CHAPTER - 5

FINDINGS AND DISCUSSIONS

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5.1 - Findings

Findings of the study: - It is found that appraisers and appraisees of selected companies have given first rank to 'Work knowledge' while appraising the performance of workers and managers. It is observed that 'Knowledge ability and skill in taking down professional work' is given priority by appraisers and appraisees to evaluate technicians. It is found that appraisers have given first rank to 'contribution towards work planning and setting up of targets for the departmental performance appraisal, self and subordinates' to appraise managerial skills.

It is observed that 68.6 percent appraisers are aware about the true meaning of performance appraisal. It is found that 31.4 percent appraisers consider it as a form filling exercise. 65.0 percent appraisers responded that they are aware of the new annual appraisal report forms introduced in the organization.

Regarding various sources of information it is found that 64.5 percent appraisers have given priority to the 'Personal records' and second to the 'Self appraisal' last priority has been given to 'Appraisers notes on critical incidents' by the appraisers of selected companies performance appraisal. Only 12.5 percent appraisers felt that 'appraiser's memory is a possible source of information in the performance appraisal system.

It is found that only 38.0 percent appraisees and 60.0 percent appraisers of selected companies believe that appraisers evaluate personal loyalty of the subordinate rather than his actual job performance.

It is found that 87.0 percent appraisers and 65.0 percent appraisees are of the view that personal relationships of the
appraisers influence the ratings. It is believed that those appraisees who are liked by the appraisers are given high ratings. A very great majority of appraisees (76.3 percent) and (76.5 percent) appraisers believe that the last few months before the appraisal date are crucial in influencing the assessment of the appraiser. Some of the appraisers believe that appraisees do not perform seriously throughout the year. It is only towards the end when the time of writing a report is close; the appraisees start doing well and try to impress the boss.

It is found that 84 percent appraisers avoid negative ratings. It is found from the results that a large number of appraisers believe that they avoid giving negative rating since they have to take work from the subordinate.

This study also revealed that appraisers generally avoid giving negative feedback to appraisees since they want to take work from them. It is found that 70.0 percent appraisers believe that negative feedback results in frustration among appraisees and 83.0 percent are of the view that negative feedback results in job dissatisfaction. 58.0 percent appraisers are of the view that it leads to poor relations between appraiser and appraisees.

It is found that from the responses of appraisers that they try to handle poor performers in the best manner. Appraisers usually do counselling to improve the performance of employees. It is also found that 61.0 percent appraisers found change in the behavior of subordinates after giving them negative feedback.

Self appraisal in all the selected companies' is applicable to managerial staff only. Every officer/manager has the freedom in this system to write about highlights of his performance during the year, areas in which he feels he has not done well, constraints faced and
any outstanding performance outside the company. It is found that 44.27 percent appraisers believe that self-appraisal is successful in the organization. It is a common belief that there is a tendency to be lenient on oneself. Result shows that 64.0 percent appraisers believe that there is leniency in self appraisal.

Regarding the success of MBO in organization it is found that 48.33 percent appraisees and 35.5 percent appraisers felt that MBO system is successful.

Performance appraisal system can be used in taking many decisions like promotions, transfers, increment, training and development of employees. In selected companies', it is found that more than 18.0 percent appraisees responded that promotions are always based on performance appraisal results, whereas 47.05 percent appraisers felt that promotion are based on performance appraisal result. With regards to placement and transfer only 9.6 percent appraisees and 28.5 percent appraisers responded that this decision is taken on performance appraisal results. It is found that majority of appraisees (52.0 percent) and appraisers (54.5 percent) believe that most of the increment decisions are based on the performance appraisal results.

Decision on identifying training need is not given much importance by the appraisees. Less than fifty percent (44.0 percent) appraisees and more that fifty percent (51.0 percent) appraisers of selected companies felt that identification of training need is based on performance appraisal results. It is further found that decision on career planning, (36.0 percent appraises), special recognition of employees for meritorious service (25.33 percent appraises and 47.0 percent appraisers) are given less importance by the appraisers and appraises of selected companies.
Regarding effectiveness of the performance appraisal system, it is found that around 70.0 percent appraises and 49.5 percent appraisers responded that present performance appraisal system is effective in improving the present performance of the employees.

5.2- Observations

On the analysis of the data in respect of Performance Appraisal system in selected large scale industries of Yamuna Nagar the following observations have been emerged about the appraisers:

1. It is observed that the measures adopted by the organization to appraise the performance of appraises are true.

2. Appraisers believe that no importance is given to the personal loyalty of the appraises. There is a consideration of actual job performance while evaluating performance of appraises.

3. Appraisers do not hesitate in rating an individual as 'below average'.

4. It is observed that 75 percent appraisers do not agree that appraises are good in one thing must be good in other things.

5. Personal relation between appraiser and appraisees plays big role in the rating while doing appraisal. It is believed that appraisees who are close to the appraiser may be given high rating.

6. It is observed that high rating is given to actual job performers, but not to those who are liked by the appraisers.
7. Appraisers believe that last few months before the appraisal date are crucial in influencing the assessment of appraisees.

8. It is observed that subordinates are also responsible for making the appraisals subjective by trying to win the favour of their superiors instead of giving attention to assigned work.

9. Appraisers are of the view that only small percentage of the appraisees should be rated as outstanding because rating outstanding on a large scale may confuse management while taking various decisions on the basis of appraisal results.

10. It is observed that negative rating affects productivity, results in frustration, job dissatisfaction, produces hostility and resentment, do not results in better future performance, leads to poor relations between appraisers and appraisees.

11. Appraisers avoid giving negative rating since they have to take work from the appraisees.

12. It is observed that appraisers are not in favour of giving appraisal results to appraisees.

13. Appraisers are in favour of communicating appraisal results to poor performers only. At the same time they are not in the favour of communicating appraisal results to outstanding performers.

14. It is observed that appraisers want to discuss both the strong and weak points during the communication of appraisal results to appraisees.
15. It is observed that appraisers adopt appealing and supportive approach while giving negative feedback to the appraisees.

16. Personal records are considered the main source of information in performance appraisal system while evaluating appraisees.

17. Work knowledge is a most important trait to measure the performance of workers and managers.

18. It is observed that ability and skill in taking down the professional work is considered more important trait to measure the performance of technicians.

19. ‘Contribution towards work planning and setting up of targets for the department’ is considered important trait to measure the ‘managerial skills’ of managers.

20. ‘Knowledge of trends, development and new techniques pertaining to employee’s field of work and specialisation’ are considered more important traits to measure the ‘Job skills’ of managers.

21. ‘Understanding people and creating in them enthusiasm for work’ are important traits to measure the ‘Behavioural skills’ of managers.

22. It is observed that most of the appraisers have attended the training programmes on performance appraisal. Training on performance appraisal is provided to them to carry out the procedure smoothly and carefully.
23. Training plays a big role in the performance appraisal system. Employees are identified for training purpose mostly on the basis on appraisal results.

24. It is observed that the various decisions taken on the promotions, placement and transfers, training needs, job responsibilities, selection of executives for special assignment and special recognition of employees for meritorious service are based on performance appraisal results.

25. It is observed that performance appraisal result affects the future performance of the employees.

26. Appraisers believe that improvement is seen in appraisees after getting performance appraisal results.

27. The performance appraisal system is effective in estimating a person’s potential for the future and help employees in improving present performance.

28. There is a lack of time on appraiser’s part and lack of interest on appraisee’s part while evaluating the performance of appraisees.

29. Appraisers feel that Management by Objectives system is adequately used to evaluate the performance of appraisees.

30. It is observed that key performance areas are not fixed at all levels.

32. There is a participation of appraisees in determination of the targets in the beginning of the year.
33. It is believed that an employee generally hesitates in writing himself as an excellent worker. It is seen that there is a leniency in self appraisal.

34. It is observed that self appraisal system motivates the employees to take more responsibility for their own performance and growth.

35. Appraisers believe that self appraisal provides an opportunity to highlight the achievements; difficulties faced by the employee and help the appraiser to make proper assessment.

36. There is a noting of critical incidents, which help appraisers in the proper assessment of the appraisees.

37. It is observed that appraisers are aware about the appraisal system of the organization.

5.2.1- Observations About Appraisees

On the analysis of the data in respect of Performance Appraisal system in selected large scale industries units of Yamuna Nagar the following observations have been emerged about the appraisees:

1. It is observed that appraisees are aware about the performance appraisal system prevalent in their organizations.

2. Appraisees believe that performance appraisal is something useful to the employees and organization because all the important decisions regarding employee’s career and organization progress are based on performance appraisal system.
3. Work knowledge is a most important trait to measure the performance of workers and managers.

4. It is observed that ability and skill in taking down the professional work is considered important trait to measure the performance of supervisors.

5. It is observed that appraisers evaluate the personal loyalty of the subordinate rather than actual job performance.

6. Appraisees, who are liked by the appraisers are given high rating and those are disliked by the appraisers are given low rating. It is observed that likes and dislikes of the appraiser influence the rating.

7. It is observed that last few months before the appraisal data are crucial in influencing the assessment of appraisees.

8. It is not necessary that performance appraisal fully represent the actual performance of the appraisees. It is observed that performance appraisal does not fully represent the actual performance of the appraisees.

9. Personal relation plays an important role while giving rating by appraisers to the appraisees. It is observed that appraisees who have personal relation with the appraiser are given higher rating as compared to others.

10. Appraisees believe that it is not possible for the appraisers to report the actual performance due to lengthy appraisal period.

11. Every employee wants that good appraisal should be given at the end of the appraisal period. It is observed that employees
give little attention to their work and assignments but pay special attention to various ways of winning the favour of their superiors.

12. It is observed that performance appraisal does not reflect the performance of the employees for the entire period of the review but generally depicts the behaviour of the employees during the last few months prior to evaluation.

13. Appraisees believe that negative feedback results in job dissatisfaction and frustration.

14. Appraisers generally avoid giving negative feedback to the appraisees, because it results in poor relation between appraisers and appraisees. It is observed that negative feedback results in poor relation between appraisers and appraisees.

15. It is observed that most of the decisions on increments and training needs are taken on performance appraisals results.

16. It is believed that employees having positive frame of mind and faith in the appraisal system always improve the performance. It is observed that fair and unbiased performance appraisal results in better future performance.

17. It is seen that performance appraisal system plays a significant role in helping subordinates to improve their present performance, to improve communication, self development, setting higher goals for the future and to deal more directly with work related problems.

18. It is observed that lack of time on appraisee's part always affects the performance appraisal result.
19. It is not mandatory that all employees like their respective jobs. It is observed that most of the appraisees like their job or majority of appraisees are interesting in their work.

20. High efficiency and productivity bring the development for both individual and organization. It is seen that all the companies selected for the study give high priority to pay incentives on the basis of performance appraisal results.

21. In order to make the MBO system successful it is important that meaningful and time bound targets are set for appraisees in the beginning of the year.

22. Appraisees of selected companies do not have say in determination of targets because they are not involved by management while fixing the targets.

23. Performance appraisal system can be made more effective by doing periodic review of set goals. It is observed that appraisers are not serious in reviewing the goals periodically.

24. It is observed that appraisees are not satisfied with the use of MBO in the organization because they feel it is used just as a formality.

25. Appraisees believe that MBO system is not successful because the system is not implemented in its true spirit. In other words it can be said that management is not sincere in implementing the MBO.

26. It is observed that majority of appraisees are lenient while writing self appraisals.
27. It reveals that self appraisal motivates employees to perform better and to take more responsibilities.

28. It is seen that majority of appraisees responded that self appraisal is not successful because self appraisal is not open and free.

29. Good appraisal is desired by every employee at the end of the appraisal period. Subordinates give little attention to their work and assignments but pay special attention to various ways of winning the favour of their superiors. It is observed that subordinates are responsible for making the appraisal subjective by trying to win favour of appraisers.

5.2.2 General observations

General observations about the implementation of performance appraisal system in selected large scale industries units of Yamuna Nagar.

1. Personal relation between appraiser and appraisees plays crucial role in the rating while doing appraisal. Personal relation is given more importance than work.

2. Most of the employees work hard in the last few months before the appraisal date to get good appraisal report.

3. There is no importance for all type of traits. All the behavioral, personnel, technical and professional should be considered equally while giving assessment.
4. Employees are identified for training purpose mostly on the basis on appraisal results.

5. It is observed that the various decisions taken on the promotions, placement and transfers, job responsibilities, selection of executives for special assignment and special recognition of employees for meritorious service are based on performance appraisal results.

6. It is observed that performance appraisal system is not much prevalent in the organizations. It is considered as a form filling exercise.

7. It is observed that self appraisal system is not much prevalent and most of the employees do not have knowledge to write it. Employees lacking in the required skill as to how to write their self appraisals. They generally hesitate in writing himself as an excellent worker. It is seen that there is a leniency in self appraisal.

9. MBO system is not successful in the heavy engineering units because the system is not implemented in its true spirit.

12. It is observed that key performance areas are not fixed at all levels. Only managerial level employee's are responsible for fixing key performance areas.

13. High efficiency and productivity bring the development for both individual and organization. It is seen that heavy engineering units give high priority to payments and incentives instead of development decisions on the basis of performance appraisal results.
15. Employees believe that negative feedback results in job dissatisfaction and frustration.

16. Appraisers generally avoid giving negative feedback to the appraisees, because it results in poor relation between appraisers and appraisees. It is observed that negative feedback results in poor relation between appraisers and appraisees.

17. Feedback of appraisal results is not given much importance by the appraisers. There is a shortage of qualified counselors for giving counseling to the poor performers.

18. It is observed that appraisers are not given training on performance appraisal evaluation system.

19. Heavy engineering units have adopted old systems of performance appraisal, there is a need to introduce new and improved systems of performance appraisal.

20. There is no provision of review and reconsideration of set goals of the year. It is considered as a wastage of time.

21. Appraisal is done annually, almost in all the companies. There is no provision of doing appraisal half-yearly, three monthly or monthly.

22. Employees do not know about the true meaning of performance appraisal. PAS is considered just to improve their present payment package.

23. Training is required to improve the skills by each and every employee of the organization. There is no provision of hiring or recruitment of qualified trainers to train the employees.
24. Personal records are given more importance by the appraisers while appraising the appraisees.

25. Training evaluation system is very rarely used in the heavy engineering units.

5.3- Analysis of the Selected Cases

On the analysis of the data in respect of effectiveness of the performance appraisal system in large scale industries units of Yamuna Nagar. I would like to recommend following few corrections in the implementation of performance appraisal system in the selected large scale industries.

5.3.1- ISGEC

- Rating managers, supervisors and appraisers at different levels consume lot of time. All the categories of employees should be rated at one time.

- Appraisers in ISGEC are not satisfied with the measures adopted to evaluate the performance of appraisees. It is recommended that suitable measures should be adopted to evaluate the performance of appraisees.

- Self appraisal is applicable for managerial staff only. There should be a provision of writing the appraisal for other categories of staff also. The organization should provide supporting environment and other facilities required to write self-appraisal.

- Self appraisal system is not much successful. It is recommended that employees should be trained about the true meaning of self appraisal. They should understand that self
provides an opportunity to highlight the achievements; difficulties faced by the employee and helps the appraiser to make proper assessment.

- Most of the appraisees are undecided on the lenient attitude while writing self appraisal on job knowledge. It is recommended that appraisees should frankly write about the job knowledge in the self appraisal report, so that knowledge about the job can be improved through proper training and guidance.

- It is found that appraisers take appraisal report very lightly and do not fill the reports very seriously. Appraisers should be given training before writing appraisal report of an individual.

- While writing an appraisal report, weightage should be given to actual performance, rather than personal loyalty and interpersonal relation.

- At ISGEC feedback is given to those appraisees who get adverse remarks. There should be a provision of giving feedback to both poor and good performers to improve their performance.

- Management by objectives system is prevalent in the organization but there is no involvement of appraisees in the goal setting. It is necessary that before fixing the targets every manager should discuss the key performance areas and targets with the subordinates. This type of involvement highly motivates the subordinates.

- It is necessary that goals ones set in the beginning of the year should be reviewed periodically according to the changing needs of the organization.
• MBO system is not adequately used for evaluating the performance of employees and helping the organization to plan strategies, goals and targets. It is recommended that there should be an adequate use of MBO to achieve set targets and also help in taking various decisions.

• Training programmes should be designed by trainers to achieve certain goals. Care must be taken while designing training and learning objectives.

5.3.2- YGCL

• Appraisal at YGCL is more about increments rather than contributing to employee development. In the fast changing business environment there is a need for a shift from increments and promotions oriented appraisals to developmental oriented appraisals.

• Some organizations give opportunities to the employees or involve them directly or indirectly to take various decisions. There is very less involvement of employees in the decision making process. Participation of appraisees in various decisions is also important to achieve the set goals.

• A large number of appraisers are of the view that their system is effective in estimating person’s potential for the future. Appraisers of YGCL have suggested that effectiveness of PAS in estimating person’s competence at the present job should also be considered. Competence at the present job is equally effective in estimating a person’s potential for the future.
• Self appraisal should be free and open, so that everyone gets chance to evaluate him fairly. Leniency in self appraisal can be avoided by imparting training of writing skills of appraisal.

• The separate appraisal Performa should be introduced for the supervisors and workers. Their traits should also be considered along with other criteria of evaluation. Appraisers should avoid assessment on the basis of a few recent incidents of success or failure. Extreme ratings on either side of the scale should be supported by justification and examples.

• There is no feedback system for the workers. It is recommended that feedback system should be introduced for each category of appraisees. Managers should be encouraged to discuss performance related matters with the employees rather than shy away from the problems. Discuss the areas of the poor performers with the appraisees and try to elicit ways to improve their performance.

• Aptitude and interest tests should be conducted so that inherent work performances of employees can be known.

5.3.3- BILT

• The true meaning of performance appraisal system should be communicated to the appraisees, so that appraisees should be aware about the present performance appraisal system of the company. Every employee should know how it is conducted, why it is conducted and along with the purpose of the appraisal system. More interest and cooperation can be seen from the appraisees, if they know about the benefits of performance appraisal system.
• Appraisees feel that appraisers are not using proper methods to evaluate the performance. It is suggested that appraisers should adopt a method which is easy to assess the employee's performance at the end of appraisal period.

• MBO system is not much prevalent in the BILT. There is no involvement of non-supervisory staff in fixing the targets. It is recommended that there should be an involvement of non-managerial staff also along with managerial staff in fixing the targets. Involvement of workers in goal setting results in motivation.

• Appraisees feel that appraisers are not serious in reviewing the set goals periodically because they do not give much importance to review the goals. They do not feel any need to do so in time. It is suggested that set goals should be reviewed as per the changing needs of the organization.

• MBO system helps in planning to achieve set targets and help the appraisers in taking various decisions. In order to achieve desire goals, it is important to use MBO system adequately in the organization.

• It is very difficult for appraisees to write frankly in the report that he is not able to communicate properly to the superior or subordinate. Appraisees of BILT are undecided on the lenient attitude while doing self-appraisal on communication skills. It is suggested to write report frankly on communication skills, so that necessary modifications and improvements can be done as per the requirement.

• 63.44 percent appraisees believe that self-appraisal is not successful in their organization because it is not open and free.
Appraisees hesitate in writing their appraisal reports. It is recommended that proper training should be given regarding the writing skills of self appraisal and full liberty is to be given to write appraisal report open and frankly.

- 72.0 percent appraisees are improving after the performance appraisal results. This can be increased by giving proper feedback to the appraisees regarding their performance and proper counselling. Training can be given to improve the required skills of the appraisees and appraisers.

- Supportive behaviour should be used by appraisers while giving negative feedback to appraisees. Counselling, boosting of morale, giving proper guidance and hearing their genuine problems are another way to improve poor performers. Personal problems if any, can be discussed and try to share their difficulties. If they are affected by any problems then suggest solutions in friendly way and motivate them to perform better.

- Rating should be done on the basis of actual performance of appraisees during the appraisal period. Personal relation, personal loyalty and memory should not be considered while appraising an individual. Appraiser should avoid assessment on the basis of a few recent incidents of success or failure. It is recommended that appraisers should write appraisal report after evaluating the personal records, traits and self appraisal of the appraisees.

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