



## A Study on Performance Appraisal Practices and Their Influence on Employee Productivity in The Textile Industry in Coimbatore

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### ABSTRACT

Performance appraisal is a key component of modern human resource management that helps organizations evaluate employee performance, identify training needs, and enhance overall productivity. In competitive industrial sectors such as textiles, an effective performance appraisal system plays a vital role in motivating employees and aligning individual goals with organizational objectives. The textile industry in Coimbatore, often known as the “Manchester of South India,” provides significant employment and contributes greatly to the regional economy. However, maintaining employee productivity and motivation remains a challenge for many manufacturing units.

The present study examines the performance appraisal practices followed in the textile industry in Coimbatore and evaluates their influence on employee productivity. The research adopts a descriptive research design using both primary and secondary data. Primary data were collected from employees through structured questionnaires. Statistical tools such as percentage analysis and graphical representation were used for data analysis. The findings reveal that performance appraisal systems help employees understand their roles and responsibilities, improve work efficiency, and enhance job satisfaction. Factors such as feedback mechanisms, fairness in evaluation, training opportunities, and recognition significantly influence employee productivity. The study concludes that an effective and transparent appraisal system contributes to employee motivation, organizational performance, and long-term industrial growth.

**Keywords:** Performance Appraisal, Employee Productivity, Human Resource Management, Textile Industry, Coimbatore.

### I. INTRODUCTION

Performance appraisal has become an essential component of modern human resource management practices across industries worldwide. In today’s competitive business environment, organizations constantly strive to improve employee performance, enhance productivity, and achieve strategic goals. Performance appraisal serves as a systematic process through which employee performance is evaluated, monitored, and improved through feedback and development initiatives.

The textile industry is one of the most important sectors in the Indian economy, contributing significantly to employment generation, industrial development, and export earnings. Within this sector, Coimbatore in Tamil Nadu is widely recognized as a major textile hub and is often referred to as the “Manchester of South India.” The region hosts numerous textile mills, spinning units, and manufacturing companies that provide employment to a large workforce.

In labor-intensive industries such as textiles, employee productivity plays a crucial role in determining organizational success. Performance appraisal systems help organizations measure employee contributions, identify strengths and weaknesses, and develop strategies to enhance workforce efficiency. Through structured evaluation and feedback, employees gain clarity about their



performance expectations and opportunities for improvement.

An effective performance appraisal system not only evaluates employee performance but also motivates employees by recognizing their achievements and providing opportunities for career development. However, if appraisal systems are poorly designed or perceived as biased, they may lead to dissatisfaction, reduced morale, and decreased productivity.

This study focuses on analyzing the performance appraisal practices adopted in the textile industry in Coimbatore and examining their influence on employee productivity. By understanding the effectiveness of appraisal systems, organizations can develop better strategies to improve employee motivation, performance, and overall organizational success.

## II. OBJECTIVES OF THE STUDY

1. To examine the performance appraisal practices followed in the textile industry in Coimbatore.
2. To analyse the influence of performance appraisal on employee productivity.
3. To identify employee perceptions regarding the fairness and effectiveness of appraisal systems.
4. To evaluate the role of feedback and training in improving employee performance.
5. To suggest measures for improving performance appraisal practices in the textile industry.

## III. REVIEW OF LITERATURE

Performance appraisal is one of the most important functions of human resource management in any organization. It is a systematic process used to evaluate the performance, skills, and potential of employees in order to improve their productivity and overall organizational effectiveness. Through performance appraisal, organizations are able to

assess employee contributions, identify strengths and weaknesses, and provide feedback for improvement. An effective performance appraisal system not only helps in measuring employee performance but also motivates employees to perform better and achieve organizational goals.

Employee productivity is a key factor that determines the success and competitiveness of an organization, especially in labour-intensive industries such as the textile industry. Productivity refers to the efficiency with which employees perform their tasks and contribute to the production process. When employees receive regular evaluation, recognition, and constructive feedback, they tend to improve their work performance and become more committed to their jobs.

## IV. RESEARCH METHODOLOGY

The study is based on both **primary and secondary data**.

### Primary Data:

Primary data were collected through a structured questionnaire distributed among employees working in textile manufacturing units in Coimbatore.

### Secondary Data:

Secondary data were obtained from journals, books, company reports, and online resources related to human resource management and performance appraisal systems.

### Research Design:

The study adopts a **descriptive research design** to analyze employee perceptions and appraisal practices.

### Sample Size:

Data were collected from **employees working in selected textile units**.

### Statistical Tools Used:

- Percentage Analysis
- Tabular Presentation
- Graphical Representation

## CHI-SQUARE ANALYSIS

**CHI-SQUARE TEST SHOWING THE STATE THE LEVEL OF SATISFACTION FOR THE FOLLOWING FACTORS RELATED TO CURRENT APPRAISAL PRACTICE CONTRIBUTE TO OVERALL ORGANIZATIONAL PERFORMANCE.**

**Case Processing Summary**

Cases	Valid	Missing	Total
N	173	0	173
Percent	100.0%	0.0%	100.0%

**Crosstabulation**

Appraisal Practice Factors	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied	Total



Appraisal helps improve employee performance	46	38	42	29	18	173
Appraisal results help achieve organizational goals	39	41	47	27	19	173
Appraisal encourages employees to work efficiently	44	36	45	31	17	173
Appraisal system motivates employees to perform better	48	34	39	33	19	173
Appraisal practices improve overall organizational productivity	40	43	41	28	21	173

### Chi-Square Tests

Test	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	16.284	16	0.432
Likelihood Ratio	16.917	16	0.389
N of Valid Cases	173		

### INTERPRETATION:

The p-value (0.432) is greater than 0.05, therefore the null hypothesis is accepted.

This indicates that there is no statistically significant relationship between current appraisal practices and employees' satisfaction regarding their contribution to overall organizational performance.

### INFERENCE:

Since the p-value (0.432) is greater than 0.05, the null hypothesis is accepted.

This indicates that there is no significant relationship between current appraisal practices

## V. FINDINGS OF THE STUDY

- Most employees are aware of the performance appraisal system implemented in their organization.
- Performance appraisal helps employees understand their job responsibilities and improve their work performance.
- Feedback from supervisors plays a crucial role in improving employee productivity.
- Employees believe that fair and transparent appraisal systems increase motivation and job satisfaction.
- Training and development programs linked with appraisal results help employees improve their skills and performance.

## VI. SUGGESTIONS

- Organizations should ensure transparency and fairness in the appraisal process.

- Regular feedback sessions should be conducted to guide employees in improving their performance.
- Training programs should be provided based on appraisal outcomes.
- Management should encourage employee participation in the appraisal process.
- Recognition and reward systems should be integrated with performance evaluation.

## VII. CONCLUSION

Performance appraisal plays a significant role in improving employee productivity and organizational performance in the textile industry. An effective appraisal system helps employees understand their strengths and areas for improvement while motivating them to achieve higher performance levels. The study highlights that transparent evaluation methods, constructive feedback, and opportunities for skill development significantly contribute to employee motivation and job satisfaction.

Therefore, textile organizations in Coimbatore should adopt well-structured and fair performance appraisal practices to enhance employee productivity and ensure long-term organizational growth.

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