CHAPTER-6

ANALYSIS OF PERFORMANCE APPRAISAL SYSTEMS IN SELECTED CASES

6.1 Conclusion
6.2 Case Study 1
6.3 Case Study 2
6.4 Case Study 3
6.5 Recommendations
6.6 Comparative Discussion on Performance Appraisal Systems
6.1 – Conclusion

Large scale industries are those industries which have huge investment i.e. usually more than Rs.5 crores. Their annual turnover is also in crores. These are including the basic key industries, which act as a backbone for any economy. It includes industries like Iron and Steel, Heavy Machines & Equipments, Petrochemicals, FMCG's companies and so on. Large scale industries have high growth potential and access to global market. In the modern scenario. Govt. is also encouraging the establishment of large scale industry and thus providing numerous subsidies and incentives to further grow at high rate. The boom in the stock market is also because of large scale industries only.

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, Faridabad and Yamuna Nagar. 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 Yamuna Nagar. 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.

**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.
Yamuna Nagar is famous city for the paper mills and sugar machinery. Yamuna Nagar and its twin city Jagadhri is a hub of heavy engineering industrial units. Yamuna Nagar district has a paper mill BILT. The main industrial units of Yamuna Nagar are Kay Projects & Engineering Works, ISGEC & Yamuna Gases & Chemicals Limited.

6.2 Case Study 1
ISGEC-Indian Sugar and General Engineering Corporation

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 organization 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 assessee has not held the job (for which he/she is appraised) for the full period of 12 months, the following will apply.

• If the assessee 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 assessee 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.

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; standardizes working practices.

F **COST CONCIOUSNESS:** Has a high sense of value for money. Keen awareness of cost implications of actions. Actively reduces cost.

G **INITATIVE & 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.
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.

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.
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 .......................................................................................................................... 50

(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.................................................................40
(Min.) (Max.)
Often makes mistake and Accurate in work, neat is careless. 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.................................................................25
(Min.) (Max.)
Generally not reliable shrinks Thoroughly reliable, under- work and needs continuous understands what he is doing reminding. Habitually wastes needs least reminding. time. Keeps good schedule of work.

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

5.................................................................15
(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 putting into practice instructions?

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

(Min.) (Max.)

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

6. **TIDINESS OF WORK PLACE**

Consider whether keeps the place of work clean and tidy.

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

(Min.) (Max.)

Does not generally keep Takes a good deal of interest in keeping work
work place clean and tidy. 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)
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 and dress and appearance.

Is generally neat in 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 in charge 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.

**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 schedule own work ?
   Able to organize, select and 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, under-
work and needs continuous stands what he is doing
reminding. Habitually wastes needs least reminding.
time. 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 Is quick to understand
understand what he is instructions? Carries out
all told and has ability in instructions with ease.
carrying out instructions.

7. TIDINESS OF WORK PLACE
Consider whether keeps the place of work clean and tidy.
3..............................................................12
( min.) \hspace{1cm} ( max.)
Does not generally keep \hspace{1cm} Takes a good deal of inter-
work place clean and tidy. \hspace{1cm} est. in keeping work place
\hspace{1cm} clean and tidy includes
co-workers to do the same.

8. **PERSONAL CARE**

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

3..............................................................12
( min.) \hspace{1cm} ( max.)
Is generally untidy in \hspace{1cm} Is generally neat in dress
dress and appearance. \hspace{1cm} dress and appearance. Has
\hspace{1cm} \hspace{1cm} \hspace{1cm} \hspace{1cm} air of alertness about

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 )

\begin{tabular}{cccc}
5 & 10 & 15 & 20 \\
Over 10 % & 6 to 10 % & 2 % to 5 % & Less than 2 %
\end{tabular}
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.
Critical Evaluation

Performance Appraisal is done annually in ISGEC. It is called an 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 organization today. The concept of MBO was first introduced by Peter Drucker in 1954. He emphasized that performance that is expected of an organization 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 organization. There is no involvement of personnel while setting goals for the organization.

**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 organization 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 organization 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 organization health and productivity.
6.2.8-Merits

- 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 and changes in the current performance appraisal system.

6.3- Case Study- 2
YGCL - Yamuna Gases & Chemical Ltd.

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 organization 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 organization 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
6.3.1-Components of PAS at YGCL

**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 plans 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.

6.3.2-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
Job Performance
- 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
- Striving towards professional up gradation
Up gradation
- up gradation of skills.

Managerial
- Management of work through effective panning, ability of organizing, delegating and controlling.
- Methods/systems improvement.
Cost
- Emphasis on cost control and time
Decision Making
- Productive use of resources.
- Ability to make timely and accurate decision
Communication
- Clarity in written and verbal expression
- Sharing of information upward, downward and lateral
Problem Solving
- 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. **EXCELLENT** 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.

**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.

6.4- Case Study- 3
BILT- Ballarpur Industries Limited

PERFORMANCE APPRAISAL SYSTEM AT BILT

- 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 organization 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

The steps in conducting the Performance Appraisal are:

1. Set performance expectations/standards
2. Explain and clarify the expectations/standards to the employee
3. Explain how the employee will be evaluated
4. Plan to observe employee performance periodically
5. Give the employee the self-appraisal form
6. Set the time and place for the coaching session
7. Review the evaluation process with employee
8. Determine whether a second-level review is appropriate

**GENERAL GUIDELINES OF PERFORMANCE APPRAISAL SYSTEM**

There are a number of general guidelines on how the appraisal discussion may be conducted. Each of them should be applied according to the circumstances in which the discussion is taking place and the personalities of those involved - there is no one right way to conduct an appraisal discussion.

Let the appraisee do most of the talking Encourage self-appraisal keep the whole period under review.

No surprises i.e. discuss issues at the time they take place. Recognize achievements and reinforce strengths Criticize constructively Adopt a joint problem-solving approach Interpersonal skill Asking the right questions What the Company expects.

- Individual employees must clearly know what is expected from them.
- Individual employees must be willing to be evaluated against such pre agreed expectations.
- Development and growth of individuals must come about as a result of such evaluations.
- Such evaluations and feedback must motivate employees to do better, work better in teams, within a healthy work environment - and thus also help to achieve specific organizational goals.
- In particular, the Company expects that the roles played and work done by staff, managers and directors must move Cosmos Brands along its strategic path and strategy.
WHAT THE EMPLOYEE EXPECTS

As an employee, the following are the likely expectations:

• To know what is expected.

• To be allowed opportunity to perform, or to be helped in removal of performance barriers.

• To be given a fair and genuine feedback – for improvement that leads to better performance and growth.

• To be rewarded and recognized according to performance.

Only critical / key / important result areas / objectives needs to be listed

Objectives should not be confused with mere activities. Activities include any work done whether it leads to a result or not, or whether it leads to a desirable or undesirable result. Objectives should start with WHY a particular work is to be done or for WHAT OBJECTIVE. The focus then helps to evaluate all work against the reason for that work.

The following acronym may help you remember the essential qualities that a statement of objectives must have. We say that an objective must be SMART, each letter standing for a condition as follows:

Specific, Measurable, Attainable, Realistic, Time-limited

The following two questions to be useful both in setting objectives and in monitoring progress towards those objectives:

• What is our desired outcome?

• How will we know when we achieve it?
Mistakes to be avoided in conducting a Performance Appraisal

Spending more time on Performance Appraisal than Performance Planning or ongoing Performance communication.

Forgetting appraisal is about improvement not blame.

Canceling or postponing appraisal meetings.

Not preparing beforehand.

Not communicating during the year.

Not clarifying enough.

Focusing on the appraisal forms.

Allowing one-sidedness.

Defensiveness.
6.5 - Recommendations

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 organization 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 organization. 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 organization. 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.

**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.

De-Merits

• There is no appraisal performance for the supervisors and workers. They 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.
PERFORMANCE PLANNING:
ROLE OF THE MANAGER

Clearly link Company Strategy / Dept plan with the individual results based objectives.

Help employees in understanding the strategy / Dept plan and how they can contribute towards attaining it.

Help employees establish results-based objectives and accountabilities.

Review, with employee, the knowledge, skills required to do the job successfully.

Examine the behaviours that reflect Cosmos Brands Values. Support implementation of the plan through coaching, counseling and recommending participation in the mentoring program.

Work with employees to revisit and revise performance plans as necessary.

ROLE OF THE EMPLOYEE

Examine how your role relates to the Dept plan / Company Strategy.

Recommend results-based performance objectives to your manager.

Understand the knowledge requirements of your role.

Review the behaviors that demonstrate Cosmos Brands values.

Be accountable for keeping the performance plan current.

PERFORMANCE APPRAISAL DEVELOPMENT

Development takes place in many ways, including (but not limited to):
Accepting new assignments or tasks in one's position (on-the-job training)

Coaching from one's manager (timely and effective feedback)
Mentoring from a colleagues

Engaging in self-study (reading, CD-ROM, distance learning)
Taking temporary duty assignments

Reading that is directed and purposeful

Serving in an "acting role" or replacing a person temporarily
Participating in a task force or special committee

Establishing A New Partnership Of Performance Appraisal

COACHING

"Coaching Sessions" are mandatory discussions held twice a year that help the employee and manager communicate about performance, employee development and the work environment. Coaching sessions can be done face-to-face or by telephone. Research on performance management consistently shows that carefully done coaching sessions can have the greatest impact on performance and employee satisfaction.

Coaching sessions are opportunities to monitor employee development plans and performance plans. They are also opportunities to affirm good performance and to identify potential performance problems. The coaching session is also an occasion to whether or not results-based objectives should be modified. Moreover, coaching sessions can examine how learning is being applied to work, and if a mentoring relationship would be helpful.
The date of the coaching session must be written on the Cosmos Performance Plan/Assessment Form. A formal write-up of the coaching session is not required. If employees and supervisors believe written documentation of the coaching session would be helpful, they may choose to write a follow-up note after a coaching session.

Managers are reminded of the importance of affirming good performance and addressing inadequate performance on an ongoing basis.

**ASSESSMENT**

The Cosmos Brands performance management system requires you to continually assess your performance, with a focus on meeting your results-based objectives. Performance assessment does the following:

- Provides you direct feedback on your performance so that you can maximize strengths and address performance gaps.

- Allows you and your manager to exchange perspectives on your role and performance, and

- Provides input to your merit increase.

Mid-term performance appraisals half yearly would be done in conjunction with first coaching session.

Performance assessment looks at both outcomes (results achieved against your results-based objectives) and the demonstration of behavior that is consistent with the Cosmos Brands value-based behaviors.
LESSONS ON PERFORMANCE APPRAISAL

• Constantly communicate performance expectations “before”, “during” and “after”.

• Set ambitious but realistic (“stretch”) targets.

• Encourage goal attainment with promise of meaningful rewards – extrinsic and intrinsic.

• Be forgiving of honest mistakes made and risks taken in pursuit of performance goals.

• Celebrate your team’s efforts and accomplishments.

• Give positive and negative consequences in a fair and timely manner, based on performance, not partiality.

• Make team members feel like owners and partners.

• Help employees make the connection between their actions and bottom line organizational success.

KEY POINTS TO REMEMBER PAS

• The way a problem is defined determines how you will solve it.

• A problem is a gap between where you are and where you want to be, with obstacles making it hard to reach the goal. A goal by itself is not a problem. Obstacles must exist for there to be a problem.

• Vision is what the final result will “look like”.

• The mission is to achieve the vision. It answers the two questions “what are we going to do?” and “for whom are we going to do it?”
Objectives should be SMART and some way or the other be linked to the Dept plan / Company strategy.

6.6 - 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 organization to organization. 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, YGCL and BILT is done from 01 April to 31 March.

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 BILT aware about performance appraisal system prevalent in the organization. Most of the large scale industries 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 Yamuna Gases most of the employees considered it as a form filling exercise. Only few employees are aware of the basis on which they are evaluated. There is a provision of confidential system for workers of YGCL, BILT 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. 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 ISGEC but at YGCL and BILT 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 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 LENIENCY

Bias plays an important role in performance appraisal system. Most of the employees at BILT 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 and BILT there is no system of feedback at YGCL 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.

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 BILT decision on promotions are based on the appraisal reports. Appraisals reports are considered more important while motivating employees through promotions.

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 BILT 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 YGCL is mainly based on the training of the employees. A primary aim of the ISGEC 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. 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.