

Behaviors that built a company, performance appraisal issues and Challenges: A study

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Abstract : This study has been undertaken to investigate the issues related to the performance approval and its related effect on the employee. The case is in the form of discussion between the employee and his superior. This case also highlights the discussion which lead to the employee dissatisfaction and the ripple effects on other department of the organization. However, many of the organization have the policy but implementation of the policy can make difference if it is not done in proper way. The very good policy may not achieve its own objectives.

IndexTerms – performance appraisal, appraisal implantation

I. INTRODUCTION

II. CASE OPENING:

Amit Sharma -HR Manager NSSL Pvt. Ltd Nagpur. was sitting relaxed in his office after completing all the formalities related to performance appraisal for the year 2017. Just then he received a call from his logistic department head Mr. Mayank kumar to meet him urgently.

Amit: What is the problem?

Mayank: I want to meet you personally, we cannot discuss it over the phone.

Amit: Please, Come to my cabin.

Mayank reached Amit's cabin and handed over an envelope to Mr. Amit, Amit opened the envelope, and found that it was the resignation letter given by Mr. Manish Chhabaria Senior Executive Logistics by mentioning the reason of not fairly judged the performance and increment was not up to his expectation.

Mayank: Manish is the best person in his department and we cannot afford to lose him and do not have any other replacement for him.

III. ABOUT ORGANIZATION

NSSL Limited (formerly NECO Schubert and Salzer Limited) was established in 1988-89. It is a part of NECO Group which was incorporated 1976. It is India's largest diversified industrial groups, having multi-location, multi-product manufacturing facilities, with turnover of more than Rs.3000 crore. NSSL manufactures Gate, Globe, Check, Ball and Plug Valves in Cast Steel, Stainless Steel and Alloy Steel materials, Class ranging from 150 to 2500 and size from 2" to 60". These valves are used in Oil, Natural Gas, Petroleum, Petrochemical, Fertilizer, Cement, Pulp, Power and Steel Sectors.

IV. SERVICES OFFERED

- Professional Valve repair facility is hard to find in India.
- We do repair as per the International standards applicable to the product.
- We provide a Certified and Guaranteed service.
- We are world class Valve manufacturers so we have better idea on the product than others.
- Separate division for "Valve Repairs & Servicing", hence no compromise in service quality.
- Being in manufacturing of valves we correct the root cause and follow all the specifications and standards applicable.

V. HUMAN CAPITAL

We have many senior highly skilled technicians with extensive expertise in the Oil & Gas, Power, Fertilizer and Petrochemical Industry. All have 10 to 15 years of valve servicing experience. We also have highly efficient team as far as technicality is concern. Company's Hingna plant is having 550 employees; out of which 110 employees are staff. The case deals with the problems such as performance appraisal. The method followed for performance appraisal in the Company is under the traditional method and having the system known as PMS i.e. Performance Management

System. The increment is done on the basis on yearly basis and having the grading system i.e. A, B and C. The evaluation is having the two step process i.e. Department Head and who is grading the performance and submitting it to the HR department.

After reading the resignation letter of Mr. Mansih Chhabaria, Mr. Mayank was perplexed and same has forwered to Amit too. Both were thinking about what step should we take to retain those employees who are really important for the department.

Amit: Mayank the standard increment i.e. 10% is already given to all qualified employees. We have given the increment what HOD has suggested. Then why these grievances are there with the employees whereas the company has bearing the so much extra cost to motivate all employees by giving appropriate increment every year, As per the evaluation of HOD's we have given the increment to all employees.

The discussion regarding the performance appraisal and increment is also take place in the Personnel and Administration department where some employees are very happy and some of them are very disappointed. In the cabin of Ms. Meenal HOD-P&A Department.

Aakansha: May I come in maam?

Meenal: Yes Aakansha. Please have a seat.

Aakansha: Thank you maam. Just received your e-mail regarding increment. I am very happy that I have got 25% hike which is 15% extra as compared to the other employees. Maam you are the only boss in all the departments who really cares so much for your employees.

Meenal: Yes, Aakansha Congratulation's! I'm very happy with your performance in this organisation and for your cheerful nature towards me and the employees.

Aakansha: Thank you so much mam. Your support means a lot to me. I will keep serving this organisation under your guidance. Maam, today I have bought special Ladyfingers (Bhindi) for you in my tiffin as it is your favourite.

Mayank (HOD) was still in the cabin of Mr. Amit (HR Manager), discussing the probable solution for the issues which HR department is now facing regarding the increment issues.

Mayank: Ms. Aakansha Choudhary of Admin department got the extra 15% i.e. total 25% increment. She seems to be keeping very good relations with her boss. So even without merit basis you can get the increment.

Amit: Mayank, now this will not not stops here and it can again create problems in the factory as other employees will also demand higher increments in the organisation. Company cannot afford to give more increments to all employees as that will create huge financial burden on the organisation.

So Amit Sharma issues notice to all the HOD's to submit him the grievances occurred in their respective departments regarding the performance appraisal. After receiving all the grievances he asked Mayank to speak with Manish to wait for some time till the final decision is taken on his request and continue his job till then. Now Amit reviewed all the grievances and found that except Manish others didn't had any special issues. So he asked their respective HOD's to speak with these employees and he himself spoke with them and convince them that the increment they have got is good enough.

For Manish a new review was asked from his HOD Mayank justifying the reasons why he should get more increment. HOD Mayank give special remarks of his performance and why he is important for the organisation. After re-evaluating all the parameters Manish was offered 30% increment.

VI. CONCLUSION:

The company HR policy of performance appraisal should be standardised and be more transparent and trustworthy. Implementation of policy strictly followed without any flexibility for the employee, HOD's,. There should also have promotion and increment policy for the worker who are working since so many years in the organization.

1. What are the methods of performance appraisal that you suggest for this organisation?
2. How to deal with the variable increment in the organization?
3. Suggest the methods to make process transparent and full proof.
4. Will employee satisfy after re-review process and further increments?
5. Discuss the disadvantages of traditional PMS of evaluation by HOD?

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