CHAPTER VI
FINDINGS AND SUGGESTIONS

PA assumes a significant role in the HRD since it is used as a tool for employee development and control. It makes the role perception and reward systems clear to the employees. Added to these are the gains available to the companies in the form of improvements in productivity and morale.

In the preceding chapters, an attempt has been made to study the issue of PA on its various parameters followed by the four selected public enterprises. The researcher in chapter V has evaluated the perceptions of executives as appraisees and appraisers (on various factors of PA). Two public enterprises (VISL and KIOCL) out of four are following the conventional method of PA and the rest follow the modern method of appraisal. The working of the two systems of appraisal were examined with the help of executives perceptions. Some perceptions are evaluated and tested with statistical tools (see chapter V).

In this chapter an endeavour is made to present a succinct report of what has been discussed and analysed in earlier chapters and the various conclusions drawn and the suggestions proposed. The analysis and interpretation...
of the field data in chapter V resulted in the following major findings:

1. The perceptions of the executives reveal that most of the appraisees and appraisers of the units under study are aware of the individual and organisational goals. When they were asked to put them in writing they could not sustain their claim. However, a very small percentage of the executives wrote them with interest and patience. It is also observed that the perceptions of all the executives are more or less the same.

2. It is found that except in NMDC, the executives mostly could not identify the method of appraisal used at present in their industry. There existed significant differences among the executive's perceptions in this respect. The answers are conventional, or of the self-appraisal type or of the McGregorian approach type. All the executives in NMDC perceive the conventional approach as the present appraisal. Although self appraisal method is followed in KIOCL, the executives identified the conventional method as the current appraisal.

3. All the managers in the units selected for study generally felt that there is a need for a formal appraisal system.
in the form supervision, written reports and interview.

4. It is revealed by the study that the objectives of the current appraisal system are understood 'very well' by the executives at junior and middle levels. But the procedures involved in the present appraisal system are well understood by all the executives.

5. It is clear from the study that there are no appraisal interviews or counselling for executives except in VISL. But a majority of the executives other than at the VISL perceive that no appraisal meetings are conducted by the management to discuss the appraisals.

6. The executives of NMDC feel that what is appraised is irrelevant in their cases. The responses in other units indicate that there is relevance in appraisals.

7. As regards the basis of appraisals, a majority of the executives of NMDC and VISL perceive the 'forms' as the basis, whereas it is 'written reports' in the case of KIOCL and TSP. There are differences in the perceptions of the executives of different units on this issue.

8. A very large number of managers in NMDC, TSP and KIOCL state that no part of the appraisal report is shown to the appraisee after the appraisal is made, whereas in
The executives perceive that only a part of the appraisal is shown to them. There exists in this case the difference in perceptions of executives. This shows closed and control-oriented appraisals.

9. The perceptions indicate that the executives of KIOCL, TSP and VISL are 'quite satisfied' with the present appraisal, whereas the executives of NMDC were 'some what satisfied'. The differences in perceptions of executives are significant in this respect.

10. It is clear from the opinions of executives in NMDC that 'inappropriate grading' or criteria are a major barrier to appraisals. But the executives of KIOCL and VISL perceive that there are no problems of appraisal at present. In TSP, the absence of follow-up action on appraisal report is a major problem. The perceptions of executives are significantly different on this issue.

11. There are no significant differences in perceptions of the executives in all the four units on rating of appraisals as 'closed and control-oriented'.

12. The study revealed that the PA has been used as a tool in KIOCL, TSP and VISL to control and develop the employee, whereas it was exclusively used in NMDC for controlling the employee.
13. It is found from the study that the current appraisal in NMDC and KIOCL is associated with 'central tendency error'. The 'halo effect' was noticed by the executives of TSP as the error of PA. Contrary to this, the executives of VISL perceived no errors in the present appraisal. Thus regarding the errors affecting PA, there are significant differences in perceptions of the executives taken for study.

14. There are no differences of opinion among the executives of all the units with regard to the PA and its link with the labour productivity. They also agree that PA leads to motivation of employees and in turn results in managerial effectiveness.

15. A majority of the executives in all the four units of study perceive that they are aware of their job description and job specification, which is quite significant in setting objectives of performance. They are equally aware of the promotion policies and procedures with the exception of executives of NMDC and KIOCL who know more or less the procedures.

16. The 'Log book' which is expected to serve as a guide to the boss in evaluating the performance is not maintained.
by the executives (superiors) of NMDC, KIOCL and TSP. The appraisers in VISL feel it is 'unnecessary'.

17. The existing criteria of PA has been considered 'adequate' by many executives of KIOCL, TSP and VISL, whereas the criteria are 'inadequate' in NMDC. The responses from KIOCL and TSP reveal that some more factors are to be included in appraisal, and VISL executives do not favour a change in the present criteria.

18. The perceptions of the executives in KIOCL and TSP reveal that the very purpose of measuring performance is to identify training and development needs. But the perceptions of executives in VISL and NMDC differ in this respect.

19. Except in TSP the targets set by the superiors are not that meaningful, quantitative and time-bound. The goals are to a limited extent realistic and attainable. The participation of subordinate in goal setting is limited in NMDC and VISL, whereas it is to a great extent in TSP and KIOCL.

20. It is clear from the study that PA plays a very limited role in NMDC, KIOCL and TSP in subordinate development whereas it is greater in the case of VISL.
21. There are no significant differences in the perceptions among executives who state that lack of time on the part of their boss and lack of feedback does not affect much the effectiveness of the system.

22. The executives of NMDC and TSP perceive that their superiors are not serious about appraisals. But in KIOCL and VISL, the bosses evince more interest in making appraisals.

23. It is seen in the study that the personal likes, dislikes, relationships, prejudices exert greater influence on appraisal ratings in NMDC and VISL and it is least in TSP and KIOCL. It leads to the conclusion that the appraisals in NMDC and VISL are more subjective and biased and such a bias is less in TSP and KIOCL.

24. The subordinates are responsible to a great extent in making appraisals subjective in the case of NMDC and VISL. But the influence of subordinates on appraisal ratings is very limited in KIOCL and TSP.

25. There are no differences in perceptions of the executives in all the 4 units who feel their superiors possess adequate knowledge of subordinate's performance.

26. The present PAS in all the units is successful to a limited extent in identifying the training and develop-
ment needs of subordinates. There are no differences in the perceptions of the executives in the units of study. It is also true as expressed by the executives that there is limited follow-up action by the superiors on training and development needs.

27. With respect to communication of the appraisal results, all the executives are not happy or satisfied. On the other hand, all the executives feel that both the favourable and unfavourable aspects of appraisal should be communicated.

28. Research reveals that the present appraisal system needs improvement in NMDC and KIOCL, whereas it is good enough in TSP and VISL.

29. It is noteworthy that all the executives perceive the existing rating scale to be adequate. There is no need to change the present rating scale followed in appraisals. Further it is found that the ratings and factors are very clear to the executives.

30. As regards the criteria for promotion, the executives of all the units under study opine that the seniority-cum-merit should be the basis for promotion.
31. The PA exercise does not bring any psychological pressure on the part of executives. Even if it is present it is very limited in degree.

32. Another important finding is that no action is generally taken even if the appraisal reports are favourable. They are considered only at the time of promotion of executives. On the other hand, if the appraisal reports are unfavourable, immediate action is initiated in the form of a warning to the subject. It pinpoints the double standards followed by the management in appraisal reports.

33. It is found that the superiors give scope for personal loyalty to a limited extent in appraisal rather than job performance which ought to be significant.

34. The appraisers attention is confined in appraisal only to one or more episodes in NMDC, TSP and KIOCL. The executives of VISL fully agree that the superiors neglect to take over-all performance, in to consideration.

35. The appraisal data is adequately utilised for career planning in NMDC, KIOCL and TSP, whereas it is inadequately used in VISL.
36. Appraisal reports are extensively utilised for the purpose of promotion of executives in KIOCL, TSP and VISL and the same is inadequately used in NMDC.

37. The executive's perceptions reveal that the appraisal is inadequately used by all the units in executive development, training needs identification and salary decisions.

38. It is observed in the study that the appraisal is inadequately used in matters of placement/transfer by NMDC, KIOCL and VISL, but the same is adequately used in the case of TSP.

39. Appraisal records form the basis of identifying the potential of executives and their selection for special assignments in NMDC, KIOCL and TSP. The appraisal is adequately used in these units, whereas it is inadequately used in VISL.

40. The appraisal data has been used inadequately in restricting the job responsibilities of executives in NMDC, TSP and VISL and the same is not utilised at all in KIOCL.

41. The study pin-points that the appraisals are frequent enough in all the units. The present appraisal assesses
performance fairly well in the cases of KIOCL, TSP and VISL but fails in NMDC.

42. The present appraisal cannot create motivation among executives very well and thus improve performance in case of NMDC and KIOCL. But the appraisal fares better in motivational aspects in TSP and VISL. As a management tool, appraisal is not of much help in improving the executive performance.

43. The appraisal forms are more or less helpful to a degree in all the units, but in VISL, the forms are found to be very relevant and useful.

44. Advocating the openness of the system, all the executives in all the units hold the view that showing the appraisal forms to them after appraisal is a good idea.

45. The executives of KIOCL, NMDC and VISL are uncertain about the proforma to be used in appraisal. It is also somewhat true that appraisers are not trained well in making appraisals of their subordinates.

SUGGESTIONS:

On the basis of the findings of the study, it can be concluded that since the employees are assumed as the inherent force to make or mar the progress of the organisations, the managements of public enterprises should make a concerted
effort to provide greater satisfaction and thus boost the morale of the crew. The suggestions which stem from the research, it is hoped, will prove useful to all the public enterprises in general and the enterprises chosen for the study in particular.

The following are a few suggestions put forth to the managements of selected public enterprises in order to overcome the deficiencies in the existing PAS and make it effective.

1. There is a need to create awareness among the executives of all the units regarding the organisational and individual goals. It is equally important to give in writing the objectives of the appraisal system to the executives. This facilitates the managers to become goal-directed and thus achieve the desired results in the organisation. For this the managements can bring out a manual embodying the goals of the organisation, objectives, procedures and practices of PAS to the executive cadres.

2. It is strongly felt by the researcher that NMDC and TSP have been practising the conventional method of appraisal, which is closed and control-oriented. It should
be given the go-by. These two companies should change over to a modern approach, viz., MBO, which is a result-oriented, fair, participative and open one. The new appraisal system can be called "Performance, Planning, Analysis and Development" (PPAD).

3. Each superior should plan the work in consultation with the subordinate taking into consideration the Key Performance Areas (KPAs). The involvement of subordinate in goal setting and review should be close. Appraisal decisions are not expected to be made in isolation.

4. It is proposed by the researcher for NMDC, TSP and KIOCL that there can be a mid-term appraisal/interim appraisal (as in VISL) at the end of 6 months and a final appraisal at the end of the year. This serves as a sort of check and review of performance of executives.

5. All the units other than VISL may conduct appraisal interviews which serve as feedback to the appraisees. Such appraisal interviews provide an opportunity to the subordinates to know their strengths and weaknesses. This paves the way for performance analysis and development of the appraisees which should be one of the basic objectives of a good appraisal system. The concerns can follow problem-solving interviews in which the
interviewer plays the role of a helper/ counsellor and not a judge.

6. The openness in appraisal system is the need of the hour. The present appraisals in NMDC, TSP and KIOCL are closed and controlled, which need immediate change. They can be made as open and development-oriented. Appraisal reports except promotability, potential and final grading of the subordinates can be kept open to the executives. This makes the appraisals objective and fair and keeps away the management from the legal risks. Although the public enterprises are under serious attack from all corners for the confidential nature of their appraisals, since that defeats the very purpose of appraisals, still they persist in their methods. This view supports the opinions expressed in earlier studies, viz., Administrative Reforms Commission, Douglas McGregor, Chatterjee, Bolar Malathi, Rao and others, Vijay Kumar, Laxmipathy etc.

7. There is practically no training given to raters at present. The appraisers in units under study should be provided necessary training and counselling so as to improve their knowledge in appraisals. They must be well trained in using the proforma, conducting appraisal
meetings, subordinate development and communication of results of appraisal to the subordinates. This makes the appraisals effective and avoids bias and other errors.

8. It is suggested that Public Enterprises can setup 'Appraisal Grievance Cells' (AGCs) or "Performance Appraisal Cells" (PACs) constituting all Heads of the Departments to look into the grievances/problems of appraisees on appraisal.

9. The results of performance appraisal, both favourable and unfavourable, must be communicated immediately to the executives by their superiors. Feed-back has a tremendous motivational value, both positive and negative. Researches have shown that behaviour change occurs more by positive re-inforcement, i.e. rewarding strengths rather than harping on the weak points. There should be appreciation of excellent performance and the necessary action may be taken in case of unsatisfactory performance. Moreover, communication helps the employee in analysing his strengths, weaknesses, successes and failures.

10. The appraisal system in order to be effective should be periodically evaluated. This makes sure that the appraisal system is continuing to meet its desired goals.
11. The researcher is of the view that there is an urgent need in case of NMDC, TSP and KIOCL to change the attitude of the management and employees towards appraisals. The appraisers in NMDC and TSP should be very serious about present appraisals. The managements should create more interest in them for making appraisals effective.

12. The subordinate's development should be made one of the factors in evaluating the superiors' performance. It must be taken up seriously by NMDC, KIOCL and TSP. Appraisals should be used for both controlling and developing the employees. The managers are expected to perform the role of developer and counsellor in case of their subordinates. The appraisals in such cases reflect the efficiency in the company.

13. The executives must be told by the organisations as to how the appraisal is used as a tool. Except in NMDC, the executives of KIOCL, TSP and VISL perceive the system as closed and controlled. It is also opined by them that appraisal has been used as a tool for controlling and developing the employee. This brings controversy in their perceptions. But in NMDC, there exists closed and control-oriented appraisals which need immediate change. They should be made open and development-oriented which
enhances satisfaction and morale among the executives of NMDC.

14. The existing criteria and rating scale in case of NMDC, which proved to be a barrier to appraisals should be modified forthwith.

15. The problems / errors in appraisal such as 'central tendency' and 'halo effect' noticed by NMDC, KIOCL and TSP must be removed in order to make appraisals objective. Further the appraisers in NMDC and VISL must not provide any room for personal likes, dislikes, relationships and prejudices in order to make the present appraisals work. The superiors should discourage their subordinates in influencing their bosses to get favourable appraisal ratings.

16. The present appraisal should be used for correctly identifying training needs and there should a system for follow-up action in the case of identified training needs.

17. It is suggested that superiors should take the overall performance in appraisal but not only one or two episodes in job performance. The personal loyalty in appraisals should not be taken into account.
18. There is a need to utilise appraisal data for career planning in VISL. NMDC should make extensive use of appraisal for the purpose of promotion.

Future Research in PA:

It is observed by the researcher that many field studies have been done in recent years testing a number of variables related to PA. Despite this, there is ample scope for further research in depth on PA particularly the exploration on MBO and BARS techniques in Indian enterprises. More and more research studies may be undertaken to break the confidentiality in appraisals in industrial enterprises as well as in the government departments. Studies on appraisal for operative and supervisory levels whose performance can be quantified, are more useful to the industries and personnel employed.