

## PERFORMANCE ASSESSMENT OF EMPLOYEES IN ORGANISATION – A CASE STUDY

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### ABSTRACT

A dynamic and growing organization needs to continually review its structure and systems, creating new roles and responsibilities. The identification of employee potential to ensure the availability of people to do different jobs helps to motivate employees in addition to serving organizational needs. Competency mapping makes performance management systems more measurable and scientific [1]. A critical factor related to an organization's long term success, is its ability to measure how well employees perform and to use that information to ensure that performance meets present standards. Without performance information, the employees can only guess as to whether they are working towards the right goals in the correct way and to the desired standard [2]. Awareness of employees about mapping systems and up gradation of process is necessary for overall development of individual and organization. The present paper emphasizes on performance assessment through e-MAP for improvement in productivity, organizational development, individual growth and development. It also helps to assess the training needs of an individual in the organization. The investigation was carried out by taking BHEL, Bhopal as a sample organization.

**Keywords :** Competency, Appraisal, Performance, e-MAP.

## INTRODUCTION

In the present competitive scenario, the management of Indian organizations is expected to be more productive and efficient for their survival. This problem has been faced by western countries about 10 to 15 years ago. Thus it becomes apparent that Indian organizations would undergo massive changes within themselves [3]. In this context, it would be important to identify the factors in the organizational environment that have the most positive impact on the performance of an organization.

Human resource is considered as the backbone of any economic enterprise. The optimal utilization of natural resources and the factor inputs of capital technology depend on the extent of use of human resources. High performing organization, today are recognizing the need to use the best HR to enhance their competitive advantage [4]. The businesses in this century are knowledge based. These days the organizations are facing challenges in the form of talent retention, increasing quality, increasing productivity and thus profitability [5, 15]. It is clear that an organization's success depends on its ability to efficiently manage the resources and have competitive and progressive attitude. This can be achieved only if the employees upgrade their knowledge, skill and know the areas of weakness. Thus it becomes imperative for organizations to have synchronization between performance and expectations of employees. Hence, the performance review of the employees should be measured by the organization. The purpose of a performance review is to measure the gap between what an employee has done and what is expected in the job [6]. The present paper is an attempt to study the performance assessment of employees in a public sector unit Bharat Heavy Electricals Limited (BHEL), Bhopal (M.P.).

### **Prologue of BHEL:**

In recognition of the need and importance of establishing the manufacture of heavy electrical equipment indigenously, the Government of India decided to set up the Heavy Electricals (India) Ltd., Bhopal (HEIL) in 1958. Later in 1974, the Government of India decided to merge the company HEIL into BHEL.

### **Present Scenario of BHEL:**

BHEL manufactures over 180 products under 30 major product groups and caters to core sectors of Indian Economy viz. Power Generation & Transmission, Industry, Transportation, Telecommunication, Renewable energy etc. The wide network of BHEL's 14 manufacturing divisions, four power sector regional centres, over 100 project sites, eight service centres and 18 regional offices enables the company to promptly serve its customers and provide them with suitable products, systems and services efficiently and at competitive prices. The high level of quality and reliability of its products is due to the emphasis on design, engineering and manufacturing to the international standards by acquiring and adapting some of the best technologies from leading companies in the world, together with technologies developed in its own R & D centres. The overall performance of the company in the past has made eligible to achieve "Navratna" flagship among various PSEs in India.

### **PERFORMANCE ASSESSMENT IN BHEL:**

Performance appraisal systems are designed to improve performance especially in three areas – performance, facilitate performance and encourage performance [7, 17]. Essential characteristics of effective appraisal system are reliability and validity, job relatedness, standardization, practical viability, legal sanction, training to appraisers, open communication, employee access to results and due process [8, 16]. The appraisal systems are used for variety of development and administrative purposes. Appraisals can be done by superiors, peers, subordinates, teams, outsiders or combination of raters. Employees can also carry out self appraisals. The appraisal process is shown in figure 1.

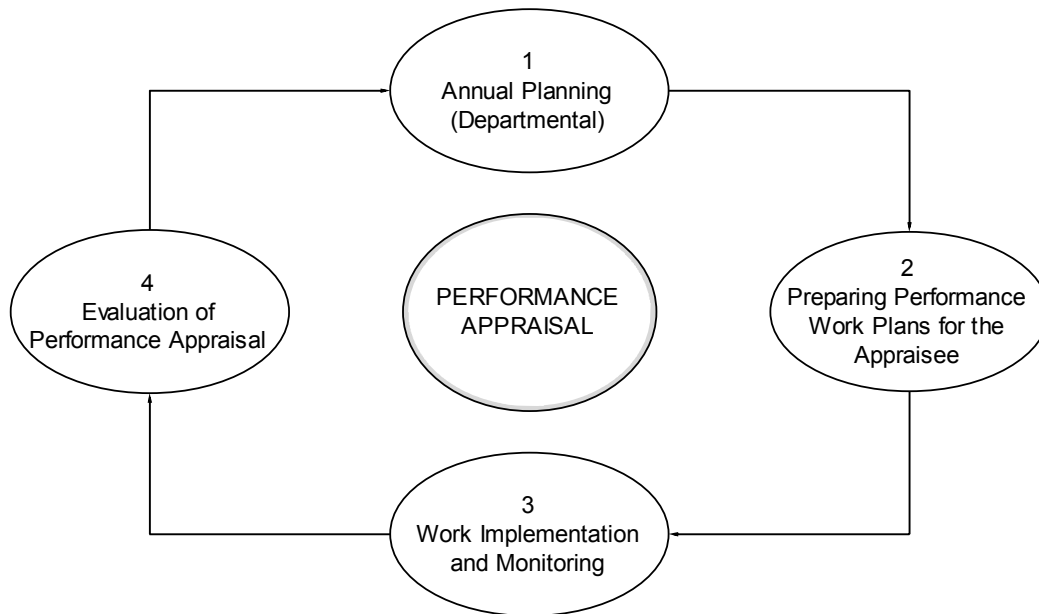


Fig 1. Performance Appraisal Process.

To improve reliability and validity operating, it is essential to train raters [9]. Giving and receiving feedback is not an easy job. To get best of human resource, employer should

- (a) Create a culture of excellence that motivates employees at all levels.
- (b) Match organizational objectives with individual aspirations.
- (c) Equip people with requisite skills to discharge their duties well.
- (d) Clear growth path for talented employees.
- (e) Provide new challenges.
- (f) Empower employees to take decisions without fear of failing.
- (g) Encourage team work and team spirit and open communication.

Some organizations have developed a performance assessment system driven by key result areas (KRAs). KRA describes the performance goals- business, functional and behavioral [10, 11]. These are used to map the employees’ progress and based on the results the company decides to plug performance gaps with the help of relevant training inputs. Performance assessment is possible through-

- (i) Participation - Feedback
- (ii) Learning - Learnt test (knowledge, skill & attitude)
- (iii) Effectiveness - Work output
- (iv) How far the employee is able to change the business.
- (v) Return on investment.

For performance assessment of employees at BHEL, various processes are used. These processes are reviewed time to time and modified/upgraded as per the requirement. The table I shows the difference between earlier and present process adopted for Performance Management and Training & Development.

Table I- HR process.

Process	Objective	Earlier Process	Present process
Training & Development	Building competence to suit changing business needs as reflected in the e-MAP and other business initiatives.	Primary Induction training for skills.  Function based inputs	- Competency mapping in three stages to identify roles, present competencies and fill the gap. - Multi skill, Quality at door step. - Competency needs identification through e-MAP.

	Process improvement training		<ul style="list-style-type: none"> <li>- Process improvement training</li> <li>- Focused comprehensive training</li> </ul>
Performance Management	Aligning individual goals to organizational goals, planning and evaluating performance	Annual confidential reports	<ul style="list-style-type: none"> <li>-Balance score card</li> <li>-Performance Management System, e-MAP</li> <li>- Introduction of behavioral traits leading to potential appraisal</li> </ul>

BHEL Bhopal has opted an online performance appraisal system known as Moving Ahead through Performance i.e. e-MAP system. For assessing performance of employees 24 functions are identified like HR, Finance, Personnel, Manufacturing, Engineering etc. KRA Master evaluate the competencies-functional competency and behavioral competency [12, 13]. The behavioral competencies are common for all levels. Behavioral competencies of MAP are planning and organizing, initiative, commitment to quality, creativity and innovation, interpersonal relations, cost cautiousness, strategic thinking, customer focus, decision making, risk taking, people capability, analytical ability, communication skills, team work, achievement orientation, negotiations skills, problem solving, knowledge of business environment [14]. Functional competencies are related to the employee’s field of job.

In BHEL, the performance appraisal system observes the following steps as shown in figure 2.

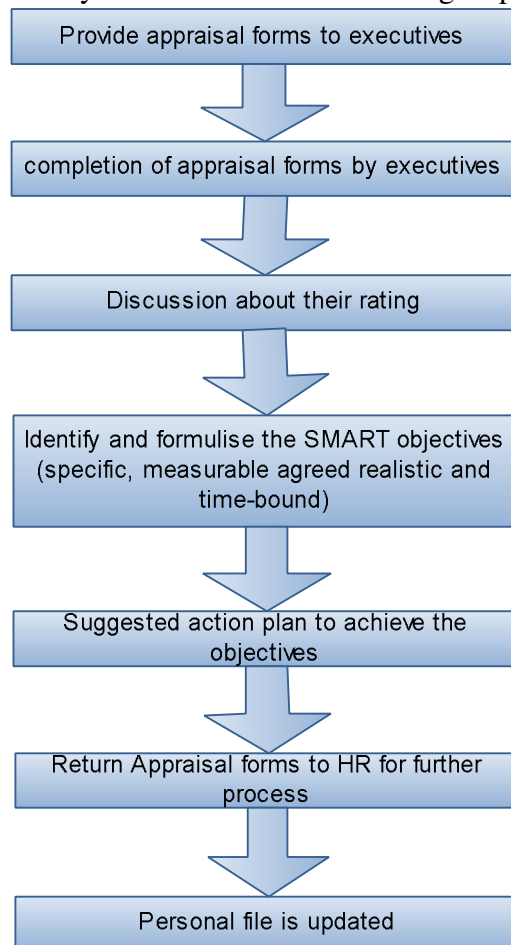


Figure 2. Various steps in Performance Appraisal System

When employees' development and career goals are identified, action plan is prepared considering the following points:

- (i) Is training needed in any specific area?
- (ii) Suitable source of training for development of knowledge, skill and attitude.

The critical step in the process is action on appraisal forms which contain the summary of employee's performance during the year. Documenting is a vital process as employees file reflects the appraisal and career growth which is helpful for future reference. Employer tries to generate confidence in employees so that they frankly share the perceptions, problems, attending, listening and acceptance. Employer helps employees to understand situation, strength, weakness, problems and needs.

The unit plays an active role in

- (a) Deployment of HR policies and strategies at unit level.
- (b) Feedback to corporate office to bring about policy changes/ improvements.
- (c) Periodic review of issues in a participative manner.

The process is reviewed periodically, based on organizational need and feedback from employees and environment. The employees are encouraged to upgrade the knowledge and professional competency through training & development initiatives.

## CONCLUSION:

The businesses in present century are based on knowledge, talent and performance. Performance appraisal is the key factor of any organization as it helps to know the output/ job satisfaction and the position of the organization. The study has covered different issues related to performance through e-MAP systems of appraisal for executives in BHEL, which is beneficial for both employees and the organization. The Mapping system is helpful to give direction for the area of training required for different employees, which in turn contributes significantly an increase in productivity of the organization. Also, mapping system helps to assist in HR decisions like promotion, reduce grievances, strengthen relationship between management and employees, reduce accidents etc. Hence it is concluded that changes to update the system should be a continuous process and employees' awareness and commitment regarding this system is necessary. This will help the organization to compete with the changing HRD needs.

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