# A STUDY ON PERFORMANCE MANAGEMENT SYSTEM OF EXECUTIVES IN BHEL A PUBLIC SECTOR ORGANIZATION, TIRUCHIRAPPALLI, TAMIL NADU

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**ABSTRACT**

*Performance Management (PM) can focus on the performance of an organization, a department, employee, or even the processes to build a product or service, as well as many other areas. PM is also known as a process by which organizations align their resources, systems and employees to strategic objectives and priorities. The main objective of the study is to know the appraisal system and employers' self appraisal system. The present study analyzes the performance management among the executives in public sector at Tiruchirappalli. Data collected from 102 respondents for analysis of the study using simple random sampling technique. The study found that executives are fully aware of the management of performance system. Major findings of the study are discussed in full article.*

**Keywords.** Performance Management, Self Appraisal, Opinion Perspective.

## INTRODUCTION

Today's world the level of business has becoming raised as faster than the past decades. Now the performance management system is turning into a critical driver in the Organization. In this merciless rivalry, the organizations are constantly finding diverse approaches to lead or to venture out in front of others. The employers are in the position to monitor their employee's productivity in periodical manner. Everybody is slicing taken a toll and conveying fulfilment to the clients. So to survive, the ideal use of human asset is vital one.

## OBJECTIVES OF PERFORMANCE APPRAISAL

It has many specific objectives such as assessment of training needs, review the past performances and help the individuals in sense of development, audit their skills within an organization, identify the potential for future growth of an organization, set a goal to achieved in future and so on. Some employees may believe that performance appraisal is simply used by the organization to apportion blame and to provide a basis for disciplinary action. They see it as a stick that management has introduced with which to beat people. Under such situations a well thought out performance appraisal is doomed to failure.

Even if more positive objectives are built into the system, problems may still arise because they may not all be achievable and they may cause conflict. For an example, an appraisee is less likely to be open about shortcomings in past performance during a process that affects pay or promotion prospects or which might be perceived as leading to disciplinary action. It is therefore important performance appraisal has specific objectives.

Not only the objectives should be clear but also they should form part of the organization's whole strategy. Thus incorporating objectives into the appraisal system may highlight areas for improvement, new directions and opportunities.

## PERFORMANCE MEASUREMENT

Having decided what aspects of organizational behaviour need to be measured, the next stage is to decide how, although guidance on this topic is limited (Isgrove and Patel, 1993). In order to be an effective indicator, it is essential to know:

- The assumptions regarding the indicator and the rationale for measuring it;
- The precision and accuracy of any measurements;
- Congruence – many indicators are proxies so it is essential that the indicator changes in line with the actual behaviour;
- Whether a static measure (a value at a point in time) or a vector (a value and direction of change) is more appropriate. Usually a vector will be more informative, but organizations normally use static measures;
- Whether a soft or hard measure is required;
- If the indicator is going to measure results or behaviour; and
- What are the likely intended and unintended consequences of the measurement system (Tarr, 2004).

Also, it is necessary that there is an operational definition for the indicator, the data is replicable and the source data is clearly defined (Macpherson, 2001).

## PROBLEMS WITH PERFORMANCE MANAGEMENT

Despite all the research, performance management has not been the predicted success in the public sector. In 2005, Her Majesty's Inspectorate of Constabulary for Scotland (HMIC, 2005), carried out a thematic inspection of performance management and noted that although performance management was "substantially developed" (p 82), there was still some way to go before everyone took responsibility for providing a quality service and there were "many areas of performance management in the early stages of implementation" (p 82). Some of these problems arise because of the reasons behind its implementation e.g. to justify privatization and the reduction of government spending (Gianakis, 2002), or purely for measurement and evaluation rather than as a tool for improvement (Radnor and McGuire, 2004). Behn (2005) suggests that problems occur because managers implement a performance system with rules and regulations and then leave it to run, rather than take a hands-on operational approach, and use leadership skills to "motivate people … to produce more, or better, or more consequential results that are valued by citizens" (p64).

Around the world there are common issues arising in performance management systems from conflicts between different interest groups - between politicians and professionals, internal politics between factions and coalitions, pressures from special interest groups, conflict between central agencies wanting control and departments/local bodies and professionals all wanting autonomy (Radin, 2003). These issues produce three main classes of problems – technical, systems and involvement.

Chang (2006) cites the example of waiting lists, which local managers perceive to have little impact on health outcomes, but because central government felt it was important (and they ensured it was paid sufficient attention, by linking local manager's job security into performance) then it was measured and waiting lists were subsequently reduced. This "improvement" was achieved by selecting the easy operations first (not based on clinical need) and those waiting for major operations such as hip replacements had to wait longer than previously.

## REVIEW OF LITERATURE

**Virani, (2012)** made an Analytical study on Performance Appraisal System of selected Information Technology Enabled Services (ITES) Companies in Pune. The information obtained through well-structured questionnaires. The participants were selected from five companies which is to be purposively selected, there were 12 samples obtained randomly using stratified random method. He found that there was huge percent of participants expressing their positive response towards the existing performance appraisal system and very few of them showed their dissatisfaction on transparency and clarity of the appraisal system.

The study done by **chauhan and Sharma (2013)** titled "Performance Management System: An Analysis". The main aim of the study was to analyze the implementation of performance management system and the perception of managerial persons towards the various functions of performance management system in different organizations. The findings of the study revealed that most of them had a positive attitude towards performance appraisal system. In addition to that the perception of managers was towards target achievement rather than the development orientation.

**Suresh and Mohideen (2012)** analyzed a study on performance appraisal system followed in automobile industry in Chennai. The study also measured the satisfaction level of employees to the existing method of performance appraisal system. The author approached the respondents individually with purposefully structured questions. The convenience sampling method was adopted to choose the sample which was limited to 100 employees form the automobile industry. It also revealed that the degree of satisfaction of employees wasnot high on the existing performance appraisal system of the organization and hence it suggested that the organization need to take a step of action on creating awareness among the employees towards the procedure and its benefits to their employees.

**Prakash et.al (2015)** studied the performance appraisal system of propel industries in Sulur. The study was also about the effectiveness of performance appraisal system in the particular industry and analyses were applied to realize the objective. The findings of the study reveal that ranking factor with leadership scored the highest point followed by training follow up and so on in the effectiveness of Performance appraisal system

**Kumari, Kaleramna and Pandey (2010)** have conducted a study on perception of Management and staff towards performance management system. A questionnaire was administered to gather the first hand information from the primary sources. The findings of the study revealed that the employees were having strong positive impact of existing performance management system and the relationships during them were cordial and open.

## METHODOLOGY

Eventhough the universe of executives in BHEL is definite (1930) the researcher randomly selected 102 respondents as the executives were available during the working hours using simple random sampling method. This study is descriptive in nature.

## OBJECTIVES OF THE STUDY

The following objectives are made on the basis of research topic,

1. To understand the demographic profile and sample executives.
2. To study the role and gender perspective in performance appraisal.

3.  To learn the self appraisal of performance by the executives.

**RESEARCH HYPOTHESES**

The following null hypotheses have been formulated based on the objectives of the study.
1.  There is a significant difference between the Gender and Self Appraisal.
2.  There is a significant difference between the Gender and evaluation Perspective.
3.  There is a significant difference between the Gender and Overall Effectiveness of performance appraisal.

4.  There is a significant difference between Gender and performance appraisal
5.  There is a significant variance between Age and Self Appraisal.
6.  There is a significant variance between Age and evaluation Perspective.

**RESULTS AND DISCUSSION**

Data has been analyzed using simple test, t test and ANOVA using SPSS 20.0 version.

**TABLE-1**
**DISTRIBUTION OF THE RESPONDENTS' SOCIO-DEMOGRAPHY**

| S.No | Variables | No.of Respondents (n=102) | Percentage (100%) |
|---|---|---|---|
| 1 | **Age Group** <br> Below 30 Age <br> 31-40 Age <br> 41-50 age <br> Above 51 Age | 7 <br> 26 <br> 8 <br> 61 | 6.9 <br> 25.5 <br> 7.8 <br> 59.8 |
| 2 | **Gender** <br> Male <br> Female | 97 <br> 5 | 95.1 <br> 4.9 |
| 3 | **Educational Qualification** <br> PG <br> Degree <br> Diploma | 22 <br> 64 <br> 16 | 21.6 <br> 62.7 <br> 15.7 |
| 4 | **Marital Status** <br> Unmarried <br> Married | 5 <br> 97 | 4.9 <br> 95.1 |
| 5 | **Family status** <br> Joint Family <br> Nuclear Family | 27 <br> 75 | 26.5 <br> 73.5 |
| 6 | **Year of Experience** <br> Below 10 years <br> 10-20 Years <br> 20-30 Years <br> Above 30 Years | 20 <br> 17 <br> 15 <br> 50 | 19.6 <br> 16.7 <br> 14.7 <br> 49.0 |
| 7 | **Grade and Category** <br> E1 <br> E2 <br> E3 <br> E4 <br> E5 | 24 <br> 24 <br> 27 <br> 8 <br> 19 | 23.5 <br> 23.5 <br> 26.5 <br> 7.8 <br> 18.6 |

The Table No.1 with seven sections indicates that majority (59.8%) of the respondents belongs to age group of fifty one and above. Among the total respondents, 95.1 per cent got married. The leading family type has been found as 73.5% and it belongs to nuclear family. The educational qualifications of the respondents are recorded high (62.7%) in under

graduation among the collected data. Exactly 50(49%) respondents have more number (30 years) of working experience and only 20 respondents have less number (below 10 years) of working experience. This data reveal that 18.6 per cent of the respondents are working in a high grade position (E5) because their performance level is high also they have completed post graduation.

**TABLE - 2**
**DISTRIBUTION OF THE RESPONDENTS ON APPRAISAL SYSTEM**

| S.No | Variables | No.of Respondents (n=102) | Percentage (100%) |
|------|-----------|---------------------------|-------------------|
| 1 | **Period of Appraisal Conducted**<br>Every 3 Months<br>Every 6 Months<br>Once in a year<br>Don't know | <br><br>33<br>43<br>25<br>1 | <br><br>32.4<br>42.2<br>24.5<br>1.0 |
| 2 | **Transparent of Appraisal**<br>Strongly Agree<br>Agree<br>Moderately Agree<br>Disagree | <br>27<br>33<br>23<br>19 | <br>26.5<br>32.4<br>22.5<br>18.6 |
| 3 | **Result of Appraisal**<br>Promotion<br>Transfers<br>Punishment<br>Training<br>Any other, specify | <br>42<br>17<br>17<br>15<br>11 | <br>41.2<br>16.7<br>16.7<br>14.7<br>10.8 |
| 4 | **Opinion on self appraisal**<br>Very much essential<br>Essential<br>Not at all | <br>38<br>42<br>22 | <br>37.3<br>41.2<br>21.6 |
| 5 | **Opinion on bottom up appraisal**<br>Very useful<br>Useful<br>Not Useful | <br><br>38<br>24<br>40 | <br><br>37.3<br>23.5<br>39.2 |

Table-2 explains the respondents' opinion about the appraisal system. It is interesting to note that 58.9% of the respondents only have clearly affirmed that the performance appraisal system is of transparency in nature. It is for the organization to note that 18.6% of the executives are not of the opinion to say that the performance appraisal system is transparent. The table no 2 also helps one to drive home that 41.2% of the executives use the result of performance appraisal for promotional purpose. As regard to the need of self appraisal 78.5% of the executives are positive of it. More than half 60.8% of the executives encourage bottom up approach in appraisal.

**TABLE - 3**
**'T' TEST BETWEEN THE GENDER AND SELF APPRAISAL OF THE RESPONDENTS**

| Gender | Self Appraisal (n=102) | | Statistical Inference |
|--------|------------------------|------|-----------------------|
| | $\overline{\mathbf{X}}$ | S.D. | |
| Male<br>Female | 56.7423<br>56.4000 | 13.91363<br>10.11435 | **t** = -.054<br>**df**=100<br>0.957> 0.05<br>Not Significant |

Table-3 depicts the result of mean and standard deviation values of self appraisal by gender wise respondents. 56.7423 and 13.91363 were recorded as mean and standard deviation values respectively for the male respondents regarding the self appraisal. But for the female respondents, the values of 56.4000 (mean) and 10.11435 (Standard deviation) were registered towards self appraisal. The statistical inference shows that the null hypothesis "There is no significant difference between the Gender and Self Appraisal" is accepted.

**TABLE-4**
**T" TEST BETWEEN THE GENDER AND EVALUATION OF THE EXECUTIVES**

| Gender | Evaluation Perspective (n=102) | | Statistical Inference |
|---|---|---|---|
| | $\overline{X}$ | S.D. | |
| Male | 55.0515 | 17.10590 | **t** = .550 |
| Female | 50.8000 | 8.37854 | **df**=100 |
| | | | 0.583> 0.05 |
| | | | **Not Significant** |

Table-4 reveals the t-test between the genders of the respondents with regard to their opinion. The mean score (55.0515) was recorded high for the male respondents and low value (50.8) was recorded for female respondents. The values of 17.10590 and 8.37854 were registered as standard deviation for the female respondents with regard to perception of opinion. Hence the statistical inference (0.583) proved that the null hypothesis "There is no significant difference between the gender and evaluation" is accepted. The derivation is that the opinion on the evaluation of the appraisal system is not influenced by gender performance.

**TABLE-5**
**T" TEST BETWEEN THE GENDER AND OVERALL EFFECTIVENESS OF THE EXECUTIVES**

| Gender | Overall Effectiveness (n=102) | | Statistical Inference |
|---|---|---|---|
| | $\overline{X}$ | S.D. | |
| Male | 88.3402 | 23.87419 | **t** = -.191 |
| Female | 90.4000 | 10.0150 | **df**=100 |
| | | | 0.849> 0.05 |
| | | | **Not Significant** |

Table-5 elucidates the difference between the gender and the overall performance effectiveness of the respondents. The mean value 88.3402 and SD value 23.87419 were found for male respondents. While computing the t-test for female respondents and overall performance effectiveness, the mean value 90.4 and standard deviation value 10.0150 were computed. The Statistical inference (0.849>0.05) confirmed that "There is no significant difference between the gender and overall performance effectiveness" is accepted.

**TABLE -6**
**T" TEST BETWEEN THE GENDER AND OVERALL PERFORMANCE OF THE EXECUTIVES AS ASSESSOR**

| Gender | Overall performance of the executives as Assessor (n=102) | | Statistical Inference |
|---|---|---|---|
| | $\overline{X}$ | S.D. | |
| Male | 135.82 | 39.295 | **t** = .545 |
| Female | 126.00 | 39.749 | **df**=100 |
| | | | 0.587> 0.05 |
| | | | **Not Significant** |

Table-6 illustrates t-test between gender and overall performance of the executives as assessor. Highest mean value (135.82) and highest standard deviation value (39.749) were recorded for male and female respondents respectively. The Statistical inference (0.587> 0.05) revealed that the null hypothesis "There is no significant difference between the gender and overall performance of the executives as assessor" is accepted.

**TABLE -7**

**ONE WAY ANALYSIS OF VARIANCE AMONG VARIOUS AGE GROUP OF THE RESPONDENTS WITH REGARD TO SELF APPRAISAL**

| Age group | Self Appraisal (n=102) | | | | Statistical Inference |
|---|---|---|---|---|---|
| | **DF** | **SS** | **MS** | $\overline{\mathbf{X}}$ | |
| Between Groups Within Groups | 3 98 | 891.798 18102.516 | 297.266 184.720 | A1= 0.4286 A2=56.6154 A3=50.2500 A4=58.4590 | **F= 1.609** 0.192>0.05 **Not significant** |

**A1= Below 30 Age,          A2=31-40 Age,    A3=41-50 Age,    A4=51 and above Age**

Table-7 explains the ANOVA among the age groups of the respondents with regard to Self Appraisal. It is to be noticed that the mean score for age groups were found as A1=.4286, A2=56.6154, A3=50.2500, A4=58.4590. The mean of square values 297.266 and 184.720 were found for between groups and within groups respectively. The Statistical inference (0.192>0.05) shows that "There is no significant variance age group of the respondents with regard to self appraisal". It is understood that different age group does not affect the variables of self appraisal.

**TABLE-8**

**ONE WAY ANALYSIS OF VARIANCE AMONG VARIOUS AGE GROUP OF THE RESPONDENTS WITH REGARD TO EVALUATION PERSPECTIVE**

| Age group | Evaluation Perspective (n=102) | | | | Statistical Inference |
|---|---|---|---|---|---|
| | **DF** | **SS** | **MS** | $\overline{\mathbf{X}}$ | |
| Between Groups Within Groups | 3 98 | 3539.914 24917.577 | 1179.971 254.261 | A1= 75.2857 A2=53.9615 A3=59.6250 A4=52.2459 | **F= 4.641** 0.004<0.05 **significant** |

**A1=below 30 Age,          A2=30-40 Age,    A3=40-50 Age,    A4=Above 50 Age**

The analysis of variance among the age groups of the respondents with regard to evaluation of the performance appraisal perspective is portrayed in Table-8. It is to be noticed that the mean score for age group were found as A1= 75.2857, A2=53.9615, A3=59.6250, A4=52.2459. The mean of square values 1179.971 and 254.261 were found for between groups and within groups respectively. The statistical inference (0.004<0.05) shows that "There is significant variance age group of the respondents with regard to evaluation Perspective". When variables of the performance assessments concerned the executives stand to differ in their evaluative opinion of the appraisal system.

**MAJOR FINDINGS OF THE STUDY**
➢ More than half  (59.8%) of the respondent's age group is above 51 years old
➢ Vast majority (95.1%) of the executives are male
➢ Majority (62.7%) of the respondents are studied Under Graduation degree
➢ Nearly century (95.1%)  of the executives are married
➢ Less than half (49%) of the executives are having above 30 years experience
➢ There is no significant difference between the gender and self Appraisal.
➢ There is no significant difference between the gender and evaluation Perspective.
➢ There is no significant difference between the gender and Overall performance Effectiveness as assessors.
➢ There is significant variance among the age and evaluation of performance appraisal.

**CONCLUSION**
The employers are the back bone of an organization. The executives are integral part of the productive and lead of the employees. The appraisal system is very important part in the development of employees' performance. The study conducted on performance management of executives as assessors in BHEL, Trichy and selected 102 respondents. The present study found that the employers are well known about the Performance Appraisal System. The executives are found to be revealing positive behaviours while appraising the performance of their sub ordinates which deserve much appreciation and evaluation.

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