

Effectiveness of performance appraisal system of bharat sanchar nigam limited

¹ Dr. M Srinivasa Narayana, ² Y Anki Reddy

¹ Department of Business Administration, Narasaraopeta Engineering College, Narasaraopet, Andhra Pradesh, India

² Research Scholar, Dept. of Commerce and Business Administration, Center for Distance Education, Acharya Nagarjuna University, Nagarjuna Nagar, Guntur, Andhra Pradesh, India

Abstract

Performance appraisal is important aspect in the organization to evaluate the employee's performance. It helps in understanding the employee's work culture, involvement and satisfaction. It helps also the organization in deciding employee's promotion, transfer, incentives and pay increase. In this present paper an attempt has been made to examine the effectiveness of performance appraisal system of Bharat Sanchar Nigam Limited this study is highlights that's performance appraisal is the process of assessing the performance and progress of an employee. For the completion of efficient research work descriptive research design has been used in this paper. In the research paper after having analyzed the data, it was observed that practically that the appraisal system of BSNL is average. The systematic procedure of performance appraisal helps the supervisors to frame training policies and programs. It helps to analyze strength and weakness of employees so that new jobs can be designed for efficient employees. It also helps in framing future development programs.

Keywords: human resource management, employee satisfaction, identification of individual needs

1. Introduction

The importance of human resources to business success in any context has been widely recognized. Richard and Johnson (2001) are among the many who argue that human resource management strategies impact on an organization's overall effectiveness, and that the effective utilization of human resources can give an organization a competitive advantage. "BHARAT SANCHAR NIGAM LIMITED" is abbreviated as BSNL. It is fourth largest department of Telecommunication Company in Asia and seventh in world today. This is one of the most earning revenue in India. Above more than 3 lacs employees, officer and engineers working in BSNL at present. The success for any organization will therefore depend on its ability to measure accurately the performance of its member and use its objectivity to optimize them as a vital resource. Performance appraisal serves as a motivation tool. Through evaluating performance of employees a person's efficiency can be determined if the target are achieved. This very will motivates a person for better job and helps him to improve his performance in the future.

2. Review of Literature

Performance appraisal may be defined as a structured formal interaction between a subordinate and supervisor that usually take the form of periodic interview (annual or semi annual), in which the work performance of the subordinate is examined and discussed with a view of identifying weakness and strengths as well as opportunities for improvement and skills development.

Bharat Sanchar Nigam Limited (BSNL) was incorporated on 15th September 2000. It took over the business of providing of telecom services and network management from the erstwhile Central Government Departments of Telecom Services (DTS) and Telecom Operations (DTO), with effect from 1st October 2000 on going concern basis. It is one of the largest

leading public sector units providing comprehensive range of telecom services in India.

It is the largest provider of fixed telephony and fourth largest mobile telephony provider in India, and is also a provider of broadband services.

However, in recent years the company's revenue and market share plunged into heavy losses due to intense competition in Indian telecommunication sector. BSNL is India's oldest and largest communication service provider (CSP). It had a customer base of 95 million as of June 2011. It has footprints throughout India except for the metropolitan cities of Mumbai and New Delhi, which are managed by Mahanagar Telephone Nigam (MTNL).

BSNL has installed Quality Telecom Network in the country & now focusing on improving it, expanding the network, introducing new telecom services with ICT applications in villages & winning customer's confidence. Today, it has about 43.74 million line basic telephone capacity, 8.83 million WLL capacity, 72.60 million GSM capacity, 37,885 fixed exchanges, 68,162 GSM BTSs, 12,071 CDMA Towers, 197 Satellite Stations, 6,86,644 Rkm. of OFC, 50,430 Rkm. of microwave network connecting 623 districts, 7330 cities/towns & 5.8 lakhs villages.

BSNL is the only service provider, making focused efforts & planned initiatives to bridge the rural-urban digital divide in ICT sector. In fact there is no telecom operator in the country to beat its reach with its wide network giving services in every nook & corner of the country & operates across India except. New Delhi & Mumbai. Whether it is inaccessible areas of Siachen glacier or North-Eastern regions of the country, BSNL serves its customers with a wide bouquet of telecom services namely Wireline, CDMA mobile, GSM mobile, Internet, Broadband, Carrier service, MPLS-VPN, VSAT, VoIP, IN Services, FTTH, etc.

BSNL is numerous of India in all services in its license area. The company offers wide ranging & most transparent tariff schemes designed to suit every customer. BSNL has 90.09 million cellular & 5.06 million WLL customers as on 31.07.2011. 3G Facility has been given to all 2G connections of BSNL. In basic services, BSNL is miles ahead of its rivals, with 24.58 million wireline phone subscribers i.e. 71.93% share of the wireline subscriber base.

BSNL has set up a world class multi-gigabit, multi-protocol convergent IP infrastructure that provides convergent services like voice, data & video through the same Backbone & Broadband Access Network. At present there are 8.09 million broad-band customers.

The company has vast experience in planning, installation, network integration & maintenance of switching & transmission networks & also has a world class ISO 9000 certified Telecom Training Institute.

During the 2010-11, turnover of BSNL is around Rs. 29,700 Crores

3. Objective of the Study

1. To know about effectiveness of performance appraisal System of Bharat Sanchar Nigam Limited.
2. To assess the training and development needs of employees.
3. To decide upon a pay rise where regular pay scales have not been fixed.
4. To know about strength and weakness of employees of organizations through SWOT analysis.
5. To overcome the various hurdles of performance appraisal and to improve its effectiveness.
6. To study the relationship of performance appraisal and organizational effectiveness.

4. Research Methodology

Research Methodology is a way to systematically solve the research problem. In this paper description research method is used.

5. RESEARCH DESIGN

A research design is the specifications of methods and procedures for acquiring the information to be collected from which source by what procedures.

Research design refers to “framework or plan for a study that guides the collection and analysis of data.” In the present study description research is done. This research focuses on effectiveness of performance appraisal system of BSNL.

6. Data Collection

Collection of data is the first step in statistics. The data collection process follows the formulation for research design including the sample plan. The data can be secondary or primary.

In this research study researchers have used a combination of both primary & secondary sources of data in order to avoid any kind of discrepancy or error.

The primary data has been collected from the respondent by the use of questionnaires. The research study was conducted on total of 30 employees of BSNL. The secondary data is collected through use of websites, Journals, company annual reports of BSNL and magazines etc.

7. Analysis of Data

In this study I have collected primary data through fill Questionnaires by respondents. Once the data was collected from both primary and the sources it was coded edited and presented in form of charts, figures and tables. The charts have been presented after tabulation in order to provide a clear idea of the information. I have been used simple statistical tools to analyze the information and based on this the interpretation has been drawn. The analysis has been done on the basis of the percentage of responses received for different questions keeping in view the objective of study, questionnaires was designed and tested on few

employees of BSNL. I have been taken as sample size 30 employees of BSNL.

In all 35 questionnaires were given to employee falling in the category of supervisors and above. Out of which 30 could be collected back duly completed by respondents. The researcher individually contacted the employees to get response on the questionnaires.

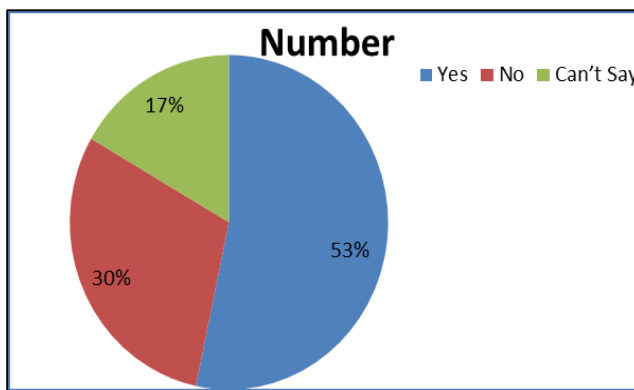
It has been an uphill task to enter the enormous data received the questionnaires which consist of nearly 15 questions. Response to the descriptive question though very few but was valuable for purpose of study. Hence these further structured in time with the system adopted for completion and data analysis.

8. Analysis and Interpretation

After collecting the data on “Performance Appraisal System” from the organization through questionnaire, data was analyzed and interpreted. The various topics are covered for analysis and interpretation of data through questionnaire.

i) Are the promotional policies well defined in BSNL?

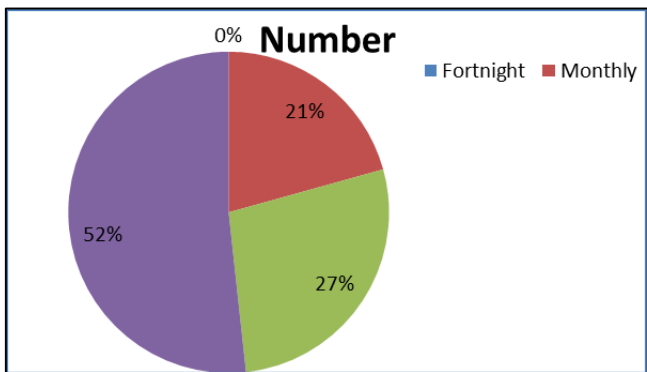
Response	Number	Percentage
Yes	16	53
No	09	30
Can't Say	05	17



Interpretation- As per the guidelines from the personnel department employees are to be promoted accordingly. However there is confusion among the employee as these policies are not explained time to time, many are not aware of the existing promotion policies. From the above chart, it can be seen that 53% respondents are agree and 30% are disagree that promotion policies are well defined in the organization. However, 17% were not able to say it, due to lack of information about the promotion policies.

ii) How often the performance appraisal form is filled or performance appraisal is done.

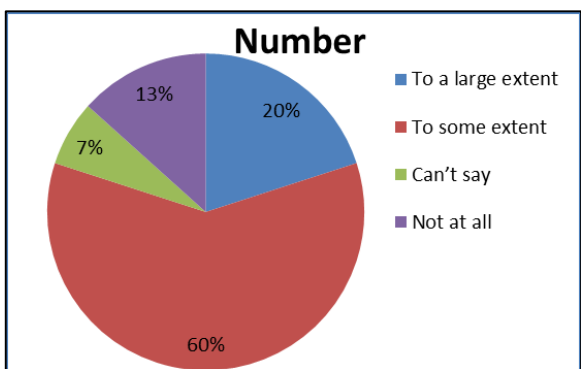
Response	Number	Percentage
Fortnight	0	0
Monthly	6	20
Annually	8	27
Not Fixed	15	53



Interpretation- Performance appraisal review is a constant process and lesser the frequency between the appraisals, the better. The employees say that the longer the frequency between appraisals, the more the chances of the appraisal not matching up to their expectations because many performances get overlooked. If the appraisal is done on a more frequent basis, the employee has a chance to find out the gaps in his / her performance on a more regular basis which will help them to improve more on their performance and thereby eliminate waste. As shown in above chart, 20% of respondents say appraisal done monthly, 27% of respondents say appraisal done annually in the organization. 53% say not fixed.

iii) In your opinion does it identify training needs?

Response	Number	Percentage
To a large extent	6	20
To some extent	18	60
Can't say	2	7
Not at all	4	13

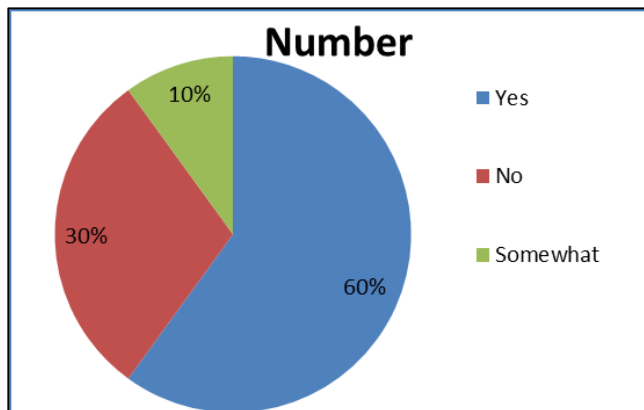


Interpretation- The systematic procedure of performance appraisal helps the supervisors to frame training policies and programmes. As shown in above chart, 60% of respondents are agree that performance appraisal system followed in BSNL is identify the training needs to some extent and 20% say to a large extent so, according to this it is clear that the trainingand

futuredevelopment programmesin the organiza-tion takes place according to performance appraisal. 7% respondents can not say about identify training needs in BSNL.

iv) Does the appraisal help you in polishing skills & performance area?

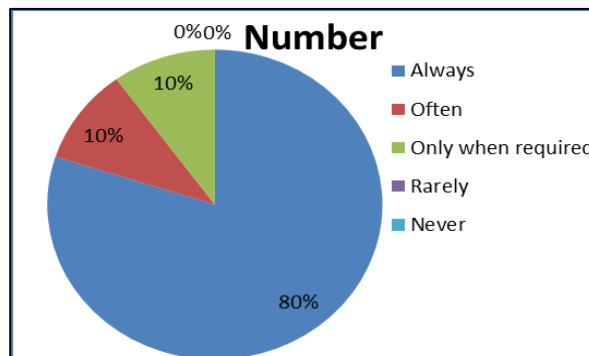
Response	Number	Percentage
Yes	18	60
No	9	30
Somewhat	3	10



Interpretation- If the process of appraisal does not lead to the improvement of the skills and proficiency of the employees, the very purpose of appraisal becomes illogical. In the above chart, it is shown that nearly 60 % of the respondents agree that Performance Appraisal does leads to polishing the skills of the employees. Nearly 30 % of the respondents view that it does not serve this purpose and around 10 % were not able to respond as to whether it serve any such purposes or not. Thus we can say 60% respondents are agree performance appraisal system does leads to polishing the skills of the employees. Performance appraisal is process of performance evaluation of employees.

v) Do the employees get the feedback of performance appraisal?

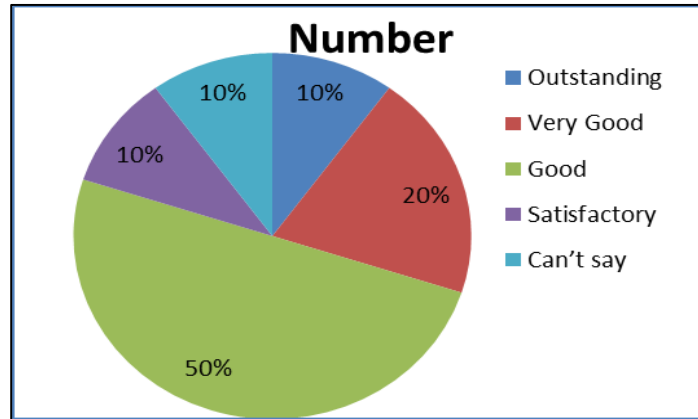
Response	Number	Percentage
Always	24	80
Often	3	10
Only when required	3	10
Rarely	0	0
Never	0	0



Interpretation - Providing feedback to the employees play a constructive role in the organization. It helps the employee to know his / her weakness and strengths. Feedback provides for area of improvement. The feedback should be given with a positive attitude as this can have an effect on the employee's future performance. Respondents were asked about the frequency of feedback based on their performance. 80% respondents say that they get feedback always. And the frequency of feedback is good to keep the individual motivated for work in line with the organization expectations.

vi) How do you rate the overall assessment of performance appraisal in BSNL?

Response	Number	Percentage
Outstanding	10	10
Very Good	20	20
Good	50	50
Satisfactory	10	10
Can't say	10	10

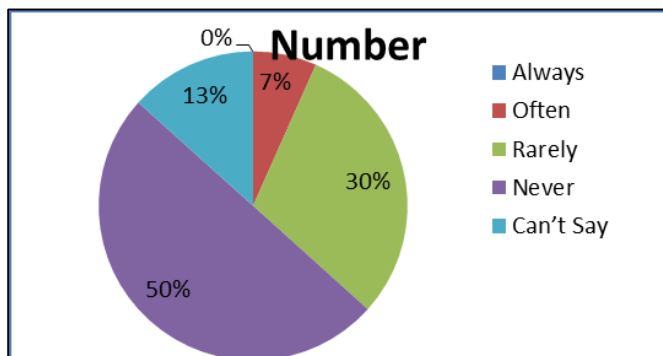


Interpretation-Performance appraisal system plays an important role in firm's competitive strengths. The evaluation system helps in identify employees with potential, reward performance equitably and determine employees need for training. Specifically, performance appraisal helps an organization gain competitive edge. So the appraisal system of an organization should be excellent and fulfill expectations of their employees. As shown in above chart, 20% respondents say that the appraisal system of BSNL is very good and 50% say it is good.

counselingshould be given with a positive attitude as this can have an effect on the employee's future performance. The purpose of counseling should be to solve the problems faced and motivate the employee to perform better. When respondents were asked that organisation provide counseling to employees after appraisal 50% respondents say never, and it is not good. 30% respondents say rarely Organization provide counseling facility after performance appraisal of employees. 13% respondents can't say something about it matter.

vii) Does the organization provide counselling after appraisal?

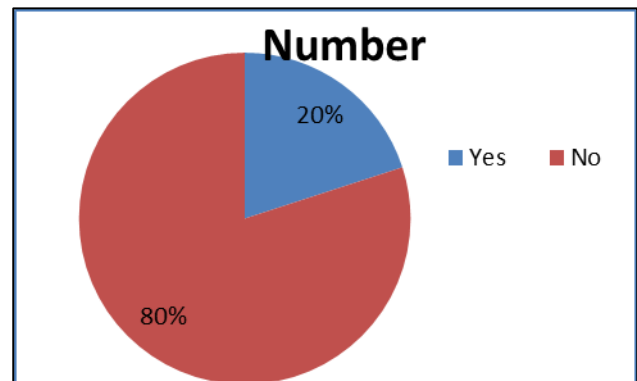
Response	Number	Percentage
Always	0	0%
Often	2	7%
Rarely	9	30%
Never	15	50%
Can't Say	4	13%



Interpretation- It is a very important task of organization to provide counseling to the employees after appraisal. The

viii) Does personal bias creeps-in while appraising an employee?

Response	Number	Percentage
Yes	6	20%
No	24	80%

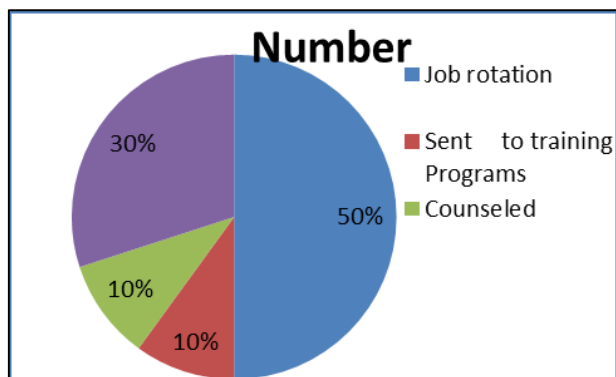


Interpretation- In the process of appraising, both the parties are human being, that is, the one who is being appraised and the other who is appraising. Thus, when asked from among the sample size of 30 respondents, as huge as 80 % responded that

personal bias do creep in while appraising an individual. Hence, it is inevitable to say that personal likings do not come in the process of appraisal.

ix) What kind of remedial measures are taken by organization after appraisal?

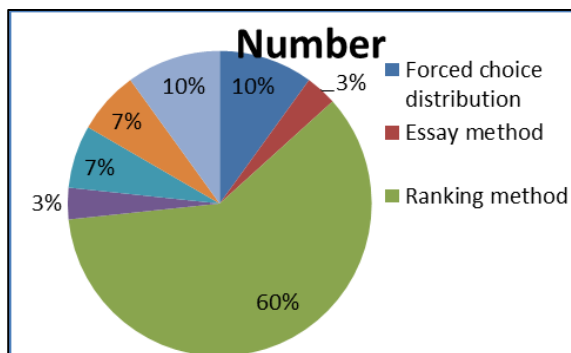
Response	Number	Percentage
Job rotation	15	50%
Sent to training Programs	3	10%
Counseled	3	10%
Any Other	9	30%



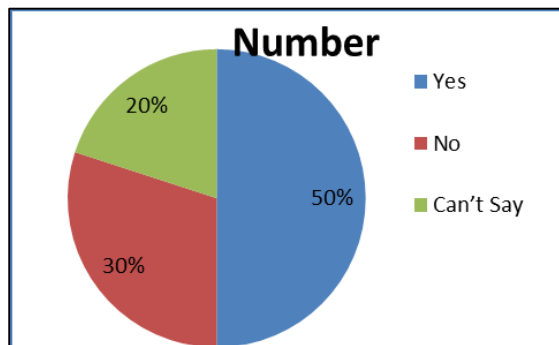
Interpretation- Based on the performance the remedial measures are taken to do away with weakness if any and build on strength and add to existing capability. Responses of employees on remedial measure were shown in above chart; here 50% respondents say job rotation. Few say training program, during the job it was felt that more training input is to be provided to employees to overcome the weakness and improve upon the existing capability of employee. Thus we can evaluate strength & weakness of employees by using performance appraisal system in organisation and employees can improve their weakness.

x) What method is being used for performance appraisal in BSNL?

Response	Number	Percentage
Forced choice distribution	3	10%
Essay method	1	3%
Ranking method	18	60%
Critical incident method	1	3%
Paired comparison	2	7%
360 degree	2	7%
Any Other	3	10%



Interpretation- For appraising performance of the employees it is very important to determine the method of evaluation. Numerous methods have been devised to measure the quantity and quality of employee's job performance. As shown in above chart, 60% of respondents say that ranking method is used in BSNL for performance evaluation of employees. This is a simple method and it is impractical for large groups. While 7% respondents say 360 appraisal used to evaluate performance of the employees and 7% respondents also say about paired comparison method. As shown in above chart 10% respondents favor forced choice distribution method for performance appraisal in organisation. Thus we have many methods for performance appraisal of employees. But 60% respondent say that ranking method is used in BSNL.



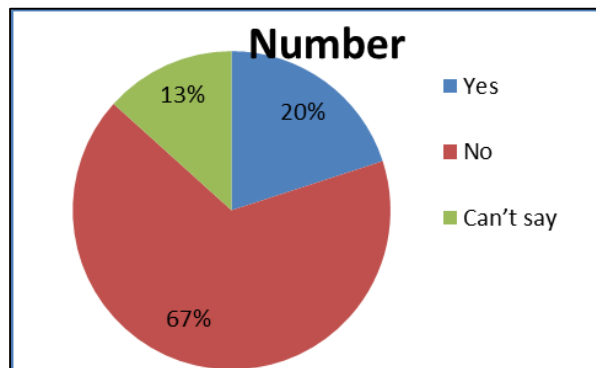
xi) Does the system help you in aligning your goals with those of organization?

Response	Number	Percentage
Yes	15	50%
No	9	30%
Can't Say	6	20%

Interpretation- Performance appraisal provides an opportunity to each employee for self-reflection and individual goal-setting, so that individuals' goals aligning with those of organization. Respondents were asked that the appraisal system help them to aligning their goals with those of organization. As shown in above chart, 50% of respondents say yes and 30% give negative response and 20% respondent can't say about it. Thus we can say 50% respondent are agree that performance appraisal system help employees to aligning their goals with those of organisation.

xii) Is the promotional policies are linked with the performance appraisal system.

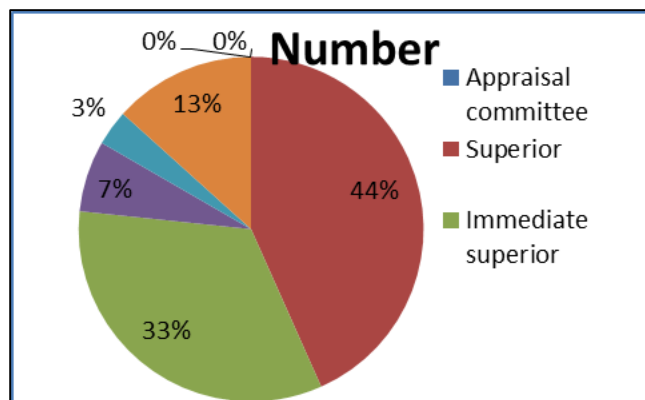
Response	Number	Percentage
Yes	6	20%
No	20	67%
Can't say	4	13%



Interpretation - A promotion may be defined as an upward advancement of an employee in an organization to another job, which commands better pay/wages, better status and higher opportunities and responsibility, a better working environment, and facilities etc. Performance Appraisal is the systematic evaluation of the performance of employees according to which promotion and demotion given to the employees. As shown in chart, 67% of respondents say that the promotion policies in BSNL are not linked with performance appraisal. 20% respondents say that promotion policies is in BSNL are linked with performance appraisal and 13% respondent can't say clear about it.

xiii) Who appraises you?

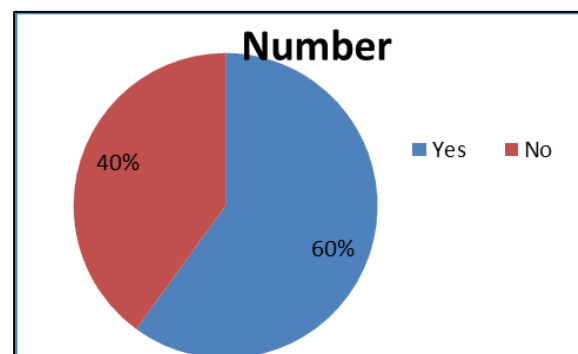
Response	Number	Percentage
Appraisal committee	0	0%
Superior	13	44%
Immediate superior	10	33%
Self appraisal	2	7%
Peer	1	3%
All of the above	4	13%
Any other	0	0%



Interpretation-Immediate supervisor is the most appropriate candidate to appraise the performance of her and his subordinates because No one is more familiar with subordinate's performance and superior has responsibility of managing a particular unit. So, as shown in above chart, 44% of the respondents say that their superior appraised them which is a good indication for the organisation. 34% respondents say immediate superior.

xiv) What is employee's opinion as to the purpose of performance appraisal system is to fulfil performance standards/ yardsticks.

Response	Number	Percentage
Yes	18	60
No	12	40

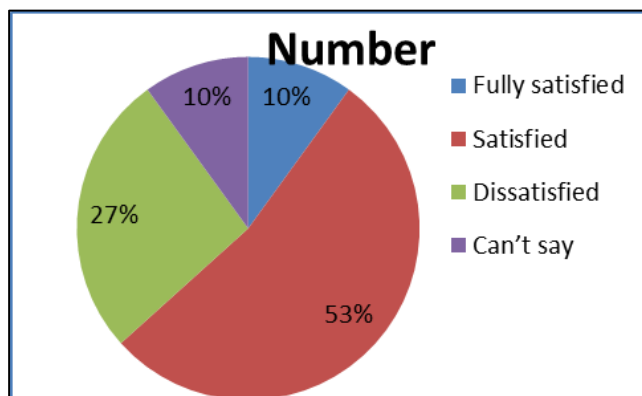


Interpretation- The main purpose of the Appraisal system is to check whether the employee is able to fulfill performance standards or not. As shown in above chart, 60% of the respondents say that the Performance Appraisal System does

give a true and fair view of their contribution to the Organization. But 40% respondents replied in the negative.

xv) What is employee’s opinion as to present appraisal system followed in BSNL?

Response	Number	Percentage
Fully satisfied	3	10%
Satisfied	16	53%
Dissatisfied	8	27%
Can’t say	3	10%



Interpretation –As researcher’s aim is to study effectiveness of present appraisal system followed by the organization. Respondent were asked about present appraisal system followed by the organization. As shown in above chart, only 10% respondents are fully satisfied and 53% are satisfied with the present appraisal system. And 27% of employees are dissatisfied due to some problems. So, this is a good sign as increased level of satisfaction is the main emphasis of any appraisal system. 10% employees can’t say about it. But 53% respondents are satisfied from present performance appraisal system in BSNL.

9. Conclusion And Recommendations

After having analyzed the data, it was observed that practically that the appraisal system of BSNL is average. To be an effective tool, appraisal has to be on the continuous basis in the organisation. This is the thing that has been mentioned time and again in the report, as, in the absence of continuity, it becomes a redundant exercise. Before actually deciding drafting what should be the kind of appraisal the following things should be taken care of:

1. The very concept of performance appraisal should be marketed throughout the organization. Unless this is done, people would not accept it, be it how important to the organization.
2. To market such a concept, it should not start at bottom; instead it should be started by the initiative of the top management. This would help in percolating down the concept to the advantage of all, which includes the top management as well as those below them. This means that the top management has to take a welcoming and positive approach towards the change that is intended to be brought.
3. Further, at the time of confirmation also, the appraisal form should not lead to duplication of any information. Instead, detailed appraisal of the employee’s work must be done – which must incorporate both the work related as well as the other personal attributes that are important for work performance.
4. It should be noted that the appraisal form for each job position should be different as each job has different

knowledge and skill requirements. There should not be a common appraisal form for every job position in the organization.

5. If greater amount of objectivity can be infused into the appraisal system, it can help to bring more transparency.
6. The job and role expected from the employees should be decided well in advance and that too with the consensus with them.
7. A neutral panel of people should do the appraisal and to avoid subjectivity to a marked extent, objective methods should be employed having quantifiable data.
8. The time period for conducting the appraisal should be revised, so that the exercise becomes a continuous phenomenon.
9. Transparency into the system should be ensured through the discussion about the employee’s performance with the employee concerned and trying to find out the grey areas so that training can be implemented to improve on that.
10. Ideally in the present day scenario, appraisal should be done, taking the views of all the concerned parties who have some bearing on the employee. But, since a change in the system is required, it cannot be a drastic one. It ought to be gradual and a change in the mindset of both the employees and the head is required.

10. References

1. Human Resource Management by K. Aswathappa.
2. Human Resource Management by V.S.P Rao
3. Annual Report of BSNL
4. www.bsnl.co.in
5. www.newbsnl.co.in
6. www.encyclopedia.com
7. www.wikipedia.com.”