Study of Workplace Performance Management Through Performance Appraisal Systems in Major Government Owned Commercial Organizations of India

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Abstract

This paper presents the results of a comparative study of workplace performance management through performance appraisal systems in three large major government owned commercial organizations of India viz Oil and Natural Gas Corporation Ltd; Steel Authority of India Ltd and Indian Railways. Together, these organizations are employing more than 15 lakh persons at locations all over India. The performance appraisal process followed in these organizations has been assessed and its role in workplace performance management brought out. Measures for improvement have also been suggested.

Keywords: Workplace performance; Performance appraisal; Government owned companies

Workplace performance management is vital for optimum level of productivity on a sustained basis in any organization and is also a tool for effective human resource management. Performance appraisal or review is a key tool that helps in evaluating the workplace performance of an employee and helps in improving performance in the long run. Performance management comprises of various actions and processes for managing the workplace performance of employees in an organization. According to [1] “performance appraisal is one of the most important processes in Human Resource Management”. Selden et al [2] state that a very common and central process of performance management systems in performance appraisal.

Scope and objectives of the study
The present study examines workplace performance management through performance appraisal systems in three major government owned companies of India viz Oil and Natural Gas Corporation Ltd; Steel Authority of India Ltd and Indian
The objectives of the study were:

1. To study performance management through performance appraisal systems in these three major government owned commercial organizations of India.
2. To adequately bring out the strength and weaknesses of these processes.
3. To suggest measures for improvements wherever possible.

This study is based on primary data from ONGC and secondary information from SAIL and Indian Railways.

**Oil and Natural Gas Corporation (ONGC) Ltd**

ONGC is an Indian state-owned oil and gas company with headquarters located at Dehradun. It accounts for over 77% of the crude oil production and 81% of natural gas production in India. The company employs thousands of personnel at different levels all over India and abroad, who are managed by a professional HR team. The system of performance appraisal at ONGC has been highlighted below [3]

There are different formats for different levels

- a. Class III and IV
- b. E-0
- c. E-1 to E-3
- d. E-4 to E-3
- e. E-7 and above (PESB Format)

The appraisal forms PAR/ACR are filled in respect of all such employees who have served for a period of at least 4 months in the organization during the relevant year. There is also a system of moderation or reviews of the performance appraisal grading. The reporting and reviewing officers enter remarks in the PAR/ACR form after self-appraisal by the employee. They have been termed as the first and second appraisers respectively. Thereafter the PAR/ACR are accepted by the accepting authority. There is also an appellate authority in case an employee is not satisfied with his grading which is communicated to him/her as a part of the Performance Appraisal process.

Counseling of executives whose grading is inadequate is done so that their work performance improves.

The ONGC has now introduced an online PAR for a transparent, objective and multidimensional performances evaluation from 4th June 2008.

**Steel authority of India Ltd (SAIL)**

Steel Authority of India Ltd (SAIL) is a maharatna public sector undertaking producing various types of steel with average annual turnover of last 3 years being more than Rs 25000 crores. It employs thousands of persons at various locations in India which include 5 major integrated steel plants; 3 special plants and many other establishments. Performance Appraisal in SAIL, like in most other big organizations, is done on the basis of the position or post of the employee. [4]
A-Executive Performance Appraisal System
This system is followed for executives from E0 to E4 levels. It comprises of five steps:

- **Self appraisal performance reviews and planning** - The appraisee writes his achievements against the Key Performance Areas (KPA). The reporting officer gives his views.
- **Performance review discussion** - Both the appraisee and reporting officer discusses and bring out the strengths and weaknesses in the working of the appraisee.
- **Performance assessment** - Both the reporting and reviewing officers give the rating of the employee on scale of 1 to 5.
- **Suggestions for job rotation and enrichment**
- **Final assessment** - Final grading O/A/B/C is given.

B-Non-executive Performance Appraisal System
Non-executive Performance Appraisal of the non-executive employees is a simpler process with the reporting and reviewing officer giving their comments on the basis of job performance; job knowledge and skill; conduct and behavior; cost and quality consciousness and initiative. Weight age is given to various factors. Grades of O/A/B/C are given. In case of C grade, the employee is interviewed by the head of department.

Indian Railways
Indian Railways is the largest civilian employer in the country with strength of over 14 lakh employees. It has 16 zones covering the entire country and is managing the third largest railway network in the world. The existing Performance Appraisal system adopted in the Indian Railways is called the Confidential Report Writing System which is a basic document that provides basic and vital inputs for Performance Management of the employees of all levels of the Indian railways. The report is written for all employees except group D and some categories of group C employees. The salient features of this system are [5]: The report is written annually, usually after 31st March of each year. Different forms for different employees at various levels are used. The employee submits a self appraisal which is reported upon by the reporting officer and then reviewed. The report amongst other aspects, consists of comments on integrity, tact, conduct, attendance, capacity for hard work, reliability etc. Adverse entries are communicated and the employee is given opportunity to represent against the remarks.

Conclusions
The following conclusions on workplace performance management through performance appraisal in these three government owned companies can be drawn on basis of this study:

1. There is a well defined and periodic PA process, which has minor variations in
these large public sector commercial organizations. The results of these are used for performance management. It brings out various aspects of the workplace performance of the employee and helps in improving their performance.

2. Workplace evaluation, rotation, training and re-assignment, if required are brought out through the PA system.

3. The management uses the inputs of the PA process form workplace performance management, though it is clear that there is scope for improvement. (Negi 2011)

4. The Performance Appraisal system functions as a major input in workplace performance management in these organizations.

5. There is need for increasing transparency in the performance appraisal process; participation of the employee through discussions and reviews and also increased awareness about the role of performance appraisal in performance management

References


[4] www.sailindia.co.in