Chapter 5

Findings and Conclusion

5.1 Conclusion

The conclusion of the research study on Performance Management System in cement industry is presented below:

Performance Management System is essential in cement industry as the industry is very vast consisting large number of employees worldwide. Cement industry forms an important part of economy as it is third largest revenue generating industry, which has direct impact on economy of the country.

The expertise in specific areas like employee retention, minimum labor turnover, employee commitment, customer satisfaction, creating robust talent pool and social responsibility towards society cannot be achieved without effective Performance Management System.

The main objective of Performance Management System is to deliver organizational success by improving employee’s performance. Due to changing Government laws regarding increasing capacity, structure of import/export policy and others, there is certainly a need to revise and update the performance management practices timely. Therefore, it is of great importance that cement industry has effective Performance Management System.
5.2 Findings

The major findings that have emerged out of the research study on Performance Management System in cement industry are given below:

1. The research study attempts to understand the views of employees regarding Performance Management System. Majority of the employees considered Performance Management System good in the organization. It has been found that 50% of the total number of employees rated Performance Management System structured and systematic in the organization whereas rest of the employees rated the system poor or worst. One third of the sample was not satisfied with the working of Performance Management System and 191 employees were satisfied with the system.

2. Effective Performance Management System ensures minimum labour turnover and retain employees as the system is transparent. It leads high job satisfaction and high performance level as the duties are clearly understood. 241 employees of cement industry stated that the efficiency of Performance Management System helps to improve business performance.

3. Performance Management System helps in creating a transparent, fair and hassle free system in organization. The study attempted to know the reasons behind the dissatisfaction of employees. 257 employees responded that they find gap between existing and desired Performance Management System. 165 employees were unhappy due to less monetary incentives. They suggested that some monetary benefits should be added. 34 employees complained about Performance Management System transparency whereas, some employees suggested adding more Fringe benefits.
employees thought that the reason behind the gap between existing and desired Performance Management System was less frequency of appraisal.

4. Performance Management System facilitates improvement in the performance of an individual. It provides a user friendly environment where superior subordinates work in the most comfort manner without any grievances and conflicts. When the supervisor- subordinate relationship was surveyed, it has been found that there were mixed responses about it. 50% of employees claimed good relationship with superior whereas rest of them stated that their relationship was not satisfactory.

5. Approximately two third of the employees agreed that good superior-subordinate relationship helps in employee's performance appraisal. Their good relationship with superior helps to foster their growth. Almost two third of the employees agreed that their appraisal was based on the relations with the superior whereas, some employees stated against it. Employee’s complained about increasing intervention of manager. Most of the employees asked for more transparency of the Performance Management System.

6. Employee participation or involvement helps an employee to feel a sense of responsibility towards the organization. Mixed responses were given about employee’s participation in performance appraisal. 120 employees agreed that the manager takes the suggestion of employees in performance appraisal activities whereas, 112 employees stated against it. The study was attempted to see the effect of self appraisal in employee performance appraisal. Almost two third of the employees favored that it plays a significant role in appraisal activities and improves the effectiveness of employee’s performance appraisal. Authentic praise and meaningful criticism is also
important. If a manager gives proper feedback, it can give better results. One third employees opined that their superior gives proper feedback whereas 136 employees did not agree.

7. Frequency of development programs is very essential. Developmental activities should take place regularly. When employees were asked about the frequency of developmental activities, 110 employees strongly agreed that developmental activities frequently take place whereas 130 employees strongly disagreed about the frequent development programs in the company.

8. Development activities are very important to be conducted timely. Frequent development programs lead the organization ahead among others. Very few employees opined that their company organized special programs when low performance was identified. 175 employees complained about it. They stated that it does not conduct special programs when low performance is identified.

9. Hypothesis is a preposition, which can be tested to determine validity. The hypothesis framed was that there is no significant difference between the views of employees regarding Performance Management System in cement industry in Rajasthan. After testing it with Chi-Square Goodness of fit, it has been found that all the variables carried significance value less than .05 except two variables. So it concluded that all employees have different views about their Performance Management System except two variables. Employees carry the same opinion that development activities takes place regularly and it helps in achieving new skills as well.
10. The hypothesis framed was that there is no significant association between superior-subordinate relationship and employee’s performance appraisal. After testing it with Chi-Square test for independence, it was found that the significance value was .000 and it is less than .05 so it was proved that there is a significant association between superior-subordinate relationship and employee’s appraisal.

11. The next hypothesis was that there is no significant association between Self-Appraisal and effectiveness of Performance Management System. After testing it with Chi Square test for independence, the calculated significant value was .000 which is less than .05, so it was proved that there is a significant association between self appraisal and effectiveness of Performance Management System.

12. The last hypothesis framed was that there is no significant association between Performance Management System and development of an employee. After applying Chi-Square test for independence, it was found that P value is .01 and it is less than .05. Hence, it was proved that there is a significant association between Performance Management System and development of an employee.

Therefore, it has been observed that majority of the employees of cement industry are satisfied from the Performance Management System but they have some issues regarding development activities, monetary incentives, appraisal transparency.
5.3 Suggestions

The recommendations of the research study on Performance Management System in cement industry have highlighted some shortcomings that should be removed to ensure Performance Management System success.

1. Successful companies are constantly improving their Performance Management Systems. Performance Management System is perceived well in cement industry. The result revealed that Performance Management System is working more towards improvement of the system. Peer and customers are valuable source of information. It can be integrated to performance based pay to increase the system effectiveness.

2. Accuracy of rating system plays important role in managing an employee’s performance. Employees are found dissatisfied from the rating system. Therefore, raters should be trained in a better way. Ethical training should be given to the raters to make the rating more realistic.

3. An annual audit is essential to check the system credibility, fairness and transparency. It helps the management to understand the corrective tools to be implemented.

4. Proper communication and interaction is important from lower to higher department. Communication enables the management to get aware about employees priorities. Proper communication can solve many work related problems as well as personal problems, reduces conflicts and spreads harmony among employees.
5. Frequency of feedback is also very important factor. An employee should get meaningful appreciation, criticism and continuous feedback. Achievement updates should be given on weekly basis. Quarterly performance review should be conducted.

6. The organization should give more consideration to frequency of development activities. The company should organize special programs when low performance is identified. This prepares the employees for new responsibilities.

7. Succession Planning must be integrated with the performance appraisal activities where limited number of employees are given training that are considered most suitable for particular purpose.

8. Opinion of employees must be analyzed. Performance Management System should have all the motivational factors which can yield positive results.

9. Performance of employees should be compared with set standards in the organization on continue basis. This will lead to improvement of performance and bring it closer to set benchmarks.

10. Special budget should be introduced in the organization. The study reveals that employees suggested increasing monetary incentives. It is important to give reward and recognition to the employees at certain levels which are expected by the employees.

11. Staff member’s development budget should be revised as it is the duty of the management to work more towards the employee’s skill development. Individual development programs should also be implemented.
12. Performance should be measured on three axis measurement where organizational goals, employee’s performance and personal goals are aligned.

13. The gap between existing and desired Performance Management System should be bridged. Management and staff members should dispel negative thoughts and work towards user friendly system.

14. Analysis of previous target’s success and failure is very important issue. On the basis of results, future targets should be set to overcome the previous shortcomings and achieve organizational goals. Goals should be clearly defined. Defined goals help to create clear picture of the task assigned.

15. Many employees remain unknown about the working of online Performance Management System. Therefore, proper training must be given of Performance Management System to employees.

16. Financial incentives always attract employees. It is always appreciated. Performance based pay should be used to stimulate employee’s energy to work. It has direct influence on employee’s attitude. The study suggests that there is a positive relationship between performance based pay and employee performance.
5.4 Scope of Study

The aim of the research was to study the Performance Management System in the cement industry. The study was done in selected companies. However, it can take more companies nationwide or region wise. The study gave some suggestions which need further study. Management can get to know where the loopholes exist in the system. The outcome may further help in improvement of staff management relationship. They may understand where the problem lies. This study will give management a chance to get the feedback of employees about the system and work towards the improvement. It can consider the findings in its decision.