

## A STUDY ON PERFORMANCE APPRAISAL

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**Abstract:** To study Performance appraisal and its method in HERO MOTOCORP PVT LTD. (Phoneix)Hyderabad.To evaluate level of Employee acceptance towards appraisal system.To study the Performance appraisal practices that are currently going in the organization.To know the role of PA in motivating employees and its impact.To suggest the organization in improving the effectiveness of the program.Based on the findings of the study and personal discussions held with various executives and employees at **HERO MOTOCORP PVT LTD.**, Hyderabad possible suggestions and recommendations are given: It is recommended that employees should be immediately communicated. The result of the appraisal particularly when they are negative.It is recommended that the supervisor should try to analyze the strengths and weaknesses of an employee and advise him on correcting the weakness. It is commended to counsel the employees appropriately regarding their strength and weaknesses and assist in developing them to realize their full potential in line with the company's goals. The top management is very much committed in implementing the performance appraisal system as it is. The performance appraisal system is considered as an essential tool for bridging gap between the top management and the executives it thus helps them to develop cordial relations and mutual understanding. It is recommended that the employees should be communicated information about his performance, again his acceptance of it and draw up a plan for future improvement, if necessary.It is recommended that the rater must be thoroughly well versed in the philosophy and of the rating system. Factor sales must be thoroughly defined, analyzed and discussed. To conclude, it is imperative to immunize of the problems or hindrances to strengthen the system.

**KEY WORDS:** HERO MOTOCORP PVT LTD, NEED FOR THE STUDY, SAMPLING PROCESS, DATA COLLECTION TOOLS, .METHODS, TECHNIQUES FOR APPRAISING PERFORMANCE, MODERN METHOD OF APPRAISAL.

### LINTRODUCTION

A performance appraisal is a systematic and periodic process that assesses an individual employee's job performance and productivity in relation to certain pre-

established criteria and organizational objectives. Other aspects of individual employees are considered as well, such as organizational citizenship behavior,

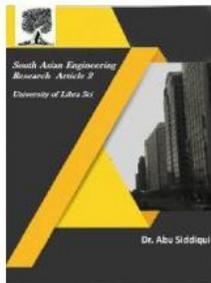


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accomplishments, potential for future improvement, strengths and weaknesses, etc. To collect PA data, there are three main methods: objective production, personnel, and judgmental evaluation. Judgmental evaluations are the most commonly used with a large variety of evaluation methods. A PA is typically conducted annually. The interview could function as “providing feedback to employees, counseling and developing employees, and conveying and discussing compensation, job status, or disciplinary decisions”. PA is often included in performance management systems. Performance management systems are employed “to manage and align all of an organization's resources in order to achieve highest possible performance. “How performance is managed in an organization determines to a large extent the success or failure of the organization. Therefore, improving PA for everyone should be among the highest priorities of contemporary organizations”.

A performance appraisal system functions as definitions of performance.

## 1.1. Assessment can be used to:

- Provide a '**gap analysis**' between personal perception and others perceptions of individual and team performance.
- Focus managers and staff on performance areas that need development.
- Recognize and maintain areas of individual and team strength.
- Approach performance issues in a non-confrontational, constructive manner

(due to the confidentiality and anonymity of the process).

- Develop performance improvement plans for individuals and teams.
- Develop individual or team-based training needs analysis programmers.

Performance appraisal is a method of evaluating the behavior of employees in the work spot, including both qualitative and quantitative aspects of job performance indicates how an individual is fulfilling the job demands and it is always in terms of results. Under performance appraisal not only the performance of an employee but also his potential for development is evaluated.

“Performance Appraisal is a systematic description of an employee’s job relevant feedback on how he is doing.

The appraisal system is an instrument for improving the work culture by convincing strengths and weaknesses”.

In performance appraisal or merit rating refers to all the formal procedures used in working organizations to evaluate the personalities and contributions and potential group members. In appraisal system the employee’s merits like initiatives, dependability, personality etc., are compared with others and ranked to rated. Appraisals might be based on the criteria of employee’s skills, educational Qualifications, knowledge, abilities to delegate plans, supervise; assume responsibility, exercise leadership, personal qualities, creativity, decision making and interpersonal skills.

An appraisal motivates an employee into increased effort aimed at enhancing the

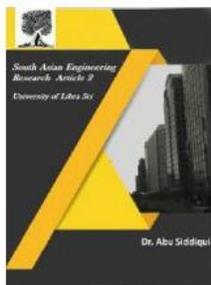


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outcome of the assessment. It tells an employee what set of activities or what qualities are considered desirable by the organization.

It is the systematic method of obtaining, analyzing & recording information about an employee that is needed:

- For effective management of business.
- By the manager to help him improve the jobholder's performance and plan his career.
- By the jobholder to assist him to evaluate his own performance and develop himself.

In performance planning and review, the Reporting Manager is expected to set targets or tasks for the appraise in the beginning of the year. In the middle of the year, the appraise fills the self-appraisal form, indicating the extent which the target or task has been completed, the difficulties faced and the suggestions for improvement. At the end of the year, there is the annual review and targets/tasks set for the next year. Both in the mid-year review and annual review, the self-appraisal is supplemented by a performance review, discussion, the problems are discussed and the appraiser is given few employees that their career growth is linked with the performance of the company.

## 1.2.NEED FOR THE STUDY:

The need of the study of **performance appraisal** is to determine what aspects of performance are required to be evaluated.

- To identify those who are performing their assigned task well and those who are not and the reason for such performance.

- To provide information about the performance ranks basing on which decisions regarded salary fixation, conformation, promotion, demotion and transfer are taken.

- To provide feedback information about the level of achievements and behavior of an employee.

- To provide information and counsel the employee.

- To compare actual performance with the standards and in out deviations (positive and negative)

- To create and maintain satisfactory level of performance.

- To prevent grievance and in disciplinary activity.

- To facilitate fair and equitable compensation.

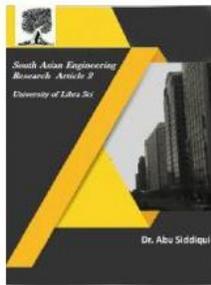
- To ensure organizational effectiveness.

- It guarantees useful information about employees and the nature of their duties.

We can briefly say that performance appraisal systems are necessities to assess performance at regular intervals with consistency to study improvements, deviation and to take corrective actions to



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bridge gaps and improve performance over a period of time.

## II. REVIEW OF LITERATURE

Once the employee has been selected, trained and motivated, he is then appraised for his performance. Performance appraisal is the step where the management finds out how effective it has been hiring and placing employees. If any problems are identified, steps are taken to communicate with the employee and remedy them.

Performance appraisal or merit rating is one of the oldest and most universal practices of management. Performance appraisal often provides the rational foundation for the payment of piecework wages, bonus etc. the estimates of the relative contributions of employees help to determine the rewards and privileges rationally.

Performance appraisal serves as means for evaluating the effectiveness of devices used for the selection and classification of workers. Performance appraisal has been considered as a most significant and indispensable tool for an organization, for the information it provides is highly useful in making decisions regarding various personal aspects such as promotions and increases.

According to Ronald Benjamin, “performance appraisal determines who shall receive merit increases, counsel’s employees on their improvement determines training needs, determines promotability, identifies those who should be transferred”.

Appraisal has four integral components: (a) Self-appraisal. (b) Superior appraisal (c) Subordinate appraisal. (d) Peer appraisal.

Self-appraisal gives a chance to the employee to look at his/her strengths and weaknesses, his achievements, and judge his own performance. Superior appraisal forms the traditional part of the **performance appraisal** where the employee’s responsibilities and actual performance is rated by the superior.

Subordinates appraisal gives a chance to judge the employee on the parameters like communication and motivating abilities, superior’s ability to delegate the work, leadership qualities etc. also known as internal customers, the correct feedback given by peers can help to find employees abilities to work in a team, co-operation and sensitivity towards others.

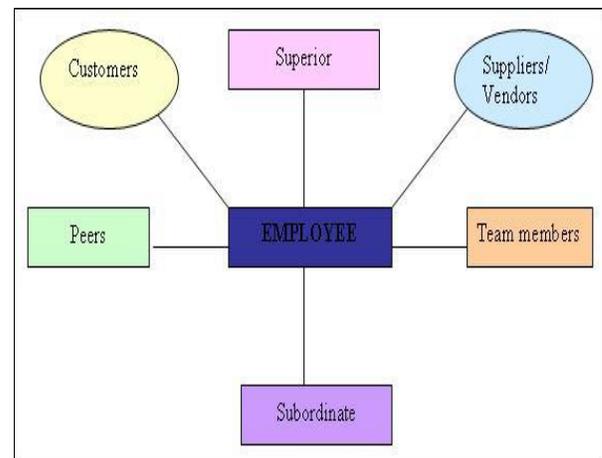


Fig.2.1. Performance appraisal

Self-assessment is an indispensable part of appraisals and therefore Performance

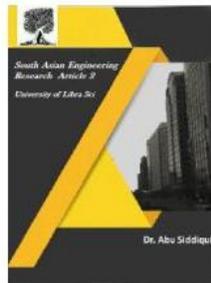


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appraisal have high employee involvement and also have the strongest impact on behavior and performance. It provides a "review" of the employees' performance and is considered to be one of the most credible performance appraisal methods. **Performance appraisal** is also a powerful developmental tool because when conducted at regular intervals (say yearly) it helps to keep a track of the changes others perceptions about the employees. An appraisal is generally found more suitable for the managers as it helps to assess their leadership and managing styles. This technique is being effectively used across the globe for performance appraisals. Some of the organizations following it are Wipro, Infosys, and Reliance Industries etc.

The basic concept in Performance Appraisal makes obvious sense soliciting performance feedback not only from our supervisor but also from our customers, employees, peers and all whom we interrelate with in the course of doing our job. We all should do this as a matter of course to ensure that we're living up to the expectation's others have of us (the psychological contract) and to see that we are playing the right role in the minds of our associates. There is much to be learned from the opinions of those we serve and work with. This "full circle" of feedback results in the (PA) name. But I have concerns about the feedback concept in the context of a performance appraisal. Many people have jumped on this bandwagon without sufficient consideration. In no

particular order my concerns are:

[A] Performance "appraisal" is better called performance "review" since it is the closing stage of a performance management process which begins with the clarification of performance direction and expectations. A Performance Review is a review or comparison of actual performance during the review period, with the past direction, and an opportunity to set future direction (reviews are also used for formal documentation and for use in employee development, promotion and compensation decisions). A Performance Review is never the occasion for the employee to discover how well he's performed or to find out what was expected of him during the review period. The employee should be aware of that (his individual performance related to the performance expectations) continually throughout the review period.

A Performance Review is principally between the employee and whomever the employee is responsible and accountable to. Realistically, in most organizations this is the "boss." At the review it would be insightful and for some jobs essential, to review how the employee met client or peer expectations.

If knowing how others perceive you is important for the performance of your job, then measuring that and taking appropriate action on that feedback should be part of your job and included in your job's performance requirements. It seems

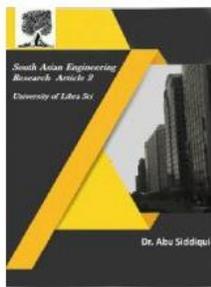


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irresponsible to abdicate that to a third party, like an HR department or a survey company to do for you. Do effective salespeople rely on someone else to tell them, at year's end, whether their customers were pleased with the service? And if relationships are so horrid that management can't get honest feedback directly from its employees, then the real problem won't be solved by implementing an Appraisal process.

[B] A common approach to Appraisal is to administer confidential surveys, especially so people can rate their peers and supervisor. Anonymity is ensured and employees can comment in confidence about the performance of another employee or the boss. Aggregate data is then given to the employee in question and used as input to the appraisal and eventual rating of that employee. Notwithstanding the substantial research evidence warning of the dangers associated with peer evaluations and their low validity, my basic concern about this process can be summed up with these questions. Do you really want to have a company with a culture that promotes the use of secret reports to assess and judge its employees? How can your organization pretend to be open, honest and forthright when it uses secrecy and anonymity to measure the value of employees? Is this the way you want your business to run?

I have met many employees who resent being asked to judge their peers anonymously, wondering all the while, who is writing things about them, and is it any of

their business. Supervisors are also frustrated not knowing the actual source of employee concerns so that they can attend to the problem effectively. When we set up a system which assumes it must protect against deceit and retribution, it can become self-fulfilling. And as with suggestion boxes, the anonymous survey unfortunately symbolizes that not only do employees take a risk if they raise problems or concerns directly with the supervisor but also, that it's not the supervisor's job to solicit such information. Essentially, any employee feedback process which requires secrecy risks damaging healthy working relationships, especially between employees and their supervisors .



Fig.2.2. Performance Appraisal Process

### III.RESEARCH METHODOLOGY

#### SAMPLING PROCESS

##### A). Sample Unit:

The executives and employees at **HERO MOTOCORP PVT LTD.** Hyderabad constitute 'universe' of the present study. A part of it is taken as sample unit for the resent study. It includes JGMS, AGMS,

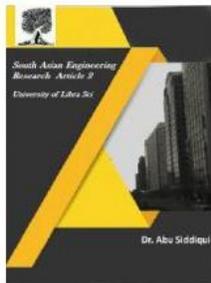


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manager and other employees of **HERO MOTOCORPPVT LTD.** Hyderabad.

## **B). Sample Size:**

The sample size consists of 100 respondents employed in **HERO MOTOCORP PVT LTD.**, Hyderabad. Of these 30 are executives, 20 are senior executives and the remaining 50 are employees.

## **3.1. DATA COLLECTION TOOLS:**

### **3.1.1 SOURCE OF DATA:**

The study is based on primary as well as secondary data collected from different sources:

#### **3.1.1 (a). Primary Data:**

The primary data is collected with the help of questionnaires, which consists of twenty questions each. The questionnaires are chosen because of its simplicity and liability. Researcher can expect straight answers to the questions. The respondents are informed about the significant of the study and requested to give their fair opinions.

#### **3.1.1(B). Secondary Data:**

Secondary data is collected through the documents provided by the personnel department of **HERO MOTOCORP PVT LTD.** (Formerly HERO MOTOCORP PVT LTD). The documents include personnel manuals, books, reports, journal, etc.

## **3.2. METHODOLOGY & DATABASE:**

The research methodology is a systematic way to solve the problem and it is an important component of the study without which researcher may not be able to obtain the facts and figures from the employees.

## **3.3.METHODS, TECHNIQUES FOR APPRAISING PERFORMANCE:**

Several methods and techniques of appraisal are available for measuring the performance of an employee. They are:

3. 3(a). Straight rank method
- 3.3.(b) Man-to- man comparison method
- 3.3.(c) Grading
- 3.3.(d) Graphic rating method
- 3.3.(e) Forced choice description method
- 3.3.(f) Forced distribution method
- 3.3.(g) Checklists
- 3.3.(h) Free from easy method
- 3.3.(i) Critical incidents
- 3.3.(j) Group appraisal
- 3.3.(k) Field review method

## **3.4. Modern Methods:**

- 3.4.(A). Assessment center
- 3.4. (B). Appraisal by results or management by objectives
- 3.4. (C).Human asset accounting method
- 3.5.(D). Behaviorally anchored rating sales

## **3.5. TRADITIONAL METHODS:**

### **3.5.1.Straight Rank Method:**

It is the oldest & simplest method of performance appraisal, by which the man and his performance are considered as an entity by the rater. Then ranking of a man in work group is done against may also do that of another member of a competitive group by placing him as one or two or three in total group, i.e. persons are tested in order of merit and place in a simple grouping.

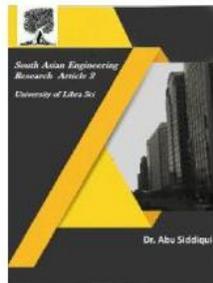


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### 3.5.2. Man –To-man Comparison Method:

The USA army during the FIRST WORLD WAR used this technique. By this method, certain factors are selected for the purpose of analysis and a scale is designed by the rater for each factor. A scale of man is also created for each selected factor. Each man to be rated is compared with in the scale, and certain scores for each factor are awarded to him. This method is used in job evaluation, and is known as the factor comparison method.

### 3. 5.3.Grading Method:

Under this system, the rater considers certain features and marks them accordingly to a scale. The selected features may be analytical ability, cooperativeness, dependability, self-expression, job knowledge, judgment, leadership and organizing ability, etc. they may be

3.5.3(a) – Outstanding.

3.5.3(b) – Very good.

3.5.3(c) – Good or

average.

3.5.3(d) – Fair,

3.5.3(e) – Poor,

-B (or B-) very poor or

hopeless.

The actual performance of an employee is then compared with these grade definitions; such type of grading is done in semester examinations and also in the selection of candidates by the public service commissions.

### 3.5.4. Graphic or Linear Rating scale:

This is most commonly used method of performance appraisal. Under it, a printed

form one of each person to be rated. According to juices, these factors are employee characteristics ad employee contribution. In employee characteristics are included such qualities and initiative, leadership, cooperativeness, dependability, industry, attitude, enthusiasm, loyalty, creative ability, decisiveness, analytical ability, emotional ability and co-ordination. In the employee contribution are quantity and quality of work, the responsibility assumed specific goals achieved regularity of attendance, leadership offered, attitude towards supervisors and associates, versatility etc.

### 3.5.5. Forced Choice Description Method:

This method was evolved after great deal of research conducted for military services during World War II. It attempts to correct a rater's tendency to give consistently high or consistently low ratings to all employees. The use of this method calls for objective reporting and minimum subjective judgment. Under this method the rating elements are several sets of pair phrases or adjectives (usually sets of four phrases two of which are positive, two negative) relating to job proficiency Or personal qualifications. The rater is asked to indicate which of the four phrases is most and least descriptive of the employee.

### 3.5.6.Forced Description Method:

Joseph Tiffin evolved this method after statistical work. This system is used to eliminate or minimize rater's bias, so that all personnel may not be placed at the higher

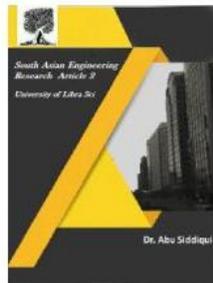


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end or at the lower end of the scale. It requires the rater to appraise an employee according to a predetermined distribution scale. Under this system, it is assumed that it is possible and desirable to rate only to factors, viz., job performance and promotability. For this purpose, a five-point performance scale is used without any descriptive statement. Employees are placed between the two extremes of 'good' and 'bad' job performance.

### 3.5.7. Check List:

Under this method, the rater does not evaluate employee performance; he supplies report about it and the personnel department does the final rating. A series of questions are presented concerning an employee to his behavior. The rater, the checks to indicate if the answer to a question about an employee is positive or negative. An example of check list is given below:

- (a). Is the employee really interested in his job? Yes/No
- (b). Is regular on his job? Yes/No
- (c). Does he follow instructions properly? Yes/No
- (d). Is he always willing to help other employees? Yes/No
- (e). Does he ever make mistakes? Yes/No

### 3.5.8. Free Easy Method:

Under this method, the supervisor makes a free from, open-ended appraisal of an employee in his own words and puts

down his impressions about the employee. He takes not of these factors.

- 3.5.8(a). General Organization and planning ability.
- 3.5.8(b). Job knowledge and potential.
- 3.5.8(c) Employee characteristics and attitudes.
- 3.5.8(d). Understanding and application of company policies and procedures.
- 3.5.8(e). Production, quality and cost control.
- 3.5.8(f). Physical conditions.
- 3.5.8(g). Development needs for future.

### 3.5.9. Critical Incident Method:

The essence of this system is that I attempt to measure workers performance of certain 'events' or 'episodes' that occur in the performance of the rate's job. The supervisor keeps a written record of the events that can easily be recalled and used in the course of periodical of formal appraisal. Feedback is provided about the incidents during performance review session. Various behaviors are recorded under such categories as the type of job, requirements for employees, judgment, learning ability, productivity and precision in work, responsibility and initiative.

### 3.5.10. Group Appraisal Method:

Under this method, an appraisal group rates employee, consisting of their supervisor and three or four other supervisors who have knowledge of their performance. The supervisor explains to the group the nature of his subordinates' duties. The group then discusses the standards of performance for that job, the actual performance of the job holder, and the

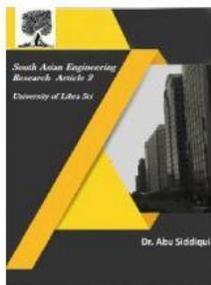


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causes of their particular level of performance, and offers suggestions for future improvement, if any.

### 3.5.11. Field Review Method:

Under this method, trainer employees from the personnel department interview line supervisors to evaluate their respective subordinates. The appraiser is fully equipped with definite test questions, usually memorized in advance, which he puts to the supervisors. The supervisor is required to give his opinion about the progress of his subordinates, the level of the performance of each subordinate, his weakness, good points, outstanding ability, and promotability, and the possible plans of action in cases requiring further consideration.

## IV. MODERN METHOD OF APPRAISAL

### 4.1. Appraisal by Results Management by Objectives (MBO):

Peter ducker has evolved this method. MBO is potentially a powerful philosophy of managing and an effective way for operationalizing the evaluation process. It seeks to minimize external controls and maximize internal motivation through joint goal setting between the managers and subordinate and increasing the subordinate's own control of the work. It strongly reinforces the importance of allowing the subordinate to participate actively in the decisions that affect him directly. Management by objectives can be described as a process whereby the supervisor and subordinate managers of an

organization jointly identify its common goals, define each individuals' major areas of responsibility in terms of results expected of him and use these measures as guides for operating the unit and assessing the contributions of each of its members.

### 4.2. Objectives of MBO:

MBO has an objective in itself. The objective is to change behavior and attitudes towards the affecting getting the job done. In other words, it is result oriented; it is performance that counts. It is a management system and philosophy that stresses goals rather has methods. It provides responsibility and accountability and recognizes that employees have needs for achievement and self-fulfillment of these needs by providing opportunities for participation goals setting process. Subordinates become involved in planning their own careers.

### 4.3. MBO Process:

This method emphasizes the value of the present and the future instead of that of the past, and focuses attention on the results that are accomplished and not on personal traits or operational methodology. An employee is not judged in terms of operational methodology, or in terms of initiative, cooperativeness, attitude, emotional stability, or any other human quality, but on the basis of the achievement of the targets that have been set. This method is largely applied to technical, professional, supervisory or execute personnel and not to the hourly paid workers because their jobs are usually too restricted. It consists of five basic steps:

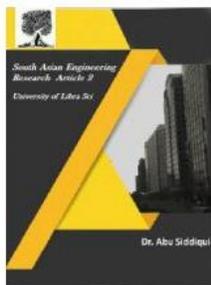


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- Set organizational goals i.e., establishment of an organization wide strategy and goals.
- Joint goals setting i.e., establishment of short-term performance targets between the management and the subordinate in a conference between them.
- Performance review i.e., frequent performance review meetings between the manager and the subordinate.
- Set check points i.e., establishment of major check points to measure progress.
- Feedback.

#### 4.4. Benefits of MBO Program:

The benefits of MBO program are:

- MBO helps and increases employee motivation because it reveals overall goals to the individual goals and help to increase an employee's understanding of where the organization is and where it is heading.
- MBO reduces role conflict and ambiguity. Role conflict exists when a person is faced with conflicting demands from two or more. Supervisors and role ambiguity exist when a person is uncertain as how he will be evaluated, or what he has to achieve. Since MBO aims at providing clear targets and their order of priority, it reduces both these situations.
- MBO identifies problems better and early. Frequent performance review sessions make this possible.
- MBO forces and aids in planning. By forcing top management to establish a strategy and goals for the entire organization and by requiring other managers to set their targets and plan how to reach them.

- MBO helps the individual manager to develop personal leadership especially the skills of listening, planning, counseling, motivating and evaluating.

#### 4.5. Assessment Center Method:

Under this method, many evaluations join together to judge employee performance in several situations with the use of a variety of criteria. The purpose of this method was end is to test the candidates in a social situation using a number of assessors and a variety of procedures. The most important feature of this is job related simulations.

#### 4.6. Human Asset Accounting Method:

This method refers to activity devoted to attaching money estimates to the value of a firm's internal human organization and its external customer goodwill. If able, well trained personnel leave a firm, the human organization is worthless if they join it, its human assets are increased. If distrust and conflict prevail, the human enterprise devalued. If team work and high moral prevail, the human organization is a very valuable asset.

#### V. PERIOD OF THE STUDY

Since so many years **HERO MOTOCORP PVT LTD** Hyderabad has been following the same procedure of appraisals for their executives and employees and for the study of my project last one-year data has collected on performance appraisals.

**Statistical tools used:**

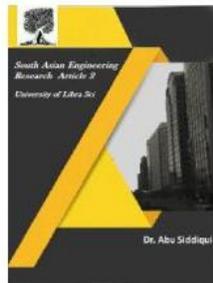


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## 5.1. Percentage method:

Percentage method is used in making comparison between two or more series of data. This is used to describe relationship.

$$\text{Percentage of respondents} = \frac{\text{No.of respondents}}{\text{Total respondents}} \times 100$$

The method of study followed in this project (in brief):

- Sample size : 100
- Data collection method : Primary and Secondary.
- Duration of study : 45 days.
- Analysis : Through percentage method.

## 5.2. PLAN OF THE STUDY CHAPTERIZATIONS:

- ❖ To shed light on introduction on subject background of study.
- ❖ The profile of the company.
- ❖ Present frame work regarding research design of the study.
- ❖ Explore performance appraisal process in HERO MOTOCORP PVT LTD, Hyderabad.
- ❖ Exam in data, analysis and interpretation.
- ❖ Highlight summary of findings and conclusions.
- ❖ Offer suggestions and recommendations.

## 5.3. LIMITATIONS:

- ❖ Due to time constraints the study was limited only for 45days.

❖ Random sampling method has been adopted and all limitations applicable to that method are applicable here also.

❖ The authenticity of information provided by the ~~New-Entrant~~ Manager cannot be assured.

❖ Analysis of the data has been done based on the assumptions that the information provided by the respondents is genuine.

## VI. INDUSTRY PROFILE

### 6.1. Automobile industry in India:

The **automobile industry in India** is the ninth largest in the world with an annual production of over 4.2 million units in 2011 In 2012, India emerged as Asia's fourth largest exporter of automobiles, behind Japan, South Korea and Thailand. Following economic liberalization in India in 1991, the Indian automotive industry has demonstrated sustained growth as a result of increased competitiveness and relaxed restrictions. Several Indian automobile manufacturers such as Tata Motors, Maruti Suzuki and Mahindra and Mahindra, expanded their domestic and international operations. India's robust economic growth led to the further expansion of its domestic automobile market which attracted significant India-specific investment by multinational automobile manufacturers. In February 2009, monthly sales of passenger cars in India exceeded 100,000 units. baryonic automotive industry emerged in India in the 1940s. Following the

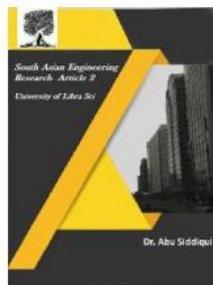


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independence, in 1947, the Government of India and the private sector launched efforts to create an automotive component manufacturing industry to supply to the automobile industry. However, the growth was relatively slow in the 1950s and 1960s due to nationalization and the license raj which hampered the Indian private sector. After 1970, the automotive industry started to grow, but the growth was mainly driven by tractors, commercial vehicles and scooters. **HISTORY OF THE TWO WHEELERS:**

The Britannica Encyclopedia a motorcycle as a bike or tricycle propelled by an internal –combustion engine (or, less often by an electric engine). The automobile was the reply to the 19<sup>th</sup> –century reams of self-propelling the horse-drawn biker age. Similarly, the invention of the motorcycle created the self –propelling bicycle. The first commercial design was three-wheeler built by Edward Butler in Great Britain in 1884. This employed a horizontal single-cylinder gasoline engine mounted between two steer able front wheels and connected by a drive chain to the rear wheel. The 1900s saw the conversion of many bicycles or pedal cycles by adding small, centrally mounted spark ignition engine engines. There was then felt the need for reliable constructions. This led to road trial tests and competition between manufacturers. Tourist Trophy (TT) races were held on the Isle of main in 1907 as reliability or endurance races. Such were the proving ground for many new ideas from early two-stroke-cycle

designs to supercharged multivalent engines mounted on aerodynamic, bike on fiber reinforced bodywork.

## **6.2.INVENTION OF TWO WHEELERS:**

The invention of two wheelers is a much-debated issue. “Who invented the first motorcycle?” May seem like a simple question, “safety”, bicycle, i.e., bicycle with front and rear wheels of the same size, with a pedal crank mechanism to drive the rear wheel. Those bicycles in turn described from high-wheel bicycles. The high – wheelers descended from an early type of pushbike, without pedals, propelled by the rider’s feet pushing against the ground. These appeared around 1800, used iron banded wagon wheels, and were called “bone-crushers”, both for their jarring ride, and their tendency to toss their riders. Gottlieb Daimler (who credited with the building the first motorcycle in 1885, one wheel in the front and one in the back, although it had a smaller spring-loaded outrigger wheel on each side. It was constructed mostly of wood; the wheels were of the iron-banded wooden-spoked wagon-type and it definitely had a “bone-crusher” chassis!

## **6.4.FURTHER DEVELOPMENTS:**

Most of the developments during the early phase concentrated on three and four-wheeled design since it was complex enough to get the machines running without having to worry about them falling over. The next notable two-wheeler though was the Hildebrand & Wolf Mueller, patented in Munich in 1894. In 1895, the French firm of DeDion-buon built and engine that was

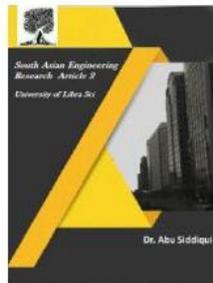


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to make the mass production and common use of motorcycle possible. The first motorcycle with electric start and a fully moderns electrical system; the Hence special from the Indian Motorcycle Company astounded the industry in 1931. Before World War 1, IMC was the largest motorcycle manufacturer in the world producing over 20000 bikes per year.

## 6.5. INCREASING POPULARITY:

The popularity of the vehicle grew especially after 1910, in 1916; the Indian motorcycle company introduced the model H racer, and placed it on sale. During World War 1, all branches of the armed forces in Europe used motorcycles principally for dispatching. After the war, it enjoyed a sport vogue until the Great Depression began in motorcycles lasted into the late 20<sup>th</sup> century; weight the vehicle being used for high-speed touring and sport competitions. The more sophisticated of a 125cc model. Since then, an increasing number of powerful bikes have blazed the roads.

## 6.6. HISTORICAL INDUSTRY DEVELOPMENTS:

Indian is the second largest manufacturer and producer to two wheelers in the World. It stands next only to Japan and China in terms of the number of V produced and domestic sales respectively. This destination was achieved due to variety of reason like restrictive policy followed by the government of India towards the passenger bike industry, rising demand for personal transport, inefficiency in the public transportation system etc. The Indian two-

wheelers industry made a small beginning in the early 50s when Automobile products of India (API) started manufacturing scooters in the country. Until 1958, API and Enfield were the sole producers.

The industry had a smooth ride in the 50s, 60s and 70s when government prohibited new entries and strictly controlled capacity expansion. The industry saw a sudden growth in the 80s. The industry witnessed a steady of 14% leading to a peak volume of 1.9 mn vehicles in 1990.

In 1990 the entire automobile industry saw a drastic fall in demand. This resulted in a decline of 15% in 1991 and 8% in 1992, resulting in a production loss of 0.4mn vehicles. Barring Hero Honda, all the major producers suffered from recession in FY93 and FY94. Hero Honda showed a marginal decline in 1992.

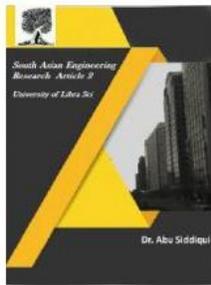
The reason for recession in the sector were the incessant rise in fuel prices, high input costs and reduced purchasing power due to significant like increased production in 1992, due to new entrants coupled with recession in the industry resulted in companies either reporting losses or a fall in profits.

## 6.7. SOCIAL SERVICE ACTIVITIES:

**PHOENIX** motors participate and conduct social service activities. The phoenix motors organized a **BLOOD DONATION CAMP** for the trust on 21<sup>st</sup> January 2006. they motivated on the consumers to participated in this camp and also provide certificate for the customers



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## 6.8.FEW MARKETED BIKES OF PHOENIX (All Hero Moto Corp.)



6.1.Fig. FEW MARKETED BIKES OF PHOENIX

## VII. SCOPE & CONCLUSION

### SCOPE:

In the present study an attempt has been made to know the actual implementation of performance appraisal techniques in general and some other aspects such as awareness of the workers, effectiveness of the performance appraisal system in particular. Human resource projections are valid on appraisals. By improving job skills, the employees have lot of scope for development and prepare themselves for higher responsibilities. A thorough analysis of the performance appraisal system will help the management to know the short comings, if any. It also helps the company in knowing whether the performance appraisal techniques are used to full extent or not, there by the researcher can understand the effective implement of the performance appraisal system.

### CONCLUSION:

The two-wheelers market has had a perceptible shift from a buyer's market to a seller's market with a variety of choice, players will have competed on various fronts viz. pricing, technology product design, productivity after sale service, marketing and distribution. In the short term, market shares of individual manufacturers are going to be sensitive to capacity, product acceptance, pricing and competitive pressures from other manufacturers.

As incomes grow and people grow and people feel the need to own a private means of transport, sales of two-wheelers will rise. Penetration is expected to increase to approximately to more than 25% by 2005.

The motorcycle segment will continue to lead the demand for two-wheelers in the coming years. Motorcycle sale is expected to increase by 20% as compared to 1% growth in the scooter market and 3% by moped sales respectively for the next two years.

**Hero Honda motors Ltd**, is one of the leading companies in the two-wheeler industry. At present it is the market leader in the motorcycle segment with around 47% the market share during FY 2000 –01. During the year, company posted a 41.15% rise in turnover to Rs.31, 686.5mn in motorcycles which driven by a 35.17% rise in Motorcycle sales volumes.

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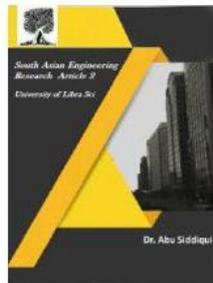


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