



Employee Survey on Performance Appraisal System (A Case Study of BHEL: HERP Varanasi)

KEYWORDS

Performance Appraisal, Bhel: Herp Varanasi

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ABSTRACT *This research paper study explores the importance of performance appraisal for the better working of the management in BHEL Company. Today most of the successful companies are giving emphasis on results or performance to improve the efficiency and effectiveness of public services. This research aims to figure out the effectiveness, the awareness level and satisfaction level of employees on Performance appraisal system with special reference to BHEL, HERP (VARANASI). It explains that performance appraisal encourages employee participation as well as promotes and motivates people to contribute towards organizational effectiveness through their performance.*

Introduction

Performance appraisal is an unavoidable element of organizational life (Brown, 1988; Longenecker & Fink, 1999). 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. Performance appraisal allows organizations to inform their employees about their rates of growth, their competencies, and their potentials. It enables employees to be intentional in creating their individual developmental goals to help in their personal growth. An employee performance appraisal is a process often combining both written and oral elements whereby management evaluates and provides feedback on employee job performance, including steps to improve or redirect activities as needed. Documenting performance provides a basis for pay increases and promotions. Appraisals are also important to help staff members improve their performance and as an opportunity by which they can be rewarded or recognized for a job well done. In a recent research study concerning the timeliness of PAs, "one of the respondents even suggested that the performance review should be done formally and more frequently, perhaps once a month, and recorded twice a year." It is often said that organizations that perform well are a reflection of the efforts and successes of their staff. Recognizing these efforts and appropriately praising or redirecting them is imperative for organizational success. This is the basic purpose of performance appraisals.

About BHEL: HERP Varanasi (Heavy Equipment Repair Plant)

HERP is located at Shivpur, 11 Kms from main railway station and 15 Kms from Varanasi Airport. HERP is also situated at the center of the largest power belt of northern region. This power belt supplies 10650 MW of power to the country. In the line with BHEL's of providing constant service at their doorsteps, the idea of establishing repair shop in the vicinity of power station was mooted objective. Accordingly, two repair plants at Bombay & Varanasi came into existence; the foundation equipment repair plant sprawling in 29.8 acre area at Varanasi was laid on 20th September 1984 by Chief Minister of U.P. Shri Narayan Dutt Tiwari within a short span of 21 month much before the schedule. Starting a manufacturer of O&M spares for the boiler and boiler auxiliaries, repair activities got a real break in 1990 when rehabilitating of TG set bearing was taken up in the plant. Since then rehabilitating of different type of bearing including an unconventional synchronous condenser has been carried out to the entire satisfaction of the customers. Now HERP manufactures turbine spares, tools & tackles complete spares of bowl mill XRP 623,803,883 & 1003. The unit has a plan to add constant load hanger, Variable load hanger & condensate polishing unit in near future.

Literature review

Performance appraisal is the activities involving evaluating employees' past or current performance relative to their working standards (Dessler, 2000). It started in 1813 in the United States (Wiese, Buckley, 1998). With the emergence of big business at the beginning of twentieth century in America, performance appraisal was considered as a business practice (Sillup, Klimberf, 2010). In the old days, performance appraisal was used for administrative objectives, such as promotion, salary administration, and retention (Murphy, Cleveland, 1995). However, due to an inefficient human resource management, performance appraisal system was not utilized well (Wiese, Buckley, 1998). Dickenson (1991) argues that "to ignore individuals in the review process is to ignore a major input into the achievement of organizational outcomes" (p109). Wanna et al (1992) define the objective of staff appraisals as "to improve planning and service delivery at the general level, but also to provide feedback to individual officers" (p162).

Covey (1991), in discussing the work of Demming, makes the point that as managers we must be less concerned with supervising and concentrate on being leaders. He finds that, "sustainable cultural change can take place within an organization only when the individuals within the organization first change themselves from the inside out" (p265). Cherry (1993) highlights the viewpoint of Demming (1982) that appraisal processes can be counterproductive to organizational success as they are odds with processes which encourage some degree of risk taking to meet client needs or develop new methodologies through trial. George and Cole (1992.) describe it as, "to discuss performance and plan for the future" (p389). Wanna et al (1992) define the objective of staff appraisals as "to improve planning and service delivery at the general level, but also to provide feedback to individual officers" (p162). The challenge is to "find ways to discuss openly what has previously been left unsaid" (Cherry, 1993, p. 106). Cherry (1993, p.103) however sees the appraisal process as fundamental to the success of organizational change initiatives citing the work of Dunphy and Hackman (1988) and the "powerful formative effects (of performance management) on the organisational power structure, on the workforce skill profiles and on corporate culture" (p23). In terms of developing future leadership competencies in our staff, we must identify the practices and devote our efforts to developing staff to be able to not only meet challenges as they occur, but to be able to create opportunities and "turn challenges into remarkable successes". (Kouzes & Posner, 1997)

Objective of study

- To study the existing system of performance appraisal system in BHEL (HERP- VARANASI)

- To study the satisfaction level of Performance Appraisal system of BHEL (HERP-VARANASI)

Research methodology

The study is based on primary data and the information is collected by supplying the questionnaire as well as interviewing the respondents. There were total 125 executives and supervisors in the study out of which 111 were provided information and remaining were either absent or refused to respond.

Distribution of executives regarding the management believes in assessment of employees to understand their strength and weaknesses

	Experience						Total	
	Upto 10		11-20		>20		No.	%
	No.	%	No.	%	No.	%	No.	%
Yes	25	46.3	41	97.6	13	86.7	79	71.2
No	29	53.7	1	2.4	2	13.3	32	28.8
Total	54	100.0	42	100.0	15	100.0	111	100.0

$X^2 = 32.36$ $df=2$ $p<0.001$

The above table shows the distribution of opinion regarding the management believes in assessment of employees to understand their strength and weaknesses in BHEL: HERP VARANASI and their service experience which reveals that out of total respondents 71.2 % are agree with the assessment of employees whereas 28.8% do not agree. experience wise distribution projects that minimum 46.3% respondents agree whose experience were up to 10 years and it was increased up to 97.6% and 86.7% among those respondents who had service experience in the range of 11-20 years and more than 20 years respectively which shows that there was positive response regarding assessment was highest in 11-20 years working which is statistically significant

Distribution of executive's opinion regarding the following of performance appraisal system

	Experience						Total	
	Upto 10		11-20		>20		No.	%
	No.	%	No.	%	No.	%	No.	%
Yes	47	87.0	41	97.6	14	93.3	102	91.9
No	7	13.0	1	2.4	1	6.7	9	8.1
Total	54	100.0	42	100.0	15	100.0	111	100.0

$X^2 = 3.60$ $df=2$ $p>0.05$

The above table shows the distribution of executives between the following of performance appraisal system in BHEL: HERP VARANASI and their service experience which reveals that out of total respondents 91.9% agree that performance appraisal system is followed whereas 8.1% do not agree. Experience wise distribution projects that 87.0% respondents agree whose experience were up to 10 years and it was increased up to 97.6% and 93.3% among those respondents who had service experience in the range of 11-20 years and more than 20 years respectively which is statistically not significant.

Distribution of executives regarding the same system applicable to all categories of employees

	Experience						Total	
	Upto 10		11-20		>20		No.	%
	No.	%	No.	%	No.	%	No.	%
Yes	25	46.3	32	76.2	13	86.7	70	53.1
No	29	53.7	10	23.8	2	13.3	41	36.9
Total	54	100.0	42	100.0	15	100.0	111	100.0

$X^2 = 13.21$ $df= 2$ $p<0.01$

The above table shows the distribution between the opinions that the same is applicable to all categories of employees in BHEL: HERP VARANASI and their service experience which projects that out of total respondents 53.1% agree whereas 36.9% do not agree. Experience wise distribution projects that minimum 46.3% respondents accepts whose experience were up to 10 years and it was increased up to 76.2% and 86.7% among those respondents who had service experience in the range of 11-20 years and more than 20 years respectively which shows that the number of respondents working more than 20 years are more who agree with same system applicable to all categories of employees which is statistically significant

Distribution of executive's opinion regarding whether the appraisal system helps manager to plan their performance well

	Experience						Total	
	Upto 10		11-20		>20		No.	%
	No.	%	No.	%	No.	%	No.	%
Yes	35	64.8	33	78.6	12	80.0	80	72.1
No	19	35.2	9	21.4	3	20.0	31	27.9
Total	54	100.0	42	100.0	15	100.0	111	100.0

$X^2 = 2.76$ $df=2$ $p>0.05$

This table shows the distribution between the opinion regarding whether the appraisal system helps manager to plan their performance well and their service experience which shows that out of total respondents 72.1% are in favour whereas 27.9% disfavor, experience wise distribution shows that minimum 64.8% respondents agree whose experience were up to 10 years and it was increased up to 78.6% and 80.0% among those respondents who had service experience in the range of 11-20 years and more than 20 years respectively which shows that the respondents working more than 20 years are more in number who agree with the opinion that the appraisal system helps manager to plan their performance well which is statistically insignificant

Distribution of executives opinion regarding the appraisal system provides an opportunity for self- review and reflection

	Experience						Total	
	Upto 10		11-20		>20		No.	%
	No.	%	No.	%	No.	%	No.	%
Yes	38	70.4	41	97.6	15	100.0	94	84.7
No	16	29.6	1	2.4	0	0.0	17	15.3
Total	54	100.0	42	100.0	15	100.0	111	100.0

$X^2 = 16.61$ $df=1$ $p<0.001$ (experience 2&3 combined)

The given table shows the distribution between the opinions regarding the appraisal system provides an opportunity for self- review and reflection and their service experience which reveals that out of total respondents 84.7% favors that the appraisal system provides an opportunity for self- review and reflection whereas 15.3% do not agree. Experience wise distribution projects that minimum 70.4% respondents agree with the given statement whose experience were up to 10 years and it was increased up to 97.6% and 100.0% among those respondents who had service experience in the range of 11-20 years and more than 20 years respectively which shows that the opinion of self review and reflection was highest in more than 20 years working which is statistically significant

Distribution of executives regarding the satisfaction with the appraisal system followed for the employees of BHEL

	Experience						Total	
	Upto 10		11-20		>20		No.	%
	No.	%	No.	%	No.	%	No.	%
Yes	28	51.9	24	57.1	11	73.3	63	56.8
No	26	48.1	18	42.9	4	26.7	48	43.2
Total	54	100.0	42	100.0	15	100.0	111	100.0

$X^2 = 2.21$ $df= 2$ $p>0.05$

The above table shows the distribution between the satisfactions with the appraisal system followed for the employees of BHEL: HERP VARANASI and their service experience which reveals that out of total respondents 56.8% are satisfied with the appraisal system whereas 43.2% are not satisfied. Experience wise distribution projects that minimum 51.9% respondents are satisfied whose experience were up to 10 years and it was increased up to 57.1% and 73.3% among those respondents who had service experience in the range of 11-20 years and more than 20 years respectively which shows that the satisfaction regarding the appraisal system was highest in respondents working more than 20 years which is statistically insignificant.

Conclusion

The literature review of this document has examined varied viewpoints on the topic of performance appraisals. Various authors and observers have noted that there are differing arguments to the advantages or otherwise of introducing formal systems. This survey or study reveals that if employees are satisfied definitely brand and profit is created into the market. The adoption of such a system will provide for significant organizational gain and result in the achievement of consolidating desired organizational directions. So the performance Appraisal system should be taken in a positive way. By appraisal system Organizational capabilities will be build by identifying key result areas of every individual .Based on the same training need will also be identified. By appraisal system the best performer gives the quality work, where effective performance appraisal has a positive effect on corporate performance & profitability. By taking an overview on performance Appraisal system the end result is that unless and until the employees of an organization are not working as a team organization cannot achieve its productivity, quality and profitability. This survey projects that the employees of BHEL: HERP VARANSI follows the appraisal system by which the employees are also satisfied and try to give their best to the organization. So the performance Appraisal system should be followed by every organization either private or public to increase its credit and profitability.

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