of a fast-paced organisation, and to improve performance by identifying specific development goals so that workers can keep up with the demands of a fast-paced organisation.

## 3. STATEMENT OF THE PROBLEM:

“Analysis on the effectiveness of performance appraisal system at CENTAUR PHARMACEUTICALS PRIVATE LIMITED”

This paper includes the motive to evaluate the performance appraisal system in CENTAUR PHARMACEUTICALS PRIVATE LIMITED, whether its implementation is contributing in the success of the organization or no and whether employees are satisfied with the current performance appraisal system. Furthermore, if it's contributing in negative, proper corrective measures can be taken on the basis of the analysis that follows.

#### 4. NEED FOR THE STUDY:

Performance appraisal has become quintessential tool to most of the companies as it acts like a backbone or primary step to many of the HR function in the company. Performance appraisal is periodic feedback given to employees to analyze the quality of performance against the set of standards. The following are reason for the need of this study:

- It elucidates an employee's roles and function in the company
- It aids in rewarding employee performance.
- It improves employee's self-development growth periodically
- Identifies employees' competencies and capabilities
- Creates a healthy relation between supervisor and employees as a result employee feel comfortable in raising their voice and ideas.
- The data acquired from performance appraisal can be used to monitor the success of recruitment and induction practices.
- Identifies underperformers and assist in giving required training
- The company maintain proper documentation of its employee's strength and weakness which can be compared in the future.
- Base on the assessment of performance rating an employee gets rewards in the form of promotion, bonus, increase in incentives etc.

#### 5. OBJECTIVES:

- To examine the current performance appraisal system at Centaur Pharmaceuticals in order to provide a comprehensive assessment of the performance appraisal process.
- Examine the workers' perceptions of Centaur Pharmaceuticals' currently in place performance assessment system.
- To identify various factors to improve satisfaction level of employees in regards to performance appraisal
- To analyse the findings and draw out some implication which will make the present performance appraisal system effective and efficient.
- To throw light on any grievances towards performance appraisal and what measures can be taken to correct it
- To analyse whether managers are conducting performance appraisal correctly

#### 6. SCOPE OF STUDY:

This study has strengthened my theoretical knowledge of Performance appraisal with the practical experiences carried out at Centaur Pharmaceuticals Company. The survey has furnished good amount of feedback and interaction with the employees. Besides this research has clarified my personal interests, skills and competencies and their implementation towards development of my career.

#### 7. RESEARCH METHODOLOGY:

Research methodology is a systematic gathering of data to investigate and identify problems to be dealt with the finest solution. It aids in giving new insights in particular phenomenon as it accurately portrays various characteristic of a particular individual. Therefore, research contributes in advancement of existing knowledge with the help of primary and secondary data.

##### 7.1. Primary Data

It is raw data or first-hand sources collected by the researcher are called primary data. The following are different ways used to get information for research:

- Brief explanations by the Hr manager about how performance appraisal is implemented in the company.
- Practical knowledge when performance appraisal was being conducted.
- Day-to-day observations in the company.
- Surveys have fetched me a lot of raw information on the ongoing on performance appraisal system.
- Interviewing employees while conducting the survey has enlightened many aspects in performance appraisal system.

##### 7.2. Secondary Data

On the basis of the raw data, investigation and experiments are done to get better conclusion. Basically, they are second hand data which is improvised from raw data. The following are different techniques used to get secondary data:

- Websites has given direct information about the company and its products
- Companies' internal ledger and journals have given accurate figures and facts.

## 8. SAMPLE PLAN:

### 8.1. Number of employees

Total number of employees working in Centaur pharmaceuticals are 274 out of which 153 are males and 121 are female

### 8.2. Sample taken for the study

This study was conducted on the sample size of 100 employees out of which 60 are males and 40 are females. The following are characteristics of the sample taken.

### 8.3. Age group

Out of 100 sample size most of their age group is between 35-45 Married or unmarried: Out of 100 sample size most of them are married.

### 8.4. Sampling method

the method adopted for the conduct of this study is convenience sampling method.

## 9. ANALYSIS AND INTERPRETATION:

9.1. All employees and manager are clear about the objectives of performance appraisal conducted in the company

Particulars	Respondents	Percentage
Strongly Agree	02	02
Agree	18	18
Neither agree/ nor disagree	64	64
Disagree	16	16
Strongly Disagree	00	00
Total	100	100

**Table-1: Representation of respondents if employees and manager are clear about the objectives of performance appraisal**

Interpretation: The above table shows that employees have yet ambiguity about the objectives of performance appraisal which needs to be clear to have a successful performance appraisal in the company.

9.2. The company has been maintaining records of self-appraisal of individual employee throughout their career.

Particulars	Respondents	Percentage
Strongly Agree	42	42
Agree	46	46
Neither agree/ nor disagree	12	12
Disagree	00	00

<b>Strongly Disagree</b>	00	00
<b>Total</b>	100	100

**Table-2: Representation of respondents if company is maintaining records of self-appraisal.**

Interpretation: As the above table shows high percentage towards strongly agree and agree it can be interpreted that the company maintains record of self-appraisal of individual employee to as to keep the record of the performance and can make correct decisions such as promotion, increment etc.

9.3. In your perspective, performance appraisal is fairly conducted and your peers give right assessment of you

<b>Particulars</b>	<b>Respondents</b>	<b>Percentage</b>
<b>Strongly Agree</b>	04	04
<b>Agree</b>	36	36
<b>Neither agree/ nor disagree</b>	18	18
<b>Disagree</b>	36	36
<b>Strongly Disagree</b>	06	06
<b>Total</b>	100	100

**Table-3: Representation of respondents on performance appraisal is fairly conducted.**

Interpretation: As in the above table there is no percentage difference between agree and disagree as their colleagues know them much better rather than their immediate manager but at times, they will hesitate to give negative response.

9.4. The self-appraisal process adopted by the company is able to gauge the real performance of an employee.

<b>Particulars</b>	<b>Respondents</b>	<b>Percentage</b>
<b>Strongly Agree</b>	08	08
<b>Agree</b>	24	24
<b>Neither agree/ nor disagree</b>	64	64
<b>Disagree</b>	02	02
<b>Strongly Disagree</b>	02	02
<b>Total</b>	100	100

**Table 4: Representation of respondents if process adopted is able to gauge real performance of an employee.**

Interpretation: The above table states employees agree and disagree as self-appraisal can bring self-actualisation of their performance but in some instances, employees often have a perception they have performed well which isn't the case.

9.5. BARS (Behavioural Anchored Rating Scale) rating method, is the most efficient method to evaluate an employee performance.

Particulars	Respondents	Percentage
<b>Strongly Agree</b>	12	12
<b>Agree</b>	48	48
<b>Neither agree/ nor disagree</b>	32	32
<b>Disagree</b>	02	02
<b>Strongly Disagree</b>	06	06
<b>Total</b>	100	100

Table-5: Representation of respondents about BARS rating method.

Interpretation: The above table shows that employees are quite happy with the BARS rating method which is implemented by the company. It even throws light on the fact that employees consider BARS as an efficient method to evaluate performance.

9.6. The general outcome of performance appraisal system is

Particulars	Respondents	Percentage
<b>Finalization of increments</b>	02	02
<b>Identification of needs</b>	08	08
<b>Feedback from the boss</b>	08	08
<b>All the above</b>	82	82
<b>Total</b>	100	100

Table 6: Representation of respondents on the general outcome of appraisal system.

Interpretation: The above table shows high percentage on "all the above" as performance appraisal system in the company aids in giving adequate data for training, increments and feedback of their performance.

## 10. FINDINGS:

Centaur pharmaceuticals recognizes the importance of performance appraisal for its employees as it provides appropriate feedback of their performance so as to create an efficient manpower in the company.

Centaur makes sure that the company conducts performance appraisal annually and have an ethical performance review meeting with its supervisors to know what all skills need to be polished. BARS method implementation has made the performance appraisal system more effective and convenient in evaluating specific skills of an employee for their particular job even though its time consuming. Self-appraisal system and peer appraisal has thrown light on the behaviour they have on job and how do they see themselves which are important aspects while completely understanding their performance. The 360-degree performance appraisal system has been fortunate to Centaur.

In Centaur, the main objective behind conducting performance appraisal is to accurately understand training requirements of a particular employee. It is even utilized for increasing increments, promoting an employee and giving feedbacks to their employee. The appraisal system facilitates for employee's self-development and indirectly achieves the goals of the company.

## 11. SUGGESTIONS:

Overall, the performance appraisal adopted by centaur pharmaceuticals is a success but has small loop holes which can be fixed by the company. The following are four suggestions on the basis of my research.

- Open system of appraisal should be adopted by the company. So that the employees get more motivated to get their work done in an efficient manner.
- Employee's performance should be evaluated half-yearly instead of annually.
- Performance appraisal forms can be much simplified as the elaborated forms might lead to time consuming.
- Mentors should clearly communicate where they stood in the last performance appraisal evaluation, how much growth has been so far and how much they need to grow.

## 12. CONCLUSION:

During my industrial training of 6 weeks, a lot of experience, knowledge and exposure in the company has built up my confidence. I have been able to meet and network with so many people that I am sure will be able to help me with opportunities in the future. Undertaking day-to-day function of human resource department and having a depth study in Performance Appraisal has clarified my personal interest and competencies.

Performance appraisal has become one of the important functions in the present century of Human resource, as it plays a vital role in the organisation. Every organisation has its own performance appraisal system that should have a regular review of an employee's job performance which should be rightly communicated to the employee without hurting their feelings. An organization should implement performance appraisal correctly so that it contributes to the success of the company.

After the present research, on performance appraisal at Centaur pharmaceuticals we can conclude that there can be some alteration in the present performance appraisal to make it more effective and efficient. So that employee's satisfaction increases which will positively result in more productivity of the company.

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