



A study on employees attitude towards performance evaluation of a state public sector undertaking in Himachal Pradesh

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Abstract

Himachal Pradesh occupies sixth position in the country in respect of its forest coverage. Forests are an important resource of the state and it occupies an area of 36,986 sq. km. This accounts for about 66.4% of the total geographical area of the state.

'Himachal Pradesh State Forest Corporation Ltd.' being unique in its nature has to perform numerous activities relating to Timber extraction work, Bamboo extraction work, Resin extraction work, and Resin processing and marketing work etc. So it becomes very essential to study the performance of the Corporation to pin point its strength and weakness.

In this study an attempt has been made to evaluate the performance of Himachal Pradesh State Forest Corporation. It covers employees' opinion about the achievement of its objectives; financial, administrative and managerial performance; its business environment and operating performance.

This doctoral level scholastic investigation is being presented in a nutshell. Here only employee's attitude towards performance of Himachal Pradesh State Forest Corporation Ltd is being shown.

Keywords: SFC, EROS, ERAMP, ERFP, forest, timber extraction, resin extraction, bamboo extraction, turpentine oil, deployment, computerization

Introduction

Himachal Pradesh State Forest Corporation Ltd.' (SFC) being unique in its nature has to perform numerous activities relating to Timber extraction work, Bamboo extraction work, Resin extraction work, and Resin processing and marketing work etc. So it becomes very essential to study the performance of the Corporation to pin point its strength and weakness.

Research Design

The data for present research has been collected from primary sources. In order to evaluate the opinion of the executives on overall performance of the Corporation, a field study has been conducted and necessary information has been collected through the schedules, observations and discussions.

Hypothesis

In the present study the following Qualitative hypothesis has been tested

1. Executives' responses on organizational structure (EROS)
2. Executives' responses on financial performance (ERFP)
3. Executives' responses on administrative and managerial performance (ERAMP)
4. Executives' responses on business environment (ERBE)
5. Executives' responses on operating performance (EROP)

Sample Selection

At present, there are 161 executives working in the Corporation. The primary information has been collected from the executives of the Corporation by using stratified random sampling method from 100 executives. For this purpose, the Corporation has been divided into five strata.

These are Head Office, Directorate North, Directorate South, Directorate Marketing and Rosin and Turpentine Factories. Proportionate random sample has been drawn from each stratum.

Major Findings

The major findings of the study on Executives' Opinions on Overall Performance are summarized as follows

1. The executives of the Corporation feel that they are by and large consulted by the top management on the matters pertaining to their jobs. They are kept always well informed about the matters concerned with their jobs with minimum participation in policy making decisions. However, there is close supervision over their work.
2. The majority of the executives are not satisfied with its performance in achieving the major objectives. They feel that it succeeded to some extent in achieving its major organizational objectives. The government controls; the political decisions overweighting commercial prudence resulting in overstaffing and interference in its day to day working; unqualified field staff; lack of work-culture and commercial attitude; equating of its staff with the corresponding employees of government department; posting of staff nearer to their native places; lack of knowledge of duties and responsibilities; and absence of proper manpower planning and faulty marking policies have been pointed out as major causes for its failure to achieve its objectives.
3. They also feel that it has been failed to achieve its objective to do away with contractors and contractors have been replaced by Labour Supply Mates (LSM). They feel that its systems and procedures are not properly geared to achieve its objectives. They feel that the management actively sought high performance

- goals by all levels in the organization with little participation by these executives in goals setting. The majority executives accept these goals readily and pursue them. However, significant numbers of executives resist inwardly and do not act to achieve them. Review and control of the performance is mainly exercised by top management and senior management.
4. The majority of the executives feel that its financial position is good; they are satisfied with its capital structure; Commercial banks, Cooperative banks and financial institutions are financing its working capital; it is not facing problems in raising working capital; and they are satisfied to some extent its working capital management. Thus, there is little awareness and knowledge among the executives about the financial performance and its financial health.
 5. Largely, the executives of the Corporation consider its administrative and managerial performance is not up to mark and it is satisfactory. The evaluation of administrative and managerial performance is based on their opinion on large number of factors such as their satisfaction with its organization structure; qualification of people in handling the tasks assigned to them; quality of decisions made; degree of acceptance of such decisions; the degree of delegation of authority; degree of interference into the work by seniors; involvement of subordinates in decision making process; exertion of influence by superiors in decision making; awareness among the decisions makers on deficiencies of the organization; success of management in removing these deficiencies; the degree to which top management is following the policies framed by them; efficient use of its all available resources; awareness at the top level about the problems faced at lower level, basis of decision making; role and participation of staff in decision making; anticipation of social, economic and political environment by the decision makers and adequacy of communication.
 6. An overwhelming number of the executives feel that its business environment is good or very good. However, they feel that the management understanding and response to changing business environment is not satisfactory. They consider that the political and government environment affect its working considerably. The Corporation is slow in following changes in its technological environment. The executives consider by and large the quality of its products as good or very good. The efficiency of people at work is not up to the desired level. Its response in anticipating future problems and to take effective steps to overcome such problems is not up to mark. The people in the organization are not so well versed on new developments taking place in their fields. The morale level of its employees and managers is satisfactory. Its preparedness to handle the emergencies is not enough.
 7. The Executives of the Corporation are of the opinion that its operating performance is satisfactory and largely they are satisfied by its operating activities to some extent. They are satisfied by its accounting system, its strength is sufficient and feel need for more specialized accounting staff. They feel that there is an urgent need for proper coordination among different divisions and units. In their opinion, the important

matters are largely decided by the Chief Executive after consultation with the top management. The executives are required to take decisions on operational matters of the departments on the basis of general guidelines framed by the top management and also get the approval of the top management. In day to day work, there is a stress to strictly follow its rules and regulation. However, they feel that the attempts are made not only to solve conflicts within organization but also prevent their occurrences in future.

8. The executives of the Corporation consider very high manufacturing cost and overhead charges; huge size of its establishment; high extraction cost; cartel of LSM and truck operators; higher amount of royalty fixed by the state government; growing competition in the market; undue political pressure; overstaffing and failure to distribute work properly; poor quality of its products; high operating inefficiency; significant decline in its business and lack of appropriate skill in the field staff are the main causes for incurring losses.

Suggestions

On the basis of experience gained through the present study and some very workable observations offered by the executives of the Corporation, an attempt has been made to put together some useful suggestions to improve the overall performance of the Corporation and derive better results thereof.

Reduction in Overhead Costs

There is an urgent need to apply strict control over its operating expenses particularly employees remuneration and benefits to reduce its losses. At present the proportion of staff in the Corporation whether in ministerial cadre or in field cadre is not in consonance with the available workload. The sanctioned strength of the Division/Units was decided during the year 1986-87 when the works were at its peak level. Now, there has been considerable reduction in its works and even in some Divisions, the works are negligible. There is a need to revamp the existing strength as well as FWDs keeping in view the actual workload and future workload.

Effective Deployment of Staff

No doubt, the Corporation is facing the problem of over staffing. However, its staff has not been properly deployed in different divisions and units and consequently it result scarcity of staff in some divisions or units and overstaffing in other divisions or units. The management should carry out a thorough analysis of work load analysis in its different divisions and units with skill required to complete the work and workforce requirements. Accordingly, it shall deploy its staff in different divisions and units to increase its efficiency.

Adoption of Responsibility Accounting

The Corporation should make significant changes in its accounting system to make it more efficient with fast reporting. The entire Corporation shall be divided into different responsibility centers. Its production units such as Rosin and Turpentine factories at Bilaspur and Nahan and timber units may be treated as profit centers. Its other divisions may be treated as cost centers. The accounting system should be modified in such a manner so that it provides all information on the basis of profit centers or cost

centers promptly. This information can be used to evaluate the performance of each centre and also as a tool of the cost control. It will also be help in proper pricing of its products and make each units/divisions cost consciousness.

Computerization of its work

The computers were introduced in the Corporation 20 years ago but no fruitful work has been done during these 20 years except preparation of Payrolls / Centralization of EPF and other accounts related works. Presently, the computers are being used in FWDs/Directorates/Head Office as typewriters. This is defeating the basic purpose of installing the computers in almost all field units/Directorates/Head Office. The effective use of its computers can be made as under

1. All Units/Directorates/Head Office shall be linked with networking. Such networking will not only save time, paper work but also prove useful in keeping accurate information at all levels. All information will be available quickly. It will make easier to monitor the field works if reports are received electronically.
2. Proper software for various progress reports and accounting works can be developed. It will provide fast, uniform and accurate data within no time. It will help in improving the efficiency through fast reporting and communication of corrective action.

Proper Training and Skill Development of its Staff

The Corporation shall provide facilities for proper training and skill development of its staff to increase its efficiency and effectiveness. The training and skill development needs of its employees placed in different units/divisions shall be identified and accordingly proper training and skill development program shall be developed to train and update their skill. It should be made a permanent feature so that the training for skill development can be imported whenever there is a need to upgrade the skill of its employees on account of technological changes taking place in the country.

Minimum Political interference in its working

The HPSFC Ltd. is a fully state owned Corporation. There is maximum political interference in its work on appointment, placement and transfer of employees. Consequently, it results into overstaffing with inadequate skill. Unskilled workers are appointed under political pressure at the places of their liking. It affects its efficiency adversely. Increase production cost disproportionately and adversely affects its work culture. In order to make it viable unit, it is necessary to make its working free from all types of political interference.

Effective Delegation of Authority and Decentralization

The authority has been delegated to various functionaries of the Corporation long back. There has been a significant change in its working environment since then. The delegation of authority need constant review under charged. These charged circumstances and it shall follow the realistic approach in delegation of authority. Proper authority should be delegated to the extent that there are no hurdles in the smooth working of the timber/resin extraction works meaning thereby that there is no delay in the process of decision making.

Minimization of Paper Work

The paper work in the Corporation shall be minimized to the possible extent. The effective delegation of authority and decentralized of decision making and electronic networking will result in reduction of paper work.

Better Coordination

There should be better coordination between the Corporation and forest department of the state government for smooth functioning of the Corporation. It shall take adequate steps to prevent any misunderstanding with the forest department. The misunderstanding may result in delay and cost escalation. Similarly, efforts shall be made to achieve better coordination among different divisions, units and sections of the Corporation for its smooth functioning, prevention of delay and misunderstanding.

Professionalization of Management and its own permanent staff

The top management of the Corporation consists of top official of forest department and government bureaucrats. These officials and government bureaucrats are transferred frequently. As a result, they fail to give it proper direction. It should have its own permanent staff at all levels. The Corporation should recruit management professionals to make significant improvement in its working.

Repatriation of the excess staff

As the work load of the Corporation has been reducing an account of decline in its business. Excess staff hired from the forest department of the state government shall be repatriated to make significant reduction in its expenditure in the form of remuneration and other benefits.

Conclusions

The Corporation should ensure the participation of employees at different levels of decision making to increase the acceptance of decision and to encourage others to accept the decision. This will translate into more support for the decision and higher satisfaction among those required to implement it. Such participation will bring more input into the decision making process by aggregating the resources of several individuals. It will also give a feeling to the employees that they are part of the management and it will result in changing their attitude and behaviors towards Corporation.

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