Chapter -VI

Findings, Conclusions and
Suggestions
In this chapter an attempt is made to present the significance, need of the study, methodology and summary of the study. Based on the conclusions of the study, suggestions are given in the selected organisations. The employee performance evaluation system is not considering as feedback in private and public sector organisations, but it is a main tool to provide salary fixation, compensation, benefits, promotions and transfers for the employee. Therefore, the view of the performance evaluation system should be objective oriented and broad in nature.

The strategic, general and operational factors should analyse the employees from one appraisal to another appraisal. The appraisal process of an organisation is operated with very few factors. TV Rao and Uday Pareekh identified critical attributes that would influence the employee performance in the organisations. The researcher considered critical attributes are essential factors for the study and better understanding.

The performance management tools itself has many problems like lack of objectivity, no genuine framework to evaluate the employees in corporate organisations. At BSNL, performance management system is called as Annual Confidential Report (ACRs) that consist of personal data, duties, responsibilities and opinion of the superiors towards achievement of the employees. The outcomes from the evaluations would be considered along with constitutional privileges and policies for the employees in providing compensation and benefits. Under the globalization scenario, being public sector, BSNL is also facing stiff competition in the industry. Therefore, junior telecom officers are also expected to show greater level of performance to satisfy the customers. In other side, TCS is being software enterprise consist of its high velocity in its operations, where the employees are continuously expected to show highest rate of performance under stiff competition. So, they need to satisfy their customers with their constantly evolving strategies both inside and outside of the organisation. In this context, the superiors should have greater level of understanding about the changes in the industry to evaluate competent and skilled software professionals. Against this backdrop, the main objective of the
study is to identify the possible areas to improve the existing performance evaluation system in the light of changing scenario of the business environment. From the analysis the findings are as follows.

6.2. Findings from human resource management function of TCS and BSNL:
Learning more about performance management function, one should know more about Human resource processes in any organisation.

- TCS, being private sector organisation, is maintaining excellent HRMS with sound objectives to manage workforce at all levels of the employees. From the secondary data, it is seen that the effectiveness of manpower planning at TCS could be seen especially at Gurgaon and Noida centres which achieved PCMM level - 4 certification in India.

- It is also seen that TCS shifted to have performance linked salary structure through Employee standard operating procedures (ESOP) that creates Employee Value Additions. The Employee Value Additions are trying to achieve a feeling of ownership at every unit level. The role of HR at TCS is well defined with much flexibility and empowerment. Further, the hierarchical group of HR at TCS is focusing on processes for greater level of accuracy and comparisons.

- The waterfall recruitment process of TCS is creating sound foundation by inducting excellent engineers for their operations. The training department and is able to identify the gaps and new demands of professional life by bridging the gaps.

- Further, the HR policies are supporting and studying the changes in compensation structures to retain the IT professionals. The performance management system is well defined and compensation structure has been linked with EVA growth of the company.

- At BSNL, right from the top level it has got excellent hierarchical system to perform various functions. There are four categories of the employees working with BSNL, namely Group A, B, C and D. The JTOs come under Group B category.
• In the context of Globalization, to compete in the industry BSNL got training centres, consumer grievance redressal mechanisms, open house sessions, appellate tribunals, adalats to provide complete satisfaction to the customers.

• Further, BSNL put more emphasis on training of all levels of employees and became best trainer in the telecom sector. Obviously, this would influence the performance of the employees.

6.3 From the survey of past research: It is found that several scholars made different views and insights on the performance management systems. The industry practitioners also have expressed several bottlenecks and gaps about their performance management systems. These bottlenecks and gaps are summarized as follows:

• Most of the performance evaluation systems are lacking criteria of methodologies, while assessing the employees and existing without specific purpose, characteristics, fairness in implementing, recognizing in job position.

• It is seen that from the research review, that psychometrically sound appraisal systems alone establish measures of system satisfaction, session satisfaction, perceived utility and accuracy, procedural justice and distributive justice that are essential for employee satisfaction. But, the above factors are completely absent in most of the systems.

• It is noted that most of the performance evaluations systems are unable to define a person’s achievement. Present performance evaluation systems are unable to determine performance ratings, consistency of the rewards. In addition, performance evaluation systems, define goals, rewards and justice; that leads to employee satisfaction. But, realistically, performance evaluation systems considered as an annual ritual activity in the organisations.

• A majority of the performance evaluation systems do not speak of accountability of the managers, factors of appraisal, frequency of appraisal and superior-subordinate relationships.
Further, it is important to consider rater's motivation and their mood while taking decisions on outcome of performance evaluation systems.

- A majority of the researchers also focused on trust in the organisations. Acceptability, trustworthiness by the employees on top management is still a question mark. Therefore, much emphasis is required on leader-member relations and dyadic relations in the organisations. The reactions in above relations need to be studied extensively to define the rater participations, reactions and fairness of the appraisal systems.

- It is seen that the behaviors of the employees also should be considered along with the factors like, objective control behavior, objective task based settings, similarity of personality, leniency errors etc. to learn the importance of behavior in performance evaluations.

- The feedback environment is completely absent in both organisations. Employee perceptions on feedback source credibility, quality, delivery, diagnostically favorable and unfavorable feedback should be considered for better understanding of performance appraisals. Further, a feedback oriented culture must be made integral part of the performance management.

6.4. Findings from opinion of the Industry professionals:

- LG India quotes a study which says that satisfaction with current appraisal systems in industry is as low as 40 percent. It happens when the right attributes such as performance and potential are not taken into account during the appraisal process and too much importance is given to mathematical judgments of a person's contribution.

- Further, the HR at Godrej Agrovet says that the employees want to focus on the 'how' aspect to see whether the person’s achievement of the target has been through ethical means. A favorable appraisal may help the employee, but not the company. When the performance of individual is not up to the mark then 'how' aspect should be tackled.

Cerebrus Consultants prefers a performance ‘management’ system and says appraisals have commonly become a tool to give increments rather than a tool to build a culture (of openness,
The appraisals are unable to explain how much a manager has coached their subordinates towards achieving goals and objectives. Appraisal activity has become one-time event in most of the organisations. There is no continuity in providing subordinates feedback.

- At Watson Wyatt the HR opined that appraisal systems fail as goals and performance metrics are often not clearly defined. Further, there is no congruence in aligning the objectives and goals of the organisations right from the bottom to top. Many organisations are unable to define what the weaknesses of the employees are and how to rectify it in achieving the organisational objectives and goals.

- At Mind tree, the HR felt that there is syndrome called as ‘first-in-class’ amongst employees. The managers should learn to manage expectations of the employees. Everyone wants to be in the top-performing bracket, which just cannot happen. Most employees in these companies want a performance-driven culture but are not willing to accept lower pay for lower performance. If the management do not have the skill to manage such expectations, the company can only expect to see an ever-growing number of long faces and a rising partition graph.

- The Corporate HR of Essar Group says there must be measurable contributions to customer value, shareholder value, employee value and process improvement evaluates their employees.

- At RPG Enterprises, the President, Corporate development and HR say that the most common feedback is that ‘rewards were not consistent with the appraisal rating’. As a corrective action, there will be separate attachment with the increment letter to the employees post-appraisal where by explaining that what is the system of giving increments, where does the employee stand in the rating and how the increment was calculated.
6.5. Findings from the chi-square analysis of TCS and BSNL.

- From the analysis, it is seen that the mission, vision and leadership have significant association with employee performance in both organisations. But, weighted scores of mission, vision and leadership factors also reveal that there is lack of effectiveness, sharing and proper style respectively amongst employees in both organisations.

- It is also found from the analysis that the organisation culture, strategic direction and intent factors revealed that there is no direct impact on employee performance. And the weighted scores values of this particular factors are not at all effective in both organisations.

- It is also seen from the analysis that innovation practices of the both organisations would influence employee performance. The weighted scores of TCS show that in respondents opined that the innovation practices are not effective. At BSNL, this factor show with an acceptable score. It means that junior telecom officers are upgraded with innovation over a period of time in their professional life.

- The chi-square analysis of both the public and private sector organisations shows that there is an influence of communication systems and open-communication on employee performance. The communication among the hierarchy certainly helps for employee performance. The values of weighted score of TCS show that the communication systems and open-communication are not effective in the organisation, whereas the same factor with BSNL shows relatively with TCS, the communication systems are effective.

- The chi-square values of planning process, goals and objectives would influence employee performance at TCS. But, the BSNL values reveals opposite to the TCS for both factors. The weighted scores of both factors reveal that the junior telecom officers of BSNL, are very clear about planning process, goals and objectives to perform.

- From this study, it is also seen that there is a positive association between training methodologies, on-the-job training and employee performance at TCS and that there is no
positive association at BSNL. The weighted scores of this factor for both organisations appear with very low values. It reveals that the training methodologies and on-the-job trainings are not effective in either of them.

- The Chi-square analysis for competencies and employee performance at both organisations reveals that there is positive association. The weighted scores of both organisations reveal that the improvement of competencies is very low in them. Therefore, more efforts are required to improve related areas competencies.

- From the data, it is seen that some of the influencing factors like, plan of action, transparency, defined responsibilities, opportunity for developing skills, exploration for abilities, continuous career improvement, avenues, acceptance and appreciation, development of the employees and initiatives would influence employee performance in both organisations. Further, from the weighted scores it is seen that these factors are not up to the acceptance level in either TCS or BSNL.

- From the foregoing discussion, it is found that factors such as, fact findings, alternate actions, consensual decisions, monitoring of sub-systems i

- s considered to evaluate. The values of chi-square analysis reveal that there is a positive association of these factors with employee performance in both organisations. The weighted scores of this factor reveal that the above factors are not effective in both organisations.

- During the study, it is observed that growth and trust factors would not influence employee performance. The value of chi-square analysis of both organisations reveals that there is no positive relationship between the factors and growth does not directly influence employee performance. The weighted scores of factor in both organisations are found to be with below average. This reveals that growth and trust are main concern in both organisations.

- From the chi-square analysis, it is also seen that the acquisition of knowledge and employee empowerment in both organisations is associated positively between the factors. As far as
weighted scores are concerned, the values are seen to be moderately low. It shows that acquisition of knowledge and employee empowerments in both organisations are not effective.

- Further it is also seen that the team orientation and capability development in both organisations is associated positively with employee performance. As far as the weighted scores are concerned, the values are moderately low. It shows that team orientations and capability development in both organisations are not effective.

- The weighted scores of work-systems refer to factors of transparency, complete knowledge of the HR owners, monitoring, data systems and feedback. The weighted scores reveals very low appreciation of above factors and those factors are not effective in both organisations.

6.6. Findings from TV Rao and Uday Pareekh Critical Attribute Analysis.

- A majority of the respondents are said that to motivate subordinates, superiors’ abilities are essential and important. Further, leadership shown by the managers at critical times is not appreciable. Further, the evaluation system is not used for solving the problems in the functional area in both the organisations. A majority of the respondents felt the validity of the appraisals neither their publicizing nor accessible. The appraisals clarifications with respect to conflicts between the existing values and developed values should be simple.

- Further, it is also observed that the process of recruitment of TCS has got various methods like direct on-campus and off-campus recruitment, through consultancies and found various track changes by doing various activities under human resource function. The process of manpower planning consists of maintaining transfer details, succession details, generating management information system reports and details for decision making purpose. In the view of people, management styles at TCS Gurgaon and Noida centers have become the first in the world to receive PCMM (People Capability Maturity Model) Level 4 certification. The other centers of TCS are also trying to adopt PCMM to deliver the quality of the projects.
• At TCS, the top management has decided to give differential pay at the same hierarchical levels and linked it directly to the performance of the business units. Further top management announced that "There's no ceiling on the bonus. It can be equal to the fixed portion of the salary, provided the cell has shown that kind of EVA growth, it is not just compensation, employees should get a feeling of ownership for their own unit, and its performance."

• The human resource processes do not have well-defined structure at BSNL. The heads of the departments or sections generally appraise their subordinates in the given format. But, the ministry imposes constitutional policies and preferences on the employees. Thus, collective responsibility is appearing but, individual responsibility getting absent amongst respondents. In addition, there is no dead-line for the projects to be completed.

• The appraisals in any organisations could not be disclosed and maintained as confidential reports by the superiors till date. Therefore, the appraisee could not rectify the errors in job-related processes. Thus, it may be one of the causes unable to complete the targets on time. Theoretically, it is helpful for the superiors to improve performance of the respondents by removing process-errors. But, organisational politics and constitutional policies would influence decision of the superiors.

• The chi-square values were used for the analysis to see whether the factors would influence the employee performance or not. From the analysis it is seen that both organisations do not have any direct influence on the employee performance. The strategic direction and intent and on-the-job training factors appears to give mixed response in both organisations. And other factors like mission, vision, leadership styles, organisation culture, communication system, planning process, goals and objectives, competency, training methods, influencing factors, system development, problem solving, open-communication, acquisition of
knowledge, employee orientation, team development and capability development would influence employee performance in the job life.

6.7. Conclusions:

To conclude, over the period of time, both organisations have failed to identify the factors of managing human resource and maintaining upward organisational performance. This leads to a greater concern about the performance management systems by the organisations. Further, while reaching corporate objectives, employee’s skills and competencies have become prime and most important. Therefore, organisations are considering that it is necessary to improve the skills and competency of the employees. So far, the appraisal tools that are used in the both organisations are narrow by nature and with limited in their application. Therefore, they are required to have multifactor, continuous and comprehensive tools. Most of the MNCs are limiting themselves by having limited parameters in their tools without strategic perspectives. This may lead to some errors in the appraisal processes. Like Wipro, organisations are striving to identify the employee’s strengths and weakness despite errors in organisational environment. In addition, organisations are also trying to have perfect match between employee expectations and organisational goals. The performance management systems are unable to describe comprehensively when the employees have reached the targets 90% and left by 10%. Further, in the appraisal processes, good things are informed to the employees but tough and bad things are not to inform by the managers because they themselves feel appraising their colleagues is uncomfortable to both.

Further, 360 degree, balanced score card etc., have failed to evaluate and provide outcomes with greater level of accuracy. Finally, there is a growing concern that appraisals must be look into social perspective that provides insights to have greater clarity and accuracy to reach the highest performance levels of the employees in any organisations.
At TCS, despite well defined human resource management role, in reality the performance discussions, between human resource owners and software professionals are not at all effective. The question with regard to performance evaluations like its transparency is still biased. While allocating of the projects to the employees there is no transparency and favoritism is operating. Due to globalization and high demand of the software professionals, the human resource owners are suppressing the Water Fall recruitment process. However, it looks as if at TCS, theoretically the human resource system is good but in implementation the system is not successful.

At BSNL, from the secondary data and discussion with junior telecom officers (JTOs) it could be seen that there are no well-defined structures of human resource systems that are available in the organisation. The functional superiors would appraise their employees in the given format; it is the ministry that will consider the evaluations based on the government regulations and policies. The collective responsibility is visible but not individual responsibility that appears in entire organisation structure. There is no pressure to complete the projects on time.

The performance management of each individual engineer is not completely disclosed and maintained as confidential report by their superiors. Hence, one could not find the discussions with respect to job related targets and achievements. The performance evaluations and their outcomes are not utilized fully because they are subject to the condition of reservations of the government. So, to some extent evaluation outcomes have not received its due importance in organisational decision-making; in that place politics operate. In the private sector, there is no favoritism in job allocation, but inherently its existence is questioned. At BSNL, there is a recruitment process which is managed by centrally and advertisement takes place every year for its vacancies. The qualifications, experiences both are reasonably considered for functional level employees to become junior telecom officers in the BSNL. BSNL does not have any moderate
performance evaluation systems; rather it does have a common performance appraisal method to the group 'B' employees i.e., junior telecom officers.

The consolidation of the chi-square values of various factors with employee performance indicates whether the factors would influence the employee performance or not. From the analysis it is seen that both organisations towards trust, growth, innovation factors do not have any direct influence on the employee performance. The strategic direction and intent and on-the-job training factors give mixed response in both organisations. And other factors like mission, vision, leadership styles, organisation culture, communication system, planning process, goals and objectives, competency, training methods, influencing factors, system development, problem solving, open-communication, acquisition of knowledge, employee orientation, team development and capability development would influence employee performance in the job life.

6.8. Suggestions:

From the literature review, it is observed that several factors would influence the employees to get accurate appraisals. In this competitive world, finding the right direction to achieve objectives of the organisations is still challenging because of dynamics of the business environment.

Based on scholars' views and opinions, the performance evaluation systems should be based on methodology, purpose, characteristics, and implementation. The psychometrically sound appraisal systems alone establish measures of system satisfaction, session satisfaction, perceived utility and accuracy, procedural justice and distributive justice. Performance evaluation systems tell about accountability of the managers, factors of appraisal, frequency of appraisal, rater's motivation and superior-subordinate relationships.

The top management of TCS and BSNL should focus on leader-member and dyadic relations in the organisations. It is suggested that more emphasis is required on transition period of the employees to learn the pitfalls of the organisations.
The top management of both organisations should improve employee satisfaction on the current appraisal systems and focus on 'how' aspect of person's achievement. Therefore, it is suggested that diagnostical approach on outcome of the appraisals is required to satisfy individual employee. It helps the organisations to overcome the barriers in the performance.

It is recommended that the top management of both organisations should focus on coaching of appraisals on evaluations and coaching of subordinates to achieve goals and objectives for the particular period.

Further, it is also suggested that the top management should focus on aligning of objectives and goals right from top to bottom, courage in defining of weaknesses of the unit or individual, employee expectations in order to prevent partition graph and to get congruence amongst employees.

It is recommended that the top management employees have measurable contributions in the job life. They are like customer value, shareholder value, employee value etc. And also focusing on consistency of rewards with the ratings and awareness of employee 'how increment was calculated' is essential in both organisations.

It is recommended that though the top management of TCS has sound objectives to manage workforce at all levels of the employees but, it is necessary to communicate the same to all levels of employees to have effectiveness in their performance. And also, the training department should be able to identify the barriers in achievement of ownership, gaps and new demands of professional life by bridging the gaps to retain the software professionals. At BSNL, training centres, consumer grievance redressal mechanisms, open house sessions, appellate tribunals, adalats indicate that there is need to increase complete satisfaction of the customers. Therefore, the performance variables need to be identified to provide complete customer satisfaction.

The feedback system is completely absent in both organisations. Therefore, employee perceptions on feedback source should focus on credibility, quality, delivery, diagnostically
favorable and unfavorable for better understanding of performance appraisals. Further, it is seen that feedback oriented culture must be integral part of the performance management.

From the chi-square analysis of the factors, it is observed that the strategical factors like the mission, vision and leadership styles would influence the appraisals, therefore understanding these statements would provide right direction to achieve goals and objectives. The sound appraisals amongst employees help the organisation to compete.

From the analysis, organisation culture, strategic direction and intent reveal that there is no direct impact on employee performance. And the weighted score values of this particular factor are not effective in both organisations. Hence, though there is no direct impact of above factors the culture, strategic direction and intent are necessary for the employees to have holistic approach of the operations. This would happen only when the employees learn promptly the culture of the organisation.

It is interpreted from the research analysis that innovation practices of the both organisations would influence employee performance. Weighted scores of TCS states that the respondents opined on innovation practices are not effective. At BSNL, this factor has an acceptable score. It implies that the junior telecom officers have upgraded on innovation process over a period of time in their professional life.

The chi-square analysis of the public and private sector organisations states that there is an influence of communication systems and open-communication with employee performance. Communication in the hierarchy certainly leads to employee performance. Therefore, being private sector organisation TCS is supposed to have communication systems promptly in the hierarchy and the open-house communication process should be realistic and improve further to exchange knowledge amongst stakeholders. But, in the public sector organisation it is properly maintained. Hence, no suggestion is required to BSNL.
The chi-square values of planning process, goals and objectives would influence employee performance. The planning process at TCS is doing well and meets the knocking dates of the projects. Therefore, no suggestion is required to TCS. But, BSNL values reveal that the planning process is not effective at BSNL. Hence, it is suggested that the process errors need to be identified and should be eliminated to compete in the industry.

From this research, it is found that there is a positive association between training methodologies, on-the-job training, competencies and employee performance at TCS. Therefore, no suggestions are required to TCS in this particular factor. At BSNL, training methods and On-the-job trainings are not effective as compared with TCS. Hence, it is suggested that training methods and on-the-job training designs should be implemented with latest technologies. At BSNL, the junior telecom officers are not getting much practical experience with respect to new technologies. Hence, it is recommended that providing practical experience would influence competencies amongst JTOs.

From the analysis, it is seen that some of the influencing factors like plan of action, transparency, defined responsibilities, opportunity for developing skills, exploration for abilities, continuous career improvement, avenues, acceptance, appreciation, development of the employees, initiatives would have impact on employee performance in both organisations. Therefore, it is recommended that the above factors need to be assessed and improved to get efficiency in getting sound appraisals by individual employees.

The analysis found that growth and trust factors would not influence employee performance. The chi-square analyses for both organisations reveal that there is no positive relationship between the factors of growth and trust so, it does not directly influence on employee performance. Hence, no recommendations are made in this aspect for both organisations.

The weighted score of work-systems refer to factors of transparency, complete knowledge of the HR owners, monitoring, data systems and feedback. The HR owners should have complete
knowledge in appraising their subordinates and feedback should be provided to the employees about their appraisals which help the organisation to attain objectives. At TCS, strategical factors need to be improved to direct the employees to achieve organisational goals.

6.8.1. TV Rao and Uday Pareekh critical attribute analysis – Suggestions:

Based on findings, motivating subordinates, superiors’ abilities are essential, but they are not up to the mark. Therefore, it is suggested that motivating subordinates and exploring abilities with good leadership is recommended. Appraisal managers should improve integrity, objective orientedness of the appraisals in both organisations.

It is recommended that the ‘problem solving skills ’ of the managers, sociability of the appraisals, recognition of hard work, improving validity of the appraisals be taken up in the both organisations. The drive of the performance systems should be clear to the respondents.

At TCS, risk measurement should be there on each and every project and executive development is important. It is also recommended that the appraisal managers should be transparent while evaluating their subordinates.

It is recommended that assertiveness, empathetic approach of the individuals, providing drawbacks of appraisals, are essential to the each respondent to improve in job life. Further, it is recommended that the continuous monitoring on appraisal process is important because it would provide realistic values which may not be manipulated due to organisational politics. Therefore, keeping the appraisal data as confidential is meaningless and do not help the employees in the organisations.

It is suggested to both the organisations leader-member and superior-subordinate dyadic relations should be improved to establish co-ordination. Further, perseverance, team spirit and initiative should be improved through appraisals by understanding what is required to fulfill their duties and should have complete attention by the superiors. Making appraisal process as a ritual does not help organisations in the dynamic environment; so, appraising the employees must be
sincere, to find out organisational deficiencies, to rectify errors and to face stiff competition. It will help the individual to have creativity in the job life.

Finally, motivating subordinates is essential to get sound appraisals; good motivators may change the TCS scenario. TCS respondents expressed a strong desire on co-ordination, creativity, imagination, objective oriented, resourcefulness, assertiveness, supervision, initiative and growth. Whereas, at BSNL, junior telecom officers have said that there is less importance to problem solving skills, abilities, resourcefulness to the subordinates and initiatives. The junior telecom officers expressed their desire on integrity, sociability and hard-work to perform well in their job life. Taking the above factors in both TCS and BSNL into consideration the following performance evaluation model has been proposed:

6.9. Organisational-Individual-System (OIS) proposed model for performance management:

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