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Study of Performance Appraisal System in BSNL and Airtel



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Abstract

Performance appraisal system followed in Bharat Sanchar Nigam limited was studied. The success of any organization will therefore depend on its ability to measure accurately the performance of its members. Performance appraisal is a process of assessing, summarizing and developing the work performance of staff in an organization. Good performance appraisal benefits both employees and the organizations. They promote common understanding of individual needs, work objectives and standards of acceptable performance. Well designed performance appraisal systems not only motivate the employees but also can encourage individuals to work together as a team.

This study attempts to analyze the appraisal practice in BSNL, a state owned company, with that of Airtel, a multinational corporation, in the light of employees satisfaction with the appraisal practices as a strategic tool. In this study the questionnaire method was used to collect data from the employees and the same has been analyzed and interpreted.

Keywords : Human Resource Management, Performance Evaluation of Employees, Employees Satisfaction, Descriptive Research Design

Introduction

Performance appraisals have become an increasingly important tool for organization to manage and improve the performance of employees, to make more valid staffing decisions and to enhance the overall effectiveness of the firm's services and products.

Performance assessment is a motivating tool. Koontz and wehrich write "managerial appraisal has sometimes been referred to as the Achilles heel of managerial staffing, but it is probably a major key to managing itself". Performance appraisal is a technique for developing an effective workforce. Performance appraisal is the assessment of an employee's job performance. It comprises the steps of observing and assessing employee's performance, recording the assessment and providing feedback to employees. Performance appraisal is a process consisting of a series of steps.

Performance is often defined simply in output terms – the achievement of quantified objectives. But performance is a matter not only what people achieve how they achieve it. Brunch brach says, "Performance means both behavior and results." Hence when managing performance both inputs (behavior) and outputs (results) need to be considered. On the other hand, John Bernardin has stated, "performance refers to a set of outcomes produced within a certain period of time, and does not refer to the traits, personal characteristics, or competencies of the performer. Performance appraisal generates data on the promotability and potential of each employee. The evaluation information is useful in making provision for succession and replacement in employees. On this basis, future requirement can be projected or curtailed. Performance appraisal is helpful in creating and maintaining a satisfactory level of performance by employees. The mere knowledge that their performance is being assessed can motivate the employees to sustain or improve their present level of performance. It serves as a means of telling an employee's how he is doing and suggesting change in his knowledge, behaviour and attitude.

Literature Review

The introduction of human resources to business success in any context has been widely recognized . Richard and Johnson (2001) are among the many who argue that human resources management

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strategies impact on an organizations overall effectiveness, and that the effective utilization of human resources can give an organization a competitive advantage.

In the view of the increased importance of telecom sector, entry of private players and multinational organisation, the erstwhile telecom giant BSNL is hard pressed to complete in the changed business environment. Trained professionals from the PSU are the biggest asset to be poached upon by the new entrants. In this scenario this research paper with special reference to comparative performance appraisal in public and private sector of telecom industry, is relevant, as performance appraisal is emerging as a powerful tool of HRD, not only to keep employees satisfied and motivated, but also as a tool to reduce attrition. Most of people like to know how they are doing. Performance appraisal serves to stimulate and guide employee development. It implies evaluating employees performance in terms of pre-determined criteria and his potential for development. The systematic rating of personnel tends to produce competent employees, permits the making of comparisons and is helpful in identification of promotables. The performance of an organisation is thus dependent upon the sum total of the performance of its members. The performance of an employee is his resultant behavior on task which can be observed and evaluated. Performance can be measured by some combination of quality, quality time and cost. Performance appraisal system provides management an opportunity to recall as well as feedback to people as to how they are doing so that they can correct their mistake and acquire new skill.

Objectives of the Study

1. To study the performance appraisal system practice in the both firm (BSNL and Airtel).
2. To study the effectiveness of performance appraisal system in the both firm.
3. To find the strength and weakness of the prevailing performance evaluation system of both organisation.
4. To make a comparative study of performance appraisal system of both the organisation.

Hypothesis

Individual strength and development needs significantly influences employees performance appraisal in BSNL and Airtel industry.

Research Methodology

Research methodology is a way to systematically solving the research problem. In it step-

by-step methods are followed to solve a particular problem. For the purpose of the present study both primary and secondary data have been used. Primary data were collected through a pre-tested structured questionnaire and secondary data have been collected through from various books, journals, magazines etc. This study is based on descriptive research design. The objective of this study is comparison of performance appraisal systems of BSNL and Airtel, it would be more appropriate to term it as a comparative descriptive research design.

Data Collection Method

Collection of data is a first step in statistics. The collection process follows the formulation for research design including the sample plan. The data can be primary and secondary. In this research study researchers have used a combination of both primary and secondary source of data in order to avoid any kind of discrepancy or error. The primary data has been collected from respondents by use of questionnaires. The universe of this study is finite as the study is limited to those employees of BSNL and Airtel who are working in Ajmer division and Jaipur division only. The questionnaires were distributed among the male and female employees of BSNL and Airtel industry. The total numbers of questionnaires were 100. This questionnaire is related with comparative study of performance appraisal system of BSNL and Airtel.

Analysis and Interpretation of Data

The data after collection has to be processed and analysed in accordance with the outline laid down for the purpose at the time of developing plan. The analysis of data of the questionnaires has been under taken separately. The questionnaire is related with comparative study of performance appraisal system of BSNL and AIRTEL industry. The questionnaires are filled by the employees of BSNL and Airtel telecom industry in Ajmer and Jaipur division. They responded to the questions without any hassles. The first section deals with the analysis and interpretation based on summary statistics. Tables, which includes two parts in which first part is descriptive, using frequencies and percentages related to general demographic characteristics of the respondents under the study and the second section of the analysis deals with the factor analysis and hypothesis testing.

Hypothesis

Individual strength and development needs significantly influences employees performance appraisal in BSNL and Airtel industry.

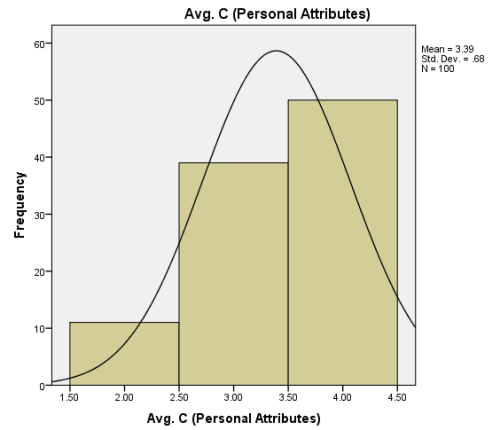
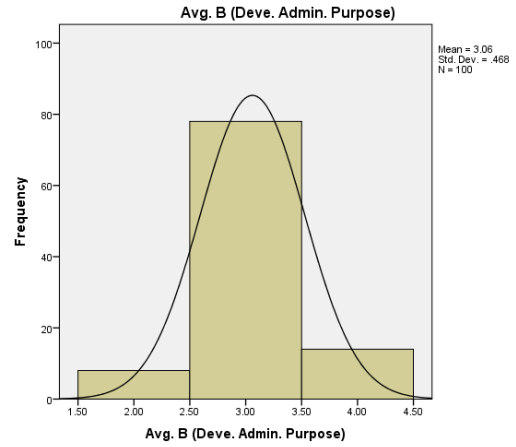
	Descriptive Statistics					
	N	Minimum	Maximum	Mean		Std. Deviation
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic
Avg. A (Performance Std.)	100	2.00	4.00	3.3600	.06594	.65935
Avg. B (Deve. Admin. Purpose)	100	2.00	4.00	3.0600	.04675	.46753
Avg. C (Personal Attributes)	100	2.00	4.00	3.3900	.06801	.68009
Valid N (List wise)	100					

Frequency Table

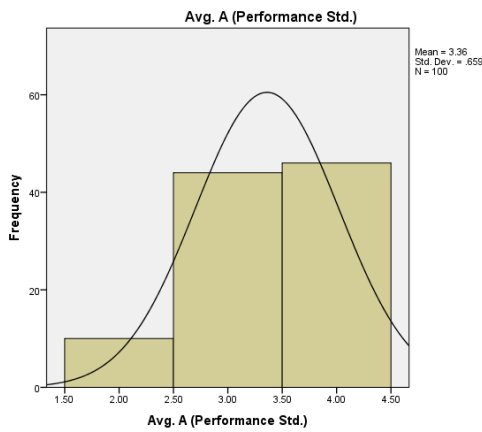
Avg. A (Performance Std.)					
	Frequency	Percent	Valid Percent	Cumulative Percent	
Valid	2.00	10	10.0	10.0	10.0
	3.00	44	44.0	44.0	54.0
	4.00	46	46.0	46.0	100.0
	Total	100	100.0	100.0	

Avg. B (Deve. Admin. Purpose)					
	Frequency	Percent	Valid Percent	Cumulative Percent	
Valid	2.00	8	8.0	8.0	8.0
	3.00	78	78.0	78.0	86.0
	4.00	14	14.0	14.0	100.0
	Total	100	100.0	100.0	

Avg. C (Personal Attributes)					
	Frequency	Percent	Valid Percent	Cumulative Percent	
Valid	2.00	11	11.0	11.0	11.0
	3.00	39	39.0	39.0	50.0
	4.00	50	50.0	50.0	100.0
	Total	100	100.0	100.0	



Histogram



Correlations

Correlations				
		Avg. A (Performance Std.)	Avg. B (Deve. Admin. Purpose)	Avg. C (Personal Attributes)
Avg. A (Performance Std.)	Pearson Correlation	1	.290	-.159
	Sig. (2-tailed)		.003	.115
	N	100	100	100
Avg. B (Deve. Admin. Purpose)	Pearson Correlation	.290	1	-.106
	Sig. (2-tailed)	.003		.293
	N	100	100	100
Avg. C (Personal Attributes)	Pearson Correlation	-.159	-.106	1
	Sig. (2-tailed)	.115	.293	
	N	100	100	100

** . Correlation is significant at the 0.01 level (2-tailed).

Oneway

Test of Homogeneity of Variances				
	Levene Statistic	df1	df2	Sig.
Avg. B (Deve. Admin. Purpose)	4.466	2	97	.014
Avg. C (Personal Attributes)	.932	2	97	.397

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ANOVA					
		Sum of Squares	df	Mean Square	F
Avg. B (Deve. Admin. Purpose)	Between Groups	1.824	2	.912	4.463
	Within Groups	19.816	97	.204	
	Total	21.640	99		
Avg. C (Personal Attributes)	Between Groups	1.155	2	.577	1.255
	Within Groups	44.635	97	.460	
	Total	45.790	99		

ANOVA		
		Sig.
Avg. B (Deve. Admin. Purpose)	Between Groups	.014
	Within Groups	
	Total	
Avg. C (Personal Attributes)	Between Groups	.290
	Within Groups	
	Total	

The homogeneity of variance option tells the Levene's test for homogeneity of variances, which tests whether the variance in scores is the same for each of the ten groups. If significance level of Levene's test is greater than .05, than there is not having any significant difference. In this case, it is 0.501 which is more than .05 hence no significant difference exists.

This ANOVA table gives both between-groups and within-groups sums of squares, degrees of freedom etc. The p value is less than or equal to .05, there is a significant difference somewhere among the mean scores on the dependent variable for the groups. This does not explain that which group is different from which other group. In the above table, the p value is 0.000 which is less than .05 hence there is a significant difference hence alternative hypothesis that is accepted.

Findings and Conclusion

On the basis of analysis and interpretation of data collected from employees of organisation I had come up with some findings:

1. Most of the employees of BSNL feel that their performance appraisal system is not effective enough to fulfill their motivational needs. Employees said, it is not related with incentive and is not efficient.
2. Results of Comparative analysis of efficiency of performance appraisal system of BSNL and Airtel indicate the differences observed in respect of ranking by employees of both the organization are due to chance factor only. Results of median test used for analysis show that none of the comparisons yield significant differences even at .05 level of confidence.
3. Communication and presentation skill, as well leadership i.e. items (i) and (iii) of category C were rated low by BSNL employees. This skill has great significance for item (i) of category E, i.e., Acceptability to consumers and on this item the ratings by employees are not so negatively skewed. Further supportive data could only result in a conclusive finding.

4. In the opinion of BSNL employee's performance appraisal is done mostly by a committee of raters. However Airtel employees express that this task is accomplished in their organization by supervisors alone. Many of the respondents of both organizations lacked dependable information on this issue.
5. I find after analysis data that in Airtel industry there exists a direct relation between performance system and compensation of the employees. Majority of the employees perceives it is an important tool of increasing motivation.
6. In private sector industry of Airtel there is a direct correlation of performance appraisal system and productivity. The closer the monitoring and greater the feedback on performance, the higher is the productivity. It is found that technical efficiency is likely to be enhanced, if real competition & competitive pressure exists.
7. In public sector various types of allowances, which are attached to certain posts or certain working condition i.e. overtime, allowance. This system lacks in public sector there the lonely instrument building some correlation between successes & paying is grade change.
8. In private sector, the principle measure of successful performance is profit. Public agencies, on the other hand, have no much universal and widely accepted performance measure of success. However performance is judged against the goals of their programs and whether the desired results and outcomes have been achieved.
9. Employees of BSNL are not aware about the performance appraisal calendar prepared by HRD center. Majority of employees thinks that it is held annually without any information them.
10. Overall results highlight the fact that employees of both BSNL and Airtel opine that performance appraisal system of their organizations is effective.

Suggestions

Some suggestions to improve performance appraisal system of telecom industry BSNL and Airtel:

1. Management must encourage training department to prepare training manual and policy should be clear & known to all in organisation.
2. Time for monitoring and coaching should be allocated in on the job training. Individual attention superior could make that extra difference in improving performance of on the job trainees.

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3. Grievance of employees can interrupt the organization growth so that it should resolve at initial level.
4. Performance evaluation of employees should be based on the grading system so that conflict and dispute can be minimized.
5. Operation levels of employees are more concern regarding the performance evaluation transparency system .After performance evaluation management should discuss their decisions to the employees.
6. The objectives of performance appraisal should be clear, specific, timely and open.
7. The appraisal system should be fair and beneficial to both the individual employees and the organisation.
8. In the industry before introducing the appraisal system, a climate of mutual trust, cooperation and confidence should be created in the organisation. In industry employees should be treated in a supportive manner by the employer.
9. In the organisation the appraisal form, procedure and rules should be standardized. There should be well defined performance criteria and standards. Employees should be made fully aware of these standards as appraisal decisions affect all employees of the group.
10. Motivate subordinates through recognition and support.
11. Mechanisms to identify the employee's potential and to reward based on the potential and performance rather than experience alone.
12. Development of merit and competency based recruitment system.

13. Effective motivational skill development programs to ensure employees performance are linked to set organizational objective and facilitate towards the corporate culture that is intended to build within the organization.
14. Training on the appraisal system on the regular interval and to improve the attitude and to heighten the morals of employees.
15. Appraisal should be done objectively, the performance appraisal should be based on yearly targets, the criterion should be measurable, there must be continuous discussion/consulting sessions between the appraiser and appraise. Performance appraisal should not used as a yard stick to determine salary movement; rather it is used as a tool for the development of employees. Appraisal system should use objective and transparent measures of assessment and should reduce bias and favoritism; every employee must fully understand the system, criteria used and how marks are given.

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