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# A Managerial Study of Performance Appraisal in BHEL Jhansi Unit

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**Abstract** - Performance appraisal has been the focus of considerable research for almost a century. Performance appraisal form can tell more about an organization than other indicators. There are multifarious forms used by different organizations in assessing performance of their employees. In the eyes of Human Resources Management practitioners, there could be standard form for performance appraisal. 'Job Description', 'Performance Level', 'Performance Factors', 'Appraiser's Additional Comments', Appraisee's Feedback' are usual elements incorporated into such a standard form. This article focuses on EMAPPING in BHEL R&D which is basically a web based tool used in evaluating the performance of Executives. MAP (Moving Ahead through Performance) help to deliver consistency and clarity on expected performance measures to appraises and appraisers alike.

**Keywords** – Appraisal in BHEL, BHEL Jhansi Unit, Performance Appraisal in BHEL.

### I. Introduction

A "Performance Appraisal" is a process of evaluating an employee's performance on jobs in terms of its requirements or we may call it a post-mortem of a subordinate performance by his superior during a predetermined period of time, often the preceding year.

According to Hegel-"It is the process of evaluating the performance and qualification of the employee's in terms of the requirements of the job for which he is employed, for the purpose of administration including placement, selection for promotion, providing financial reward and other actions which requires differential treatment among the member of a groups as distinguished from action all members equally."

Performance Appraisal is the systematic evaluation of the individual with respect to his/her performance on the job and his potential for development. Job Analysis sets out requirement, which are translated into performance standards, which in turn form the basis for performance appraisal.

## II. The Appraisal Process

1. The first step in appraisal process is the determination of standards of performance based on the organization objectives and the job description. These have to be communicated in a simple and lucid manner to the employee.
2. The next step in the process of performance appraisal is the measurement of employee performance against the pre-determined goals and standards. This determines what components of the performance are to be measured.
3. The next step is the actual process of measurement. Performance appraisal has to be a continuous process and the feedback should be given to the employee at regular intervals.
4. The next step is very critical step and involves communicating the results of appraisal to the employee concerned. It is the responsibility of the manager to make employee feel comfortable with the whole process.
5. Once the appraisal is finalized after discussing it with the employee, it has to be put to effective use. The ideal way to ensure maximum utility of performance appraisal is to link the performance standards to rewards system and the competency standards to training and development. The gaps in competency levels can be identified and necessary training be imparted to the employee.

### Types of Appraisal System:

There are three types of Appraisal System:

- 1) Trait based System
- 2) Behavior based System
- 3) Result based system

**Trait based system:** it is used to measure the personality or personal characteristics of employees. Among other things, this appraisal system assesses a person's ability to communicate effectively. This appraisal process helps managers and subordinates appraise each other's performance.

**Behavior based System:** This approach helps to identify performance of employee on the job

**Result based System:** This approach measures the outcome of the work performed by employees.

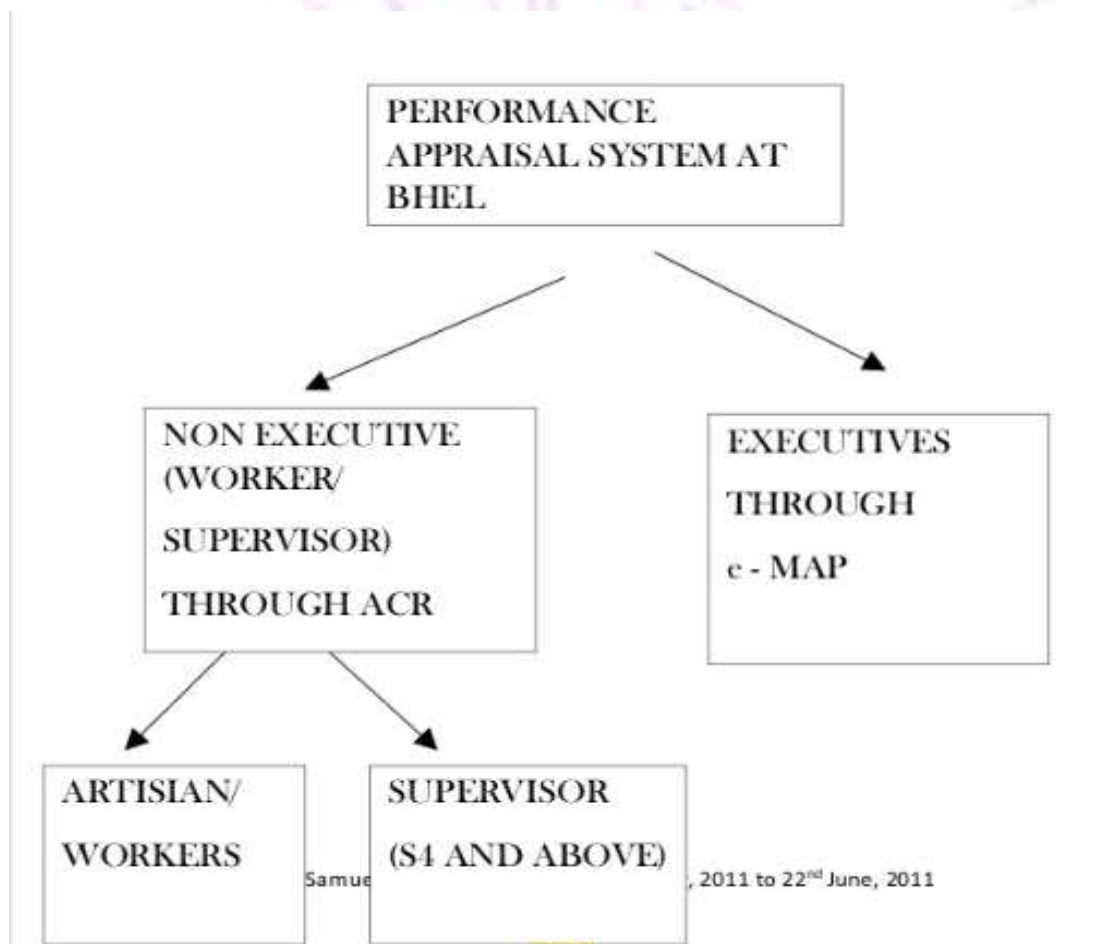
### III. An Overview Of BHEL

This unit of Jhansi was established around 14 km from the city on the N.H. No 26 on Jhansi Lalitpur road. It is called second-generation plant of BHEL set up in 1974 at an estimated cost of Rs 16.22 crores inclusive of Rs 2.1 crores for township. **Late Mrs. Indira Gandhi** laid the prime minister its foundation on **9<sup>th</sup> Jan. 1974**. The commercial production of the unit began in 1976-77 with an output of Rs 53 lacs since then there has been no looking back for BHEL Jhansi.

BHEL caters to core sectors of the 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 centers, over 100 project sites, eight service centers 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 & reliability of its products is due to the emphasis on design, engineering and manufacturing to 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.

#### Performance Appraisal procedure in BHEL

The performance appraisal process in BHEL mainly categorized in two ways :



### PERFORMANCE APPRAISAL FOR NON EXECUTIVES

- Performance Appraisal for non-executives is done by annual confidential report. (ACR)
- This report is prepared by Controlling Officer.
- Controlling officer rates the performance on 4 points scale-



- Rating is done on overall job related parameters like attitude towards work, punctuality, sincerity, etc.
- The report is approved by the Head Of the Department.
- HOD has the authority to change the rating given by the appraiser, if desired.

### PERFORMANCE APPRAISAL FOR THE EXECUTIVES

- Performance Appraisal done in BHEL for Executives is called **MAP (Moving ahead by performance)** system of performance appraisal. MAP was first introduced in BHEL in the Financial Year 2002-2003
- e -Map is for BHEL employees to do the performance appraisal for the current performance cycle. (March-April)

#### **IV. Performance in MAP**

Definition of performance in MAP is based upon Key Result Areas or KRA and Routine Responsibility

- KRAs are critical outcomes towards which efforts is directed to achieve desired business results.
- Routines Responsibilities are significant on- going tasks or outcomes that are undertaken or delivered on a day-to-day basis.
- Unique Role and Responsibilities (URR) templates provide the KRAs, relative weight of KRAs and Routine Responsibilities, the competencies and their required Proficiency Levels for a role. The URR Templates in MAP helps deliver consistency and clarity on expected performance measures to Appraise and Appraisers alike.
- MAP allows the Appraise to define the performance measures applicable to the Appraise's situation using combination of KRAs and Routines Responsibilities.
- The achievement against targets set for each of these will together constitute the Appraiser's Performance Plan in the performance cycle or Period.

**Tools of MAP:****1. Unique role and responsibility (URR) templates:**

URR templates have been introduced in BHEL to standardize in measurement across individuals, teams, functions and units. The templates ensure consistency and uniformity in terms of the KRAs that are applicable to a role. At the same time, they also provide flexibility to incorporate differences that might exist in jobs mapped in the same unique role. Unique roles are jobs that may be held by difference incumbents, but are essentially the same. For instance, there may be certain differences in incumbents like designation, years of experience, number of people supervised etc, but if the expectations of performance from them and their responsibilities are essentially the same, they perform the same unique role.

URR templates describe unique role have been developed for all unique roles within BHEL. The template provides:

- a. Unique role name
- b. Unique role number
- c. KRAS's
- d. COMPETENCIES

**2. The stretch tool:**

Stretch is degree of difficulty built in the large set, at time of performance planning. BHEL, as an organization will achieve its targets through the efforts of its people. This is possible only, if the individuals and teams have targets with a degree of difficulty that compares or exceeds that of BHEL.

**3. Rating scales:**

Performance defined in MAP will be evaluated using 5 point rating scale. These rating scales will be used to access the extent of accomplishment on KRA targets

Below Expectations	1
Moderately below Expectations	2
Meets Expectations	3
Moderately above Expectations	4
Significantly above Expectations	5

**4. Normalization:**

In MAP Normalization is the process of aligning the distribution, of individual performance scores to the performance level of the company, unit and department in a performance cycle. Business sectors will be treated as units for the purpose of normalization.

### **5. Competencies:**

Competencies are skills and abilities, described in terms of behaviours that are coachable, observable, measurable and critical to individual performance.

Competencies in MAP serve a development purpose and are used to be identifying the development needs of the appraisee. They do not contribute to the overall score.

The appraisee for the successful execution of the role and responsibility, thereby driving his / her performance well requires competencies from the foundations of his capabilities. A five point rating scale has been designed to specifically assess competencies.

### **The changes that have been introduced in the new MAP system are:**

1. Training is given a lot of importance and the Appraiser can select 3 training needs in a year for self-development. This feature has been given a lot of importance in the present system.
2. Feedback & Counselling has been introduced for the betterment of Appraiser, so that they can rectify the shortfalls in performance.
3. Midyear review is introduced to measure the performance levels of the Appraisee. In this system, the role of appraiser is to work as facilitator and guide the appraisee in achieving the final targets. The appraiser also works as catalyst in difficult phases, where unforeseen difficulties tend to arise. Thus the system helps the appraisee to achieve the goals set before him.

### **Uses of performance appraisal in BHEL R&D:**

1. The rating of performance appraisal plays an important role in career development of the individual. It is used as a tool for considering the promotion to next higher grades.
2. Annual increments will be sanctioned based on performance appraisal report.
3. Making interdepartmental transfers to employees.
4. Identifying the potential of the individuals and posting them at senior level positions like heads of laboratories/departments.
5. Extension of service after 55/58 years is given based on performance rating of the employees.

## **V. Research Methodology**

Research Methodology is scientific & a systematic tool to collect & analyse data in the desired manner. This technique helps to find out new information & use for the respective study. Research can be defined as scientific search for pertinent information on a specific topic.

a) **PRIMARY DATA:** - Primary data is freshly collected data which is formed or find out. Primary data in “BHEL R&D” is collected by providing questionnaire to the employees.

Besides questionnaires, discussions with the HR manager and quality control manager gave important and accurate information relevant to the topic.

b) **SECONDARY DATA:** - Secondary data is already available, as a researcher i have collected data from many key sources like Printed media, Electronic media & Electric media which includes.

1. Company brochures
2. Company record book
3. Internet
4. Reference from library.
5. Articles in the BHEL Magazine.
6. Company journals, files etc.

#### **RESEARCH APPROACH:**

Most of the work has been made based on observation, questionnaires and by understanding the available information.

Empirical Research is adopted as we were dealing with the behaviour and performance of individuals.

#### **SAMPLING PROCEDURE:**

The sample size is 50 where executives of different grades from E1-E7 are selected randomly and hence statistical tools like percentages and test of hypothesis have been used to analyse the data.

#### **Limitations of Study:**

- If the Sample size would be large then the study would be more effective and clear
- Study was restricted only to a few departments
- Lack of Cooperation from a few employees resulting into a limitation
- Language being used by the operating level was regional, resulting into a chaos situation

Sample size considered is 100.

## **VI. Findings**

- Most of the employees are agreeing that performance appraisal is needed in the organization.
- Maximum number of employees in the organization is satisfied with the existing performance appraisal.
- Most of the employees agreeing that performance appraisal have to be assessed by self, superior, consultant.
- Maximum number of employees agreed that the existing performance appraisal system is helping them in reducing the grievance between the employees.
- Employees proposed that the performance appraisal is helpful for developing personal skill.
- Promotions and Increments in salary are given based on the performance rating of an employee.
- Employees agreed that Transfer, demotion, suspension and dismissal is based on performance appraisal.
- Maximum Number of Employees agreed that the performance appraisal is increasing their motivational levels.

## **VII. Conclusion**

Performance fee back counseling is a highly useful system which, when implemented correctly, can have a wide variety of positive effects on an organization. Purpose of both counseling and feedback is to provide information, advice and assistance. The research had covered different issues related to performance appraisal and feedback counseling. Managers' roles in conducting an effective PFC process and how the employees perceive the evaluation conducted by their concerned managers need to develop counseling skills in managers at BHEL. Hence it is imperative for the organization and managers to allocate time for performance counseling and to provide a structure and forum for counseling in knowledge intensive organization where organization reputation and focus on employee development is critical issue.

## **VIII. Suggestions**

- Performance appraisal report should be done genuinely not based on any biases
- For better results 360 degree appraisal system of evaluation can also be adopted by the organization
- Performance Appraisal is not a onetime affair, for better results the organization should do the appraisal in frequent intervals.



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