

A STUDY ON THE EFFECTIVENESS OF COMPETENCY BASED PERFORMANCE MANAGEMENT SYSTEM IN BHEL, TIRUCHIRAPPALLI

Dr. S. SAMINATHAN

Assistant Professor,
Department of Business Administration,
Annai Vailankanni Arts and Science College,
Thanjavur.

ABSTRACT

The performance management system is used to connect organizational vision and with individual objective for meeting this effectiveness of the performance management system. It finds pathway and evaluate individual performance outcomes. It empowers the employee to throw in to the organization. Performance management is the process of creating a work environment or setting in which people are enabled to carry out to the best of their abilities. Performance management is an entire work system that begins when a job is defined as needed. This study concentrates on the eight factors which is responsible for performance management system effectiveness and its association with organizational effectiveness. The degree of employee awareness and perception about performance management system give greater effectiveness of the same. So the study establish that performance review focus and employee participation strongly attach with employees perceptions of performance appraisal system rating sprite and performance review. From the foregoing review of literature, it can be understood that though many studies have been conducted on different aspects of performance management system in India and in foreign countries, a study particularly for effectiveness of performance management system of Bharath Heavy Electicals Limited (BHEL) is misplaced in literature. Hence, the study will attempt to scrutinize present scenario of effectiveness of performance management system of BHEL, Trichy by highlighting the existing lacuna and drawbacks. The scope of this research is confined to employees in the BHEL, Trichy. The study has taken seven factors as a dependent variables namely, Organizational strategy, Goals and performance measures, Performance Standard, Performance management system and feedback, Performance Rating, and Training and development and Performance management system and Reward to analyze the effectiveness of the performance management system. The population of the study comprises of employees of BHEL Hence, the employees of BHEL, Tiruchirappalli are selected as respondents for examining the effectiveness of performance management system. The result of the study reveals that the employees of higher level management well aware whereas middle and lower level management employees have poor awareness of the overall performance management system of the study unit.

Key Words: Performance Management System, Efficiency, Effecyiveness, Perception.

INTRODUCTION

Performance management system is the system in which the manager defines the employee's goal, task, develop the employee's capabilities, evaluate and reward the personal effort within the framework of employee's performance should be contributing to achieving company's goal.

The performance management system reflects the attractiveness of Total Quality Management and prominence the integrated nature of goal setting, appraisal and development. The system of performance management aids the employee's continuous improvement effort, which implies that each employee must continuously improve their own personal performance from one appraisal period for next.

The system of performance management is a development of mission and goal statement of the company that includes development of business plan, communicating goals and objectives to employees, defining role responsibilities, measuring individual performance, performance standards and comparing them to individual performance, competency analysis, continuous monitoring and 360° feedback, conducting performance and development reviews, coaching, counseling, rewarding and problem solving.

STATEMENT OF THE PROBLEM

In India, many corporate establishments have disappeared even in the initial stage of its operation. But some are glittering with an excellent performance and the Bharat Heavy Electrical Limited (BHEL), the public sector organization is one among those glittering corporate establishments that has excelled in its performance. In the midst of heavy odds this public sector company has achieved a remarkable success over the years and has become a big motivator and a role model for all other public sector concerns. However, being a public sector organization the BHEL faces many struggles to implement performance management system in an effective and efficient manner. The productivity of the employee depends upon the effective implementation of performance management system of the Public Sector organization. Hence, the researcher attempt to investigate effectiveness of performance management system of the BHEL, Trichirappalli.

OBJECTIVE OF THE STUDY

1. To explore the awareness and satisfaction level of the employees towards performance management system of BHEL Trichy.
2. To know the effectiveness of the performance management system of the study unit through employee perception.

LIMITATIONS OF THE STUDY

The findings cannot be generalized for other plants in the same industry or other industries.

The study is purely based on the respondents' opinion. The biased opinions which limit the validity of the study.

In this study only regular employee alone considered, seasonal and contract workers are not taken into account to for the study.

STATISTICAL ANALYSIS

The collected data and information have been carefully processed, tabulated, analyzed and interpreted in order to reach the findings. The researcher has selected 374 samples from 12674 employees in BHEL, Trichy. The data are processed through SPSS (statistical package for social sciences) and analysis

was made by drawing cross-tables, calculating percentage and by applying the statistical tools namely Chi-square test, inter correlation, t-test and ANOVA.

TABLE 1
OVERALL LEVEL OF AWARENESS ON PERFORMANCE MANAGEMENT SYSTEM

Respondents' Category	No. of Respondents			
	Low	Moderate	High	Total
High Level Management	12 (06.49)	16 (13.22)	33 (48.53)	61 (16.31)
Middle Level Management	45 (24.32)	68 (56.20)	18 (26.47)	131 (35.03)
Low Level Management	128 (69.19)	37 (30.58)	17 (25.00)	182 (48.66)
Total	185 (100.00)	121 (100.00)	68 (100.00)	374 (100.00)

Source: Primary data

Note: Figure in the bracket is percentage of total

It can be seen from the table 1 that out of 374 respondents, 185 respondents (49.47 per cent), 121 respondents (32.35 per cent) and 68 respondents (18.18 per cent) revealed low, middle and high level of management awareness about performance management system. In case of the respondents who expressed low awareness, about 69 per cent, 24 per cent and 6 per cent of the respondents belong to low, middle and high level management respectively. Out of 68 respondents who revealed a high level of awareness, nearly 49 per cent, 26 per cent and 25% belong to the high, middle and low level management.

TABLE 2
OVERALL LEVEL OF PERCEPTION WITH PERFORMANCE MANAGEMENT SYSTEM

Respondents' Category	Level of Perception			
	Low	Moderate	High	Total
High Level Management	08 (03.83)	40 (34.19)	13 (27.08)	61 (16.31)
Middle Level Management	76 (36.36)	36 (30.77)	19 (39.58)	131 (35.02)
Low Level Management	125 (59.81)	41 (35.04)	16 (33.34)	182 (48.67)
Total	209 (100.00)	117 (100.00)	48 (100.00)	374 (100.00)

Source: Primary Data, figure in the bracket is percentage of total

It is observed from the table 2, out of 374 respondents, 209, 117 and 48 respondents reported low, moderate and high level of perception. Among the respondents who revealed a low perception nearly

60%, 36% and 4% of the respondents belong to low level management, middle level management and high level management respectively. Out of the 117 respondents who experienced moderate perception, about 35%, 34% and 31% of the respondents were low, high and middle level management respectively. In case of the respondents who expressed a high level of perception, about 40 per cent, 33 per cent and 27 per cent of the respondents were middle, lower and higher level management respectively. Therefore, it can be inferred from the table that the employees of the low level management perceive poor satisfaction, whereas middle and high level management identify moderate satisfaction with the overall performance management system of the study unit.

ANOVA TEST

Null hypothesis

The respondents perceive the same level of perception about performance management system.

TABLE 3
ANOVA TEST

Variables		SS	Df	MS	F	Significance
The category of the employees with their perception level	Between sample	4349.55	2	2174.78	1.8811	Not significant
	With in sample	6936.67	6	1156.11		
	Total	11286.22	8			

Computed by the researcher

From the above table 3 the researcher concluded that the different level of employees perceives the same level of perception about a performance management system of the study unit because of Null hypothesis being accepted

AWARENESS AND PERCEPTION ABOUT PERFORMANCE MANAGEMENT SYSTEM

In order to find out whether there is any significant association between awareness of the respondents and their level of perception about performance management system of the study unit, a null hypothesis is framed and tested with the help of correlation coefficient. The result is shown in table 4.

Null hypothesis

The greater awareness of the employees, the higher will be the perception about the performance management system of the study unit.

TABLE 4
IMPACT OF AWARENESS ON PERCEPTION OF THE EMPLOYEES ABOUT PERFORMANCE MANAGEMENT SYSTEM

Variables	R	r ²	F- Statistics
Awareness and level of perception of the employees about performance management system	0.99961	0.99921	0.526

** Significant at both 1% and 5% level

Table 4 revealed that the coefficient values attached to each performance management system dimension in multiple regression analysis on employee perception. The above table indicates there is a strong relationship between the awareness of the employees and their perception about performance management system. r^2 value is indicating that awareness is a strong predictor of perception of the employees about performance management system. The 'F' statistics reveal the validity of fitted regression models. The results of the empirical analysis indicate that if study unit creates higher awareness on performance management system, this can improve perception of the employees about the performance management system of the study unit.

To summarize there were eight variables identified to measure the overall perception of the respondents about performance management system, for which the total sample respondents secured a mean score of 44.23 per cent out of a total score of 374. The higher, middle and lower level management have obtained the mean score of 60.26 per cent, 48.47 per cent and 35.81 per cent respectively. The respondents of higher level management have gained a mean score of more than 50 per cent for all the selected eight variables. The respondents of middle level management have obtained a mean score of less than 50 per cent, except the parameters "Performance planning" and "Performance management and reward". In case of the lower level management they have a lower mean score for all the eight variables. Therefore, the result of study reveals that the employees of the higher level management perceive moderate perception about the variables Organizational strategy, Performance planning, Goals and performance measures, Performance management system and feedback, Performance rating, Performance management and training and development and Performance management and reward. The middle level management has gained a low mean score for all the variables except Performance planning and Performance management and reward. The lower level management has acquired a low mean score for all the variables. Therefore, it can be inferred from the table that the employees of higher level management perceive moderate satisfaction, whereas employee of middle and lower level perceived low satisfaction about the overall performance management system of the study unit.

Further, the study indicates there is a strong relationship between the awareness of the employees and their perception about performance management system. r^2 value is indicating that awareness is a strong predictor of the perception of the employees about performance management system. The results of the empirical analysis indicate that if the study unit creates higher awareness of performance management system, this can improve the perception of the employees about the performance management system of the study unit.

SCOPE OF FUTURE RESEARCH

The study was paying attention to one public sector Company in the Indian Heavy Electricals industry. The outcome is specific because the researcher has used only one kind of business field. Therefore, further research should investigate public and private sector Heavy Electricals companies. The similar studies may also carry out other unit of the BHEL in India with more sample size.

CONCLUSION

To conclude, the performance management has become a part of a more strategic approach in integrating HR activities and business policies. It assess the employees and develop their competence, enhance performance and distribute rewards. The system must be based on a deep regard for people and recognize that employees are the most important resource. The system should first of all contribute to the satisfaction of all the employees. This system will require a continuous effort in counseling, coaching and mentoring, open communications between the employee and supervisors. The implementation an effective performance management is one of the essential factors for the organization to survive in the highly competitive business environment. In added to that the lower level employees and Middle level employees had poor awareness about PMS particularly in technical aspects.

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