A STUDY ON PERFORMANCE MANAGEMENT AND 
JOB SATISFACTION WITH REFERENCE TO AUTOMOBILE 
INDUSTRY IN CHENNAI

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ABSTRACT
Performance Management System is a process of setting objectives, building plans to accomplish 
those objectives and get the desired results. It is differently followed in private and public 
organizations and Indian and international companies. Many of the researchers have proved that 
performance appraisal system motivates the employees for enhancing the performance. However, 
some of the research shows that the employees really hate this system because of non- transparency. 
The prime duty of every manager is to know the expectation of employees & satisfy them, to get the 
best output from employees. This study attempts to find the components of the performance 
management system which impacts on the employee performance by getting satisfaction. This study 
has focused on automobile industry which is the fast growing industry in the modern era and offering 
vast employment opportunity. This study attempted to find out the employees job satisfaction level and 
their satisfaction towards current method of performance management system. Performance 
management has different components and factors. This study analysed which area of PMS has to be 
enhance in automobile industry.

Keywords: performance management, Automobile industry, job satisfaction

INTRODUCTION
Organizational goals can attain only when people put their greatest efforts. So the organization has to 
ascertain whether an employee has contributed his or her best performance. Performance appraisal is 
an objective assessment of an individual's performance against well-defined benchmarks. The 
performance being measured against such factors as job knowledge, quality and quantity of output, 
initiative, dependability, co-operation, supervision, judgment, leadership abilities, versatility, health, 
and the like. Assessment should not confine past performance alone. Potentials of the employees for 
the future performance must also assess. and duration of channels viewed by subscriber.

OBJECTIVES OF THE STUDY
1. To find out the components of performance appraisal of the employees.
2. To identify the factors affecting the performance management system followed by Automobile 
Industries.
3. To identify the key areas of performance management system which has to be improved.
4. To measure the satisfaction level of the employee with the existing method of employee performance management system of the organization.
5. To obtain the correlation between employee satisfaction and performance management system among the employees.

REVIEW OF LITERATURE

Performance management

Performance management refers to the entire process of appraising performances, giving feedback to employees, and offering rewards or punishments to them. According to Armstrong and Baron (1998), Performance Management is both a strategic and an integrated approach to delivering successful results in organizations by improving the performance and developing the capabilities of teams and individuals. The performance management is a process, in which continuous coaching, feedback, and communication are vital to success. The major responsibilities, duties and the performance standards of the each specific job should be defined and communicated as the first step in this cycle. Employee involvement is cheered in identifying major duties and determining performance standards. The formal evaluation period should be long enough to allow for full performance and to establish a history such that appraisals are impartial and meaningful. One year is a common assessment period. Documentation of performance will occur as regularly as needed to record the variety of dialogue between supervisor and employee. Training for supervisors and employee is encouraged and will be provided by university human resource services. The Performance Management Plan should be dependable with central and state laws which address non-discrimination. Priya and Suchi (2011), the study divided into five categories of performance management system, which are the job and work environment, (target, motivation, and feedback), (performance and rewards), (process and employee growth) and data maintenance. This study indicates performance appraisal system is evaluating the employee's performance and communicating to him/her to rewards and development.

Sandeep Kumar Joshi (2014), he examined the differences and similarities among the Indian and international companies. He investigated what are the important aspects of PMS. He stated PMS is not having much difference except cultural implication in both Indian and international companies. In Indian and international companies have both negative and positive aspects in PMS. Most of the Indian companies are following the traditional methods which are done once or twice in the year. Rao, A Srinivasa (2007), stated in her study the employees are really understanding about the company's policies, objectives, rewards and appreciation, and programme. She founded there is a space in communication among the superior and subordinate. Companies are doing the performance appraisals for ad hoc and not systematically. However, the performance reviews are not effective, which required the managerial skills like teamwork, high achievement direction for systematic implementation.

Varman, Rahul (2005), Evaluation of performance appraisal system of Kashipur textile proved that execution of performance appraisal system in family run business found difficult as well as modified their management system where is the lack of information for goal setting, the difference between self-rating and supervisor's rating. Paul and Anantharaman (2003) The employees of 35 different software companies located in India interviewed to show the positive effect of "people management practices" on organizational performance and people management practices are defined by following indicators, training, performance appraisal, work environment, induction, selection, payment, job design, career development, and incentives.

Employee job satisfaction

According to Spector (1997) job satisfaction is people perceptions about their jobs and different phases of their jobs. According to Brian Hill (2017) employee’s overall satisfaction with his / her job is related to the combination of factors and the monitory compensation is only one of those factors. The factors are working conditions, opportunity for advancement, work stress, respect from co-worker,
financial rewards, and relationship with superiors. According to the survey by foxbusiness.com (2011), fifty percent of respondents said they personally experienced greater amount of workplace incivility. Fifty percent of respondent’s foot frothed very poor morale (overall attitude and outlook of employee in workplace) where they are working. 67 percent Americans said the need for training incivility in the work place. Abraham Maslow (1954) suggested by his theory of need from a five level hierarchy that is psychological. Safety, belongingness, love, esteem and self-actualisation. Job satisfaction and dissatisfaction not only depends up on the job nature, it also be influenced by their expectations what the job supply to an employee.

**Relationship between performance management and employee job satisfaction**

There are many types of research shows that the link between the job satisfaction and job performance. There is Hawthorne's study proved that "Happy worker is the good worker". Muralikrishna and ch.Kameswari (2015), who has given the two basic systems of performance evaluation which are evaluation system and feedback system. He proved by his study that 50 percent of employees agree there was a positive relationship job satisfaction and performance appraisal. Milica Jaksic and Milos Jaksic (2013), He stated that measuring and apprising of employees performance and communicating the feedback improve the employee satisfaction. He concluded his study that if the organization assure the higher degree of employee satisfaction will lead to better performance. The employees should be inspired and motivated not only by salary but also by training, health, social and other additional programmes, that will promote their interest, reliance, and commitment to the company. Dedicated, committed, loyal, fulfilled and satisfied employees will positively give best work output and contribute to the company’s reputation.

**Automobile industries in India.**

In earlier days, Indian market imported the vehicles while manufactured by general motors. Indian automobile companies mainly focused on dealership, servicing, financing and maintenance of vehicles. Indian market started the manufacturing after a decade of independence. Since independence Indian automobile market faced many challenges and road blocks like getting licenses and the production level (units) but now it has broken all challenges and proved its success. In those days, the production of the automobile industry was confined to three main manufacturers Hindustan Motors, Premier Automobiles and Standard Motors. Research and development were not initiated. Labours were unskilled and they learned the work through error and trail. The Indian auto mobile industry includes two wheelers, trucks, cars, buses and three wheelers which play a vital role in growth of Indian economy. According to the research of Society of Indian Automobile Manufacturers (SIAM), the overall vehicles sales grew by 30% in May 2010 to 1,208,851 units, and 8 percent over the previous month of April 2010. The Indian automobile industry produced a total 19.84 million vehicles in April-January 2016, including passenger vehicles, three wheelers and two wheelers, as against 19.64 million in April-January 2015. The SIAM and the Indian government has prepared...
jointly the Automotive Mission Plan 2016 -2026. It planned to generate up to US$ billion in annual revenue by 2026, create 65 million additional jobs and contribute 12% to India's Gross Domestic Product. The Indian automobile industry has engaged Foreign Direct Investment (FDI) worth US$ 14.32 billion during the year April 2000 to December 2015, according to the data released by Department of Industrial Policy and Promotion (DIPP).

The employment opportunity in automobile industry

Indian Automobile industry is emerging and jobs in the industry are rising. Most of the foreign companies are investing in Indian Automobile industry. It has become a major three wheelers and two wheelers manufacturer in India. India is the second largest manufacturer of the tractor. Bachelor degree holders in Mechanical, Electrical, and automobile engineering are getting good opportunities in this industry. Diploma holders and ITI candidates are also eligible to shine in this industry. With the foreign companies like Audi, Volkswagen, Renault etc. coming to India and targeting on manufacturing in the Indian market. The Indian government has shown their support to FDI by announcing 100% FDI is allowed through Make in India.

Conceptual frame work

Performance management has 4 phase, those are settings goals and performance measures, Training and development, Motivation and Communication, annual appraisals and pay & rewards. The factors determined job satisfaction are appreciation. Opportunity of advancement, respect from co-workers, relationship with superiors, work stress, working condition, job security, pay & rewards. This study attempts to find the relationship between performance management and job satisfaction. The factors of those two variables are interrelated. If the organisation’s HR department is enhanced the performance management will lead to job satisfaction and better performance. Many of past researches proved that happy worker is good and productive worker.

RESEARCH METHODOLOGY

This research has focused on the performance management system on automobile industries. In addition, this study focused on the key areas of performance management system which has to be improved and the satisfaction level of employees at various level PMS. The performance management system can be divided into five components. In this study, I concentrated on how the employee's satisfaction towards performance management system affects the employee performance on the
organisation. The hypothesis is H0: There is a significance between the employee satisfaction and the satisfaction towards performance management.

Data collection
The questionnaires were used to collect primary data from 50 samples on convenient sampling method. Some of the employees were not willing to response to the questionnaire. So I explained about study and collected data through interview method also. Secondary data: And secondary data were also composed of books, magazines, journals and websites.

Instrumental development:
The questionnaire consisted 31 questions. 4 questions on establishing goals and measurement, 7 questions on motivation, target and feedback, 5 questions on performance and rewards, 5 questions on process and employee growth, 1 question on data maintenance and 9 question employee satisfaction. The researcher deal with the employees individually questions were asked and information were collected. Questions explained so as to around vague. The employees were found supportive.

Research plan – Pilot study of research with 50 respondent
The employees of automobile industries were taken as the population and sample, Nissan automotive company is sampling area to conduct the survey for the purpose of study. 60 questionnaires were issued. In those 10 were incomplete. Convenient sampling used in this study. The samples were rounded as 50.

DATA INTERPRETATION AND DISCUSSION

Table 1: Distribution of sample on the basis of the efficiency of employees has strong impact on career progress

<table>
<thead>
<tr>
<th>The efficiency of employees has strong impact on career progress</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agree</td>
<td>7</td>
<td>14.0</td>
<td>14.0</td>
<td>14.0</td>
</tr>
<tr>
<td>strongly agree</td>
<td>43</td>
<td>86.0</td>
<td>86.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The efficiency of employees has strongly impact by 43 respondents (86.0 %). 15 respondents agreed that the efficiency of employees has strong impact by 7 respondents (14.0 %)

Table 2: Distribution of sample on the basis of performance has significant result on rewards

<table>
<thead>
<tr>
<th>My performance has significant result on my rewards</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agree</td>
<td>4</td>
<td>8.0</td>
<td>8.0</td>
<td>8.0</td>
</tr>
<tr>
<td>strongly Agree</td>
<td>46</td>
<td>92.0</td>
<td>92.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

It is inferred from the above table, that 4 respondents (8.0 %) has agreed that their performance has significant result on rewards they are getting after appraisal. 46 respondents (92.0 %) respondents has strongly agreed that they awarded according their performance.
Table 3: Distribution of sample on the basis of having fun at my work

<table>
<thead>
<tr>
<th>I have fun at my work</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disagree</td>
<td>2</td>
<td>4.0</td>
<td>4.0</td>
<td>4.0</td>
</tr>
<tr>
<td>Neither Disagree Nor Agree</td>
<td>1</td>
<td>2.0</td>
<td>2.0</td>
<td>6.0</td>
</tr>
<tr>
<td>Agree</td>
<td>14</td>
<td>28.0</td>
<td>28.0</td>
<td>34.0</td>
</tr>
<tr>
<td>strongly Agree</td>
<td>33</td>
<td>66.0</td>
<td>66.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

It is noted from the table 5, that 2 respondents from sample perceived that they have not fun at their work, 1 respondent (2.0 %) perceived neither disagree nor agree to have fun at their work, 14 respondents (28.0 %) perceived agreed and 33 respondents (66.0 %) strongly agree that they have fun at their work.

Table 4: Distribution of sample on the basis of satisfaction level with existing methods of performance appraisals

<table>
<thead>
<tr>
<th>I am satisfied with existing methods of performance appraisals</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfied</td>
<td>5</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
</tr>
<tr>
<td>highly satisfied</td>
<td>45</td>
<td>90.0</td>
<td>90.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

It is inferred from above table that 5 respondents (10.0 %) satisfied with current appraisal system followed by the organization 45 respondents (90.0 %) has highly satisfied with current appraisal system followed by the automobile industry.

Table 5: Distribution of sample on the basis of the feedback of superior in constructive and positive manner

<table>
<thead>
<tr>
<th>The feedback of superior in constructive and positive manner</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disagree</td>
<td>2</td>
<td>4.0</td>
<td>4.0</td>
<td>4.0</td>
</tr>
<tr>
<td>Neither Disagree Nor Agree</td>
<td>1</td>
<td>2.0</td>
<td>2.0</td>
<td>6.0</td>
</tr>
<tr>
<td>Agree</td>
<td>14</td>
<td>28.0</td>
<td>28.0</td>
<td>34.0</td>
</tr>
<tr>
<td>strongly Agree</td>
<td>33</td>
<td>66.0</td>
<td>66.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

It is noted from above table, that 2 respondents (4.0%) not agreed that the feedback given by their managers in constructive and positive manner, 1 respondents (2.0 %) registered their view as neither
agree and nor disagree, 14 respondents (28 \%) agreed that their managers feedback in positive and constructive feedback. 33 respondents (33.0 \%) perceived that they are strongly agree that their superior feedback in constructive and positive manner.

Reliability Analysis

<table>
<thead>
<tr>
<th>Cronbach's Alpha</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.742</td>
<td>31</td>
</tr>
</tbody>
</table>

Reliability calculated by using corn Bach’s Alpha score and found at 0.742. It is greater than 0.7 that is 0.742 for 31 items. Which means that the questionnaire was used is valid. There is no need of addition and deletion of items which is included in questionnaire.

Correlations between my performance has significant result on my rewards and I am feeling great to work with my colleagues

<table>
<thead>
<tr>
<th>My performance has significant result on my rewards</th>
<th>My performance has significant result on my rewards(PMS)</th>
<th>I am feeling great and proud to with my colleagues (JS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>1</td>
<td>.728**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>50</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td></td>
<td>50</td>
</tr>
</tbody>
</table>

** Correlation is significant at the 0.01 level (2-tailed)

The result of Pearson correlation is 0.728 which is closely related to 1. There is no negative sign before the r value so the value is considered as positive value default. So it is concluded that there is positive relationship between two variables. The first variable 1 (my performance has significant result on my rewards has strong correlation) on variable 2. If there is a change on variable 1 and there will be a change on variable 2.

FINDINGS AND CONCLUSION

This paper highlights the key areas which has to improve by HR department. The employees of automobile industry needs the manager’s support to address their poor performance. HR department should give extra care on nomination of employees to training. HR department answering effectively at the same time it should focus to make understand the employees how their contribution helps to achieve their organisational goals. The employees of automobile industry feels that they are getting according to what they are giving to organisation. Some employees are confused about PMS because the training and reading material fails to explain. So the HR department should set standard and understandable module to training. The potential employees expect some extra commitments and
recognition from management. The documentation of the employee’s performance should be transparent for future reference for both employees and management. Moreover most of the employees are satisfied with current appraisal system.

This study present the relationship between the performance management system and job satisfaction. There is strong positive relationship on job satisfaction by providing continuous feedback by superiors, significant rewards for employee’s best performance, best pay and recognition for challenging performance, best motivation, asking suggestions and feedback from employees, etc. If the organisation assure the job satisfaction sure the employees will contribute their best to success of organisational goals. Organisational strategy and the performance management system should be balanced to drive the employees to achieve the targets. Job satisfaction comes from one satisfied what he wants from organisation. Performance management designed by two needs, one is individual need and another one organisational needs. While the individual satisfy their need will lead to better performance and simultaneously the organisational goal also achieved.

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