A STUDY ON ATTITUDE OF THE EMPLOYEES ON THE PMS-BSC ALONG WITH ITS EFFICACY ON IT FIRMS

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Abstract: Several researches have done on the present research topic on several dimensions by studying what is performance, performance management and performance management system, importance of PMS in the organization and effective PMS outcome in the organization etc. the performance management system (PMS) has its own importance in all the organization. As a result, the loyalty to the objectives put or else goal dedication will support the outcome of PMS on managerial presentation. As a result, the studying of EA in implementation of PMS-BSC has its own importance in the development of organization especially in the service industry like IT industry. The exploratory phase of this research comprises two main phases: extensive review of literature and interview with employees working in the IT companies, Hyderabad. Interview with employees working in the company was done in order to gain more insights into the subject matter. The study consists of items measuring PMS-BSC and EA on a five-point Likert scale. In the present study 240 respondents from IT industry are surveyed as they meet and satisfy the guidelines in determining the suitable sample size for the research. The Pearson Correlation coefficient (r) is assessed the BSC of client Perspectives and is observed to be extremely solid critical with (p) esteem < 0.001.

Index Terms - Performance Management System, Balance Scorecard, Employees Attitude and IT firms.

I. INTRODUCTION

Generally in the global market, all of the organizations are ongoing to revising their business as well as finding new system to provide more importance to stakeholders of the business approximating customers, shareholders along with employees. On the other hand, we consider that how Human Resources are administered is fundamental to the lengthy time value of an organization furthermore finally to its continued existence. In view of this, the definition of organizational value includes not only making good profits however in addition employee’s career development and growth, their work satisfaction, other further employment openings, customer loyalty, technology advancement, safe guard of the environment, as well as the contributions to the welfare of the society i.e. corporate social responsibility. Managers be required to take decisions on the subject of how to allot resources correctly from corner to corner of the dissimilar company’s activities counting marketing, manufacture, finance, management information systems, along with HR, in addition to that he has to know how to make contribution of this to the attainment of the organization’s goals and objectives.
To attain more succeed and competitive advantage in the market, the companies have to consider their employees as a asset for their business in addition to the workers of any organizations have to give training about their work in the organization and by following they will do their individual works as assigned in their place. After settlement of the employees with their work, another biggest job for the management is nothing but figuring out how to administer the employees performance throughout their life in the firm to make sure that they stay more productivity, capable to do difficult and assigned job, their progress in career developments. And also the management of any organization has to confirm that their employees are performing at the maximum level. To ensure the performance level of employees in the organization, the human resources management research literatures has suggested several performance appraisal methods. So performance appraisal methods, is considered as the continuous process in the organization in evaluating the performance of employees in their work place. Performance appraisal is a revising process in which employee performance over period time has been evaluated.

Some studies have positively reported that the management and employees are known with where they are, what they are doing and for what they are doing, definitely the results of the organization will be positively achieved. According to the study of Allen and Helms (2002) if managers in addition to employees recognize what is going on in their business along with the motive of doing with the purpose of, they sense with the intention of they are component of the business as well as sought ways to assist the attainment of company’s goals and objectives. For that reason, the performance management system (PMS) has its own importance in all the organization. As a result, the loyalty to the objectives put or else goal dedication will support the outcome of PMS on managerial presentation.

Several researches have done on the present research topic on several dimensions by studying what is performance, performance management and performance management system, importance of PMS in the organization and effective PMS outcome in the organization etc. One of the important of its kind is the research study by Armstrong during 2006. His study pointed out that the performance is a technique otherwise a tendency, so that the entity beneath concern performs a certain activity on the basis of similarity with the reference technique (trend) of the normal accomplishment of the doings. The organizational performance or performance can be viewed from various dimensions, in specifically reviews on the employees work performance in the organization. He also mentioned that the performance of the employees is nothing but the procedure everywhere workers with their commitment of knowledge along with skills to carry out the job via understanding their goals as well as objectives in the organization effectively.

II. REVIEW OF LITERATURE

Gibson et al., (1985) sympathized notwithstanding performance measurement framework, administrative performance is additionally impacted by the degree of the managers promise to accomplish the objectives that have been set for them to achieve. As a rule, the responsibility can be characterized as an understanding among representatives and the organization. In the mean time, employee commitment is a condition that includes a worker loyalty exemplified in the organization where the representative works.

Capon et al., (1990) researched the organizational performance and isolated the organizational performance into two arrangements of performance:

- A set of dependent variables estimating financial related performance (variables like used measured embracing levels, growth and variability in profit (typically related to assets, investment or owner’s equity).
This includes measures such as return on asset; return on investment; return on equity; sales and market value).

- Nonfinancial explanatory components.

Robertson et al., (2000) clarified that there are two essential elements which impact PMS in public organization - inner and outer components. Interior elements incorporate leadership as well as inner administration duty, internal assets, performance situated culture, representative commitment, and development of PMS. Administration is significant in planning and creating powerful PMS and internal administration responsibility conveys custom to the PM surveys and as an outcome could impact workers' duty to accomplishing targets and improving performance.

Itner et al., (2003) contended that there is no immediate connection between the company unit strategy as well as organizational performance, however there is a huge positive connection between the procedure and the utilization of non-budgetary measures in the performance assessment. Commonly, organizations that make broad use basically to nonfinancial endeavors with a similar technique will get high esteem stock returns. Rather the examination discovered little proof that estimating performance by associating with accounting measures (Return on Assets and sales development) as well as the hypothesis is additionally reliable with research discovered significant positive outcomes in the connection among procedure and the management's utilization of non-money related measures to evaluate organizational performance.

Wisniewski and Stewart (2005) suggested that PMS for strategic reason, it should connect worker's exercises with the company's objectives. They announced that so as to accomplish their strategic reason, compelling PMSs show five qualities. These are: (I) the arrangement of representative performance with authoritative targets; (ii) an unmistakable explanation of the ideal work culture; (iii) a reasonable detail of the outcomes and abilities (iv) the top administration conduct and style that empowers optional exertion; and (v) the straightforward procedures and documentation that empower the administrators and workers to consider PM to be a piece of their day by day working environment for hierarchical objectives over the long haul.

Burney and Matherly (2007) utilized decent variety of measure to reflect performance measure completeness. The framework thoroughness catches the degree to which a PMS contains a wide range of performance measures. Measures are characterized into 8 classes with reference to BSC points of view incorporates money related results, customer results, product/service quality, operational performance, advancement in procedures, representative results, data frameworks capacities and organizational systems.

Mone and London (2010) stated that when managers and staff understand what is going on in their organization and the reason of doing that. They feel that they are part of the organization and will be committed and sought ways to help the achievement of corporate goals. Therefore, the PMS within the company will affect managerial performance stronger when the manager is committed to the goals that have been set by the company. Thus, the commitment to the goals set or goal commitment will strengthen the effect of PMS on managerial performance.

Kaplan and Norton (2001) informed that one of the jobs of a corporate Balanced Scorecard is to express the, qualities, conviction, and thoughts that mirror the corporate character and should be shared by all vital specialty unit. They contend that Balanced Scorecard empowers unmistakable and impalpable resources for be connected through the circumstances and logical results model, to improve authoritative value and portray that the „learning and growth” measurement of Balanced Scorecard manages the social movements important to accomplish key destinations. Also they mentioned keep on advising that the „learning also, growth” target
seeming most generally in Balanced Scorecard is "forming the way of life".

Wang and Lin (2012) depicted the idea of the five components of advancement performance: (I) inside performance; (ii) specialized performance; (iii) business performance; (iv) financial performance; and (v) social performance. Workers skills can be utilized as an upper hand. It is revealed that it's ending up progressively significant for organizations to have a computerized business procedure. It is additionally revealed that yet what drives these methodologies, as well as how would they vary from increasingly regular techniques. Besides, how might they help organizations influence IT.

Swierk and Mulawa (2014) states that with developing significance of IT office in the association, the customary Balance Scorecard ought to be changed with IT Balance Scorecard. The conventional equalization scorecard incorporates four viewpoints: Financial viewpoint (Timely and precise Funds); client point of view (client center and fulfillment); inside business process point of view (items and administrations are as indicated by client needs); and Learning and Growth point of view (preparing of Representatives for development). The customary BSC is changed to IT BSC by presenting four new points of view: Corporate commitment, Customer direction, operational perfection and Future direction.

Horčičkaa, and Jelínkováa (2014) revealed that the frameworks approach in the field of big enterprise performance has the indispensable job in a current tempestuous condition. Because of the high level of globalization, brought together performance frameworks are as yet creating. The examination manages one of the new patterns affecting PMS – social contrasts. The examination focuses to the need to consider social contrasts in Czech undertakings, as present PMS have all the earmarks of being lacking in such manner. The point of the examination is to recognize and assess current dispositions to the issue of social contrasts in undertakings including their significance inside the PMS and dependent on the discoveries, the model communicating a brought together PMS is planned.

Pogrebnyakov et al., (2017) developed a structure portraying the effect of the plan and utilization of a PMS on scientist inspiration. The examination depended on an inside and out contextual investigation of a substantial European pharmaceutical organization. The outcomes uncovered that so as to represent forerunners to specialist inspiration, a PMS ought to recognize its plan and use, just as record for peculiarities of research work. The investigation contributed by (a) stressing the need to consider both in PMS studies and practice and (b) recognizing PMS-explicit precursors to specialist inspiration.

As of late, Balanced Scorecard has been connected to IT sector. Wright et. al., (1999) and Huang Hu (2004) analyzes the combination of IT with Balanced Scorecard. Wright et. al., (1999) proposed that a Balanced Scorecard hypothesis is a reliable performance the executives’ apparatus for the utilization of Information Technology, the web and electronic administration.

IT Balanced Scorecard has turned out to be well known with its ideas broadly bolstered and scattered by universal specialist gatherings, for example, Gartner Group, Renaissance Systems and Nolan Norton Institute (Grembergen et. al., 2003). Ibanez (1998) talked about the advancement of Information Technology Balanced Scorecard for programming delivering specialty units. Bensberg (2003) builds up a controlling instrument for information distribution center frameworks dependent on the Balanced Scorecard approach. As a result, the studying of EA in implementation of PMS-BSC has its own importance in the development of organization especially in the service industry like IT industry.
II.1 Objectives of the study

- To study the importance of the Balance Scorecard as the tool of performance management system.
- To observe the perception along with attitude of the employees on the PMS-BSC along with its efficacy on the company.

II.2 Hypotheses 1: There is significant relationship between the BSC four perspectives and EA in the organization.

III. Research Methodology

On the ground of the objectives the research design is framed. To understand the research problem, exploratory research is conducted, and multiple cross-sectional descriptive researches are employed to collect and analyse the data. The exploratory phase of this research comprises two main phases: extensive review of literature and interview with employees working in the IT companies, Hyderabad. Interview with employees working in the company was done in order to gain more insights into the subject matter. These two phases helped to identify key answers for the research questions. Questionnaire is prepared from existing literature. The questionnaire will be pre-tested before going for the final survey. The questionnaire has two sections. The study consists of items measuring PMS-BSC and EA on a five-point Likert scale. In the present study 240 respondents from IT industry are surveyed as they meet and satisfy the guidelines in determining the suitable sample size for the research. The Pearson Correlation coefficient (r) is assessed the BSC of client Perspectives and is observed to be extremely solid critical with (ρ) esteem <0.001.

IV. RESULTS AND DISCUSSIONS

IV.1 Hypothesis Testing

The following hypotheses are made for the study. They are

Hypothesis 1: There is significant relationship between the BSC four perspectives and EA in the organization.

H1a: There is significant relationship between BSC of the Customer perspective and EA perspectives in the organization.

H1b: There is significant relationship between BSC of the Finance Perspective and EA perspectives in the organization.

H1c: There is significant relationship between BSC of the Internal Processes perspectives and EA perspectives in the organization.

H1d: There is significant relationship between BSC of the Learning, Innovation and Growth perspectives and EA perspectives in the organization.

Analysis of the Hypothesis 1a: There is significant relationship between BSC of the Customer perspective and EA perspectives in the organization. The pearson correlation technique is used to test the hypothesis framed.

The Pearson Correlation coefficient (r) is assessed the BSC of client Perspectives and is observed to be extremely solid critical with (ρ) esteem <0.001. Pearson Correlation coefficient (r) worth is 0.50 and F-measurement worth is 92.34 individually. In this way, the BSC of client points of view are a critical indicator of EA by contrasting and on the grounds that the r worth is 0.50, and r2 is 0.250. Every segment of the BSC of client points of view has a noteworthy extent of its fluctuation as clarified by EA parts. Consequently, the
information gathered are decidedly associated (exceptionally solid relationship) for BSC client points of view and EA.

**Hypothesis 1b:** H1b: There is significant relationship between BSC of the Finance Perspective and EA perspectives in the organization. The Pearson Correlation coefficient (r) is assessed the BSC of Finance and thought that it was solid noteworthy with a (p) esteem <0.001 and with Pearson's (r) worth is 0.54. In this way, the BSC of fund points of view is a huge indicator of EA since r worth is 0.54 and r² is 0.2916 with F-measurement worth is 93.19 separately. Along these lines, the outcomes are decidedly connected (solid relationship) for BSC account points of view and EA as expressed in Hypothesis.

**Hypothesis 1c:** There is evidence of a strong positive significant relationship between BSC of Internal Processes perspectives and the EA in Infosys Ltd and is supportive.

Fourthly, the Pearson Correlation coefficient (r) is assessed the BSC of Internal Processes points of view viewpoints and thought that it was critical with (p) <0.001 and Pearson's coefficient (r) is 0.52. In this manner, the BSC of Internal Processes viewpoints point of view is a noteworthy indicator of EA since r worth is 0.52 and r² is 0.2714 with F-measurement worth is 91.53. Every part of the BSC of Internal Processes viewpoints has a huge extent of its change clarified by EA segment. The discoveries are likewise shown that the BSC of Internal Processes viewpoint and EA in the example share 27% (r² is 0.2714) of their in like manner. The (r) worth is in the positive range, at that point that implies the connection between the factors is decidedly associated and the two factors increment with increment in qualities or reduction in abatement in qualities. Thusly, the outcomes are decidedly connected (extremely solid relationship) for BSC Internal Processes points of view and EA as expressed in Hypothesis for PMS-BSC in the destinations in the examination.

**Hypothesis 1d:** H1d: There is significant relationship between BSC of the Learning, Innovation and Growth perspectives and EA perspectives in the organization. The Pearson Correlation coefficient (r) is assessed the BSC of Learning, Innovation and Growth points of view viewpoints and thought that it was noteworthy with a (p) esteem <0.001 and with Pearson's coefficient (r) esteem is 0.65. Along these lines, of Learning, Innovation and Growth points of view and EA viewpoints is a critical indicator of EA on the grounds that Pearson Correlation coefficient (r) worth is 0.65 and r² is 0.4225 with F-measurement worth is 103.89. The discoveries are likewise shown that the of Learning, Innovation and Growth points of view and EA viewpoints in the example share 42% (r² is 0.4225) of their variety. The (r) worth is in the positive range, at that point that implies the connection between the factors is decidedly corresponded and the two factors increment with increment in qualities or decline in reduction in qualities. In this manner, the outcomes are decidedly associated (exceptionally solid relationship) for of Learning, Innovation and Growth points of view and EA viewpoints as expressed in Hypothesis for PMS-BSC as referenced in the destinations in the examination.

| Table 1 Results of Pearson Correlation Test Analyses |
|-----------------|------------|-------------|-----------------|-----------------|-----------------|
| Variables       | R         | r²          | F-statistic     | Std error of estimate | (p)-value       | Conclusion          |
| BSC Financial Perspectives | 0.50 | 0.250 | 92.34 | 0.017 | 0.0001 | Significant at (p) <0.001 |
| BSC Customer Perspectives | 0.60 | 0.360 | 96.48 | 0.012 | 0.0002 | Significant at (p) <0.001 |
| BSC Internal Business Process Perspectives | 0.54 | 0.2916 | 93.19 | 0.016 | 0.0001 | Significant at (p) <0.001 |
V. CONCLUSION AND SUGGESTIONS

The consequences of the investigation demonstrated that utilizing the impacts of BSC on the EA in IT companies have a positive significant. The positive significant relationship demonstrated that has a decent structure for PMS rehearses. The positive relationship additionally demonstrated that the higher administration of the companies comprehends the particular needs of the client. Looking at the connection between BSC 4 points of view and EA, it is uncovered that BSC client, BSC Finance, BSC Internal Business Processes and BSC Learning, Innovation and Growth viewpoint fundamentally identified with the EA. Also, cost viability would possibly be made conceivable if the administration realized how to limit the expense of creating the administrations and in the meantime, increment the efficiency level. Thus, the most ideal approach to manage this is through the comprehension of human conduct and for this situation, the EA. Consequently, the EA would go about as a control system among the representatives to guarantee that the administrations given by the association ought to be up to the desire for the clients since they are the partners.

Inspecting the connection between BSC Internal Business Processes and EA, it is uncovered that BSC Internal Business Processes viewpoint is essentially positive identified with the EA. Consequently, the correspondence among the representatives and the improvement of coordination inside the business has been observed to be fundamental in deciding the EA which could influence the dimension of performance to accomplish the ideal objective.

V.1 Suggestions

The importance of learning and development point of view towards the EA which is found in this proposal, has asked to prescribe the companies to turn into a learning association. In any case, it is discovered that the learning and development point of view in the association depends vigorously on the disposition and conduct of their representatives. Moreover, it has referenced that any association ought to comprehend the procedure and nature of learning of the higher request so as to encourage learning and improvement of their representatives and at last the association. The discoveries have added to the group of information on the grounds that the comprehension of the business related demeanor is essential in upgrading the exhibition level in the business. Along these lines, all through this investigation, it could be presumed that the four viewpoints of the BSC demonstrated that the estimation of work performance is extraordinarily affected by business related mentality or conduct of the representatives in the IT companies.

References


