



A STUDY OF PERFORMANCE APPRAISAL IN GOVERNMENT SECTOR ORGANIZATION

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ABSTRACT

The government has a critical role to play in the development of the country. It acts as a planner, regulator, catalyst, controller and investor. Its policies and practices directly determine the nature and direction of HRD activities in institutions and organizations under the direct control of government such as the administrative machinery and public sector organizations. Indirectly, the policies and practices of the government set the tone and create an environment which may discourage or encourage the HRD activities of other organizations in the non-governmental sectors as well. Thus, HRD in government has a strategic role. The government's policies and practices have a ripple effect with wide ranging impact on other sectors of society. This is especially so in a partially controlled economy like India where the government regulates the activities of even private sector organizations. With the advent of Liberalization, Privatization and globalization era, the focus of HRD has shifted to establishing direct links with business strategies in today's competitive world. Human Resource Development has become a business necessity. To meet the challenges, to stand in front of competitors and to meet the impact of change private sector organizations have started to adopt effective HRD practices which should influence financial and other performance indicators by generating employee satisfaction which in turn can influence customer satisfaction.

INTRODUCTION

In present globalised scenario Human Resource Development plays a vital in every organization which leads towards economic development. HRD should plan for human resources not only for present jobs and roles but also for the future. Further, human resource planning should plan for potentialities. Recruitment for HRD refers to searching for prospective employees having skills, talents and potentials to carry out the present and future jobs and also to develop and motivate them to apply for jobs. Selection for HRD refers to designing the selection techniques like written test, selection tests, interviews, etc., fit for selecting the candidates suitable for further development. These base sectors influence the analysis of roles of employees as individuals, as members of teams and organization, along with the ever changing environment. The positive base factors exert positive influence on the analysis of roles. Analysis of roles of employees as individuals, members of teams and members of organization helps the organization to know the employees, present capabilities and potentials. Performance appraisal and potential appraisal techniques help to evaluate the present capabilities, performance and potentials more accurately.

Appraisal is the evaluation of worker, quality or merit. In the organizational context, performance appraisal is a systematic evaluation of personnel by superiors or others familiar with their performance. Performance appraisal is also described as merit rating in which one individual is marked as better or worse in comparison to others. The basic purpose of merit rating is to ascertain an employee's eligibility for promotion. However performance appraisal would be used to decide training and development, salary increase, transfer and discharge also, performance appraisal is the process of evaluating the performance and qualifications of the employee in terms of the requirements of the job for which he is employed, for the purposes of administration including placement, selection for promotion, providing financial rewards and other actions which require differential treatment among the members of a group as distinguished from actions affecting all members equally.

OBJECTIVES

1. To know the policy, objectives towards Performance Appraisal in Government sector.

2. To probe in to the system of performance appraisal process, its contribution to HRD practices and also to know the opinions on the part of the employees in respect to the measures taken by the organizations towards appraisal process.

METHODOLOGY

Primary Data

The primary data was collected through structured questionnaire on direct personal investigation method. The main source of primary data is the opinions of the employees at operational and administrative level in Government sector.

Secondary Data

The secondary data and information was collected from the annual reports, office records, documents, action plans and booklets of Industries Department. Study relevant data was also procured from journals, periodicals, reference books, reports, records and other useful published and unpublished reports.

For survey of literature the researcher visited various libraries which include Andhra University Library, Visakhapatnam, Osmania University Library and administrative staff college library in Hyderabad.

Sample Units for the Study

In Government Sector the study covers the Industries Department, located at Hyderabad, which has been playing a major role in setting up of the industries and its 10 District industries centres which are located at Mahaboobnagar, Rangareddy, Medak, Nizamabad, KarimNagar, Adilabad, Warangal, Khammam, Nalgonda, and Hyderabad.

Sample Size of the study

There are 1252 employees working at operational and administrative level in the head office of the Industries Department including its 10 selected District Industries Centers. Out of this total number, the researcher has taken a sample of 10 percent of the employees based on

random sampling technique.. To make better study the researcher took a 10 percent of uniform sampling limiting the number to 125. It was felt that the sample size of the employees at operational and administrative level chosen from the Industries Department is adequate and significant for analysis.

REVIEW OF LITERATURE

It has been noted, by **William P.A** in his book "Strategic Human Resource Management", that a major paradigm shift has taken place with the evolution of the concept of Human Resources Development. The growing recognition of HRD in the management area has brought a revolutionary change in the total scenario of performance appraisal. It has been reflected in terms of use of word to indicate performance Appraisal and the purpose of performance Appraisal and corrective measures used.

It has been pointed out, by **Chakraborty S.K.** in his book "Human Resource Development",1995, that here in respect to orientation in the context of HRD that all the employees recruited are put through a well structured orientation programme to help them understand what the organisation stands for in terms of its basic philosophy and culture, their role and what is expected of them as also what they can expect from the company. At the orientation training, specific inputs on correct behaviour and courtesies required at the work place are imparted to help the participants make a smooth transition from the institute to the company. At every orientation programme, the trainees are asked to group themselves and understand their life style as it was at the institute. They are asked to visualize life in orientation. The HRD specialist along with the senior member of the organisation then help to understand various processes that go on in the company and the expectations of the organisation of the trainee.

Sinha: in his book "Human Resource Development",1992, expressed that various aspects of human resource development such as human approach, people as a resource in the organization, development and functions of human resource development. Many studies were conducted with a focus on Indian Industrial Environments and the HRD function. A comparative assessment of the proactive of HRD among various undertakings was also dealt with.

Rao T.V: In his book " The HRD missionary" 1992, analyzed HRD instruments, process and outcomes structuring of HRD function, qualities and competence requirements of HRD managers, their development, traps and temptation.

Chandra.S: In his book "Human Resource Management Policy " 1997, attempted to present a blue print of HRD policy and argues that an efficient and satisfied workforce is the most significant factor in organizational effectiveness.

D.Souza: In his book "Human Resource Development", intended to give some insight into the structure of Human Resource Development function.

Rao.T.V.: In his book "Human Resource Development" outlined the role played by chief executives for a successful Human Resource Development.

Soni,M.M.: In his book " Human Resource Development" 1997, felt that HRD is necessary for the purpose of imparting required job knowledge to the manpower and developing in them necessary skills and aptitude.

Dayal.Iswar: In his article "Training Of The Employees and Executives", 1999, suggests that a detailed study of jobs and skill analysis is absolutely necessary to help the employee adjust to that job requirements.

Srinivasan,G.: In his article "Executive Development In India"1997, recommends that the training programmes should focus on corporate planning, organizational development and management.

Dayal.I.: In his article "A Survey Of Research In Management" 1973, observes that most of the issues confronting the field of training in India are not dissimilar to those felt abroad.

Bhatia,S.K.: In his article "Trends In Training And Development" 1981, sees a shift from knowledge to attitude as the main objective of training. He identifies three areas of training technical skills and knowledge, knowledge of organisation and external system and conceptual and interpersonal skills. The emphasis on different skills should vary with the type of employees.

Saxena, A.P.: In his article "Training In Government Sector",1973, suggests that the organization and development techniques can be most useful for training employees in Government. HRD techniques can help in improving organizational design, introducing organizational flexibility, reducing impersonality, improving interpersonal relations and differentiate operational decision making from policy decision making.

Basha,M.M.: In his article "Training Techniques In Varying Cultures",1971, takes the stand that the some tested training techniques of multi nationals operating in India do not have the same impact here due to differences in various environmental factors. He opined that, in the Indian context, the lecture-cum-disscussed method would be most useful.

Seth.,P.: In his article "Import On Training",1984, suggested that training for employees should be directed towards attitudes and beliefs underlying employee's philosophy and their interrelatedness. The studies on the identification of training needs emphasis not only the organizational analysis as well.

Singh.N.K.: In his book "HRD In Indian Public Sector", 1987, examined the training and development practices and employee appraisal systems in the public sector undertakings at length.

Rao,T.V.: In his book "Appraising And Development Managerial Performance", 1988, believes that the performance appraisal system can help preparing the employees for performing higher-level jobs by continuously reinforcing the development of behavior and qualities required. The need for making executive appraisal effective was elaborately discussed by him. He suggested that it is useful to separate the appraisal process that aims at development from the process that aims at monitoring control.

Beament, B.P.: in his book "Human Resource Management", found that several organisations in Britain had began in the mi-eighties, to move towards performance appraisal for the manual group of employees, often as a part of some change towards performance related pay arrangements.

IMPORTANCE OF PERFORMANCE APPRAISAL IN GOVERNMENT SECTOR

Table no. 1 : Awareness of the employees on existing performance appraisal in Industries

Department

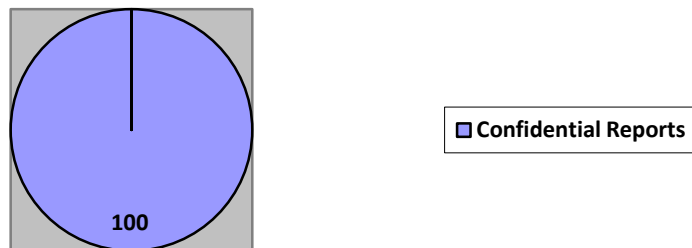
Opinion	No. of respondents	Percentage
Confidential reports	125	100
Total	125	100

Source: Survey

The percentage in the above table is reflected in the below diagram.

Diagram 1 : Awareness of the employees on existing performance appraisal in Industries

Department



When the researcher asked the question, whether performance appraisal exists in the Industries Department, all the respondents opined that they have known about existing performance appraisal and they have opined that, the present existing performance appraisal method was confidential report which is a traditional technique of the performance appraisal.

Table no. 2 : Opinion of the respondents towards frequency of the performance appraisal

Frequency of the programme	No. of respondents	Percentage
Yearly once	125	100
6 months	-	-
3 months	-	-
Total	125	100

Source: Survey

The following diagram explains the above percentage graphically.

Diagram 2 : Opinion of the respondents towards frequency of the performance appraisal



All the respondents (100%) have said that, the performance of the employees is evaluated once in a year. It may be observed that, the performance appraisal has been taking place once in a year in Industries Department which is acceptable to the employees.

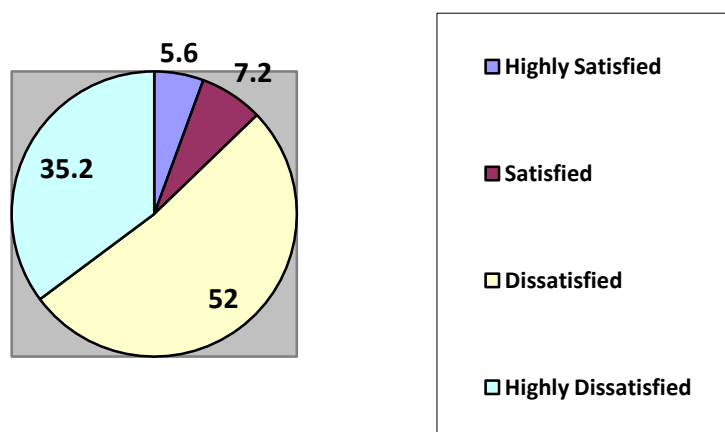
Table no. 3 : Level of satisfaction of the employees on performance review

Level of satisfaction	No. of respondents	Percentage
Highly Satisfied	7	5.6
Satisfied	9	7.2
Dissatisfied	65	52.0
Highly Dissatisfied	44	35.2
Total	125	100

Source: Survey

The Percentages in the above table are reflected in the diagram given below.

Diagram 3 : Level of satisfaction of the employees on performance review



From the above table it can be observed that, about 5.6% of the respondents have opined that they were highly satisfied with performance review, and 7.2% of the respondents have opined that, they were satisfied and 52% of the respondents have opined that they were dissatisfied and the remaining 35.2% of the respondents have opined that they were highly dissatisfied with performance review in Industries Department. Nearly 87% of the respondents were not satisfied with performance review in Industries Department. The researcher also collected the reasons for satisfaction and dissatisfaction on performance review. The researcher has taken the ratings of highly satisfied and satisfied as satisfied rating and the ratings of dissatisfied and highly dissatisfied as dissatisfied rating to understand effectively.

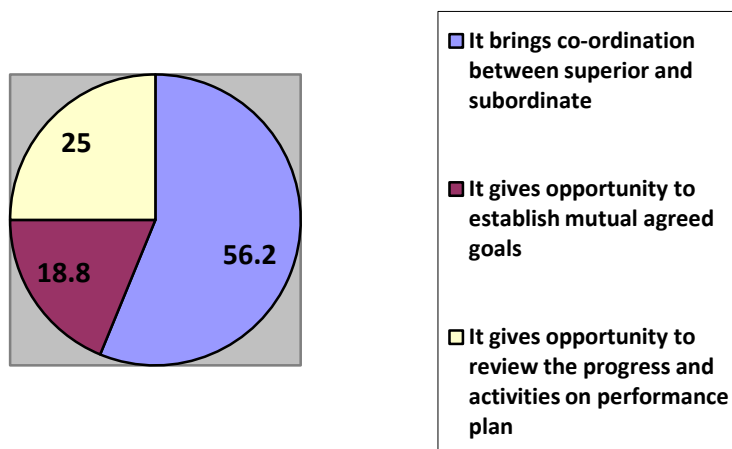
Table no. 4 : Reasons for satisfaction of the employees on performance review

Reasons	No. of respondents	Percentage
It brings co-ordination between superior and subordinate	9	56.2
It gives opportunity to establish mutual agreed goals	3	18.8
It gives opportunity to review the progress and activities on performance plan	4	25.0
Total	16	100

Source: Survey

The Percentages in the above table are reflected in the diagram given below.

Diagram 4 : Reasons for satisfaction of the employees on performance review



From the above table it can be observed that, In Industries Department about 56.2% of the respondents have satisfied as performance review brings coordination between superior and subordinate, about 18.8% of the respondents have satisfied with performance review as it gives opportunity to establish mutual agreed goals and the remaining 25% of the respondents have satisfied as performance review gives opportunity to review the progress and activities on their future performance.

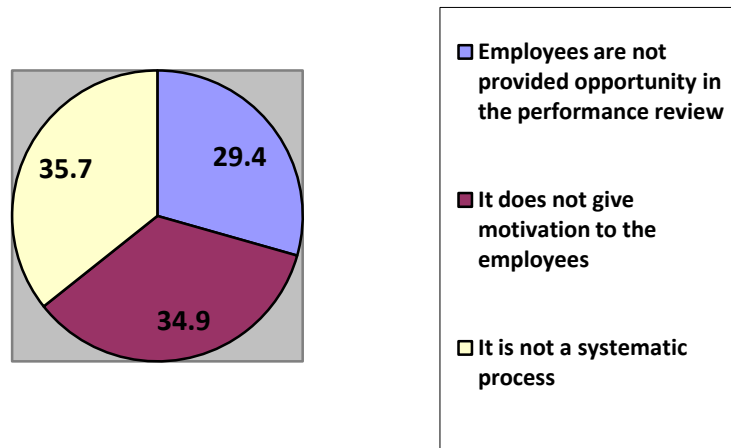
Table no. 5 : Reasons for dissatisfaction of the employees on performance review

Reasons	No. of respondents	Percentage
Employees are not provided opportunity in the performance review	32	29.4
It does not give motivation to the employees	38	34.9
It is not a systematic process	39	35.7
Total	109	100

Source: Survey

The following diagram explains the above values graphically at a glance.

Diagram 5 : Reasons for dissatisfaction of the employees on performance review



From the above table it can be observed that, about 29.4% of the respondents have dissatisfied as performance review not provided opportunity to the employees to assess their performance and 34.9% of the respondents have dissatisfied as performance review does not give motivation to the employees and 35.7% of the respondents have dissatisfied as performance review is not a systematic process.

Opinion of the Respondents towards Feedback System

Feed back system is playing an important role in performance appraisal process. After the appraisal process, if the employees are rated high, naturally they are happy and feel their self esteem is high. On the other if they are rated low, then they are unhappy but the fact is fact, and the fact should be known to them. Their plus points should be listed out and their weaknesses may be put clearly through counselors.

Feed back system helps the talented employees to prove their performance and there is a chance to improve their performance in an efficient and effective manner. It helps low talented employees to enhance their skills and talent.

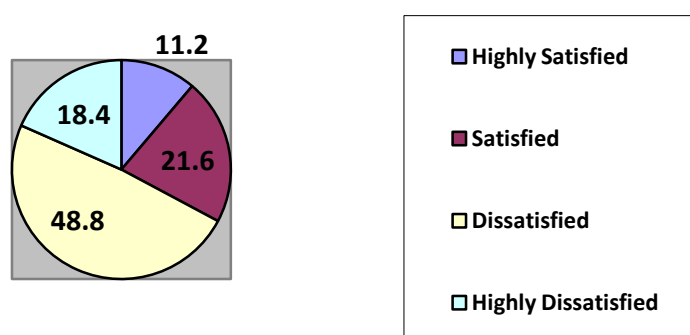
Table no. 6 : Level of satisfaction of the employees on feed back system

Level of satisfaction	No. of respondents	Percentage
Highly satisfied	14	11.2
Satisfied	27	21.6
Dissatisfied	61	48.8
Highly dissatisfied	23	18.4
Total	125	100

Source: Survey

The Percentages in the above table are reflected in the diagram given below

Diagram 6 : Level of satisfaction of the employees on feed back system



From the above table it can be observed that, about 11.2% of the respondents have opined that they were highly satisfied with feedback system and 21.6% of the respondents were opined that they have satisfied with feedback system and 48.8% of the respondents have opined that they were dissatisfied with feedback system and the remaining 18.4% of the respondents have opined that, they were highly dissatisfied with feedback system in Industries Department.

The researcher also collected the reasons for satisfaction and dissatisfaction of the employees on feed back system in Industries Department. To make better understanding the researcher has taken highly satisfied and satisfied ratings as satisfied. Dissatisfied and highly dissatisfied ratings as dissatisfied.

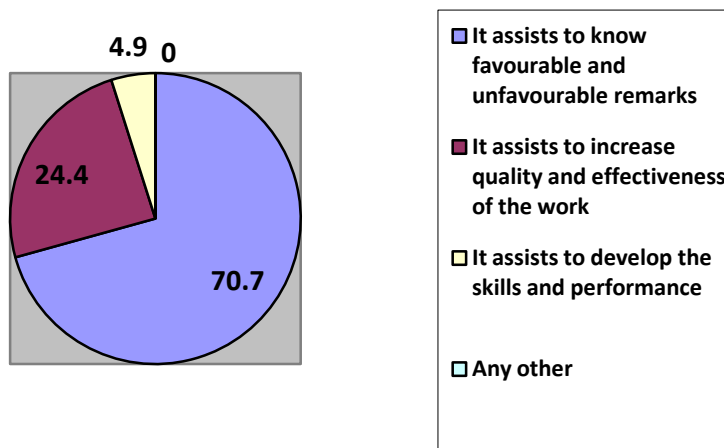
Table no. 7 : Reasons for satisfaction of the employees on feed back system

Reasons	No. of respondents	Percentage
It assists to know favourable and unfavourable remarks	29	70.7
It assists to increase quality and effectiveness of the work	10	24.4
It assists to develop the skills and performance	2	4.9
Any other	-	-
Total	41	100

Source: Survey

The Percentages in the above table are reflected in the diagram given below:

Diagram 7 : Reasons for satisfaction of the employees on feed back system



From the above table it can be observed that about 70.7% of the respondents have satisfied as feedback system assists to know favourable and unfavourable remarks of the performance, and 24.4% of the respondents have satisfied as feedback system assists to increase

quality and effectiveness of the work and 4.9% of the respondents have opined that they have satisfied as feedback system assists to develop the skills and performance.

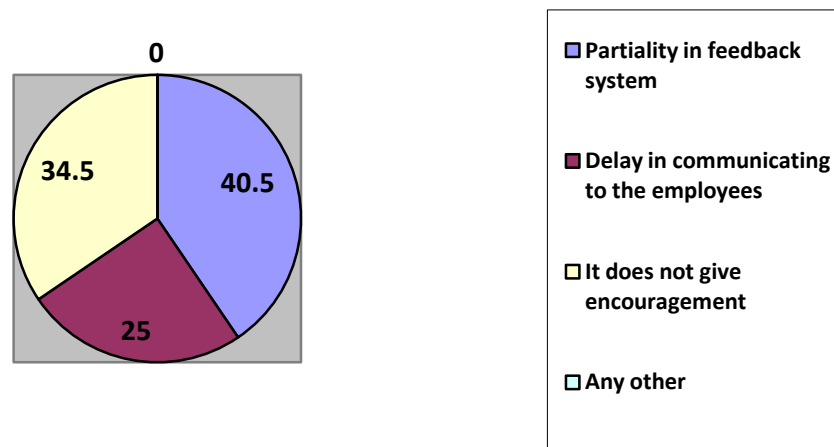
Table no. 8 : Reasons for dissatisfaction of the employees on feed back system

Reasons	No. of respondents	Percentage
Partiality in feedback system	34	40.5
Delay in communicating to the employees	21	25.0
It does not give encouragement	29	34.5
Any other	-	-
Total	84	100

Source: Survey

The Percentages in the above table are reflected in the diagram given below:

Diagram 8 : Reasons for dissatisfaction of the employees on feed back system



From the above table it can be observed that in Industries Department about 40.5% of the respondents have dissatisfied as superiors have partiality to make feed back of the employees and 25% of the respondents have dissatisfied because delay in communicating the feed back to the employees and 34.5% of the respondents have dissatisfied because feedback system does not give encouragement to the employees.

FINDINGS

- It is found the present existing performance appraisal method was confidential report which is a traditional technique of the performance appraisal.
- It is found that all the respondents (100%) have said that, the performance of the employees is evaluated once in a year. It may be observed that, the performance appraisal has been taking place once in a year in Industries Department .
- It is found that, about 5.6% of the respondents have opined that they were highly satisfied with performance review, and 7.2% of the respondents have opined that, they were satisfied and 52% of the respondents have opined that they were dissatisfied and the remaining 35.2% of the respondents have opined that they were highly dissatisfied with performance review in Industries Department. Nearly 87% of the respondents were not satisfied with performance review in Industries Department.
- It can be found that, about 11.2% of the respondents have opined that they were highly satisfied with feedback system and 21.6% of the respondents were opined that they have satisfied with feedback system and 48.8% of the respondents have opined that they were dissatisfied with feedback system and the remaining 18.4% of the respondents have opined that, they were highly dissatisfied with feedback system in Industries Department.

SUGGESTIONS

- Performance appraisal has been taking place once in a year in both Government . Hence, it is suggested that, to have a continuous improvement in qualities and skills of the employees, it is better to conduct performance appraisal once in a six months.
- In Government sector majority of the employees were dissatisfied with performance review because employees were not provided opportunity in the review process and it did not give motivation to the employees. Hence it is suggested that, employee should be involved in the review process.
- In Government sector partiality in feedback system is highly prevalent. It leads to collapse of Industrial relations in the organisation and there should not be any delay in communicating the feedback to the employees.

- Confidential reporting system which is traditional method of performance appraisal has been adopted in Government sector. Most of the measures used in confidential reporting system making difficult to measure the performance of employees and also there is often a lot of bias and subjectivity is involved in the ratings given by the superior. Hence, it is suggested that, either redesign the confidential reporting system with challenging task, objectives and with new measures or change the system and adopt modern technique which is suitable to the organisation goal as practiced in private sector.

CONCLUSION

The HR Department should take sufficient care in the administration and designing content of HRD policies in respect of training and performance appraisal. It is suggested that, the H.R. Department in Government sector to take the feedback of the employees on implementation of HRD activities at regular intervals in order to take corrective measures to win the confidence of the employees. Finally, it has been recommended that, despite fast growing globalization, importance of involvement of human element in Government sector is found to be prominent and hence due priority be given to H.R. management in formulating effective HRD policies and strategies.

Performance appraisal is one of the important tools of Human Resource Development practices which assist the employees to find out their strength and weakness and to improve their performance. The commitment to the performance appraisal system in Government sector is very low. Low commitment and lack of accountability are the major reasons for the low institutionalization of the performance appraisal process in Government sector. The main limitation of the appraisal system in Government sector is the post appraisal actions such as increments, promotions, bonus, punishments, demotions not directly linked to the performance appraisal. Hence, it should be changed post appraisal actions should be linked performance appraisal.

It is to be suggested that, performance appraisal policy which is confidential report system being adopted the Government sector has many deficiencies and also it is an oldest system. As per the study the employees are not having a good and effective opinion towards confidential report

system. As per change in an economy our Government sector also should change the performance appraisal policy.

The need of performance appraisal is felt to create a climate which will improve the work life by overcoming monotony, ensuring better communication and creation of a familiar sort of work conditions where creativity of all the members comes into full play. The focus of performance appraisal essentially is an enabling people to self actualize through a systematic process of developing their existing potentialities of people both in the present and in the future. Performance appraisal facilitates the integrated growth employees. It helps employees to know their strengths and weaknesses and enable them to improve their performance.

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