

Study of Assessment of the Effectiveness of Performance Appraisal Exercise in the Public Sector with Reference to the Maharashtra State Distribution Electricity Company Limited

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Abstract: *Appraisal is a continuous process and done annually as a formal exercise before completion of the financial year. Appraisal has tremendous motivational impact on people through meaningful feedback and is a powerful tool for recognition. This project explains performance appraisal system and tries to find out how efficiently Performance Appraisal is conducted. And if performance appraisal doesn't meet its objective, then, what are the factors causing failure.*

In this study, descriptive type of research methodology is used and sample size and population 50 were taken and for the survey of this study, sampling techniques is simple random sampling technique is used. Descriptive data analysis technique would be used to analyze the data collected after conducting the questionnaire. Data would be arranged in a tabular form and simple pie charts in the form of Likert scale would be used to analyze the response to draw the necessary interpretation. The interpretation would be then drawn from the above statistical analysis on every response of the questionnaire. Thus a detailed analysis of the responses would be made so as to reach to the ultimate conclusion and testing of the hypothesis.

Keywords: Performance Appraisal, Effectiveness, Renumeration, Motivation, Human Resource Management, Work Improvement, MSDECL Services

I. INTRODUCTION

Performance appraisal is an essential tool for evaluating employee performance and productivity in public sector undertakings. It aims to identify areas where the employee can improve and areas where they excel. The assessment process helps public sector undertakings in identifying employees who are contributing effectively to the organization, providing a basis for promotions, incentives, and rewards.

Overall, performance appraisal is essential for public sector undertakings to evaluate employee performance, provide feedback, and allocate rewards and incentives. Public sector undertakings must develop a fair and objective evaluation process to ensure that it remains an effective tool for assessing employee performance.

II. LITERATURE REVIEW

For this research, following review of literature will be used:

Showkat, Shagufta (2013), "Performance Appraisal in Banking Organisation's" has explained the term **performance appraisal system (PAS)** from the management point of view, where he given all the advantages that the organizations can exploit and all the disadvantages that the organization should be vary of. Sufficient examples have been sighted from previous studies and primary data is also been collect to further prove the hypothesis.

Mishra, Lalita(2013), "A Research Study on Employee Appraisal System Case of Hong Kong and Shanghai Banking Corporation" has explained the major factor of growth of the company is the employee satisfaction and therefore, this research study is being conducted for the similar reason of employee appraisal system. The aspect of human resources is the most important and vital part of banking and service sector. The well efficient work force is needed in the industry so as to grow in the competitive world.

Ochoti, George Ndemo, et.al.(2012), “Factors Influencing Employee Performance Appraisal System: A Case of the Ministry of State for Provincial Administration & Internal Security, Kenya” the authors focused the regression analysis model for performance appraisal. The study concludes that all the five variables investigated that include the implementation process, rater and ratee interpersonal relationship, psychometric rater accuracy, informational factors and employee attitudes all influence the PAS (Performance Appraisal System). The factors under these variables have shown the influence of the implementation process of the PAS (Performance Appraisal System) and the quality of treatment that the ratee receives in the hands of the rater. It has also been shown that elimination of rating errors increases system efficiency. Communication between the rater and ratee is crucial as it understands the employee attitudes towards the PAS (Performance Appraisal System).

Pradhan, Sunil Kumar and Chaudhary, Suman(2012), “A Survey on Employee Performance Management and Its Implication to Their Retention in OCL Limited” the study aimed at examining the employee performance management and its implication to their retention in OCL India Ltd. As the required data is not available from the secondary sources, we made a small sample survey in the concerned industry to elicit the requisite information. The data collected from 170 employees of OCL India with questionnaires approach having 50 close ended semantic questions. As a part of the study, it is known that in 15 OCL India Balance Scorecard 2 is implemented as a performance evaluation tool. Using summary measures, percentage tables and various graphs we have assessed the importance of various independent factors that drive away the dependent factor (employee satisfaction).

Kaur, Avneet (2012), “An Empirical Study of the Performance Evaluation of Public Sector Banks In India” has explained the financial aspect for evaluation performance evaluation. It also emphasizes on the yearly study of the financial position of public sector banks.

Hossain, Maksuda, Abdullah, Abu Md. and Farhana Shila (2012), “Performance Appraisal & Promotion Practices on Private Commercial Bank in Bangladesh: A Case Study from Pubali Bank Ltd.” have explained the performance appraisal & promotion practice of Pubali Bank Ltd., Bangladesh. Performance appraisal being a critical part of human resource management carries huge significance to run an organization smoothly. As the name implies management does not have to face obstacles regarding employees if such appraisal is done appropriately with proper implication on promotion.

Shrivastava, Pallavee and Rai, Usha Kiran (2012), “Performance Appraisal Practices in Indian Banks”, have explained the various methods for evaluating the performance of the employees. They observed that the past behaviour affects the performance of the organisation and motivates them to do work hard for the development of it.

Zhang, Yansheng and Li, Longyi (2009), “Study on Balanced Scorecard of Commercial Bank in Performance Management System” have given the outcomes of the balanced score technique in all the organizations. He has given examples of various models of balance score techniques which were studied in the past to build the hypothesis. He has also given empirical evidence to support the extend of these techniques in the modern era.

Liza, Rebeka Sultana, Ferdous, Tahmina and Jahan, Ishrat (2009), “Individual and Job Based Determinants of Performance Appraisal: A Study on Banking Sector and Manufacturing Industries in Bangladesh” have explained the use of performance appraisal (PA) in some manufacturing enterprises and private banks in Bangladesh. Some hypotheses were developed on individual and job based determinants of PA usage. Based on the data set on individual employees, these hypotheses were tested in order to explore the impact of PA on pay and career prospects. The result indicates that PA is positively linked to an individual’s willingness to take risks. PA constitutes one of the key responsibilities of the managers who like to improve efficiency of employees at work

2.1 OBJECTIVES

- To understand performance appraisal process at Maharashtra State Electricity Distribution Company Limited.
- To study the perception of employee with respect to performance appraisal process of MSEDCL
- To determine the effectiveness of performance appraisal on employee’s performance.
- To suggest measures to improve performance appraisal process at MSEDCL.

2.2 HYPOTHESIS:

There is a positive relationship between performance appraisal process and employee performance at MSEDCL.

III. RESEARCH DESIGN

Sampling Methodology

The design of the sample is as follows Population: 50

Sampling Technique: Simple Random Sampling Method Sample size : 50

Type of Research (Exploratory/Descriptive/Causal/Experimental) applicable to project report- Descriptive

Method of data collection Primary data collection tools:

Questionnaire

Personal Interview

Secondary data collection sources:

The secondary Data Collection is from the below sources

Company Website

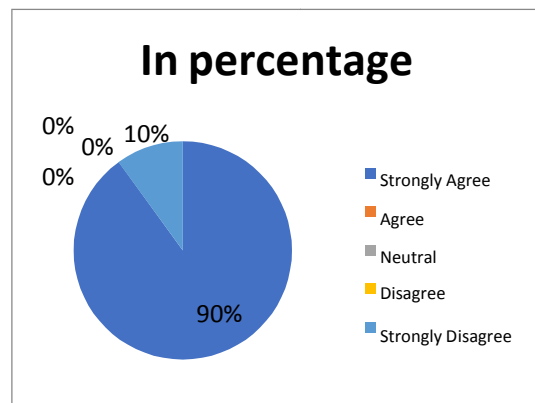
Journals, Magazines.

Data interpretation and analysis techniques to be used:

Descriptive Data Analysis Technique would be used to analyze the data collected after conducting the questionnaire.

Que. Do you think that standard is followed by the organization for performance appraisal system?

Particular	No of Employees	In percentage
Strongly Agree	45	90%
Agree	0	0%
Neutral	0	0%
Disagree	0	0%
Strongly Disagree	5	10%
Total	50	100

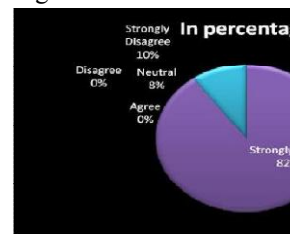


Interpretation: -

From pie chart it is seen that 90% employee think that they standards are followed for performance appraisal system. While 10% employee think that standards are not followed for performance appraisal system.

Que. Are you satisfied with performance appraisal system of your organization?

Particular	No of Employees	In percentage
Strongly Agree	46	82%
Agree	0	0%
Neutral	4	8%
Disagree	0	0%
Strongly Disagree	5	10%
Total	50	100



Interpretation:

From pie chart it is seen that 82% employee thinks that they are satisfied with appraisal system. While 10% employees not satisfied with appraisal system. And 8% employee is not sure that whether they are happy with appraisal system or not

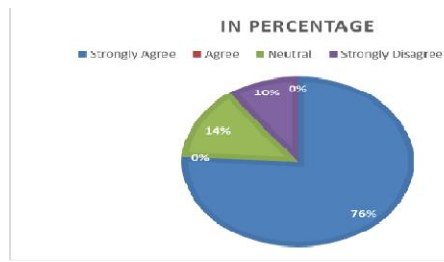
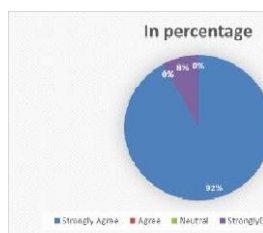
Que. Are you aware about performance appraisal rating?

Que. Is the Performance appraisal helping employee for

Particular	No. of Employees	In percentage
Strongly Agree	46	92%
Agree	0	0%
Neutral	0	0%
Strongly Disagree	4	8%

Particular	No of Employees	In percentage
Strongly Agree	38	76 %
Agree	0	0 %
Neutral	7	14 %
Strongly Disagree	5	10 %
Disagree	0	0 %
Total	50	100 %

their future planning?



Interpretation: -

From pie chart it is seen that 92% employee are aware about performance rating system. While 8% employee agree for them. While 14% employee are not sure that whether appraisal system is not helpful for not aware about performance rating system them. while 10% employee is strongly disagreeing for them future planning

Interpretation:-From pie chart it is seen that 76% employee think that appraisal system is strongly About performance rating system. While 8% employee agree for them. While 14% employee are not sure that whether appraisal system is not helpful for not aware about performance rating system them. while 10% employee is strongly disagreeing for them future planning

IV. CONCLUSION

Performance appraisal is the methodical review of employee’s performance and understands personal talent for their future growth and development. All employees are aware about the current performance management system and does not need to change. Current performance management system works well and that improve the performance. As per the above mentioned questionnaire and after creating the hypothesis, the data was collected and the test of hypothesis shows that the hypothesis has been proved to the extent of acceptance. The proving of hypothesis also signifies that the study conducted via this project has been successful in identifying the performance appraisal methods and kinds use in the performance evaluation mechanism implemented in MSEDCL. This study has also brought forth the high level of acceptance of the present performance appraisal system amongst the employees. Considering the facts revealed by the data collected and after using the necessary Statistical tools it has been inferred that the hypothesis of the performance appraisal system of MSEDCL is well received by the employees as well as proves to be an effective way of performance evaluation within MSEDCL. Therefore, it can be concluded that this study of analyzing the effectiveness of the effectiveness of performance appraisal system of MSEDCL has sufficed its objective.

Hence, hypothesis “There is a positive relationship between the performance appraisal process and employee performance at MSEDCL” is accepted.

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