



A STUDY ON PERFORMANCE APPRAISAL AT BHEL - CORPORATE R&D

"An acre of performance is worth a whole world of promise." - William Dean Howells

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ABSTRACT:

Performance appraisal has been the focus of considerable research for almost a century. Performance appraisal form can tell more about an organization than other indicators. There are multifarious forms used by different organizations in assessing performance of their employees. In the eyes of Human Resources Management practitioners, there could be standard form for performance appraisal. 'Job Description', 'Performance Level', 'Performance Factors', 'Appraiser's Additional Comments', Appraiser's Feedback' are usual elements incorporated into such a standard form. This article focuses on EMAPPING in BHEL R&D which is basically a web based tool used in evaluating the performance of Executives. MAP (Moving Ahead Through Performance) help to deliver consistency and clarity on expected performance measures to appraises and appraisers alike.

Key Words: Performance Appraisal, e-Mapping, Cascading Effect, Key Result Areas, Core Competencies

INTRODUCTION:

Performance appraisal system is essential in every organization for effective management and evaluation of staff. Performance appraisal (PA) is one of the important components in the rational and systemic process of human resources management. The information obtained through performance appraisal is the foundation for promoting and developing/training employees. Training and development of existing staff is the key factor for maintaining a quality work force in order to motivate the employees, who are required to be adequately and properly rewarded up on their performance.

OBJECTIVES OF THE STUDY:



For the survival of every organization in the market, it is very essential to enhance its production and productivity. Performance Appraisal can work as a good motivational factor to improve the efficiency of the worker.

The following are the main objectives of the study:

1. To analyse the effects of the performance appraisal and the employee's attitude towards the incentives.
2. To evaluate the effectiveness of the HR system in the organization and the realization of goals of such system.
3. To examine the employee's feelings and reactions on the performance appraisal system in terms of bias, periodicity, methodology tools and the extent of usefulness to them and to the organization.
4. To suggest some suitable changes in the existing system in order to make it more positive, meaningful to effective in achieving the desired results.

NEED FOR PERFORMANCE APPRAISAL:

There is a strong linkage between induction, training and appraisal. It has been found that there are two primary objectives behind the use of this methodology. One is to use it as an evaluation system and second, to use it as a feedback system. The aim of the evaluation system is to identify the performance gap and to inform the employee about the quality of his work or performance.

From the viewpoint of individual objective the performance appraisal should talk about

- a. What task the individual is expected to do?
- b. How well the individual has done the task?
- c. How can his performance be further improved?
- d. How can he be rewarded for doing well?

From the organizational viewpoint a performance appraisal should generate manpower information, improve efficiency and effectiveness serve as a mechanism of control and provide a rational compensation structure.

NEW ONLINE PERFORMANCE APPRAISAL SYSTEM:

A new performance management system has been implemented in BHEL from 2002-03 onwards called as e-MAP. This system is similar to that of performance management system. The only difference is that PMS is done manually through prescribed forms whereas this MAP is web based and is accessed through Internet. The executives in grades E1-E7 are covered under MAP (performance appraisal system)

Objectives of the system:

1. Assessment for employee development:
2. To lay basis for more objective promotion

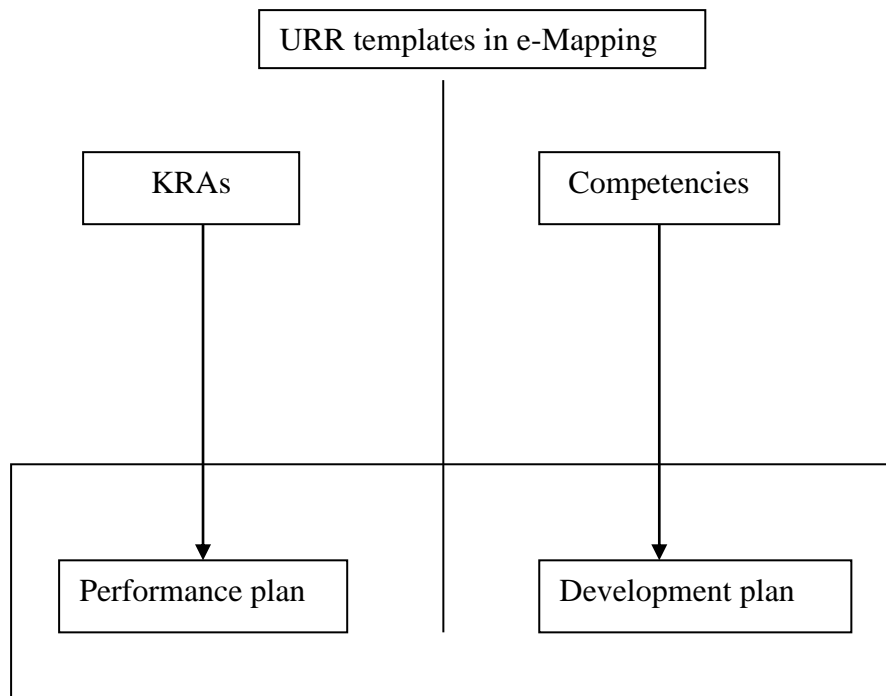
3. Training and development of individuals
4. Improving efficiency / effectiveness
5. Involvement of the appraiser & reviewer in self development
6. To lay basis for career planning & Manpower planning
7. Placement and job rotation
8. To identify exceptional talents for special assignment

MAP (MOVING AHEAD THROUGH PERFORMANCE)

Aim of MAP:

. The features and tools of MAP have been designed to reduce subjectively and individually biases that may impact the effectiveness of performance of the individual. The key cornerstones like objectivity, consistency etc., have been addressed across BHEL.

“KRAs are critical outcomes of efforts which is directed to achieve desired business results”. Unique role and responsibility (URR) templates provide the KRAs relative weight of KRAs, the competencies and their required proficiency levels for a role, The URR templates in MAP help to deliver consistency and clarity on expected performance and helps to measures the appraises and appraisers alike.



CASCADE OF PERFORMANCE MEASURES:

Cascade refers to the process of aligning organizational goals in a series of steps. This is done by translating the goals that are identified at the organizational level into business sectors,



units, functional and departmental level scoreboards, and in form of KRAs to individuals who form a part of these units. Cascade of Unit / departmental level goals to individual KRAs ensure alignment and that the individual and group objectives and results contribute directly to achievement of organizational results.

Aligning Strategic Objectives to individual Targets – The Cascade

Strategic Plan-Company Objectives
(Enhancing Stakeholder Value)



Strategic Maps
(Strategic in measurable terms)



Balanced Scorecards
(Translation into annual targets)

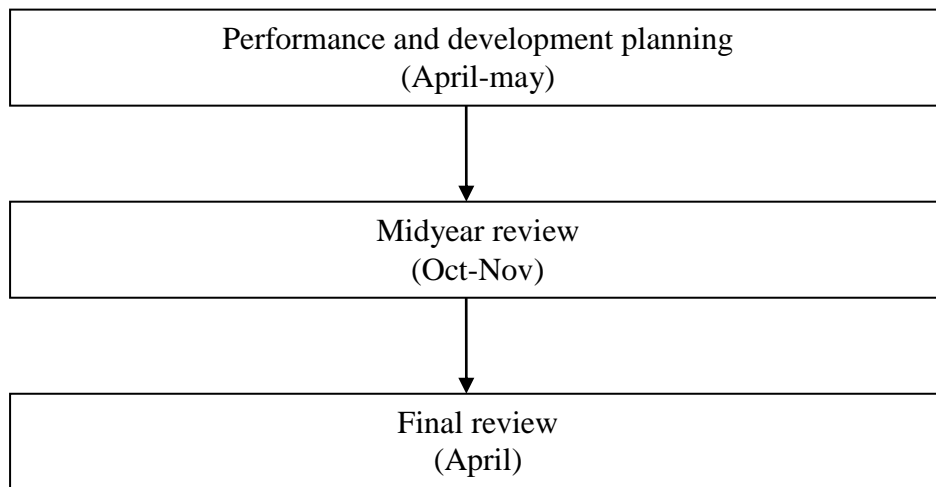


Individual Plans in MAP
(Through KRAs & Targets)

MAP performance cycle:

A performance cycle refers to the year for which the performance is being evaluated; the performance cycle of e-MAP is one year coinciding with BHEL's financial year.

MAP generally follows an April to March cycle and it consists of three key phases



THREE KEY PHASES IN e-MAP

Performance plan:

1. Select KRAs
2. Set targets and action plans for KRAs
3. Assign weights

Calculating the overall score:

1. Each KRA will be assigned a weightage minimum and maximum.
2. Total weightage should not exceed 100.
3. The weightage will be awarded based on target- achieved level. Target levels are 5 to 1. If achieved target level is 5 – full weightage is given. If the weightage is reduced proportionately the overall weightage will be reduced.

Tools of MAP:

1. Unique role and responsibility (URR) templates:

URR templates have been introduced in BHEL to standardize in measurement across individuals, teams, functions and units. The templates ensure consistency and uniformity in terms of the KRAs that are applicable to a role. At the same time, they also provide flexibility to incorporate differences that might exist in jobs mapped in the same unique role. Unique roles are jobs that may be held by difference incumbents, but are essential the same. For instance, there may be certain differences in incumbents like designation, years of



experience, number of people supervised etc, but if the expectations of performance from them and their responsibilities are essentially the same, they perform the same unique role.

URR templates describe unique role have been developed for all unique roles within BHEL.

The template provides:

- a. Unique role name
- b. Unique role number
- c. KRAS's
- d. COMPETENCIES

2. The stretch tool:

Stretch is degree of difficulty built in the large set, at time of performance planning. BHEL, as an organization will achieve its targets through the efforts of its people. This is possible only, if the individuals and teams have targets with a degree of difficulty that compares or exceeds that of BHEL.

3. Rating scales:

Performance defined in MAP will be evaluated using 5 point rating scale. These rating scales will be used to access the extent of accomplishment on KRA targets

Below Expectations	1
Moderately below Expectations	2
Meets Expectations	3
Moderately above Expectations	4
Significantly above Expectations	5

4. Normalization:

In MAP Normalization is the process of aligning the distribution, of individual performance scores to the performance level of the company, unit and department in a performance cycle. Business sectors will be treated as units for the purpose of normalization.

5. Competencies:

Competencies are skills and abilities, described in terms of behaviours that are coachable, observable, measurable and critical to individual performance.

Competencies in MAP serve a development purpose and are used to v b identify the development needs of the appraise. They do not contribute to the overall score.

The appraise for the successful execution of the role and responsibility, thereby driving his / her performance well requires competencies from the foundations of his capabilities. A five point rating scale has been designed to specifically assess competencies.

The changes that have been introduced in the new MAP system are:

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1. Training is given a lot of importance and the Appraiser can select 3 training needs in a year for self-development. This feature has been given a lot of importance in the present system.
2. Feedback & Counselling has been introduced for the betterment of Appraiser, so that they can rectify the shortfalls in performance.
3. Midyear review is introduced to measure the performance levels of the Appraisee. In this system, the role of appraiser is to work as facilitator and guide the appraisee in achieving the final targets. The appraiser also works as catalyst in difficult phases, where unforeseen difficulties tend to arise. Thus the system helps the appraisee to achieve the goals set before him.

Uses of performance appraisal in BHEL R&D:

1. The rating of performance appraisal plays an important role in career development of the individual. It is used as a tool for considering the promotion to next higher grades.
2. Annual increments will be sanctioned based on performance appraisal report.
3. Making interdepartmental transfers to employees.
4. Identifying the potential of the individuals and posting them at senior level positions like heads of laboratories/departments.
5. Extension of service after 55/58 years is given based on performance rating of the employees.

RESEARCH METHODOLOGY:

Research Methodology is scientific & a systematic tool to collect & analyse data in the desired manner. This technique helps to find out new information & use for the respective study. Research can be defined as scientific search for pertinent information on a specific topic.

SOURCES OF DATA:

There are two sources of data which includes in research methodology to find out the research study. These sources are of two types: -

a) PRIMARY DATA: - Primary data is freshly collected data which is formed or find out. Primary data in "BHEL R&D" is collected by providing questionnaire to the employees. Besides questionnaires, discussions with the HR manager and quality control manager gave important and accurate information relevant to the topic.

b) SECONDARY DATA: - Secondary data is already available, as a researcher i have collected data from many key sources like Printed media, Electronic media & Electric media which includes.

1. Company brochures
2. Company record book



3. Internet
4. Reference from library.
5. Articles in the BHEL Magazine.
6. Company journals, files etc.

RESEARCH APPROACH: Most of the work has been made based on observation, questionnaires and by understanding the available information. Empirical Research is adopted as we were dealing with the behaviour and performance of individuals.

SAMPLING PROCEDURE:

The sample size is 50 where executives of different grades from E1-E7 are selected randomly and hence statistical tools like percentages and test of hypothesis have been used to analyse the data.

TEST OF HYPOTHESIS:

PROBLEM FORMULATION: To find whether the strategy of E-Mapping in BHEL R& D had an influence on enhancing the performance of executives.

Null and Alternate Hypothesis:

H₀: E-Mapping does not influence the performance and career development of individuals

H_a: E-Mapping influence the performance and career development of individuals

Test Statistic: The test statistic that is to be used here is the test for single proportion

Level of Significance: The level of significance is assumed to be 5%

Table Value: At 5% level of significance, the table value of Z is 1.645

Computed Value:

H₀: P=0.5 i.e, the strategy of E-Mapping does not influence the performance and career development of individuals,

Where P= proportion of individuals who agree that the new online mapping system does not influence their performance.

H_a: P>0.5 i.e, the strategy of E-Mapping influence the performance and career development of individuals (one tailed alternative)

Q=1-P=1-0.5=0.5, Where

Q=Proportion of individuals who agree that the mapping influence their performance

X= 8, No. of individuals who agree that the mapping does not influence their performance

Sample Size, n=50,

P=X/n=0.16

$$\begin{aligned}\text{Therefore, } Z &= \frac{|p-P|}{(\sqrt{PQ/n})} \\ &= \frac{|0.16-0.5|}{(\sqrt{0.5*0.5/50})} \\ &= 0.34/0.0707\end{aligned}$$



= 4.81

Decision: Since $Z_{\text{Calculated}} > Z_{\text{Tabulated}}$ ($4.81 > 1.645$),

Reject Null Hypothesis (H_0) at 5% level of significance and accept Alternate hypothesis (H_a). Hence it is proved that majority of the individuals in BHEL R&D agree that the new online E-Mapping system influence their performance and career development.

CONCLUSIONS:

1. The performance appraisal system is very well implemented in the organization.
2. The relationship between the management and subordinates is good.
3. The management and the subordinates are happy with the implementation of the present appraisal system.
4. The appraisal is free from bias.
5. The parameters for measuring the performance are strictly followed.
6. The appraisal system is able to enhance the performance of the employee.
7. There are counseling and career planning sessions held after appraisal.
8. Training programs are regularly conducted to improve the performance.
9. The satisfaction level of employees regarding their appraisers is very high.
10. The employees are satisfied with the confidential reporting system.

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