

A study of Performance Appraisal system of Mahandi CoalFields

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Executive summary

The study aims to study and analyze Performance Management components and their usage in MCL. The study entailed detailed examination of the methods to measure and enhance performance management system. The performance management system is an integral part of an organization to measure, motivate, and improve the performance of the entire organization. It also helps to focus on the goals of the organization towards specific pre-determined objectives for an organizational culture. The MCL, features a entry for execution examination which is known as **PRIDE**. The company performance appraisal system is done at 3 stages, starting from goal setting by the employee ending with the evaluation of the Superior in the year end. Descriptive research has been used in the study with sample size of 60. Primary data has been collected using structured questionnaires. Depth interview method was used by which answers to the questionnaire were sought. The right preparing and directing can bring more adequacy and can be demonstrated as impressive for the company.

I. INTRODUCTION

Human Resource Management is the method of enlistment, choice, preparing, assessing execution, compensating, keeping up connections, looking welfare and security measures of representatives in compliance with labor laws of the arrive.

FUNCTION –

- **Recruitment And Selection-** Recruitment is the method of captivating, screening, and selecting potential and qualified candidates based on objective criteria for a specific work. The objective of this handle is to pull in the qualified candidates and to empower the inadequate candidates to pick themselves out. Enrollment and determination prepare is excepti onally imperative to each organization since it decre ases the costs of botches such as locks in awkward,

unmotivated, and underqualified workers. Terminating the unfit candi date and contracting the unused worker is once more a costly process.

- **Orientation** - Many organizations don't give an exhaustive introduction to the new employees. This is often the basic step to assist a modern representative to alter himself with the manager and with his modern work. Giving seriously introduction to the representative is one of the major capacities of human asset administration. The program ought to offer assistance the representative to know his doled out obligations and his correct work portrayal, job role, and the relationship of position to other positions within the organization. It gives clarification to the representative to require a dynamic part within the organization.

- **Maintaining Great Working Conditions-** It is the duty of the human asset administration to supply great working conditions to the representative so that they may just like the work environment and the work environment. It is the elemental obligation of the HR division to persuade the representatives. Usually since of the need of motivation. Human asset administration ought to come up with a framework to supply budgetary and non-financial benefits to the representative from the different offices. Representative welfare is another concept which ought to be overseen by HR group. Worker welfare advances work satisfaction.

- **Managing Worker Relations-** Employees are the columns of any organization. Administration ought to organize exercises which can offer assistance to know a worker at the individual and proficient level. Well-planned representative relations will advance a solid and adjusted connection between the representative and the boss. It is the key for the organization to be successful.

- **Training And Development** - Training and development are the vital capacities of human asset administration. It is the endeavor to progress the current or future execution of a worker by

expanding the capacity of a representative through teaching and expanding one's aptitudes or information within the specific subject.

Performance Appraisal

It is the method of getting, analyzing and recording data around the relative worth of a worker. The center of the execution evaluation is measuring and progressing the real performance of the employee additionally long run potential of the worker does. It may be a capable device to calibrate, refine and remunerate the execution of the representative. It makes a difference to analyze his accomplishments and assess his commitment towards the accomplishments of the by and large organizational objectives.

By centering the consideration on performance, performance examination goes to the heart of faculty administration and reflects the management's intrigued within the advance of the employees. People contrast in their capacities and their aptitudes. There's continuously a few distinction between the quality and amount of the same work on the same work being done by two distinctive individuals. Hence, execution administration and execution examination is fundamental to get it each employee's capacities, competencies and relative justify and worth for the organization.

Execution examination may be a strategy of assessing the behavior of representatives Execution evaluation or justify rating is one of the oldest and most widespread hones of within the work spot, ordinarily counting both the quantitative and subjective angles of work execution. Execution examination can be a viable instrument for making a difference individuals develop and create in organizational setting. Through a well-organized examination framework. A worker can make learning spaces for himself in an organization.

Successfully practiced and advancement arranged execution examination & Survey framework, significantly contribute to the organization wellbeing. A few frame of evaluation of execution on a proceeding premise is fundamental for survival as well as development of an organization. It create measuring sticks to degree it, on the off chance that you need to move forward execution. The performer should be able to get it.

CHARACTERISTICS OF PERFORMANCE APPRAISAL

1. A clear concept for the representative of their commitment to in general trade objectives.
2. It characterizes an individual advancement arrange and sets clear execution targets to

be accomplished all through the year, which are connected to the organization vital plan.

3. It incorporates input and evaluation, and may incorporate coaching and mentoring.
4. It is a progressing (instead of a once-per-year) prepare, including assertions on both sides on a dynamic advancement plan.
5. It empowers representatives to know they are truly contributing to the organization.
6. Improved communication at the different levels because it is a comprehensive and collaborative process.
7. It permits all parties to know what is being evaluated and gives directors with a clear system for the assessment.
8. It implies gatherings are more significant, in that they have a clear line to take after, instead of being an emotionally-charged talk with small genuine data to go on.
9. Provision of progressed representative learning and individual development.
10. It in a perfect world leads to a more locked in and committed workforce with the capacity and assets to realize genuine outcomes.
11. The manager / employee relationship is seen as more interdependent.

Objective of Performance Appraisal

1. To survey the execution of the representatives over a given period of time.
2. To judge the hole between the real and the specified performance.
3. To assist the administration in working out organizational control.
4. Offer assistance to reinforce the relationship and communication between boss and subordinate
5. To analyze the qualities and shortcomings of the people so as to identify the preparing and advancement needs of the future.
6. To supply feedback to the workers regarding their past execution. Give data to help within the other individual choices within the organization.
7. Give clarity of the desire and obligations of the capacities to be performed by the employees.

Advantages of Performance Appraisal

1. **Performance Based Conversations** - Most anybody who has overseen individuals or been overseen by somebody has experienced the in some cases upsetting, time-

consuming handle of execution administration .A execution administration prepare powers supervisors to talk about execution issues with representatives. It is this reliable coaching that influences changed behaviors and representative development.

2. **Targeted Staff Development** - All representatives are on an improvement travel and it is the organization's obligation to be planning them for expanded obligation. In case done well, a successful execution administration framework can offer assistance to distinguish worker formative openings and can be an vital portion of a progression arranging process.

3. **Encouragement to Staff** -There ought to be no shocks on the off chance that issues are tended to as they emerge and not held until the yearly survey. The trap to positive examinations is to center as much on what the representative is doing well whereas delicately course adjusting undesired behaviors.

4. **Rewards Staff for a Work Well Done** - When pay increments and/or rewards are tied to the execution examination handle, staff can see a coordinate relationship between execution and money related rewards. This persuades and empowers workers to perform at higher levels.

5. **Under-performers Distinguished and Eliminated** - An compelling execution evaluation prepare can offer assistance recognize and record underperformers, permitting for a smooth move in case the relationship ought to be terminated.

6. **Documented History of Representative Performance** - It is exceptionally imperative that all organizations keep a performance record on all representatives. This can be a report that should be kept within the employee's HR record. The objective is to preserve an authentic record of an employee's execution and improvement journey.

7. **Permits for Employee Growth** - Motivated representatives esteem structure, improvement and an arrange for development. A successful execution administration framework can offer assistance a worker reach their full potential which can be a positive.

Disadvantages of Performance Appraisal

1. **Time Consuming** - It is suggested that a chief spend approximately an hour per representative composing execution examination

s and depending on the number of individuals being assessed, it can take hours to compose the department's but too hours assembly with staff to audit the PA.

2. **Discouragement** - If the method isn't a wonderful encounter, it has the potential to dishearten staff. The handle has to be one of support, positive fortification and a celebration of a year's worth of accomplishments.

3. **Conflicting Message** - If a supervisor does not keep notes and exact records of representative behavior, they may not be fruitful in sending a steady message to the employee.

4. **Biases-** It is difficult to keep inclinations out of the Dad handle and it takes a really organized, objective prepare and a develop chief to stay fair through the method. Execution examination rater blunders are common for directors who survey execution so understanding common inclinations is critical perspective to reasonable evaluation.

METHODS OF PERFORMANCE MANAGEMENT

1. **Assessment Centre Method** - The reason of this strategy is to test candidates in social circumstances. It can be utilized by new companies for assessing representatives serving at senior level. This strategy of assessment is accommodating for evaluating supervisors, who ought to bargain with their subordinate, peers and administrators for day-to-day trade. It makes a difference bosses get it the capacity and the capability of the person in social settings. It includes utilizing situational works out like an in-basket work out, role-playing occurrence, trade amusement and numerous other comparative works out. It gives the manager an understanding to the identity of the worker like openness, resilience, introversion/extroversion, adequacy, etc.

2. **Behaviorally Anchored Rating Scale** - This is most recent a present day examination strategy, which has been created as of late. It is claimed that the behaviorally Secured Rating Scale strategy is one of the foremost evenhanded strategy compared to other methods of appraisals. It may be a combination of story methods like exposition assessment and quantifiable methods like rating scale. It is comparatively more costly than other strategies, but it as a rule ensures accuracy and effectiveness.

3. **Essay Evaluation** - The paper strategy is an reasonable and successful way of evaluating representatives, particularly in new businesses. This strategy includes composing a natty gritty clear paper of the execution by the employee's coordinate administrator or supervisor. The paper concentrates on depicting the different qualities, shortcomings, de meanor and behavior of the person towards work obligations. This strategy is less organized and in this way gives the appraiser an opportunity to investigate and depict specialty qualities or deficiencies of the worker that ought to be worked on. It is distant less complicated to execute compared to the other strategies, as it were in case predispositions might be kept at bay.

4. **Management by Objective** - The Management By Objective strategy is less time devouring and of course fetched compelling. The strategy includes setting up of goals and objectives for the worker either by the manager, or his chief, or both representative and boss. This execution evaluation strategy makes a difference the representative to perform way better, since he is well mindful of his objectives and as of now knows the quality and amount that has to be conveyed. It has been watched that when both worker and boss together choose the destinations, the likelihood of the person assembly the goal is much higher. Usually a reasonable strategy of assessing since the worker knows the chances that he is measured against. It doesn't include giving consistent criticism to the representative, since he is being continually self-reflective, in this manner sparing time and endeavors of the employer.

5. **Paired Comparison Method**- This strategy bears more pertinence and significance in startups/SMBs, which have little groups. It compares each representative with each person show within the same group and depending on their comparative execution to the employee who has performed the leading, evaluations are given. It is considered solid since it takes after a precise strategy of comparative assessment. This method is most apt when, the organization plans on giving examination as it were to the most excellent worker within the team.

6. **Rating Scale**- This execution examination strategy can be utilized by new businesses and little businesses that are scaling and are attempting to set up forms input. It is process-based and includes the

organization to set pre-determined destinations that workers are anticipated to meet. People are at that point appraised by their administrators or directors. It is comparative to the evaluating framework that's as a rule taken after in schools, but is viable and orderly. Workers are assessed for their abilities, collaboration, communication aptitudes, accuracy, etc. And they are anticipated to meet a essential score. In case they don't meet the score at that point they are sent for execution advancement preparing which would offer assistance them adapt up with their shortcomings.

7. **Trait Focused Appraisals** - This strategy is valuable for fortifying positive work morals and culture within the organization. It considers qualities like support, steadfastness, reliability, etc. for being assessed by the organization. It spurs workers to be competitive in a reasonable way and however be accessible for making a difference out colleagues on the off chance that require be. New companies ought to consider giving their representatives characteristic centered examinations once in a whereas, since it reinforces positive culture within the organization.

8. **360 Degree Feedback** - This strategy includes getting a input almost the representative from each person who interatomic with him amid his working hours. They can be his peers, his subordinates, his bosses, clients who have associating with him and indeed he himself would be met around his recognition of himself and his obligations at the work environment. This execution evaluation strategy would be exceptionally valuable for new companies, since perfect way">the most perfect way to survey an employee's in general execution and get an understanding almost his behavior, identity and demeanor this is often the leading strategy to take after. In spite of the fact that it may be a small time expending, but it is fetched viable and exact. It keeps predispositions out of play due to different suppositions, so that the survey isn't influenced by bias examination.

PROFILE OF THE COMPANY

Mahanadi Coalfields Limited (MCL) is one of the major coal producing company of India. It is one of the 8th subsidiaries of Coal India Limited. Mahanadi Coalfields Limited was carved out of South Eastern Coalfields Limited in 1992 with its headquarters at Sambalpur. It has its coal mines spread across Odisha. It has total seven open cast mines and three underground mines under its fold. MCL has two subsidiaries with private companies as a joint venture. The names of these companies are MJSJ Coal Limited & MNH Shakti Ltd.

• **MISSION**

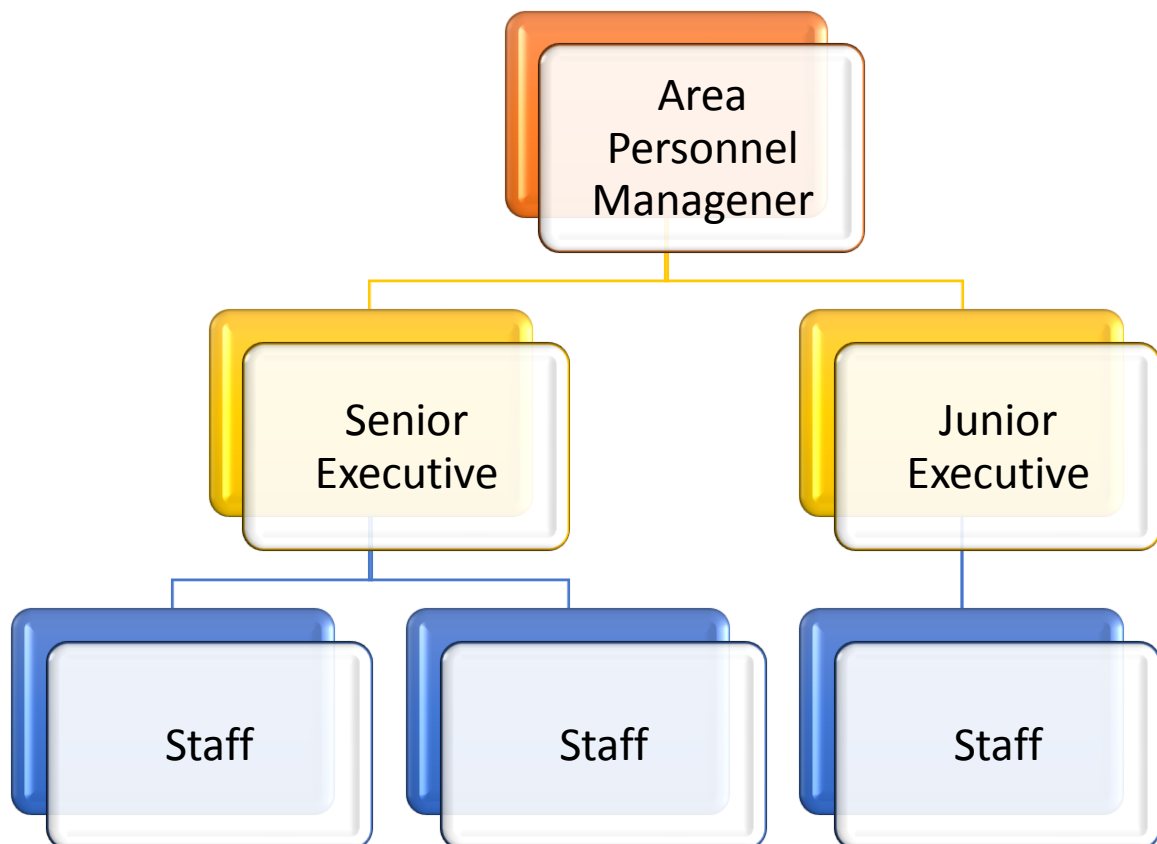
To produce and market the planned quantity of coal and coal products efficiently and economically in an ecofriendly manner with due regard to safety, conservation and quality.

• **VISION**

To be one of the leading energy supplier in the world through best practices from mine to market.

Type	State-owned enterprise Public company
Industry	Metals and Mining
Founded	1992
Headquarters	Sambalpur, Odisha, India
Area served	India
Key people	Anil Kumar Jha (Chairman&MD)
Products	Coal, Bituminous
Owner	Government of India

HR Department Structure



The company performance appraisal system is done at 3 stages:-

- In 1st stage – the goal setting is done by the employees according to their work then it is submitted to the reporting officer and after reviewing it is accepted and changes are made as needed.

- ✚ Goal setting is done by employees
- ✚ Submitted to report to reporting officer
- ✚ Review of report
- ✚ Finalized

- 2nd stage – after 6 months self- evaluation is done to check whether the work as the goal is ongoing or not.
 ✚ Self-Evaluation is done and report is submitted to reporting officer.
- 3rd – after 1 year self- evaluation is done then it is submitted to reporting officer where he evaluates the performance and then accepting officer done the final ranking of the performance.
 ✚ Self-evaluation is done
 ✚ Report submission to reporting officer
 ✚ Review of report by officer
 ✚ Final ranking of employees is done by officer

Objective of the Study

- To study the effectiveness of performance management system of the organization.
- To find out the satisfaction level of the employees in the appraisal system adopted in the organization.
- To suggest majors to improve the whole performance system.

II. RESEARCH METHODOLOGY

Research in common speech refers to seek for information. Redman and Mary characterize research as a “Systematized exertion to pick up unused information. Inquire about is a scholarly action and such the term ought to be utilized in specialized sense. Agreeing to Clifford Woody, Investigate comprises characterizing and rethinking issue, defining speculation or proposed

arrangements; collecting, organizing and assessing information; making findings and research conclusions; and at final carefully testing the conclusions to decide whether they fit the defining speculation. Research is hence a unique commitment to the existing stock of information making for its notice. It is interest of truth with the assistance of ponder, perception, comparison and try. In brief the hunt for information through objective and precise strategy of finding arrangement to issue is research.

Descriptive research is embraced for this study. It incorporates studies and reality finding enquires of distinctive sorts. The major reason of descriptive research is description of the state undertakings because it exists at display. The main characteristic of this strategy is that the researcher has no control over the factors. He can as it were report what has happened or what is happened.

SAMPLING DESIGN

The population for this study includes the employee of MCL, Brajrajnagar. The total sample has been taken from MCL only. 60 of employee were undertaken for the study.

DATA COLLECTIONS

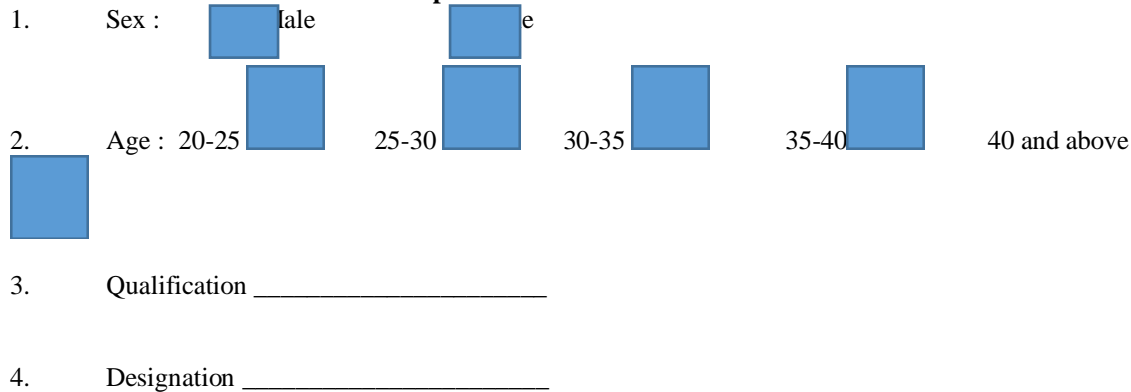
For achieving the specific objectives of this study, data were gathered from both primary and secondary sources.

Primary Sources

- ✚ Face to face conversation with the employees.
- ✚ Employee’s opinion collected through Questions.

Measure (Questioner)

SECTION A:- General Profile of Respondent



5. Experience: less than 1 year 2-4 years 5-7 years more than 7 years

6. No. of times appraisal is done _____

SECTION B:- PERFORMANCE MANAGEMENT SYSTEM

Answer the following question according to your preference where (a) represents **strongly disagree**, (b) represents **disagree**, (c) represents **neither agree nor disagree** (d) represents **agree** and (e) represents **strongly agree**

1. The organization follows an effective Performance Management System.

a b c d e

2. The evaluation criteria followed by the company for your designation is appropriate.

a b c d e

3. You are fully satisfied by your job allocation.

a b c d e

4. Proper training is given to you after any ineffectiveness is reviewed in appraisal.

a b c d e

5. After completion of the evaluation, you are being consulted by your superior or any higher authority.

a b c d e

6. There is a non-biased performance evaluation system in the organization.

a b c d e

7. There is a proper chance of career growth (additional responsibility, career growth, salary increase, promotion) in the organization.

a b c d e

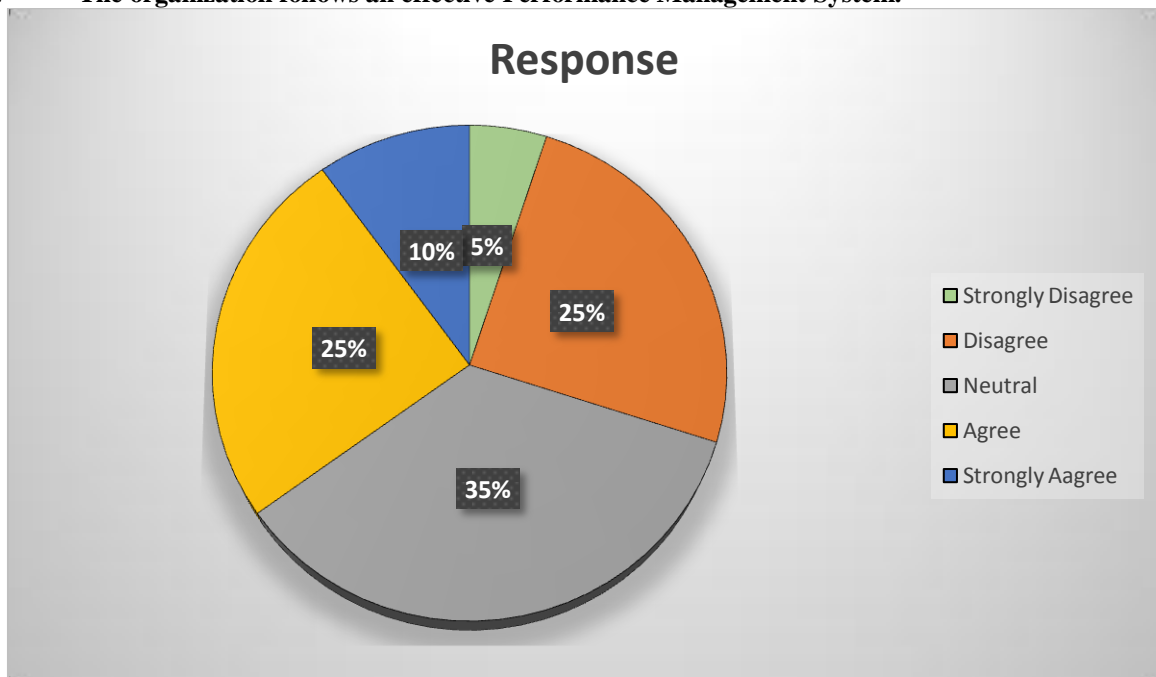
8. Your suggestions and feedback are considered for the appraisal program.

a b c d e

9. There is a healthy competition in your organization.
 a b c d e
10. Whether there is any improvement required in the present appraisal system.
 a b c d e

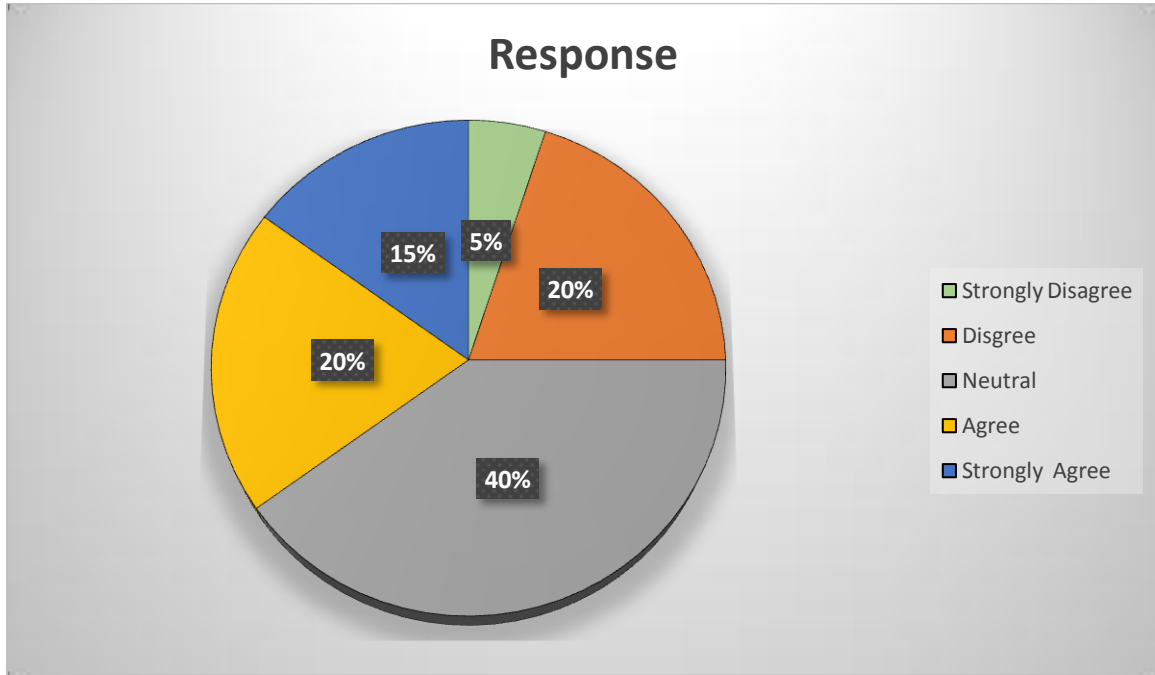
ANALYSIS & INTERPRETATION

1. The organization follows an effective Performance Management System.



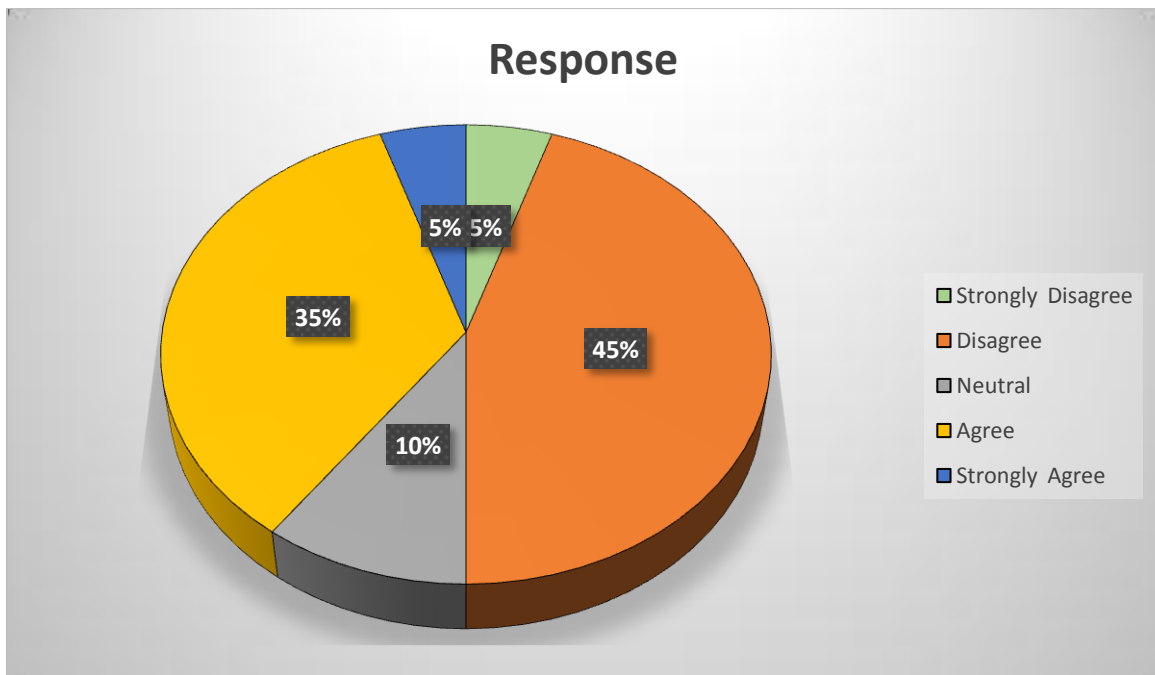
ANALYSIS- Most of the employees don't have proper knowledge of appraisal system, due to their specialization in different area, so they answered neutral as they can't say that it's effective or not.

2. The evaluation criteria followed by the company for your designation is appropriate.



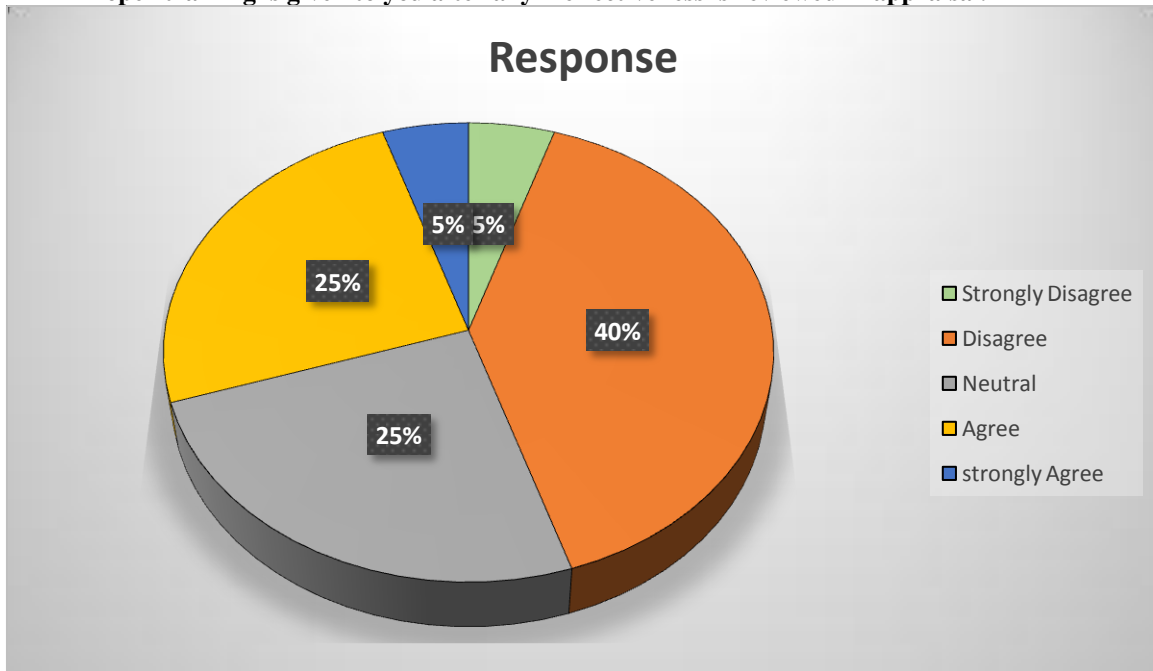
ANALYSIS- Again, due to lack of knowledge many employees answered neutral. The evaluation criteria is decided by the employees only, they themselves decide the criteria according to their work. There is no one criteria for ever department it keeps changing according to the position and department.

3. You are fully satisfied by your job allocation



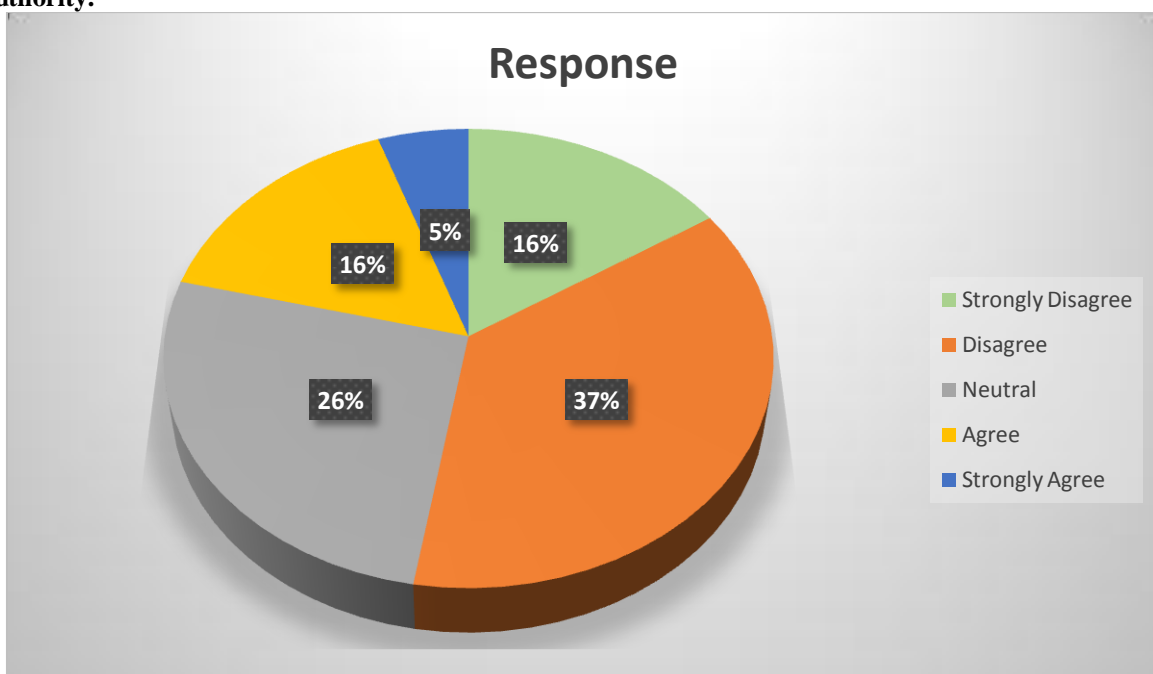
ANALYSIS- Most of employee feels like their talent are not properly utilized or the company is not giving them enough work so that they can show their talent to the organization. And 35% employee were happy with their work as they said that current workload helps them in balancing between their work-personal lives.

4. Proper training is given to you after any ineffectiveness is reviewed in appraisal.



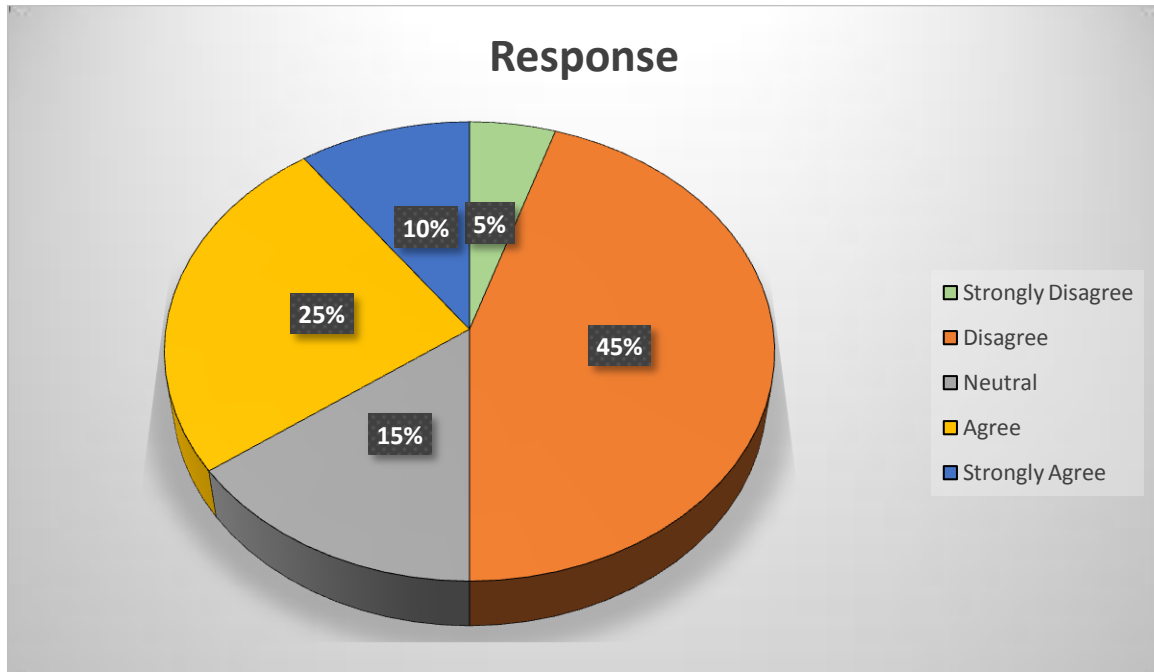
Analysis- 40% of the employees has given feedback that only if you want to go on a vacation then you should go for the training, although, 25% employees said that they are satisfied as proper training is given to them as and when required. And same as the neutral rate 25% were agreed as they think their experience which they got from the company after so many year of work, works as a training for them.

5. After completion of the evaluation, you are being consulted by your superior or any higher authority.



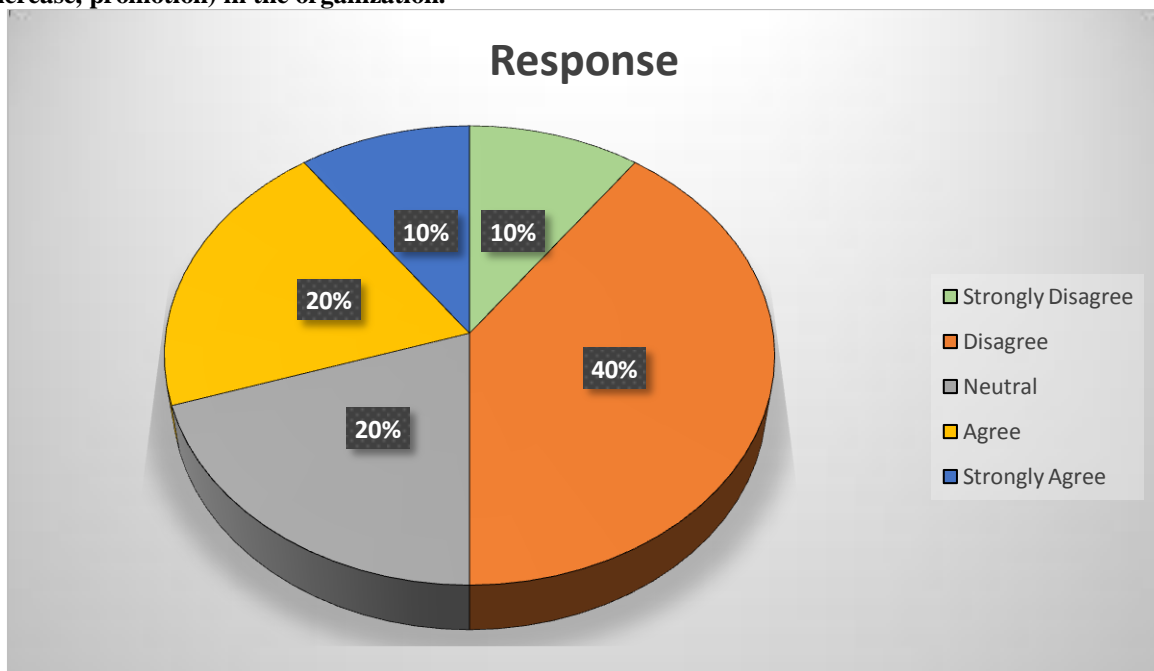
ANALYSIS- Due to lot of work pressure at higher authority, sometimes the supervisor fails to conduct counselling just after the appraisal. But they tried to get the counselling when they get time.

6. There is a non-biased performance evaluation system in the organization.



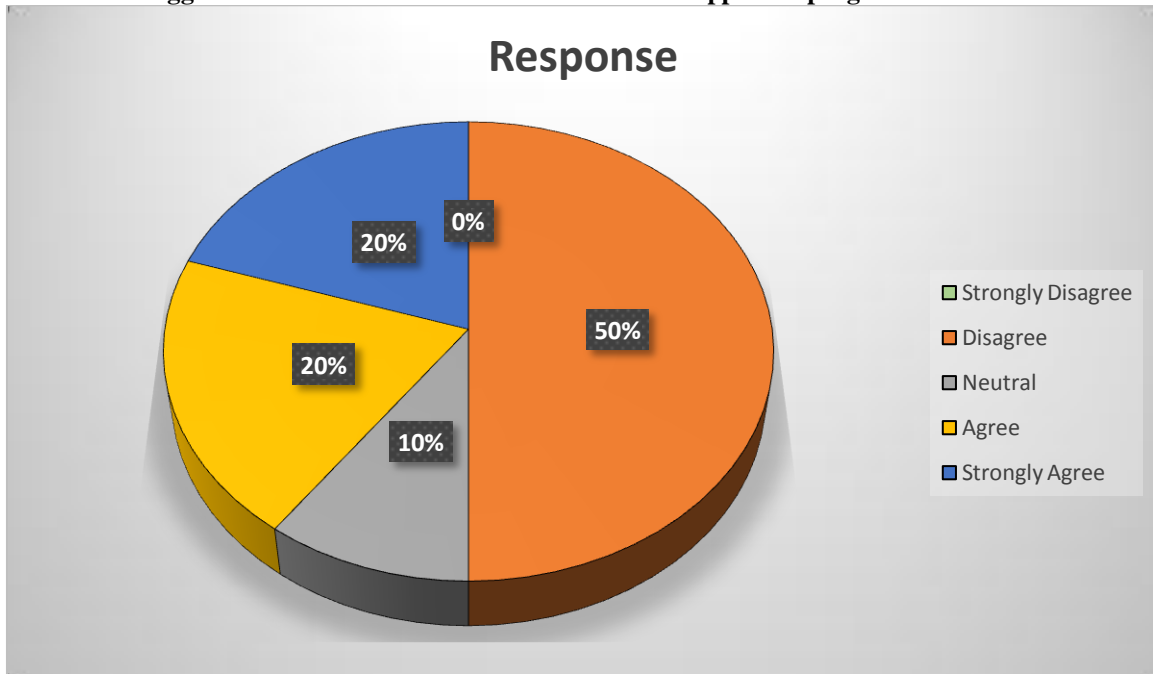
ANALYSIS-The employees are not happy with the evaluation system as many replied that supervisor evaluates us by seeing our faces, the work doesn't matter to them. 25% of the employee agreed as they were honest towards the supervisor and some don't want to tell any fault of their superior to anyone.

7. There is a proper chance of career growth (additional responsibility, career growth, salary increase, promotion) in the organization.



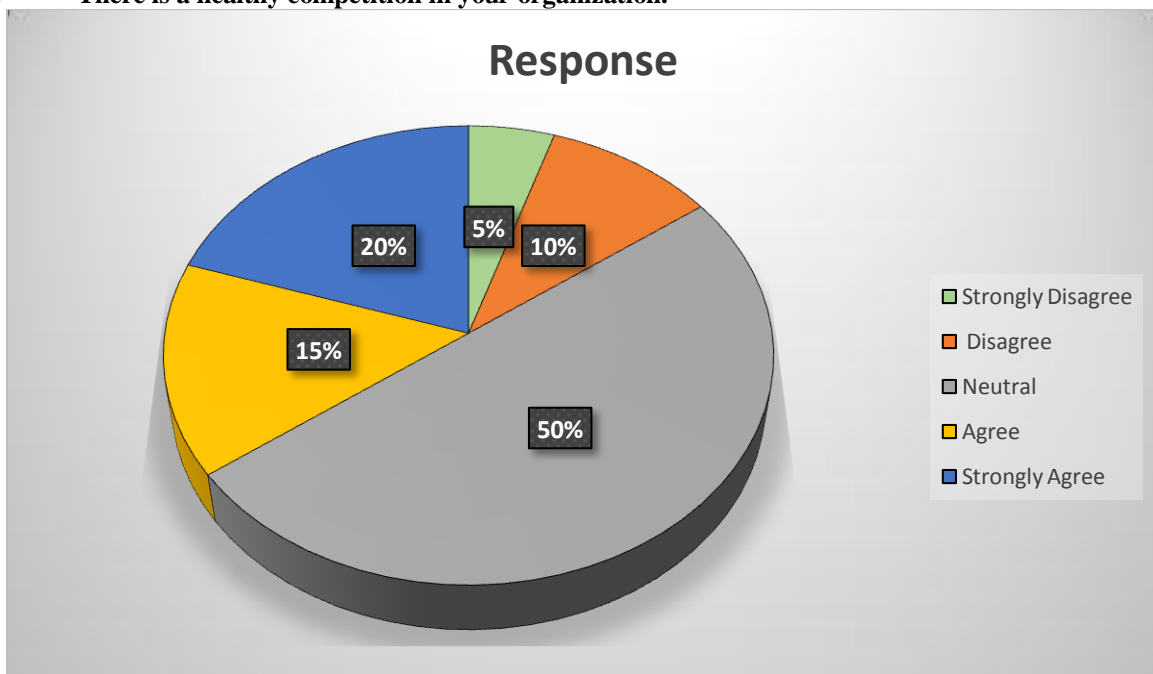
ANALYSIS-Many employee of the organization are still working on the same position for many years. Most of the employees who are working for years on the same position are happy as they are getting respect and that’s enough for them but fresher wants promotion, growth etc.

8. Your suggestions and feedback are considered for the appraisal program.



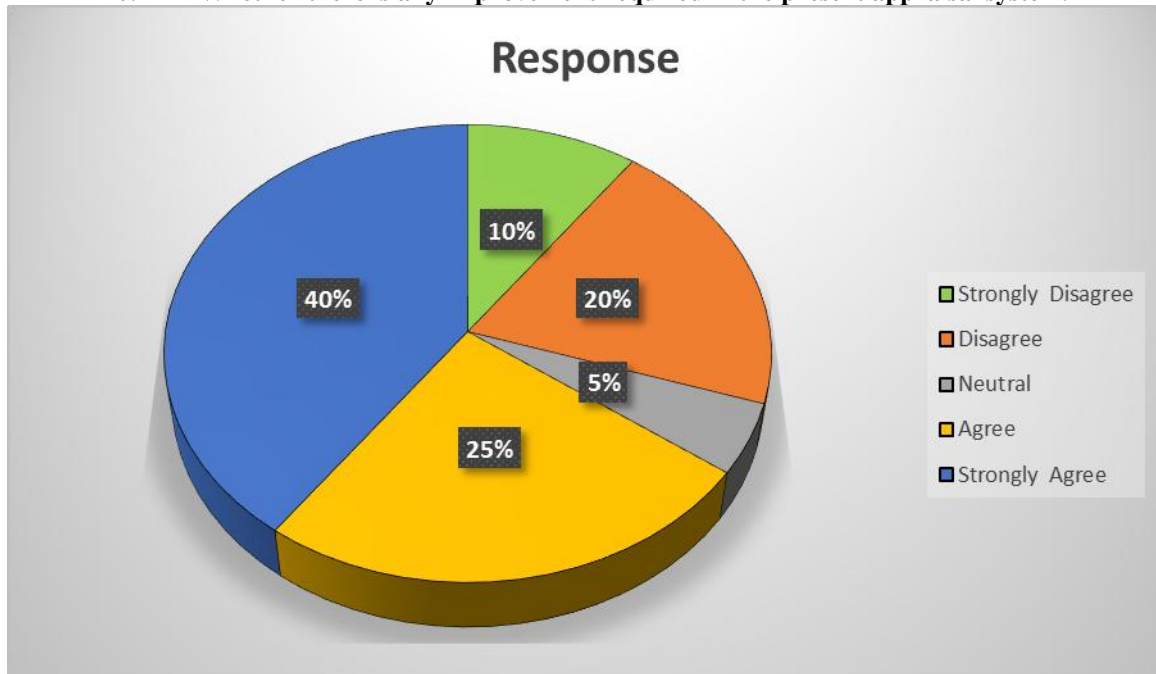
ANALYSIS- Most of the decision are made in head office and is implemented here. Most of the times, the head of the area or area manager or the head of the department only takes the decision. The criteria of appraisal program is decided by the employee themselves but still it required changes as the self-evaluation is the main focus in the appraisal system

9. There is a healthy competition in your organization.



ANALYSIS- 50% employees couldn't answer this so they answered neutral as due to working for many years everyone has become like family member and there is no competition in the family members. But the Young employees or the fresher think that competition is necessary and they are trying to give tough competition to their competitor.

10. Whether there is any improvement required in the present appraisal system.



ANALYSIS- Of course, the appraisal system need some changes as the appraisal system 25% of the employee respond agree and 40% respond as strongly agree.

LIMITATIONS OF THE STUDY

The study performed encompasses following limitations:-

1. The sample size selected was 60 out of the total population of 230 employee working in the office; hence the study and evaluation cannot be generalized to the whole population.
2. The sampling does not incorporate all the divisions Mahanadi Coalfields
3. Numerous doesn't react well due to believe issue as they fear that this report can be given to their senior which can influence their job.
4. Due to the non- respondents few viewpoints of the research analysis got defeated.

III. FINDINGS AND SUGGESTIONS

FINDINGS-

The company has a portal for performance appraisal which is known as **PRIDE**. According to the data collected and analyzed followings has been observed:-

- The appraisal system is effective as it is in done in 3 stages and self-evaluation makes it more effective as employee understands their pros and cons.
- The superior sometimes, doesn't takes counselling after appraisal which is important.
- Many employee doesn't have expertise in technology, which is a direct shows the lacks and make their job more unproductive and this effects their performance.
- The proper trainings related to their job is not given to employees which is needed for them.

SUGGESTIONS-

- Proper training should be given to the employees according to the need assessment, once the appraisal is done.
- Quarterly performance reviews should be undertaken for short term goals.
- Some employees are not satisfied with the updates given by the Superior related to their evaluation, thus proper feedback should be given to

the employees to further increase the effectiveness of the system.

- Training need identification should be done half-yearly, so that it helps the employees in improving the performance in the remaining time period.
- The career growth factor should be given more attention in the online performance management system. As 20% neutral and 40% disagree responses are observed in the study, which means that some of the employees are not satisfied with their career growth.

IV. CONCLUSION

The performance appraisal is exceptionally critical portion of the organization. It is the requirement of each organization. Employee performance are assessed and agreeing to the assessment report encourage steps are taken for the improvement of the representative. From the information collected it is watched that the Execution Examination Framework at Mahanadi Coalfields Constrained (MCL) require a few changes as reacted by numerous of the workers. The examination strategy ought to be distinctive from time to time as the assessment criteria is chosen by representatives themselves which appears to be biased. As the company takes after Self Examination strategy, now and then an person is

incapable to recognize it's possess botches. The brief term assessment ought to be done to check the short-term objectives. The correct preparing and advising and between the prevalent and the subordinate can bring more adequacy and can be demonstrated as awe inspiring for the company.

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