Chapter 4

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Engineering, term applied to the profession in which a knowledge of the mathematical and natural sciences, gained by study, experience, and practice, is applied to the efficient use of the materials and forces of nature. The term engineer properly denotes a person who has received professional training in pure and applied science, but is often loosely used to describe the operator of an engine, as in the terms locomotive engineer, marine engineer, or stationary engineer. In modern terminology these latter occupations are known as crafts or trades. Between the professional engineer and the craftsperson or tradesperson, however, are those individuals known as sub professionals or paraprofessionals, who apply scientific and engineering skills to technical problems; typical of these are engineering aides, technicians, inspectors, draftsmen, and the like.

Before the middle of the 18th century, large-scale construction work was usually placed in the hands of military engineers. Military engineering involved such work as the preparation of topographical maps, the location, design, and construction of roads and bridges; and the building of forts and docks; see Military Engineering below. In the 18th century, however, the term civil engineering came into use to describe engineering work that was performed by civilians for nonmilitary purposes. With the increasing use of machinery in the 19th century, mechanical engineering was recognized as a separate branch of engineering, and later mining engineering was similarly recognized.

The technical advances of the 19th century greatly broadened the field of engineering and introduced a large number of engineering specialties, and the rapidly changing demands of the socioeconomic environment in the 20th century have widened the scope even further.
Engineers in this field design, test, build, and operate machinery of all types; they also work on a variety of manufactured goods and certain kinds of structures. The field is divided into (1) machinery, mechanisms, materials, hydraulics, and pneumatics; and (2) heat as applied to engines, work and energy, heating, ventilating, and air conditioning. The mechanical engineer, therefore, must be trained in mechanics, hydraulics, and thermodynamics and must be fully grounded in such subjects as metallurgy and machine design. Some mechanical engineers specialize in particular types of machines such as pumps or steam turbines. A mechanical engineer designs not only the machines that make products but the products themselves, and must design for both economy and efficiency. A typical example of the complexity of modern mechanical engineering is the design of an automobile, which entails not only the design of the engine that drives the car but also all its attendant accessories such as the steering and braking systems, the lighting system, the gearing by which the engine's power is delivered to the wheels, the controls, and the body, including such details as the door latches and the type of seat upholstery.

HEAVY ENGINEERING

The application of scientific and mathematical principles to practical ends such as the design, manufacture, and operation of efficient and economical structures, machines, processes, and systems.

The profession of applying scientific principles to the design and construction of engines, cars, buildings, bridges, roads, and electrical machines.

Haryana is an agricultural state and fast developing state in the field of industry. Most of the products in Haryana are agricultural based, besides that every type of product is manufactured here as mentioned
earlier. There are three main cities which are having heavy engineering industrial units. The main cities are Gurgaon, Fridabad and Yamunanagar. Some of the units are based in Rohtak and Hissar. Every city of Haryana has got sugar mills but the production of sugar machinery is only in the Yamunanagar. Haryana is the largest producer of passenger cars, tractors, motorcycles, bicycles, refrigerators, scientific instruments, etc. Gurgaon has become one of the most important corporate and industrial hubs of India as well as Haryana. The corporate office and manufacturing plant of India’s largest car maker is situated here, as are a large numbers other industries. The main manufacturing unit of Hero Honda is also Situated in Gurgaon.

Gurgaon is considered the best city for setting-up a software or BPO centre in India. This is according to a research on Offshore Competitiveness conducted by neoIT, an off shoring consultancy. Gurgaon, has seen emergence of an active information technology industry in the recent years. With organizations like IBM, Hewitt Associates, Dell, Converges, United Healthcare and NIIT setting up back offices or contact centers in Gurgaon. Haryana now ranks 3rd among states in software exports from India

Faridabad is another big industrial part of Haryana. It is home to hundreds of large scale companies like Orient fans (C.K.Birla Group), JCB India Limited, Nirigemes, Agri Machinery Group (Escorts Limited), Yamaha Motor India Pvt. Ltd., Whirlpool, ABB, Goodyear Tyres, Knorr Bremse India Pvt. Ltd. There are thousands of medium and small scale units, like Amrit Enterprises, McAma Industries. Panipat has heavy industry, with a refinery of the Indian Oil Corporation, a National Thermal Power Corporation power plant and a National Fertilizers Limited plant.

Yammunanagar is famous city for the paper mills and sugar machinery. Yammunanagar and its twin city Jadhari is a hub of heavy

Hissar is another industrial city of Haryana state. Hissar is famous for steel industry. Jindal Industrial Limited is a main steel industry of the India which is situated in Haryana. The main products of the Jindal steel are pipes and coins. Other industrial units of Hissar are Aravali India Limited., Arcee Pipes Ltd., Janak Steel Pvt.Ltd., Vindhya pipes Ltd. Cotton Yarn is the other industrial face of Hissar city.

4.2 Heavy Engineering Industry is different from the other Industry from the point of view of Performance Appraisal

Different types of performance appraisal systems are adopted by the industries. There are various types and methods of PAS in the companies, different parameters are adopted to measure the performance of the employees. There are different types of industries which include IT, Automobile, Banking, Public undertakings and BPO's. PAS is made as per the requirements and HR policies of the organizations. Corporate India agrees however sophisticated your appraisal system is at the heart of a good performance appraisal scheme. It is the manager's ability or willingness to give people not just good news but the news about their weaknesses that they don't know. Indian companies give importance to the variable pay. Sometimes, variable pay motivates employees to focus excessively on doing what they need to do to give rewards, often at the expense of
doing other things that would help organisation. Anecdotal evidence suggests that quite a few Indian companies especially promoter driven ones, have a long way to go in this regards.

There are various industries in Haryana like Maruti, Hero Honda, Escorts, Jindal pipes HCL, Hughes Software, TCS, Alcatel, IBM and GE. Haryana is famous for the automobile industry. Most of the industrial units at Gurgoan are involved in making automobile products for Maruti, Escorts and Hero Honda. There are very few units which are involved in making heavy engineering products. These units are in Yammunanagar, Jadhari, Hisar, Fridabad and Gurgoan, the big units of these places are Jindal pipes, Maruti, Hero Honda, Escorts ISGEC and Kamal Engineering. Sugar and Agro industry is also famous in the Haryana, engineering equipment required by these industries are made and supplied from these major industrial cities.

Heavy Engineering units believe that people hold the key to achieving organizational excellence. Human Resources function is to owner for constantly upgrading people skills, realizing their potential and helping them lead purposeful lives.

Performance Appraisal System of Heavy Engineering is different from the other industries. Every industry has got their own way of appraising employees. Heavy engineering directly deals with their employees, so PAS is directly related with the employee's development and productivity. Various types of methods adopted to meet the human resource requirements and to take various decisions of the industry. Importance is given to the employees working in the organisation but in other industry like automobile, electrical and electronics appliances, IT, Hospitals, Institutions and banks there is a value of customers also. Customer's satisfaction is also very important along with the employees for the better results of the industry. The companies who are directly involved with customers use 360 degree appraisals.
Most of the automobile and IT industries adopt 360 degree appraisal system and upward assessment. Companies are turning to such appraisals which pool feedback from both internal and external customers to receive a broader, more accurate perspective on employees. The biggest benefit of the 360 degree feedback is that it helps to discover whether an employee is an effective performer in all interactions or whether the employee is simply an affective performer when the boss is around. The main problem that the 360 degree method faces is that it does nothing to reduce the fears that people have about a group of anonymous people determining their raises, promotions, and standing. The solutions to use it as a performance development tool has been found by IT companies, which make the appraisers as broad based as possible and supplement this system with other appraisal methods.

Upward assessment is another such method being practiced by several companies, in this system subordinates are encouraged to provide feedback on how they rate their supervisors on communication, direction and feedback and empowerment.

Performance appraisal at heavy engineering is done annually, but in the service industry it may be six monthly, quarterly or monthly. It is not possible in heavy engineering to follow the procedure with other industries because the main focus is on production and there are a large number of employees with different category. It is not possible to do appraisal of employees in the short intervals because it hampers production and a career of the employees. A large number of traits are kept to measure the performance of employees in different aspects and fields. In the other type of industry there are only few traits to measure the performance of employees. Percentage of employees who know about the appraisal procedure is less compared to the other sectors because there is an involvement of a large number of workers.
The main focus of performance appraisal at heavy engineering is the increments, incentives and promotions. Priority is given to attract the employees through incentives, increments and promotions rather than development. Importance is also given to the training and development. There is also a provision for the training and development in these industries. Decision on training and development is based on the appraisal reports. Most of the heavy engineering industries are appraising their employees on the ranking and grading systems because these systems are easy to apply by the appraisers. There is an involvement of appraisee and appraisers in this system and it is less time consuming method.

In baking sector performance appraisal highlights the practical development approach. Business growth is given more importance than the growth of employee. Self appraisal is most prevalent feature of performance appraisal system in banking sector like the heavy engineering. All the defined skills and roles are assessed on the point scale or grading system. It is not possible in the banking sector to adopt long procedures of assessing employees because categories of employees are more in this sector. Modern methods of PAS are present in the private and multinational banks only.

Heavy Engineering industries of public undertaking are now adopting modern systems of performance appraisals. 360 degree, feedback system, performance review discussions are most prevalent. But still it will take time to follow the modern methods of performance appraisal by heavy industry at Haryana.
Case Studies

4.3.1 Case Study 1

ISGEC-Indian Sugar and General Engineering Corporation

This group is called The Saraswati Industrial Syndicate Limited (SIS). It was started in 1933 with establishment of Saraswati Sugar mills which incidentally now happens to be one of the biggest in the country with a cane crushing capacity of above 10,000 TDP. Over the years, three more units namely The Indian Sugar and General Engineering Corporation (ISGEC), ISGEC John Thompson (IJT) an UP steels were added. Today, the group has a turnover exceeding Rs.350 Crores. The group employees over 5000 people which include engineers, technicians and skilled craftsmen. Many of the engineers have undertaken advanced training in the U.K, U.S.A, Italy, Canada, Australia, Germany, and Russia.

The Engineering group was launched in 1946 with the establishment of The Indian Sugar & General Engineering Corporation (ISGEC). It manufactures a variety of heavy engineering equipments for varied applications. ISGEC John Thompson (IJT) located at Gurgaon (Haryana), supplies Boilers and associated equipment on turnkey basis.

In 1960 collaborated with John Thompson, UK to form a joint company by the name of ISGEC John Thompson.
UP Steels (UPS) was acquired in 1981 and merged with the parent company. As a foundry established in 1966 with the technical know-how from Japan's Kobe steel, UP Steel has its main plant at Muzaffarnagar (UP) about 100 Kms north of Delhi. It manufactures Sophisticated Alloy Steel/Steel casting-both hand and machine molded-as well as Alloy Iron Casting and Steel Ingots.

LOCATION

ISGEC (WORKS) is located at Yammunanagar on the Ambala-Saharanpur highway in Haryana. It is well connected by rail and road. It is approximately 200 Kms by road from a national capital Delhi and 110 Kms from state capital Chandigarh.

INFRASTRUCTURE

ISGEC has a sprawling works covering an area of about 25 hectares including covered production area of around 35,000 square meters. It has capacity to handle jobs weighing up to 100 Tons (Single Piece). Extensive facilities for hot and cold rolling, machining, welding, heat treatment and stringent Quality Controls help to ensure strict compliance to International standards.

More than 125 sophisticated machines and machine tools are installed in various production bays. Apart from these, more than 100 welding machines are under operation. ISGEC has own captive power generation of 3650 KVA through DG sets.
ISGEC COLLABORATORS

Working continuously towards further excellence in technology, it entered into technical collaborations with Internationally well known companies of UK, Japan, USA and Italy.

PRODUCT RANGE

Diversity of their product range enable them to serve industry from Automobile and ship building to oil and Natural gas, defence, Aeronautics and Nuclear Power. The group’s product range includes for:-

1) Hydraulic Presses, Mechanical Presses and Press Brakes. The company has supplied and successfully commissioned around 1000 Presses all over the country and abroad. Few of the prestigious presses built include a 2600 Tones Hydraulic Press for Defence and a 900 Tones Mechanical Press for Premier Automobiles.

2.) Process plant equipments for Fertilizer, refinery, Petro chemical and other industries.
3.) Turnkey sugar and cement plants.
4.) Industrial and Power Boilers.
5.) Equipments for India’s Nuclear Establishments. Equipment supplied to Bhabha Atomic research Centre, Nuclear Power Corporation, Centre of Advanced Technology and Indira Gandhi Centre for Atomic Research.

6.) Chlorine, Ammonia and other gases containers. They are the largest manufactures of chlorine containers in the world.
ORGANISATION

ISGEC corporate office is located at New Delhi. It houses corporate level exports, imports, Finance, Planning, Administration and HRD departments. Besides the office of the Chairman-cum-Managing Director is also located in the same complex. ISGEC’s registered office is located at Yamunanagar.

ISGEC works at Yamunanagar is center of manufacturing activities of heavy engineering capital goods. Its employees are well qualified and trained with a total strength of around 1940 persons. Works activities are divided into three sections namely Pressure Vessel Division (PVD), Machine Building Division (MBD) and foundry Group. All these section work as independent profit centers.

Number of Employees

Total Employees- 1940 (June 2008)
Managerial Staff - 397 (Technical)
       060 (Non-Technical)
       004 (Female)
Workers - 1479
MANAGERIAL APPRAISAL

As per the philosophy of the company, Human Resources are most important assets of the company. These resources need to be utilized and develop to the best of their capability, skill and knowledge. The company has drawn detailed action plan for development of its employees.

Performance appraisals are changing as per the requirements of the Industry. Earlier at ISGEC, officers were being assessed on the general intelligence, job knowledge, resourcefulness, supervision, business capacity, dependability, and relationship with junior and senior colleagues, relationship with public, sociability, appearance and dress, managerial ability.

Since its formation, ISGEC has system of appraising managerial performance. The performance appraisal system in ISGEC has undergone several changes in the years as a result of continuous efforts by ISGEC to review its system and ensure that its employees to grow, develop and contribute to organizational excellence. This system of ISGEC has several objectives and components of a development oriented appraisal system. The performance appraisal system in ISGEC based on the belief that “the strength of an organisation ultimately depends on its capacity to develop people”. The following are the objectives of the managerial appraisal system:

- To evaluate performance against established objectives and job accountability.
- To provide feedback and counseling for self-improvement with supportive training and development programmes.
• To provide data for organizational development and improved management process.
• To strengthen working relationship through personnel effectiveness and developing an understanding of expectations.

PERIOD OF APPRAISAL

A review period of appraisal starts from 01 June to 31 May for the managers. In the event the assesseee has not held the job (for which he/she is appraised) for the full period of 12 months, the following will apply.

• If the assesseee is transferred out of the job after November, the immediate superior (first Assessor) from where he/she is transferred will complete the appraisal.
• If the assesseee is transferred before Nov, the immediate superior will complete the appraisal as on 31 May.
• Where the Assessor is transferred from his/her job after November, he will complete the appraisals of these reporting to him/her and proceed on transfer.
• Where the Assessor is transferred before November, the appraisal will be done by the new incumbent in the position as at 31 May.

The foregoing will ensure the minimum period of six months which is essential for a meaningful appraisal.

ASSESSMENT ROUTES

Immediate superior- self review-comments of immediate superior/remember- remarks by reviewer on training and development requirements- comments of MD: JMD: Unit Head.
ROLE OF ASSESSORS/REVIEWERS

An Assessor has the prime role of recording major appraisal details. The role of reviewer is more in the nature of monitoring the appraisal system to ensure uniformity of application than evaluating the assesses performance. The Reviewer will ensure that all sections are filled in, and that evidence is sufficiently complete.

4.3.3-Parts of the Appraisal Format (Asst. Manager to Managers)

Section I-Review Schedule
1. Form to be sent to the employee for self review
2. Form to reach Immediate Superior for Assessment
3. Form to reach reviewer for review
4. Form to reach unit HRD
5. Discussions on the rating between Unit HRD, Immediate Superior/reviewer & Unit Head
6. Form (of A rated employees only) to reach corporate HRD after finalization by Unit Head
7. Discussions between MD, JMD Unit Head & Corp.HRD and final approval by MD/JMD (for A rated employees only)

Section II-Employee Information
This part contains the basic information of his employability-His name, Division/Department, Designation, TA/DA Cat, Date of last Promotion/Date of Joining, Years spent in present position, Name of the Immediate Superior, Reviewer.

Section III- Training and Development Programmes attended during last 3 Years
This section is filled up by HRD and Training Department regarding the training programmes attended during last three years.
**Section IV- Work Performance Review/Self review by Employee**

This section is a self appraisal by the employee, self reporting section calls information/comments from concerned officer regarding job description, comments regarding performance relating to ‘nature of work’ ‘volume of work’ ‘present state of efficiency’ and ‘work in office/department/section’, special achievements during the appraisal year’, responsibilities that officer feel will be able to discharge more efficiently, training required.

Self reporting is applicable to Assistant managers, Dy.Managers, Managers, senior managers, Asst. General Manager, Dy.Gen.Manager and General Managers.

**Section V- Qualities Assessment (on a scale of 1-5)**

A manager’s prime role is to ‘make things happen’. To discharge this role successfully he must imbibe, sustain and improve upon a series of critical factors and attributes without which any management process remains incomplete and in-effective. Each of these factors are also defined in the appraisal form itself in order to facilitate assessment and which can be brought out in shapes focus only through the recording of supporting data.

The following are the Qualitative factors to assess the assessment of Assistant managers to managers on the scale of 1 - 5.

**A ** **JOB COMPETENCE:** Possesses skills to carry out job effectively; good understanding of activities, policies, procedures applicable to his work.

**B ** **ACHIEVEMENT ORIENTATION:** meets challenging goals; willing to work against great odds.

**C ** **PLANNING:** Effective in anticipating need, setting standards, scheduling work and measuring results.

**D ** **CUSTOMER ORIENTATION:** Attempts to understand & meets expectations of internal & external customers.
E  QUALITY CONCIOUSNESS: Establishes systems; identifies opportunities to improve working methods & practices; standardises working practices.


G  INITIATIVE & CREATIVITY: Self initiating, Generates new ideas in the performance of the job.

H  COMUNICATION: Clarity in oral & written expression; understands and presents facts & figures systematically.

I  TEAM WORK: Cooperates with others to accomplish better performance; believes in team work rather than overemphasis on individual performance.

J  ACCOUNTABILITY: Owns responsibility for individual actions, accepts personal responsibility and commitment.

K  DECISION MAKING: Prepared to decide by one rather than asking the boss for a decision. Closing subjects rather than keeping them hanging.

L  LEADERSHIP: Has ability to develop subordinates by creating interest & development talents; Delegates and controls properly. Is a good listener; is a role model for others.

Qualitative Assessment is given on a scale of 1 to 5 on the basis of these qualitative factors by immediate superior and by reviewer.

**Section V. Overall Rating (Scale A to D)**

The grading for overall rating must follow from the total data recorded in other sections. The individual grading of each of these sections must be systematically considered, although some flexibility in arriving at an overall rating is possible. This is an important exercise in the appraisal system, and due care must be taken by immediate superior and reviewer. The following grading standards must be strictly adhered to some key performance areas.
A   Performs more than expectations, takes initiative and accepts responsibilities.

B+  Performs up to normal expectations of the job. Above average performance.

B   Average performance: Performs with some guidance needs monitoring.

C   Below average performance. Give chances to improve.

D   Performance substantially below the expected level.

Section VI (Potential Review / Training & Development)

This section is to be filled up by immediate superior and reviewer may give further remarks if required. Potential reviewer is done on the basis of

A   Specific strength of the individual.

B   Specific areas which need improvements.

C   Recommendations for job rotation.

D   Advancement promotability to next level by (date)

E   Training Needs

I i   Functional Areas

   ii  General Areas

At last comments are given by MD, JMD, and Unit Head.
4.3.4-Parts of the Appraisal Format (Sr. Manager to General Managers)

There is a separate form used for senior managers to general managers for the performance appraisal but sections are same as form used for Assistant managers to managers except section IV (Qualitative Factors). Form which is used for this purpose is called performance review and employee development form. The following are the Qualitative factors to assess the assessment of Assistant managers to managers on the scale of 1 to 5.

A GROUP PERFORMANCE: Ensures high standard of performance from Subordinates; Maintains high level of team spirit among Subordinates.

B JOB COMPETENCE: Has outstanding knowledge to perform his job well. Possesses latest skills/techniques.

C ACHIEVEMENT ORIENTATION: Sets challenging goals; willing to work against great odds.

D CUSTOMER ORIENTATION: Display customer focus in his actions; for both internal and external customers.


F INITIATIVE & CREATIVITY: Self initiating, Generates new ideas in the performance of the job, challenges assumptions.

G COMMUNICATION: Understands analysis and presents facts and figures systematically.

H LEADERSHIP: Has ability to develop subordinates by creating interest and development talents; Delegates and controls properly; Is a role model for others.

I INTER PERSONNEL RELATIONS: Wins the co-operation of his subordinates; has fruitful relationship with seniors; has effective and productive relationship with colleagues.
J ACCOUNTABILITY: Responsibility for individual and team actions, accepts personal responsibility and commitment.

K DECISION MAKING: Speed of decision making, being prepared to decide by oneself rather than asking the boss for a decision. Closing subjects rather than keeping them hanging.

L ABILITY TO APPRAISE JUNIORS: Appraise juniors objectively and comprehensively.

Qualitative Assessment is given on a scale of 1 to 5 on the basis of these qualitative factors by immediate superior and by reviewer.

4.3.5-Performance Appraisal System for Manual Workers & Subordinate Staff (Skilled & Unskilled Workers/Peons/Watchman/Sweepers)

There has been an annual confidential reporting system for this class. The appraisal form is called MERIT RATING FORM ‘A’. Confidential reporting is done annually from 01 Jan to 31 Dec. The merit rating form which is used for the manual workers and subordinate staff contains the following sections to assess the employees of this category.

Section I

This section contains the general particulars of the employees (Name, Designation, Date of Birth, and Token no., E-Code, Date of Joining, Wage/Salary, Shop/Section, Grade and Division / Department). Training and Promotions of employees are based on confidential report. The employees are appraised on nine qualitative factors, assessment is done on the points awarded from minimum (10) to maximum (50) based on the qualitative factors.
Section- II (Qualitative Factors)

The main qualitative factors are:-

1. QUALITY OF WORK

Consider productive output

Does the employee turn out a full day’s work?

10..............................

(Min.) (Max.)

Either takes a long time

To do work, or puts of doing it. Output below average.

Works fast, completes assignments in the shortest possible time

Output above average.

2. QUALITY OF WORK

Consider accuracy, neatness and maintenance of standard required for the job.

10..............................

(Min.) (Max.)

Often makes mistake and is careless.

Accurate in work, neat and careful about standard.

3. DEPENDABILITY

Consider whether there is steadfast application to work in hand.

Is work begun promptly at the start of the day and carried on without necessary talking. Wasting of time or slacking until the end of the day?

10..............................

(Min.) (Max.)

Generally not reliable shrinks work and needs continuous reminding. Habitually wastes time. Keeps good schedule of work.

Thoroughly reliable, understands what he is doing needs least reminding.
4. **WILLINGNESS TO HELP**

Consider how well he is socially accepted by his coworkers and supervisor in his place of work.

5.................................................................................................................................

(Min.) (Max.)

Normally not helpful. Linked by people willing to help everybody.

5. **ABILITY TO FOLLOW INSTRUCTIONS**

Consider whether he has a respective mind whether he understands easily what he is told or whether he has to be told something repeatedly before he is able to grasp it. Does he have difficulty in put into practice instructions?

5................................................................................................................................. 10

(Min.) (Max.)

Takes a long time to understand what he is carrying out instructions.

Is quick to understand instructions?

6. **TIDINESS OF WORK PLACE**

Consider whether he keeps the place of work clean and tidy.

4...................................................................................................................... 15

(Min.) (Max.)

Does not generally keep work place clean and tidy.

Takes a good deal of interest in keeping work place clean and tidy includes coworkers to do the same.

7. **ATTENDENCE AND TIME KEEPING**

Consider percentage of the late attendance, unauthorized absence and sick leave (in excess of what he is entitled to during the year.)

Late................................................. (days)

156
Unauthorized Absence ....................... (days)
Leave without pay .......................... (days)
Casual Leave ................................. (days)
Privilege leave ............................... (days)
5 .............................................................................................................25
(Min.) ................................................................. (Max.)

8. SAFETY
(For Manual workers only)
Consider whether there is attention to personal safety & safety of other, whether care is taken in the use of tools and equipment and whether there is a sense of orderliness and tidiness. Number of accidents in which the employee was involved during the period.
Major ...........................................
Minor ...........................................
Total ............................................
5 .............................................................................................................20
(Min.) ................................................................. (Max.)
Careless in observing safety precautions Observe all safety precautions and includes coworkers to follow same.

6. PERSONAL CARE
(For Subordinate staff only)
Consider whether neat and tidy in dress and general appearance.
5 .............................................................................................................20
(Min.) ................................................................. (Max.)
Is generally untidy in Is generally neat in dress and dress and appearance. Has air of alertness about him?
Section- III

This section contains the total points obtained, percentage and employee’s record during the appraisal period. (Warning, Suspension and Censure).

Section-IV

General remarks are given by on the basis of nature of responsibilities and duties performed by the employee during the period of review. No recommendation of grade salary etc. is to be made on this form. Training requirements and promotions are based on this form. Training requirements and promotions are based on the basis of 9 parameters. Finally, the remarks by the incharge are followed by the remarks of divisional head.

Feedback on the employee performance is given by Divisional head. Two types of remarks are given, first adverse remarks- second outstanding remarks. Employee has to give signature on the remarks awarded to him. Specific remarks are given by Head of Division/Department which is not communicated to the employee. This column is only filled in case of adverse remarks have been communicated to employee.

Action by Personal Department

All the records of appraisal forms are noted in service record card and advice sent to Accounts/Secretarial Department under the signature of personal department.

4.3.6-Merit Rating Form ‘B’ (For supervisory staff)

There has been an annual confidential reporting system for this class. The appraisal form is called MERIT RATING FORM ‘B’. Confidential reporting is done annually from 01 Jan to 31 Dec. The
merit rating form which is used for the Supervisory staff contains the following sections to assess the employees fall in this category.

Section I-
This section contains the general particulars of the employees (Name, Designation, Date of Birth, Token no., Date of Joining, Wage/Salary, Shop/Section, Grade and Department). Training and Promotions of employees is based on confidential report. The employees are appraised on nine qualitative factors; assessment is done on the points awarded from minimum to maximum based on the qualitative factors.

Section- II (Qualitative Factors)
The main qualitative factors are:-

1. QUALITY OF WORK
Consider productive output
Do the employees turn out a full day’s work?
10................................................................. 45
(Min.) (Max.)
Either takes a long time to do work, or puts of doing it. Output below average.
Works fast; completes assignments in the shortest possible time output above average.

2. QUALITY OF WORK
Consider accuracy, neatness and maintenance of standard required for the job.
10................................................................. 45
(min.) (max.)
Often makes mistake and is careless.
Accurate in work, neat and careful about standard.

3. ABILITY TO ORGANIZE OWN WORK
Consider his ability to plan or schedule and organize work. Is he methodical in his work or does his work haphazardly?

5. ................................................................. 20
(min.) (max.)
Is unable to organize or Able to organize, select and schedule own work? schedule according to its importance.

4. DEPENDABILITY
Is work begun promptly at the start of the day and carried on without necessary talking. Wasting of time or slacking until the end of the day?

5. ................................................................. 20
(min.) (max.)
Generally not reliable shrinks Thoroughly reliable, understands what he is doing work and needs continuous reminding. Habitually wastes time. needs least reminding, good schedule of work.

5. WILLINGNESS TO HELP
Consider how well he is socially accepted by his coworkers and supervisor in his place of work.

3. ................................................................. 12
(min.) (max.)
Normally not helpful. Liked by people willing to help everybody.

6. ABILITY TO FOLLOW INSTRUCTIONS
Consider whether he has a respective mind whether he understands easily what he is told or whether he has to be told something repeatedly before he is able to grasp it. Does he has difficulty in put into practice instructions.

4. ................................................................. 14
(min.) (max.)
Takes a long time to understand what he is all told and has ability in carrying out instructions.

Is quick to understand instructions? Carries out instructions with ease.

7. TIDINESS OF WORK PLACE
Consider whether keeps the place of work clean and tidy.

3.................................................................12
( min.) ( max.)
Does not generally keep work place clean and tidy. Takes a good deal of inter-
est. in keeping work place clean and tidy includes coworkers to do the same.

8. PERSONAL CARE
( For Subordinate staff only )
Consider whether neat and tidy in dress and general appearance.

3.................................................................12
( min.) ( max.)
Is generally untidy in dress and appearance. Is generally neat in dress dress and appearance. Has air of alertness about him?

9. ATTENDENCE AND TIME KEEPING
Consider percentage of the late attendance, unauthorized absence and sick leave (in excess of what he is entitled to during the year.)

Late................................................. ( days )
Unauthorized Absence.................... ( days )
Leave without pay.......................... ( days )
Casual Leave.................................... ( days )
Privilege leave............................... ( days )
5 10 15 20
Over 10 % 6 to 10 % 2 % to 5 % Less than 2 %
Section III

This section contains the total points obtained, percentage and employee’s record during the appraisal period. (Warning, Suspension and Any other matter).

Section-IV

General remarks are given by reviewing officer on the basis of nature of responsibilities and duties performed by the employee during the period of review. No recommendation of grade salary etc. is to be made on this form. Training requirements and promotions are based on this form. Training requirements and promotions are based on the basis of 9 parameters. Finally, the remarks by the in charge and followed by the remarks of divisional head.

Feedback on the employee performance is given by Divisional head. The two types of remarks are given, first adverse remarks- second outstanding remarks. Employee has to give signature on the remarks awarded to him. Specific remarks are given by Head of Division/Department which is not communicated to the employee. This column is only filled in case of adverse remarks have been communicated to employee.

Action by Personal Department

All the records of appraisal forms are noted in service record card and advice sent to Accounts/Secretarial Department under the signature of personal department.
Performance Appraisal is done annually in ISGEC. It is called annual appraisal report in the case of an officer, merit rating for the supervisors and annual confidential report for the workers. An annual schedule of appraisal is also different for the different categories.

Appraisal is continuous process but it was found that only 78.5 percent staff knows about the appraisal and its true meaning. Most of the employees consider it as a form filling exercises. It is an opinion of the majority of the employees that appraisers should have wider knowledge about the evaluation of performance. A manager writing a report should be given proper training and taught about the value of each qualitative factor given in appraisal format. As per the appraisee's, reviewing officers take their appraisal reports very lightly and do not fill the reports seriously either because of the lack of time and lack of interest. It is found that lack of interest on appraisers part is always affected the performance appraisal. They do not take trouble in going details of the report.

The appraiser's sources of information on which they rely most while appraising the performance are personal records, appraisee's self appraisal and appraiser's memory.

Key Performance Areas or Management by Objectives is one of the most popular techniques used in organisation today. The concept of MBO was first introduced by Peter Drucker in 1954. He emphasized that performance that is expected of an organisation must be derived from the performance goal of the business, and the results must be measured by the contribution that the employees make to the success of the enterprise. In recent years there has been a trend in organizations towards setting goals for individual managers in order to
provide verifiable and measurable criteria for performance appraisal. Like a public sector individual goals setting is still rare in the ISGEC. MBO is not much prevalent in the organisation. There is no involvement of personnel while setting goals for the organisation.

**Self Appraisal** is an important part of the performance appraisal system to get timely focused feedback on job performance. Self appraisal is a component that helps in creating the right climate for increasing efficiency. Self appraisal as a component of performance appraisal aims at promoting self review and sets the stage for development.

Presently many organizations are introducing self appraisal as a part of their appraisal system. Before its introduction it is necessary that organisation should understand its purposes and its linkages with other components.

The self-appraisal at ISGEC is applicable to officers only. There is a provision to write self appraisal on seven critical items on which the annual appraisal report is written. These critical items are:

- Highlight the performance during the year
- Nature of work done
- Volume of work
- Present state of efficiency
- Work done in office/department/section
- Special achievements during the appraisal year
- Responsibilities that officer feel will be able to discharge more efficiently.

Appraisees are not free to write their self report in any other form i.e. essay form which is used by most of the organizations. Self appraisal is not designed for other categories of staff except managers and management staff.
Generally officers are found lacking in the required skill as to how to write their self appraisals. Casually written self appraisal notes do not help the appraisers to make their assessment constructively and force him to depend more on his memory, impressions and hearsay rather than on hard data. This reinforces the subjectively element in the appraisal of the officer to which he unwillingly contributes.

It is a common belief that there is a tendency to be too lenient on oneself. In order to study how much lenient attitude appraisee's adopt while doing self appraisal, responses were called from appraisee's of ISGEC on certain dimensions. These dimensions are job knowledge, work performance, training, planning, decisions making and communication.

Regarding success of self appraisal in ISGEC, there are different view of appraisers and appraisees. 87.43 percent appraisees are of the view that self appraisal provides an opportunity to highlight the achievements and difficulties faced by the employee and help the appraiser to make proper assessment. Appraisers who responded that self appraisal is not successful are of view that self appraisal is not open and free. It asks questions about outstanding achievements whereas it should call for suggestions for improvement of work environment, relations, productivity and creativity.

Bias in appraisal is also an important and crucial issue of performance appraisal which has been focusing attention of researchers from time to time. Management need reliable appraisal for making bold decisions. For reliability and objectivity, appraisals must be based on observable and verifiable facts; they should be free from undue personal biases.

Only 16.16 percent appraisees believe that likes and dislikes of the appraiser influence his ratings. Some of the appraisers believe
that appraisee do not perform sincerely through the year. It is only at the end, when the time of writing a report comes near, that they start doing well and try to impress the boss.

It is found that as compared to appraisers a 53.92 percent appraisees are of the view that subordinates are also responsible for making the, appraisals subjective by trying to win the favor of their superiors. 59.68 percent appraisees are of the view that employees give little attention to their work and assignments but pay special attention to various ways of winning the favor of their superiors.

**Leniency** in the performance appraisal system plays a big role in taking a large number of decisions on the basis of individuals' appraisal report. Every evaluator has his own value system which acts as a standard against which he makes his appraisals. Regarding the true or actual performance that an individual exhibits, some supervisors have a tendency to be liberal in their rating.

65.21 percent appraisers are of the opinion that only a small percentage of the employees should be rated as outstanding. They also held that if most of the employees are given outstanding rating the sanctity of the appraisal is lost. 87.68 percent appraisers responded that negative ratings de-motivate the employee who leads to poor performance and hence productivity of the organisation is affected. There are number of organizations where appraisal is kept secret from the appraisees. However the employees must know clearly where they stand. For successful of performance appraisal it is very necessary that employees must know their performance level so as to improve it.

**Feedback** is a part of performance appraisal system in the ISGEC. Feedback on the employee performance is given by divisional head. Two types of remarks are given, first adverse remarks-second
outstanding remarks. Employee has to give signature on the remarks awarded to him.

Some of the managers are of the view that appraisee’s improve to a great extent after receiving performance appraisal result provided the appraisal is done in all fairness and judiciously.

Performance appraisal system at ISGEC is promotion and training based. Promotion which constitutes upgrading of the employee status and salary plays a significant role in motivating the employees. In ISGEC promotion is generally done on the bases of seniority, qualification, work record in appraisal report and interview.

Identification of Training needs in the ISGEC is on the basis of appraisal result. Various types of training programmes, training sessions and conferences have been frequently organized in order to update the knowledge of their employees. Through performance appraisal results an appraiser can come to know about the weak areas of performance of an employee so that requisite training may be imparted to him.

ISGEC reward their employees by giving them special assignment and higher level of responsibilities. Outstanding performers are issued appreciation letters to motivate the employees to perform better. Appraisers believe that performance appraisal system is effecting in estimating a persons potential for the future.

It is found that performance appraisal is taken into consideration mainly while deciding about promotions rather than in other decisions. It can be concluded that PAS plays an active role in taking a variety of decisions that may contribute to organisation health and productivity.
There are different appraisal methods and forms used for the different type of employees.

An appraisal criterion is different for the senior managers, managers, supervisors and workers.

Performance appraisal is training and promotions based.

Potential review on the basis of specific strengths, specific areas of improvement, recommendations for the promotions and job rotation.

Performance is evaluated on the different type of evaluation factors from senior managers to workers.

Self appraisal has got special importance in the performance appraisal process. It is applicable for managerial staff only.

There is a provision of feedback system in the performance appraisal; feedback is only given to those employees who got adverse remarks during the appraisal.

Performance appraisal is linked with other human resource functions of the organisation.

Suggestions from the employees for the improvement of changes in the current performance appraisal system.
4.3.9-De-Merits

- There are too many qualitative factors for the assessment of employees, which is time consuming.
- Period of assessment is different for managers, supervisors and workers.
- Self appraisal is applicable to managers; there is no self appraisal for other category of employees.
- Appraisers take appraisal reports very lightly and do not fill the reports seriously. There is a lack of interest on appraisers part.
- The appraisers sources of information on which the rely before filling appraisal Performa are limited.
- MBO system is prevalent in the organization but there is no involvement of workers and other staff except managers in the goal setting of organisation.
- Appraisee's are writing their reports in essay form; there are no proper criteria for self appraisal.
- Training need identification is based on appraisal reports only.
- Feedback is given only to those employees who get adverse remarks during performance appraisal. Adverse report leads to frustration, dissatisfaction and poor relation between appraisee and appraiser.
4.4.1 Case Study- 2

**NHK Spring India Limited**

This group is called NHK Spring India Limited established on 08 November, 1996. It is an ISO-9000/ISO-14001/ISO-9002 company. NHK Spring India Limited aims to become a world class quality suspension component manufacturer, providing customers with the products that meet their requirements. It is drawing upon the strengths of its joint venture partners to upgrade its systems, skills and production values to offer its customers the finest quality in its product category. NHK has created a niche in automobile/heavy engineering industry as manufacturer of automotive suspension components for passenger cars and utility vehicles by keeping its pace with changing market situations. Its products coil springs and stabilizer bars are of the highest quality, accepted and appreciated by its esteemed customers. NHK Spring Co. Ltd. was Japan’s first domestic producer of Industrial Springs. In the years that followed, in terms of sheer volume, NHK has become world’s largest spring maker. NHK has presence in 11 countries.

**NHK Spring India Ltd.,** has earned a reputation as India’s leading manufacturer of quality Stabilizer Bars & Coil Springs. Through its technical expertise, NHK Spring India Ltd., is contributing significantly to meet the demands of Indian Automotive market for suspension components.

NHK Spring India Ltd., has access the accumulated know how of its venture partner, NHK Spring Co. Ltd., (Japan) and is always ready to meet the future needs of its customers. They are committed to customer satisfaction, technology up gradation, employee satisfaction, care for environment and needs of green earth.
CORPORATE PHILOSOPHY

NHK is continuously looking for new visions and possibilities. A main vision is a contribution for the growth of industry, society and next generation, through the innovative activity to improve their value addition.

OBJECTIVES

- To be excellent, competitive and technology oriented components supplier in India.
- To grant continuous company's growth through human resource development.

POLICY

- Commitment of customer satisfaction to provide the highest service of quality
- Transparency and fairness of management
- Respect of management cycle

MOTTO

- Courage to change
- Creativity and imagination
- Challenge to quest the new value added
- Global view point and speedy action through elaborate analysis

QUALITY POLICY

- Satisfaction of customers.
- Achieve leadership in all spheres of working.
- Create a positive working environment, to strive for continuous growth and improvement.

ENVIRONMENT POLICY

NHK Spring India Ltd. has been awarded the ISO 14001 certification in 2003. It is striving, as a good global corporate citizen, to make environmental preservation efforts in all steps of production.
NHK Spring India Ltd. offers world class quality suspension components for passenger cars and jeeps. It is committed to rapid expansion of its product range and clientele by continuously investing in contemporary and environment friendly technology.

NHK Spring India Ltd. is drawing upon the strength of its joint venture partners to upgrade its systems, skills and production values to offer its customers the finest quality in its product category.

**MANAGEMENT COMMITTEE**

The power to frame personal rules policies, regulations and to amend them is vested with the management committee/directors only.

The management committee reserves the right to enforce secrecy in all matters which would otherwise affect the organisation interests.

All decisions taken by the management committee/directors are final and bindings on all employees. Management committee comprises of:-

Managing Director – General Manager and Co-secretary – Head of the Department (Marketing) – Factory Managers – Technical Advisors.

**TOTAL NO. OF EMPLOYEES**

Management staff : 042

Technical staff : 023

Workers : 162

Total : 227
The nature of the performance appraisal and its effectiveness depend a great deal on how human resource are viewed and treated in the organisation. If the organisation believes that people do not work unless they are closely supervised and controlled, it may tend to have a confidential report form of appraisal. If the organisation believes that every individual has potential and strengths and the human capabilities can be sharpened, developed and utilized better by providing a healthy climate, then the organisation would have an appraisal system that attempts to identify, sharpen, develop and utilize the potential and capabilities of its employees.

Performance appraisal system at NHK is on the annual basis. PA is done for all type of employees including trainees and probationers in the industry. Different criteria of appraisal are adopted for supervising and non supervisory staff. A rating system and self appraisal is used to evaluate the performance of employees through appraisal report.

**PERFORMANCE APPRAISAL AT NHK**

The nature of the performance appraisal and its effectiveness depend a great deal on how HR are viewed and treated in the organisation. If the organisation believes that people do not work unless they are closely supervised and controlled, it may tend to have a confidential report form of appraisal. If the organisation believes that every individual has potential and strengths and the human capabilities can be sharpened developed and utilized better by providing a healthy climate, then the organisation would have an
appraisal system that attempts to identify, sharpen, develop and utilize the potential and capabilities of its employees.

Performance appraisal system at NHK is on the annual basis. Appraisal is done for all type of employees in the industry.

**OBJECTIVES**

- Development and motivation of employees through increments, promotions, recognition, job-rotation etc.
- Helping employees to recognize their strengths and weaknesses and improve their performance.
- Strengthening of appraisee and appraiser relationship.
- To identify training and development needs of the employees.

An important component of any performance appraisal system is the performance assessment through ratings. The assessment may be using categories like “excellent” or “outstanding”, “above satisfactory”, “very good”, “satisfactory/good”, and “conditional/average”, “unsatisfactory/below average. A five point, seven points or a nine point scale can be used to assess performance.

**4.4.3-Managerial/Supervisory Appraisal at NHK**

There is a common appraisal system used to assess the supervisors/managers. Development of human resources through training and other needs is the main priority of the company. Performance appraisal system keep on changing as per the requirements of the company. In the short period of its inception, there is a lot of improvement in the appraisal system. There is a continuous effort of management committee for the success of appraisal work. The managers/supervisors are appraised on the following factors:-
Quality of output, quantity of output, cost/time control, job knowledge and skill, planning and organisation, commitment and sense of responsibility, initiative/responsiveness, communication, team spirit, management of human resources, lateral co-ordination, discipline. The performance appraisal at NHK is development based.

The **main objectives** of managerial performance appraisal system are:

- To evaluate performance against goals and objectives of the company.
- To provide feedback for self-development with the help of training and development programmes.
- To evaluate the tasks/jobs given to the employees.

**PERIOD OF APPRAISAL**

Performance appraisal is done both for trainees and for the permanent staff. It is done annually from 01 April to 31 March in the case of managers and supervisors. An appraisee should work at least six months under the assessor. A period of six months is essential for the meaningful appraisal.

**ASSESSMENT ROUTES**

Immediate supervisor-self review-comments of immediate superior-remarks by reviewer on the best qualities, area to improve, information regarding training needs and requirements, major job assigned/undertaken, individual major contribution to the organisation, positive/negative changes since the last appraisal, any specific individual training needs-Remarks by Head of the Department-Senior Manager-Vice President-MD.

**ROLE OF REVIEWERS**

The main role of assessor is to record the appraisal details properly. The role of reviewer is to assess the appraisees on various
qualitative and quantitative factors and personal records given by personal department. Reviewer should know how to fill each and every column of performance appraisal form and rating employees as per guidelines given for each evaluating factor. He should ensure that all the parts/section is filled in and the evidence is sufficiently complete.

PARTS OF APPRAISAL FORMAT

Section I (Personal Details)

The details of appraisees are filled by the personnel department which comprises name, code number, department, designation/grade, date of joining, qualifications, previous experience in years, basic pay, HRA, convenience allowance and others.

Section II (Evaluating factors)

Evaluation is done on rating scale 1 to 5 point. The main evaluating factors are:-

- Quality of output
- Quantity of output
- Cost/Time control
- Job knowledge and skill
- Planning and Organizing
- Commitment and sense of responsibility
- Initiative /Responsiveness
- Communication
- Team spirit
- Management of human resources
- Lateral co-ordination
- Discipline

Rating is done on the rating value scale (RV) 0 to 4 and weightage (W). The following formula is used to give the marks for the performance rating.

RV x W = Total
An overall percentage rating is given on the five point scale as per the following rating scales:

1. Outstanding/Excellent (32 and Above)
2. Above Satisfactory/Very Good (24-31)
3. Satisfactory/Good (16-23)
4. Conditional/average (9-15)
5. Unsatisfactory/Below average (0-8)

**Section III**
This section is related to the increment and revision of the salary of an employee is decided on the basis of individual appraisal. This section is filled at the last and director's approval is mandatory.

**SELF APPRAISAL FORM**

**Section I:** - This part consists of personal details of an employee.

**Section II:** - This part consists of the best qualities of the appraisee, area to improve, any other information/training needs/requirements if any. This section is filled by the respective appraiser and signed by the individual and reviewer.

**Section III (Part-A)**
This part consists of the major tasks/jobs assigned/undertaken by an employee during the appraisal period. An employee has to explain about the various major tasks assigned to him during this period.

**Part-B:** - This column consists of tasks/jobs achievement appraisal, in which tasks as per their serial number are mentioned and remarks are written in front of them.

**Part-C:** - This part is regarding the major contribution of an employee towards the organisation in the appraisal period.

**Part-D:** - Suggestions for the improvement of the organisation are to be mentioned in this part, which is to be filled by appraisee only.
**Part-E:** Any major positive/negative changes since the last appraisal is to be mentioned in this part.

**Part-F:** This section asks the following questions:
- What you like your/individual’s job role to be restructured?
- Add additional job responsibilities/reduce job responsibilities?
- Any specific individuals training needs?

These all parts are to be filled by appraisers as well as by the appraisees, and followed by the signature of both.

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### 4.4.4-Performance Appraisal System (Non-Supervisory Employees)

This category of employees includes all types of employees working in a company except managerial and supervisory staff. There is a separate qualitative factor to evaluate the non-supervisory employees. They are assessed on the following factors:

- Quality of work
- Quantity of work
- Job knowledge
- Dependability
- Attendance
- Initiative/Follow-up
- Adaptability
- Team work
- Tidiness of work place and Care of Equipment/Records

There has been an annual appraisal reporting system for this class which is same as for the managerial class. The appraisal is done annually from 1 April to 31 March every year. The appraisal form for this class contains the following sections to assess the employees:
**Section I:** - This section contains the personal data of the appraisees which includes his name, code number, department, designation/grade, date of joining, qualification, and previous experience in years, period of appraisal, basic payment, house rent allowance and other allowances, total payment.

**Section II:** - This section contains the nine qualitative factors on which employees are appraised by the respective appraisers. The formula and criteria of rating employees is same as used for the managers. At the end of the appraisal appraisees are to write their best quality, area to improve and any other factor. The main qualitative factors are:- quality of work, quantity of work, job knowledge, initiative/flow up/responsiveness, dependability, teamwork, attendance, adaptability, tidiness of work place and care of equipment/record.

**Section III:** - This section is about their increments, change in designation and revised salary. It is filled by the appraiser and finally approved by the director.

**4.4.5-Critical Evaluation**

Performance appraisal is done at NHK annually. There is a provision of separate criteria and forms used to evaluate the managerial/supervisory and non-supervisory staff. It is done annually from 1st April to 31st March. The various decisions on increments, change in designation, promotion and training are taken on the basis of performance appraisal report. The appraisers have to go through in details of all the factors before filling the appraisal report.

It is found that more than 90.09 percent of employees know about the performance appraisal system because it reflects the
employee's increments, promotions and salary. Most of the employees are cautious about their payments only which are decided on the basis of performance appraisal results. Only few employees considered it as a form fillings exercise. Appraisers are given proper guidance and training of filling up a form properly. Proper care has been taken by the personal record of appraisees. Majority of employees feel that their appraisal forms are filled carefully by the appraisers.

There are only few employees who think that their appraisal report is taken very lightly by the appraiser. The main appraisal sources of information on which appraisers rely are personal records given by personnel department, self appraisals and appraiser's memory.

In order that an officer fulfills his responsibilities, it is necessary that his role be clearly defined and the definition understood by him so that his efforts are fruitfully canalized. It is desirable that all the planning should be done at the beginning of the financial year. In the beginning of the appraisal period, the role, objectives, tasks and targets of appraisees are divided by mutual discussion of managers and managing committee and key performance areas are determined. At the end of the appraisal period the appraisees prepares analysis of his own performance on each KPA indicating the facilitating and inhabiting factors. He also identified his training and development needs. It is necessary that before fixing the targets every manager should discuss the KPA and targets with his subordinates for their motivation.

It is found that majority of managers responded that management by objectives/key performance area system is successful because targets are mutually accepted and monthly performance is communicated, mid-term review is usually taken to revise/reduce
targets if warranted due to changes in the contextual environment which helped the manager to achieve the targets.

Some of the appraisees are of view that KPA programme require a great deal of time, effort and energy of managers before assigning realistic targets. As managers are busy in performing other important functions, they are not able to give much attention to the review of set targets.

Self appraisal at NHK is applicable to managerial/supervisory staff only. Appraisees write their self appraisal on the different critical items. These items are their best qualities, area to improve, training needs/requirements, major task/job assigned/undertaken, jobs achievement, major contribution to the organisation, suggestions for the improvement of the organisation, any major positive/negative changes since last appraisal, specific individual training needs.

A self appraisal format has been designed to enable the appraisee to openly express himself to the reporting authority on above mentioned items on which appraisee has the freedom to write. Every officer is supposed to complete the report on 31st March of the appraisal year. Appraisee officer is expected to be frank and objective in making his own appraisal based on the items given in the self appraisal format.

Leniency in self appraisal is a common thing for the appraisers and appraisees. It is observed that none of the appraisees thought of himself as an average worker even though his performance is poor. It is observed that appraisees generally hesitate to rate themselves as ‘outstanding’. It is rather hard for a person to admit that he is poor at his job.
81.08 percent appraisees responded that self appraisal is successful because it gives one's position clearly. It is considered as an HRD tool to develop responsible employees for future working. It is found that this system encourages better performance or, in other words, it leads to self improvement. Those appraisee who responded that self appraisal is not successful are of the view that it is not an easy job. People in general write very highly of themselves.

'Bias in appraisal' is an important issue in Indian organizations. This is a crucial issue of performance appraisal which has been focusing attention of researchers from time to time.

In India organisations concern for managerial appraisal has been quite high. In recent years, several experiments and innovations have been attempted and more and more organisation has been found it necessary to tackle these issues in their formal appraisal system. Bias against employees on ground of sex, race, religion or position is also a common error in rating. Most studies conducted in the field have compared rating given to white and black rate's.

73.3 percent appraisees of NHK believe that appraisal that high rating are given to those who are more close to the appraiser. Personal relationship of appraiser with appraisees is also influence the rating. Some of the appraisees believe that those who are liked by the appraisers are given high rating and those who are disliked by the appraisers are given low rating.

Feedback plays very important role in the performance appraisal system. It keeps the organisation on track in its stipulated goals and makes the PAS more effective.

In Indian organizations, there is now a marked tendency towards openness is appraisal. Every employee wants to know what
his boss thinks of him and his strengths and weaknesses in performing various tasks.

Feedback system is a part of performance appraisal system of NHK. There is a laid down feedback system at NHK. Feedback is given to appraisees to improve their performance. Feedback is given to both poor performers and outstanding performers too. It is found that very less appraisees get negative feedback by the appraisers because they generally avoid giving negative feedback to avoid poor relationship with appraisees. It has been observed that appraisers generally avoid giving negative feedback to the appraisees since they have to take work from their subordinates and they feel that negative feedback may generate disincentive among them. Most of the appraisees feel that negative feedback results in poor relation between appraiser and appraisees, but some of the appraisees believe that it results in better future performance.

Appraisees of NHK believe that improvement depends on the motivation through the promotions, increments and incentives. If he is frustrated due to suppressions, undue disciplinary actions or adverse placement, he will not respond to PAS.

Promotions at NHK are based on the annual appraisal reports. Promotion which constitutes upgrading of the employee status and salary plays a significant role in motivating employees. In some organizations promotions are treated as rewards but in some organizations promotions are generally done on the basis of set criteria when it becomes due. Promotions at NHK are done on the seniority, qualification, work record, work experience and performance appraisal results. It is found that more than 75 percent of employees believe that performance appraisal is taken into consideration while deciding for promotions.
There are no transfers on the basis of performance appraisal results. Earlier it was done by the NHK through PAS. These were taken place between Gwalior and Gurgaon branches, but now both branches have their own human resources departments for the welfare and development of employees. At present no transfers are taken place in the NHK.

Increments are decided on the basis of performance appraisal results. Annually the salary increase depends on the past performance of the employee. Salary increase of increments are not given until the performance appraisal report of employee is receiver and approved by the director. Most of the employees responded that PA is done for the increment decisions.

IDENTIFYING TRAINING NEEDS

Training is very important for the overall development of the employees as well as organisation. All training need identification is done on the basis of performance appraisal reports. It appears from the responses of the appraisers that identify training needs are done on the basis of appraisal report and self appraisal reports. There is various type of training given to the needful employees. Various type of in-house training programmes, training sessions and conferences are given to the needed personnel. Employees are also sent to the other organizations and institutions for specialized training programmes. Most of the employees believe that identification of training need is always taken by PA results.

Through PA results an appraiser can come to know about the weak areas of performance of an employee so that requisite training may be imparted to them.
About the success of PAS in correctly identifying training needs, most of the employees believe that performance appraisal system is successful in identifying training needs. Being important aspects of the organisation, it is regular phenomenon. It is the basic necessity before set up to perform his official functions. Training helps in increasing efficiency, discipline, understanding and disposal of cases.

4.4.6-Merits

- Appraisal system at NHK is same for the managerial/supervisory and non-supervisory employees.
- It is done from the financial year i.e. 1st April to 31st March of the next year.
- Maximum numbers of employees know about the appraisal system.
- Different forms and factors are considered to measure the performance of employees.
- Various types of decisions on promotions, increments, training and development are based on PAS.
- There is a provision of doing appraisal for the trainees and probationers.
- Guidelines for the appraisers about assessment factors are given for both the supervisory and non-supervisory appraisal procedures.
- Self appraisal is an important part of appraisal system. It is based on some questions mentioned in appraisal format.
- PAS helps employees to recognized their strength and weaknesses to improve their performance.
- There is a provision of feedback for self development through various training programmes.
- Training need identification is also done on the basis of performance appraisal reports.
• Decisions on increments, promotions, and salary are taken only after director's approval.

4.4.7 - De-Merits

• There are no separate criteria for the assessment of supervisory staff, same appraisal forms are used for both the managers and supervisors.
• There is no self appraisal for the non supervisory staff.
• MBO/KPA is decided by the managers and managing committee, there is no involvement of non-supervisory employees in KPA.
• Training need identification is done only on the basis of appraisal results; there should be some other criteria also to identify training needs.
• Promotions are considered as rewards.
• Decision on promotion, salary and increment or all the financial matters related to employees welfare considered after director's approval, which takes long time.
• Self reporting format is very lengthy which is not easy to understand and fill by all the managers. It is time consuming part of performance appraisal.
• No particular method of periodically cross-checking to see whether KPA objectives are achieved or not.
• Personality traits such as dress, manners, relationship with colleagues, general intelligence etc. is not covered in performance appraisal.
4.5.1- Case Study- 3

Yammuna Gases & Chemical Ltd. (YGCL)

CORPORATE PROFILE

Yammuna gases and chemical limited an ISO 9001 certified company was incorporated in 1973, as an Oxygen bottling plant. It then diversified into the manufacturing of power distribution accessories with resin cast cable jointing systems up to 36KV of power distribution. YGCL access in his venture provided the platform to add wide range of power distribution accessories like EPDM based pre-molded joints and shrinkable jointing systems under the brand name ‘Densons’. Today YGCL employs over 450 skilled personnel with various offices across India.

STATUS OF THE COMPANY

YGCL is a Public Limited Company listed with Delhi stock Exchange having its registered office at Jagadhari and corporate office at New Delhi. The capital and reserves of the company in millions and the group turnover is around IRS. 35 millions. The company has been making profits and paying constant dividend to its shareholders since inception.

PRODUCTS LINES

The Company started its operation as industrial gas manufacturers in the year 1975 and later switched over to various Electro-Chemical Insulation Medias such as Cable Jointing Terminations and Kits up to 66KV, Anti-Corrosive Coatings, Sealants and FRP postured products marketed under the brand name “DENSONS”.

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The Company's products conform to various international standards and have been tested by CPRI, Bangalore and CESi, Italy. The Company has Branch Offices at New Delhi, Mumbai, Kolkata and Chennai and a strong dealer network spread throughout the country.

EXPOSURES

The Company is exporting its products to 30 countries around the globe and the Company is a common shopping place for all types of Cable Jointing Systems, FRP Safety Ladders and other products by various Engineering/Power Sectors and utilities in Govt. /Private Sectors. These products find worldwide acceptance in markets like Europe, the Middle and Far East and Africa in over 25 countries. During 2003-04, the company achieved an Export turnover of IRS.71 millions.

LOCATION

YGCL is located at Jagadhari on the Ambala-Yammunanagar highway in Haryana. It is well connected by road and rail. It is approximately 180 Kms from state capital Chandigarh and 220 Kms from national capital Delhi.

Number of Employees

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Employees</td>
<td>240 (June 2008)</td>
</tr>
<tr>
<td>Senior Managers</td>
<td>007</td>
</tr>
<tr>
<td>Managers</td>
<td>015</td>
</tr>
<tr>
<td>Deputy Managers</td>
<td>020</td>
</tr>
<tr>
<td>Engineers</td>
<td>024</td>
</tr>
<tr>
<td>Foreman</td>
<td>030</td>
</tr>
<tr>
<td>Workers</td>
<td>144</td>
</tr>
</tbody>
</table>
ISO - CERTIFICATION

YGCL is an ISO-9001 certified company providing global solutions in power distribution.

HUMAN RESOURCE DEVELOPMENT SYSTEMS

- The development systems straddle a wide range of work areas
- Career Planning
- Job Rotation
- Variable Compensation Schemes
- Performance Appraisal Policy
- Reward and Recognition System
- Training and Development

HUMAN RESOURCES POLICIES

Performance Appraisal is adopted in the organisation up to the level of workers and clerical staff.

Employee's response towards performance appraisal system is very good.

Performance Appraisal System is adopted up to the level of clerical staff and the performance of the workers is appraised at time of annual increment in consultation with their respective Heads.

Performance is appraised annually at the time of increment.

Training and Development programmes through internal/external facilities have been designed. Periodic review of training requirements at each level and devising of future plans in line with corporate philosophy is the mainstay of the training programmes. The training modules promote teamwork rather than have individuals working on various assignments, the company believes in providing equal opportunities to all employees.
Specific training is provided to the employees who are rated low at the time of appraising the performance.

Capabilities/Performance of the employees are reviewed by self appraisal of the employees and Appraiser's appraisal.

PERFORMANCE APPRAISAL POLICY

Employees are appraised on the annual basis, giving people credit for their achievements and setting targets for the forthcoming year. They have developed a balanced policy that is both objective and holistic in its approach. The HRD personnel facilitate the appraisal process and also train senior personnel in assessing individual performance. They resolve the areas of conflict and follow up the outcome of the appraisal.

MAIN OBJECTIVES OF PERFORMANCE APPRAISAL AT YGCL

- To identify the development actions to be taken to enhance the performance of employees.
- To identify the specific training needs of the employees.
- To integrate company and individual goals through a process of performance assessment linked to the achievements of organisation objectives.
- To give employees credit for their achievements and setting targets for the forthcoming year.
- To train senior personnel in assessing individual performance.

SALIENT FEATURES OF PERFORMANCE APPRAISAL SYSTEM

- An opportunity for self -review and assessment
- A clear and equal focus on both, the end results and the Process
- Identifying the Training and Development needs
- Distribution of incentives in an objective, value based manner
4.5.2-Components of PAS at YGPL

TASK AND TARGET SETTING
Each appraisees is expected to have a clear understanding of the tasks and targets assigned to him through a discussion with his appraiser in the beginning of every performance year.

SELF APPRAISAL
The Appraisal is expected to review his own performance every year and identify their tasks and targets accomplished, constraints faced, suggestions for improvement and development needs.

PERFORMANCE REVIEW DISCUSSIONS
On the basis of his self appraisal the reporting officer is expected to have discussion with the appraisee to understand the appraisee and his difficulties more to prepare action plains for each of them to act on the situation. The performance review discussions are expected to increase the awareness about the tasks and responsibilities of officers as well as to identify the development needs.

ADVANCEMENT/INCREMENT
In addition to the assessment of the appraisee on performance and other factors, the appraiser and reviewing officer are required to prepare the increment plan for the appraisee.

DEVELOPMENT PLAN
The development plan may consist of development through specific training, job rotation, and job enrichment, counseling/coaching.
FINAL ASSESSMENT

The final assessment is to be done by the higher authority. Assessment of employees is done on the graded scale of rating in a scale of 1 to 6. Rating is based on examples/targets achieved. The norms of rating scale have been developed as an attempt to provide uniformity of understanding and application of the rating scale.

4.5.3-Performance Appraisal Form (For Management Employees)

Section-I

This part contains the basic information of his Name, Qualification, Department, Designation, Age, Experience, Present salary, Date of Joining.

Section-II

This part contains Job Description and Key Performance in last year. Job Description includes information regarding the nature of work, relevant indices for the volume of work.

At the beginning of the appraisal year, the appraisee and the appraiser sit together and mutually decide the role of the appraisee, his objectives, tasks, targets etc. and determine Key Performance Areas. At the end of the appraisal period the appraisee prepares analysis of his/her own performance on each Key performance area indicating facilitating and inhibiting factors. He/ she also identifies his/her training and development needs in the prescribed form. The appraiser discusses thoroughly with the appraisee, makes a review of achievements and guides and counsels him. A record of discussion is made and jointly signed by the appraisee and the appraiser.

Final Rating is given by the appraiser as an overall rating and by the reviewer as an overall assessment. Recommendations for
advancement/increment and specific training needs are decided on the basis of overall rating and overall assessment given by appraiser and reviewer.

**Section III**

This section consists of review of capabilities-rating. The following capabilities are:

**Technical**

- Knowledge about his sphere of work
- Knowledge about related area of work
- Ability to apply knowledge to practical situation
- Reliability and dependability in completing assignments.
- Quantitative and Qualitative output.

**Professional Up gradation**

- Striving towards professional up gradation of skills.

**Managerial**

- Management of work through effective planning, ability of organizing, delegating and controlling.
- Methods/systems improvement.
- Emphasis on cost control and time
- Productive use of resources.
- Ability to make timely and accurate decision
- Clarity in written and verbal expression
- Sharing of information upward, downward and lateral
- Approach towards problem solving
- Ability to extract optimum work out of people.

**Management**

- Attention to resource.
BEHAVIOURAL

Attitude - Positiveness of action, deeds and thoughts.
Innovativeness - New ideas initiated and executed.
Initiatives - Extent of which acts on and strives beyond the routine.
Leadership - Extent of roll modeling and contributing to team in building shared value/vision.
Involvement - Extent of involvement in company policies, philosophies and approach.

OTHER PERSONNEL FACTORS
- Integrity and Loyalty
- Industriousness
- Conduct
- Punctuality
- Cooperation

Section IV-Scale of Ratings
All ratings are in a scale of 1-6 and are based on examples/targets achieved.

Scale of Ratings (1-6) for assessing performance to be recorded as under:

6. **EXCEPTIONAL** performance having significant impact and/or contribution to the **PRODUCTIVITY** of his/her Function/Division
5. **EXEMPLARY** performance which **CONSISTENTLY** exceeds his/her expected performance.
4. **GOOD** performance somewhat above expectations.
3. **EXPECTED** performance with known instances to justify rating higher/lower than 3, but implied scope for improvement
2. **BELOW AVERAGE** performance with **KNOWN** instances of errors/omissions.

1. **POOR** performance with frequent instances of errors/omissions and lack of effort to improve.

### 4.5.4 Performance Appraisal System for Supervisory and Other Staff

There is a confidential report system designed for the supervisory and clerical staff. Confidential reporting is done annually from 1st Jan to 31 Dec by immediate officer under whom employee is working. This confidential report has two parts.

First, part is related to the employee’s record, which consists of full bio-data or personnel history of employee. This part contains name, qualification, designation, date of joining, last promotion, department/section, total days of absence, training programmes attended etc.

The second part is a secret document. It should be completed in the officer's own handwriting and to be completed by immediate superior under whom the employee has been working for at least four months in the year of report. The reporting officer writes the confidential report of the appraisee after receiving the personnel details of an individual. Confidential report is submitted in the month of January to the reviewing officer. The reporting officer has to go through personal record of employee before completing the main confidential report.

### CONTENTS OF CONFIDENTIAL REPORT SYSTEM

The characteristics or traits which are required to be reported upon are specified in the report form are:-
**Work Knowledge**-consists of knowledge of procedures and regulations within the range of the employee's current work, ability and willingness to acquire fresh knowledge when assigned new duties and unfamiliar assignments.

**Work Performance**-consists of output, thoroughness in work, accuracy of facts and figures, neatness in presentation and execution of work and degree of dependability for doing any given assignment within the scheduled time with due adaptability for working under pressure.

**Personal Traits**-comprised of health Energy, Stamina, Attitude and Enthusiasm towards job, Cooperation with others, Discipline, Punctuality, Integrity and General Conduct and behavior.

**Behavioural Traits**-consists of Emotional stability, Sincerity, Devotion, Helpful, Interpersonal relationship with superiors, colleagues and subordinates, and behavior towards policy holders.

A six fold grading scale (Exceptional, Excellent, Good, Average, Below Average and Poor) is given in which the reporting officer indicates his assessment of employee against each individual trait by initiating in the appropriate column against the relevant trait on the basis of his personnel knowledge of the employee and the employee's work and conduct during the period covered by the report.
4.5.5-Critical Evaluation

Performance Appraisal in YGCL is done annually at the time of increment. It is called annual performance appraisal in case of management staff and confidential report for the supervisors and workers. Managers are evaluated on the basis of some qualitative factors, on other side supervisors and workers are evaluated by their immediate officer under whom employee is working. The reporting officer has to go through personal record of employee before completing the annual confidential report.

It is found that 84.0 percent of staff knows about the appraisal because it directly deals with the employees increments. Some of the appraisee feel that they are unaware about the parameters and criteria on which they are appraised in their confidential reports. Most of the employees said, there should be some specific format for the confidential report which is to be filled by appraisee in their own handwriting before submitting it to the reporting officer. Only few employees are aware on which basis their supervisor evaluate their performance. Appraisals are mainly based on the personal records for workers and self appraisal for the managers.

MANAGEMENT BY OBJECTIVES

MBO is adopted by YGCL in the form of Key Performance Areas (KPA). It is desirable that for performance areas planning should be done at the beginning of the year. KPA is the mechanism which facilitates such planning process. KPA emphasize the accountability or the results appraisee is expected to achieve in the performance period. The process of identification of Key performance areas/Key result area itself facilitates development of role and all-round clarity if carried out properly.
At the beginning of the appraisal year, the appraisee and the appraiser sit together and mutually decide the role of the appraisee, his objectives, tasks, targets etc. and determine Key performance areas. At the end of the appraisal period the appraisee prepares analysis of his own performance on each KPA indicating, facilitating and inhibiting factors. He also identifies his training and development need in the prescribed form. The appraiser discusses thoroughly with the appraisee, makes a list of achievements and guides and counsels him. A record of discussion is made and jointly signed by the appraisee and appraiser.

It is necessary that before fixing the targets every manager should discuss the KPA and targets with his subordinates in the beginning of the year. This type of involvement highly motivates the subordinates. MBO (KPA) is a back bone of the annual appraisal in YGCL.

At YGCL some of the appraisers responded that neither the managers know the rationale and value of KPA nor the subordinates are clear about the goals. Few are of the view that appraisers sometimes overemphasize those goals which are easy to achieve and this appraisees loose interest in it.

**SELF APPRAISAL AT YGCL**

Self Appraisal is a component of performance appraisal aims at promoting self review and sets the stage for development. In addition, it is an opportunity for the appraisee to recapitulate and list down his accomplishments and failures during the performance period and analyze the extent to which he is responsible and the extent to which other factors have contributed to his successes or failures.
Self Appraisal at YGCL is applicable for the management staff only. Appraisees used to write their self appraisal in essay form. It is not based on some critical items like ISGEC. It appears from the responses of the managers that self appraisal system is just a formality. Usually appraisers do not bother to go through all the details written by the appraisees. There is a column of self appraisal which has been designed to enable the appraisees to openly express himself to reporting authority. The appraisal is expected to review his own performance every year and identify their tasks and targets accomplished, constraints faced, suggestions for improvement and development needs.

LENIENCY IN SELF APPRAISAL

There is a possibility of leniency in self appraisal. According to the appraisers, appraisees usually give true picture of their performance. They write their shortcomings also besides their achievements. According to some of the appraisers, a person generally hesitates in writing himself as an excellent worker.

Regarding the success of self appraisal views of appraisers and appraisees differ to some extent. Appraisers are of the view that in this system everyone gets a chance to evaluate himself and one can identify ones personal traits and get training wherever necessary. 40 percent appraisees and 26.7 appraisers of the view that this system is not successful because self appraisal is not open and free.

PERFORMANCE REVIEW DISCUSSIONS (PRD)

Performance review discussion is a substitute name for what used to be referred to earlier as performance counseling or coaching. The term counseling is quite often misunderstood and wrongly interpreted as a process of the boss correcting or controlling employee
behavior by giving him negative feedback in an assertive manner. Unfortunately, due to the misuse of the term 'counseling', it has acquired negative connotations in the minds of most managers.

Performance review discussion plays very important role in the performance appraisal system. It keeps the organisation on track in its stipulated goals and makes the PAS more effective. It is expected to increase the awareness about the tasks and responsibilities of officers as well as to identify the development needs.

A good PRD empowers not only the appraisees but also the appraisers. It enables the appraiser to know the ground level realities, understand factors affecting the performance of his juniors and enables him to prepare action plans to improve his entire unit or department's performance.

Appraisers and Appraisees are of the opinion that PRD sessions fail to produce effective results due to lack of follow-up. Follow-ups through informal exchange go a long way in communicating interest in employee.

For successful performance appraisal it is very necessary that employees must know their performance level so as to improve it. Most of the appraisers believe that improvements depend on the credibility of the appraiser. If his appraisal is unbiased, true and based on factual observation, and his opinion is objective, the employees will certainly improve themselves after receiving their results.

**INCREMENTS**

In most of the organizations, salary grades are associated with the positions held by officials in an organisation. Annually the salary
of every employee increases by a fixed amount. In YGCL salary increases or increments are not given until the P.A report of a particular employee is received from his superior. Those who are rated higher are given additional increments in salary. This increment is given to the employee as a token of the appreciation of the good work done by him.

It is found that responses of employees and the decisions on promotions are also considered along with the increments. Promotions and transfers should also connect with the PAS. Some of the employees feel that increments should not be connected with PAS; there should be some other criteria to increase of salaries.

**TRAINING AND DEVELOPMENT**

PAS at YGCL is training and development based. There is a provision of many types of training and development programmes run by the organisation. There are external and internal training for both the appraisers and appraisees. Training facilities have been designed on the basis of training and development needs of an employee. Periodic review of training requirements at each level and devising of future plans in line with corporate philosophy. YGCL has been frequently organizing training programmes, training sessions and conferences. It appears from the responses of some of the appraisers who are interviewed that it is not necessary that training needs are identified on the basis of performance appraisal but most of the responses are with the identification of training with performance appraisals. There is a provision of specific training to the employees who are rated low at the time of appraisal. It is found that the decisions to train senior personnel in assessing individual performance and special recognition of employees for 'meritorious services' is also based upon performance appraisal results.
PAS plays a significant role in helping subordinates to improve their performance, communication, and one to reach more directly with work related problems.

4.5.6-Merits

- Development and motivation of the employees (through increments, promotions, rewards, training and development).
- To help employees to identify and eradicate their weaknesses and improve upon their strengths in the performance of their current and future jobs.
- To provide feedback and counseling through performance review discussions (PDS) for self improvement with supportive training and development.
- To provide valid and complete data to help decision making authorities for making various decisions based on performance appraisal results. Authorities take decisions on increments, promotions, placements, rewards and training.
- Performance appraisal is adopted up to the level of workers and other subordinate staff.
- Performance is appraised annually both for management staff, supervisors and workers.
- Training facility for the appraisers or train senior personnel in assessing individual performance.
- There is a clear understanding of key performance areas through a discussion with the appraiser in the beginning of every performance year.
- Self-appraisal for managers is expected to review their own performance every year and identify their tasks and targets.
- Most of the employees know about the performance appraisal system and the basis on which they are appraised.
• Training and Development of employees through various external and internal training programmes.
• Faculty to train senior personal(appraisers) in assessing the appraisees performance.

4.5.7-De-Merits

• There is no appraisal performa for the supervisors and workers. The are assessed by their officers on the basis of work done by them in the last year.
• Self-appraisal is only meant for the management staff and appraisees has to write it in an essay form. It is not based on any particular traits.
• Annual confidential report of workers is fully depending on the officer who fills it.
• There are single form and appraisal criteria for all the categories of employees.
• Secrecy of annual confidential report. There is no feedback system for the workers. There is a counseling sessions for the poor performers.
• Increments are connected with appraisal report. Increments are not decided until performance report of particular employee is received from his superior.
4.6.1- Case Study-4

Oriental Engineering Pvt. Ltd

COMPANY HISTORY

It was established in 1933 at Lahore (Now in Pakistan) and began with the manufacture of Cold Start Horizontal Diesel Engines. The company was shifted to its premises at Yamunanagar after the partition of India.

Later, the company started the manufacture of Hydraulic Equipment and is presently manufacturing High pressure Cylinders, Pumps and Hydraulic Systems up to 700 Bar (10,000 psi).

ISO - CERTIFICATION


EXPORTS

The products are being exported to large number of European countries, USA and Canada, Australia, UK, Russia, Middle East, East Africa, South Africa, South east Asia and New Zealand.

It has been awarded the coveted Star Export House status.
PRODUCT RANGE

Oriental Engineering has followed a systematic policy of upgradation in design and manufacturing. It now offers a complete variety in the 700 Bar (10,000 psi) product range for Hydraulic jacks, Cylinders, Pumps, Power Packs, Systems, Valves & Tools. Hydraulic Systems including Cylinders & Power Packs are manufactured for Construction, Mining, hydroelectric Projects, Tunneling, Underground Metro's etc. The company has also entered the field of manufacture of VACCUM PISTON DEWATERING RECIPROCATING PUMPS with Sound Proof Canopies.

ORIENTIAL COLLABORATIONS

Oriental Engineering Works Pvt Ltd is also representing:

**Roemheld GmbH, Germany** for Hydraulic work holding / Elements for Jigs and Fixtures for CNC Machining Centers.

**Hilma-Roemheld GmbH, Germany** for Quick die Clamping / changing Elements, Hydro-Mechanical, Mechanical and Hydraulic Vices.

**Plarad, Germany** for hydraulic / electric / Pneumatic Torque Wrenches, Manual Torque Multipliers, Power packs and Bolt

NO. OF EMPLOYEES

Total Employees- 233 (June 2008)

Managerial Staff – 22 (Technical)

10 (Non-Technical)

06 (Female)

Skilled - 132

Unskilled - 63
4.6.2-Performance Appraisal System for Non-Management Staff

There is an Annual Confidential Reporting system for the non-managerial staff. The appraisal form comprises information about an employee’s regarding his previous experience, duties assigned and his leave and absence records. The employee’s performance is appraised on the following parameters:- Job Knowledge, Intelligence, Team Spirit, Enthusiasm and Devotion to duty, Reliability, Quantity of work done, Quality of work done, Safety and Personal Care.

Rating is done on 7 point scale i.e. Outstanding, Very Good, Above Average, Average, Below Average, and Not Applicable. Besides these rating on parameters information is also called from reporting authority regarding display of employee’s special qualities necessary for handling work of higher responsibilities and his special features or aptitude. There are two parts of performance appraisal form:-

Part - 1 - Bio-Data

The first part of ACR form embodies complete history of appraisee in term of assignments held and other information relating to his health, leave, absence and training programmes attended.

Part - 2

This part of the form consists of various parameters on the basis of which they are appraised by the reporting officer. The employee’s are appraised on the parameters like Job Knowledge, Intelligence, Team Spirit, Enthusiasm and Devotion to duty, Reliability, Quality of work done, Quantity of work done, Safety and Personal Care. It is filled annually by the immediate officer under whom the employee has been working at least 3 months in the current year of report. ACR is filled annually from 01 Jan to 31 Dec. An appraisal is done on the basis of parameters and various decisions
like promotions, transfers, increments and training are based on the annual confidential report of the employee's.

**4.6.3-Performance Appraisal Form (For Management Staff)**

**Section-I (Personal Details)**

This part contains the basic information of his employability-his Name, Qualification, Department, Designation/Grade, Last Promoted, Evaluation Period, Location, and Date of Joining.

**Section-II (Appraisal Codes)**

This part contains appraisal codes from 'A' to 'N' (A-Outstanding, B-Very Good, C-Good, D-Above Average, and E-Average, F-below Average, N-Not Applicable). The employees are appraised on the basis of 5 qualitative factors; assessment is done on the appraisal codes and comments given by appraiser on each qualitative factor.

**Section-III (Qualitative Factors)**

1. **Work Accomplished**

Quality of job performance (Thoroughness, accuracy, neatness, time schedule in completion of assigned work)

Cost Consciousness (Prevention of wastage, Initiative for Cost reduction)

2. **Work Methods**

Planning (Setting goals, schedule of work with priorities and details)

Organisation Delegation (Dividing work into manager able tasks, assigning them to other and integrating their efforts and establishing accountability)
**Analysis** (Collection and Evaluation of relevant facts, Analysis of the situation and developing alternative course of action)

3. **Job Knowledge**
Well informed on the job, methods, techniques and skill, Policies, Procedures, Rules and Regulations applicable to assigned duties and related functions, Awareness of developments outside affecting the organisation.

4. **Cooperation**
There should be a positive Attitude towards Company. Always ready to do the job willingly, getting along well with colleagues at all levels.

5. **Professionalism**

   **Relationship** (Ability to get along with Superior, Colleagues, Subordinates and Outsiders without sacrificing organizational goals)

   **Supervision Required** (Degree of attention and follow-up required to carry out assignment, Initiative and Dependability. No supervision and self-starter and in time completion of assignment means outstanding or very good)

   **Employee Development** (Self development initiative of the appraisee, Development of subordinates)

**Section-IV (Remarks by Reviewer & Functional Head)**
This section contains any specific comments and recommendations given by the reviewer. The reviewer indicates areas in which the appraisee needs development. At last there is a signature of reviewer and comments of Functional head with remarks.
Performance appraisal is done annually from 01st January to 31st December at Oriental. It is found that 51.4 percent appraisees are unaware about the parameters and criteria on which they are appraised. Most of the employees considered it as a form filling exercise. Only 48.6 percent appraisees are aware of the basis on which their supervisor evaluate their work in the annual confidential reports. Appraisee’s are appraised on the various parameters like job knowledge, intelligence, team spirit, enthusiasm and devotion to duty, reliability, quality of work done, quantity of work done, safety and personal care.

It is found that due to the lack of time, reporting officers and reviewing officers take their appraisals reports very lightly and do not fill the reports seriously. They are assessed on the basis of parameters given in the appraisal forms. The main source of information on which appraisers rely most are term of assignments held, information to his health, leave, absence and training programmes attended.

**Management by Objectives** is adopted in the form of ‘work planning’. It is designed to help an individual to systematically think about and plan for his growth through work. A most significant contributing factor towards ones growth is experience. From such a review an individual can identify areas of his strength and the areas that need strengthening. Work planning is capable of helping the individual to systematically plan and review his experience. The work planning is designed to help an individual and organisation in giving clarity of role to the manager, enabling managers to think about their work in all its aspects, as also their own strengths and weaknesses, enabling a manager to identify his achievable results and promotion of healthy superior subordinate relations.
In the beginning of the appraisal year, the role, objectives, tasks and targets of appraisee are determined. At the time of appraisal the appraiser discuss thoroughly with the appraisee, makes a review of achievements and guides and counsel him.

66.6 percent appraisers of Oriental responded that they do not think it is necessary to consult the subordinates before fixing the targets. 75.0 percent appraisers responded that MBO system is not successful, and are of the view that objectives are fast changing and by the time corporate objectives are fully observed and understood at the field level, there are new changes.

45.5 percent appraisees responded that system is not successful. Consultations and reviews are only on papers and in practice the system is not implemented in the true spirit. In other words the management is not serious in implementing the programmes.

**Self appraisal** is an important part of the performance appraisal but there is no self appraisal system at the Oriental. It is not realized the value and the objectives of the self appraisal by the company. Appraisee’s are appraised only on the basis on qualitative factors; most of the decisions are based on these factors only. Appraisers call it a partial system because employees generally avoid mentioning their weak points.

Management staff of Oriental is apprised on the basis of qualitative traits. These are work accomplished, work methods, job knowledge, cooperation, professionalism and overall appraisal. All these mentioned traits are qualitative in nature. Therefore, bias cannot be stopped for entering into evaluation system. It is natural that when a reporting officer write on these traits, his personal likes
and dislikes affect the report. Moreover, rating of their report is not based on the marking system.

Personal relations with the appraiser are given higher rating as compared to those who do not have personal relations with the appraiser. Personal relations play a big role in the appraisal system. Every employee wants to know what his boss thinks of him and his strengths and weaknesses in performing various tasks during the previous year.

There is no laid down feedback system in oriental. Appraisees are of the opinion that the various traits used to evaluate their performance and the whole criteria of doing rating should be disclosed to them, so that they can know their strengths and weaknesses. Appraisers generally avoid giving feedback to appraisee because it results in poor relations between appraiser and appraisee.

It has been observed that appraisers generally avoid giving negative feedback to the appraisees since they have to get work done from their subordinates and they feel that negative feedback may generate disincentive among them. 72.97 percent appraisees responded that negative feedback by appraiser's results in poor relations between appraisers and appraisees. Appraisees are of opinion that if feedback is given properly, in a proper manner, employees definitely improve their performance.

Appraisal data at Oriental is utilized for the development decisions as well as for personnel management purposes. The following decisions are taken at Oriental on the basis of appraisal data:- Performance rewards, Promotions, Placements and transfers, Training and Career development.
Promotion is a motivation for the employees. It constitutes upgrading of the employee status and salary on the bases of work done by him. Promotion at Oriental is done on the basis of seniority, qualification, work record, PA results and interview for the management staff. For the supervisory and workers seniority and work record is given more weightage.

Annually the salary of every employee increases by a fixed amount. Performance awards are also given which are not linked with their salaries but based on their appraisal reports. These awards are given on the basis of outstanding performance to motivate the employees. Both the appraisers and appraisee’s responded that increment decisions are not much affected by performance appraisal result.

Training decisions are also based on the appraisal results at Oriental. There are various types of training sessions and programmes conducted for the employees. Through performance appraisal results an appraiser can come to know about the weak areas of performance of an employee so that requisite training may be imparted to them. Level of training is low because of the lack of specialized personnel and low attention towards need and type of training. Both the appraiser and appraisees are of the view that this decision is sometimes taken on the basis of performance appraisal results and PAS is not successful in identifying training needs.
4.6.5-Merits

- There are different criteria of appraisal for managers and workers.
- MBO is adopted by Oriental in the form of 'Work Planning'.
- The role, objectives, tasks and targets of appraisee's are set in the beginning of the year.
- Performance Appraisal is development based, various development decisions are taken on the basis of appraisal report.
- Annual salary is increased on the basis of annual appraisal report.
- Appraisal data is utilized for the development decisions.

4.6.6-De-Merits

- Most of the employees unaware about the parameters and criteria of performance appraisal.
- Reports are taken very lightly by the reviewing officers; they do not fill reports seriously.
- MBO system is not implemented in the true spirit.
- There is no self appraisal at Oriental for all the types of employees.
- There is no laid down feedback system.
- Training facilities are low because of the lack of specialized personnel.
Over the last 40 years UPEC has emerged into one of India's leading manufacturer of the parts of automobiles. It was established in the year 1967, now it is ISO/TS 169494 company. In the very first year of its inception, it started manufacturing special spacers for co-axial telecommunication cables according to the specifications of Standard telephones and Cables Ltd., London. Initially, it was actively supported by the UN-aided tool room of SISI in the development of its tools and dies. Its first component was so well received by Indian manufacturers of co-axial cables that it offered this component to its original collaborators STC London. Thus, the company started exporting the components to Finland, Austria, Italy and the U.K., maintaining a monopoly for several years. This development has since won an import-substitution award in 1987. Then this company diversified into other fields of activities and developed several components for Telephone, Textile, Defence and Refrigerator industries. But since the year 1983 the activities of the company are mainly concentrated on the automobile industry. Based on the quality of the products and services, general motors recommended name for global sourcing. UPEC main strength lies in the expertise development through long experience, constant innovations, latest technologies and development of Human Resources by a dynamic technical and managerial team and dedicated work force.

COMPANY HISTORY

The company was established with a small Tool room for manufacturing machined components in 1967. In the same year it
installed 64 T injection molding machine for production of spares for Telecom nations co-axial cables. In 1970 it added two injection molded machines to meet increased demands of spacers. It built up facilities in tool room to manufacture in-house moulds in the year 1972. In 1973 it diversified to manufacture telephone parts. 1977 was the year of starting work for defence and textile Industries. The starting of manufacturing of Automobile Plastic parts was started in 1982. In 1983 the company started production of automobile hot stamped emblems. 1987 was a year of received import substitution award from All India Institute of Plastics Federation for development of co-axial spacers. There was a expended molded capacity by adding two or more injection molding machines 80T & 180T in 1992. In 1996 this company expended molding shop with addition of 300T & 80T injection molding machines. Company was awarded QS-9000 certification by TUV-CERT of Germany in 2000. 2005 was a year of commissioning of Automatic Plating on Plastic Plant in Technical collaboration with Sakae·Riken.

**UPEC COLLABORATORS**

A wide range of products for customers are entered into technical collaborations with Sakae Riken Kogyo Co. Ltd., Japan in 1997. In 2003 the collaboration was extended to USA, China and other European countries. UPEC exports its products to Spain, USA, Mexico and Brazil.

**NO. OF EMPLOYEES**

Total Employees- 360 (June 2008)

Managerial Staff - 34 (Technical)

20 (Non-Technical)

04 (Female)

Workers - 302
Various types of heavy engineering molding machines and dies

Other Products
Ash tray, Assembly control brackets, Dash boards components, Air vent assemblies, Fan shrouds, Fuse boxes, Door handles and Window regulators, Expansion Tank, oil/water separators and speedometers gears.

ORGANISATION
UPEC corporate office is located at Yamunanagar. It houses corporate level exports, imports, Finance, Planning, Design and Development, Quality Assurance, Administration and HRD departments. The Technical Centre of the Company is also located at Yamunanagar. UPEC works at Yamunanagar is center of manufacturing activities of heavy engineering capital goods. Its employees are well qualified and trained with a total strength of around 359 persons. Works activities are divided into various sections.

4.7.2-Performance Appraisal System at UPEC

As per the philosophy of the company, Performance Appraisal is a critical tool in the development and optimization of human resources in an organisation. It helps people in the organisation to consciously aim at and improve upon individual performance and thus organisation effectiveness. It also facilitates developing an organizational culture of mutuality, openness and collaboration towards realization of individual as well as organizational goals.

Performance appraisals are kept on changing as per the requirements of the Industry. Earlier at UPEC, officers were being
assessed on the job knowledge, supervision, business capacity, dependability, relationship with junior and senior colleagues, relationship with public, sociability, managerial ability.

The following are the objectives of the appraisal system:

- The main objective of performance appraisal system is to help employees to identify and eradicate their weaknesses and improve upon their strengths in the performance of their current and future jobs.
- To provide valid data to help decision making authorities for taking personal decisions like placement, promotion, transfer, training, etc.
- To strengthen working relationship and organizational culture.

**PERIOD OF APPRAISAL**

There has been an Annual Appraisal reporting system for supervisory and managerial staff. There is confidential reporting system for workers. For supervisors and workers, reporting is done from 1st Jan. to 31st Dec. and for managerial staff from 1st April to 31 March.

**ASSESSMENT ROUTES**

Immediate superior- comments of immediate superior/remember- remarks by reviewer on training and development requirements- comments of MD: JMD: Unit Head.

**APPRAISAL REPORT FORM FOR MANAGERS**

Appraisal report form for officers comprised of 5 items and to be completed by an officer directly supervising the work of an officer reported upon or immediate superior.
I. **Personal and Executive Traits**

First item comprises of various personal and executive traits rated by reporting officer on 5 point scale i.e. Outstanding (A), Above Average (B), average (C), Below Average (D) and Poor (E).

These traits to be rated are divided into four sections.

**SECTION A** relates to **Personal Traits** - Intelligence, Self Confidence, Discipline, and Interest in Self Development.

**SECTION B** relates to **Managerial Skills** - Leadership ability, Initiative and Drive, Planning and Organizing Ability, Capacity for Delegation, Interest in Training and Development of staff.

**SECTION C** relates to **Job Skills** - Job Knowledge, Dependability, Innovative Ability, and Power of Expression.

**SECTION D** relates **Behavioral Skills** - Emotional stability, Sincerity and Devotion to duty, Sense of fairness and impartiality, Interpersonal relationships with superiors, colleagues and subordinates.

II. **Comments for rating as Below Average**

If the reporting officer grades any of the traits of an officer as 'below average' or 'poor', he is required to give under item II further comments including specific instances or incidents which led him to these conclusions.

III. **Performance During the Period**

The questions under this item are related to state of efficiency and work of appraisee’s office/department/section at the commencement of the appraisal period and present position, unusual handicaps and advantages in the performance of the appraisee.

IV. **Training and Development**

The reporting officer’s discussion on the officer’s growth and development is based on his appraisal under I, II, III. **Specific**
**training** is provided to the employees who are rated low at the time of appraising the performance.

**MAINTAINING OF CONFIDENTIAL REPORT**

Before the confidential report is filled up, it is to be ensured that all the bio-data details of the employees reported upon are reflected in the confidential report forms. For this purpose personnel department maintain a record having complete bio-data of all the employees. The bio-data details can be conveniently entered in the confidential report along with the leave record before passing it to the reporting officer for writing the reports.

**SELF APPRAISAL SYSTEM FOR MANAGERS**

The self reporting form for officers and managerial staff contains eight questions. Self Reporting form calls information from concerned manager/officer regarding job description, comments regarding performance relating to 'nature of work', 'volume of work', 'present state of efficiency' and 'work in office/department/section', 'special achievements during the appraisal year', 'responsibilities that officer feel will be able to discharge more efficiently', 'training undergone and training required.

4.7.2-Critical Evaluation

Though appraisees are aware in the UPEC that their performance is annually appraised and their reports are annually completed yet it is found that only 52.0 percent of employees are aware about the parameters and criteria on which they are appraised during annual appraisal. Most of the employees responded that officers are not taking much interest while filling up the reports.
because of the lack of time, which affects the performance appraisal. It is found that lack of interest on the appraiser's part always affected the performance appraisal. The main source of information on which appraisers rely most is personal information of the employees.

Management by Objectives gained popularity in recent years, more and more companies now adopting this procedure in which objectives set with the joint efforts of the superior and the subordinate help in evaluating the performance of the subordinate.

MBO is adopted in UPEC in the form of KPA (Key Performance Areas). KPA are identified and planning is done in the beginning of the year. Only managers and supervisors set the objectives for the year, there is no involvement of non-supervisory for this procedure. In the beginning of the appraisal year objectives, tasks and targets are set and key performance areas are determined by the appraisers.

72.0 percent appraisees are of the view that targets are set without their involvement. Managers decide themselves about the various KPA without any consultation with non-supervisory staff. Majority of appraisers and appraisee’s said that subordinates are not consulted before fixing the targets. It is found that only 44.0 percent appraisees are of the view that MBO is adequately used in the organization.

The self appraisal system at UPEC is applicable to officers only. Self Reporting forms calls information from concerned manager/officer regarding job description, comments regarding performance relating to ‘nature of work’, ‘volume of work’, ‘present state of efficiency’ and ‘work in office/department/section’, ‘special achievements during the appraisal year’, ‘responsibilities that officer feel will be able to discharge more efficiently’, ‘training undergone and training required. Employees are of the view that this system has given an opportunity
to the employees to improve their performance, encourage better
performance and it leads to self improvement. Appraisees responded
that it is done only as a formality as no importance is given by the
appraisers because they believe that employees generally avoid
mentioning their weak points.

Bias also plays an important role while appraising the
employees. It is found that 52.0 percent appraisees believe that high
rating is given to those appraisees who are more close to the
appraiser, and weightage is given to those who are in the habit of
wising them while entering and leaving the office. A personal relation
of appraisees with appraisers is a positive point towards high rating.
44.0 percent appraisees responded that it rarely happens that
appraisers fill their reports on the basis of facts and record of actual
performance. They depend upon their memory because they do not get
enough time to see personal records of each and every employee.

Feedback and Counselling is given by the appraisers to the
appraisees for their self improvement with supportive training
programmes. Instead of giving complete picture only some weak and
strong points of the appraisees are discussed with them.

Appraisees who generally get negative feedback is counseled by
the appraiser on their weak points. 60.0 percent appraisees feel that
negative feedback leads to frustration and poor relation of appraiser
and appraisee. 90.0 percent appraisees feel that negative feedback
causes job dissatisfaction.

In UPEC decisions on promotions, increments and training are
taken. Promotions and increments motivate people and training helps
in self development of the employees. Appraisees feel that promotions
should be given when it become due after fixed tenure. In UPEC the
appraisal report is given more weightage as compared to other criteria.
of promotions. Annually or periodically the salary of every employee increases by a fixed amount associated with the grade. Increments are given to motivate the employees.

Training at UPEC is provided to the employees who are rated low at the time of appraisal. Different types of training sessions are conducted and there is also a provision of sending employees to the reputed institutions. Both appraisers and appraisees are believed that decision is sometimes taken on the basis of PA results. Through PA results an appraiser can come to know about the weak areas of performance of an employee. So that requisite training may be imparted to them.

Outstanding performers are rewarded by appreciation letters, extra increments, incentives etc. such rewards highly motivate the employees to perform better.

4.7.3-Merits

- Managers are evaluated on the basis of personal traits, managerial skills and behavioral skills.
- There is a system of self appraisal for officers on the critical points mentioned in the appraisal format.
- PAS at UPEC helps employees to identify and eradicate weaknesses.
- Feedback and counseling is there for self improvement with supportive training.
- A decision on promotions, increments and training is based on appraisal results.
- MBO system is adopted as a KPA (Key Performance Areas).
- Provision of specific training and development programmes for self development of employees.
4.7.4-De-Merits

- Employees are not much aware about the present system of PAS.
- Period of appraisal is different for managers and other staff.
- Self appraisal is only meant for officers.
- There is no provision of giving feedback to employees.
4.8 - Comparative Discussion on Performance Appraisal Systems Adopted By Selected Organizations

PERIOD OF APPRAISAL

Appraisal is done annually in all the selected companies selected for the research. But the time of appraising workers, supervisors and managers is different from organisation to organisation. Appraisal is called by different names, at ISGEC it is annual appraisal report for managers and merit rating for supervisors and workers. A review period of appraisal starts from 01 June to 31 May for the managers. Confidential reporting is done annually from 01 Jan to 31 Dec for supervisors and workers at ISGEC, UPEC, YGCL and Oriental. Only at NHK reporting of workers is done from 01 April to 31 March. At UPEC and NHK reporting is done from 01 April to 31 March for managers.

AWARENESS OF PAS

Appraisal is continues process and it is found that 61 percent staff of ISGEC, 79 percent staff of YGCL, 50 percent staff of UPEC and 86 percent staff of NHK and - 54 percent of Oriental aware about performance appraisal system prevalent in the organisation. Most of the Indian organizations directly deal with the promotions and increments through appraisal reports. The companies where 70-80 percent employees know about the appraisal system, directly deals appraisals with the increments and payments. At ISGEC and Oriental most of the employees considered it as a form filling exercise. Only few employees are aware of the basis on which they are evaluated. It is found that officers at ISGEC, Oriental and UPEC are not taking much interest while filling up the reports because of the lack of the time. They don’t want to waste time in filling up the large forms of
performance appraisal. There is a provision of confidential system for workers of YGCL, UPEC and Oriental company. NHK and ISGEC are using different types of appraisal forms for the supervisory and non-supervisory staff.

**USE OF KPA/MBO (Key Performance Areas/Management by Objectives)**

It is used in different organizations in different forms. At ISGEC MBO is not much prevalent but at YGCL it is much prevalent and adopted in the form of PRD (Performance Review Discussions). It is adopted by Oriental in the form of 'Work Planning'. As it is used to set goals, objectives, tasks and targets in the beginning of the appraisal period at NHK and UPEC in the form of KPA. There is no involvement of workers while setting an objective for the year. Targets are fixed keeping in view the amount of business done by the company in the particular area in the particular year. At YGCL training and development needs are also identified with the other objectives. KPA system is not much successful at the UPEC, Oriental and ISGEC but at YGCL and NHK it has got some value because there is an involvement of managers along with the managing committee for determination of goals. Targets are mutually accepted and monthly performance is communicated, mid-term review is usually taken to revise targets.

**SELF-APPRaisal**

Self appraisal is an important part of performance appraisal system. In all the companies selected for the research work are adopting self appraisal systems during the annual appraisal. Self appraisal is limited to supervisors and managers only. There is no appraisal for the workers in the companies selected for the study. In the ISGEC self appraisal is applicable to managerial staff only. There
is a provision of writing self appraisal on seven critical items on which employee has a freedom to write about him every year before the appraisal period. At YGCL there are no critical items, appraisee are free to write about him in a essay form, which is commonly used by the most of the organizations of the Indian origin. A self appraisal format has been designed by NHK to enable the appraisee to openly express himself to the reporting authority on the items given in appraisal form. It is found that self appraisal is successful because it is considered as an HRD tool to develop responsible employees for future working and self improvement. But other side leniency in self appraisal is a common thing. People generally write positive points about them instead of giving their negative points also. At UPEC appraisees believe that this system have given opportunity to the employees to improve their performance and self development. Self appraisal is not a part of performance appraisal system at Oriental. A value and objectives of self appraisal is not realized by the appraisers of the company. At YGCL appraisee believes that self appraisal is just a formality; usually appraisers do not bother to go through all the details written by the appraisee. According to the majority of employees of the most of the companies, appraisee's generally hesitates to write about himself as an excellent worker.

BIAS AND LÉNÉENCY

Bias plays an important role in performance appraisal system. Most of the employees at NHK, UPEC and Oriental believe that personal relation of appraisee with the appraisers plays a big role in appraising employees. It is revealed that high rating is given to those who are close to the appraisers. At ISGEC and YGCL it is found that evaluators have their own value system which acts as a standard against which he makes his appraisals. Only small numbers of employees are rated outstanding.
FEEDBACK

Feedback system is a part of appraisal system at ISGEC, NHK and UPEC and there is no system of feedback at YGCL and Oriental. Negative and positive feedback is given to all the appraisee's or both to poor and outstanding performers. It is believed that feedback improves the performance of employees. At ISGEC and UPEC only negative feedback is given to appraisee's. Appraisee's are counseled by appraisers on their weak points. A large number of employees feel that negative feedback develops job dissatisfaction, frustration and poor relation between appraiser and appraisee.

PROMOTIONS, INCREMENTS AND TRAINING

PAS of all the companies selected for the research work are promotion and increments based. Training and Development is also an important part of performance appraisal system adopted by the selected companies. At YGCL salary increase or increments are based on the appraisal reports. Annually a salary of employee's increases by a fixed amount after the employee appraisal report is received. There is a provision of additional increments to the highly rated employees. Annual appraisal at YGCL is highly based on increments. Promotions at ISGEC are considered to motivating the employees. At UPEC and Oriental decision on promotions are based on the appraisal reports. Appraisals reports are considered more important while motivating employees through promotions. At Oriental promotions are done on the basis of other criteria of seniority, qualification, work record and an interview by selection committee. Promotions at NHK are also based on appraisal reports on the set criteria when it becomes due.

Apart from the promotions and increments, training and development is also an important for the career development. Training plays an important role in the self development of employees. Almost
all the companies identify their training needs on the basis of appraisal reports. At NHK there is a provision of in-house and specialized training programmes for the needed employees. Training need identification is done on the basis of appraisal report of an employee. Annual appraisal report at NHK is mainly based on the training of the employees. A primary aim of the NHK is to develop their employees through required training programmes. Performance appraisal at ISGEC is also a training based along with promotions. Training need identification is done on the basis of appraisal result. Training for all types of employees is organized frequently in order to update the knowledge of the employees. Training at UPEC is provided to those employees who are rated low at the time of appraisal. Employees are sent to various institutes and reputed companies for the training purposes if needed. Development oriented PAS is adopted by YGCL, it is frequently organizing internal and external training programmes for the employees. There is a provision of periodic review of training requirements at each level. Most of the employees at YGCL are in opinion that it is not necessary to identify training needs at the time of appraisal reports. There is a provision of specific training to those employees who are rated low at the time of appraisal. Training is also given to the appraisers before filling up the appraisal forms for the appraisee’s. YGCL is also considered employees for special recognition of employees for meritorious services. At ISGEC outstanding performers are rewarded with the appreciation letters for motivation. Outstanding performers are selected on the basis of appraisal reports. At Oriental only poor performers are considered for the training sessions. Training level is low as compare to other organizations selected for the study.