PERFORMANCE APPRAISAL IN APSRTC

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Appraisal is the evaluation of worth, 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 ranked as better or worse in comparison to others. The basic purpose in this merit rating is to ascertain an employee’s eligibility for promotion. However, performance appraisal is more comprehensive term for such activities because its use extends beyond ascertaining eligibility for promotion. Such activities may be training and development, salary increase, transfer, discharge, etc., besides promotion. A formal definition of performance appraisal is as follows:

“It is the process of evaluating the performance and qualifications of the employees 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”.

Dale S. Beach defined performance appraisal as follows: “Performance appraisal is the systematic evaluation of the individual with regard to his or her performance on the job and his potential for development”.

Thus, performance appraisal is a systematic and objective way of judging the relative worth or ability of an employee in performing his job. It emphasizes on two aspects: systematic and objective. The appraisal is systematic when it evaluates all performances in the same manner, utilizing the same approaches so that appraisal of different persons is comparable. Such as appraisal is taken periodically according to plan; it is not left to chance. Thus, both raters and ratees know the system of performance appraisal and its timing. Appraisal has objectivity also. Its essential feature is that it attempts at accurate measurement by trying to eliminate human biases and prejudices.
A necessary condition for the effective management performance in any organization is the need to clarify and communicate to all concerned the objectives, which the system is intended to achieve. Performance appraisal, considered to be the heart of the performance management system, warrants a greater emphasis on their goals and their achievement.

Performance Appraisal is the systematic, periodic and impartial evaluation of an individual’s excellence in matters pertaining to his job and of his potentialities for a better job.

NEED OF THE STUDY

The APSRTC is facing several managerial problems. Firstly due to lack of scientific manpower planning, it has recruited more number of employees at the all levels than its requirements. Secondly, due to lack of proper training to the personnel in their field they are not able to perform satisfactorily. Thirdly, the increasing interference’s from the State Government in the affairs of the corporation. Fourthly, due to lack of financial autonomy to the corporation it has to take prior approval of the state Government, which is very time consuming procedure. Fifthly, the APSRTC is incurring heavy losses, due to unwillingness on the part of the State Government to increase the bus fares to cover the increased cost of inputs. Despite the best efforts of the senior level officials and employees, the corporation is derided as a losing public undertaking because of certain exogenous facts beyond its control. This is gross injustice to an institution, which is striving hard and achieving efficiency in its operations of services. Hence this stupendous issue deserves to be probed into in a detailed way so as to arrive at and identify the measures required for strengthening this organization for the overall good of the people and the State of Andhra Pradesh.

OBJECTIVES OF THE STUDY

1. To find out the loopholes in the functioning of APSRTC;
2. To examine the effectiveness of the corporations organizational setup;
3. To examine the manpower planning strategies adopted by APSRTC at Head Quarters and district level offices;
4. To examine the procedures and practices of human resource management at the district levels;
5. To analyze the steps taken by the corporation for the development of professional competence of the employees, and,
6. To suggest viable measures for strengthening the corporation.

LIMITATIONS OF THE STUDY

Firstly, as there were no studies on the management of manpower planning of State Road Transport Undertakings in India the researcher made it gold to develop his own mechanics of investigation into this challenging task. Secondly, this being a study intended to discuss manpower management strategies adopted by the APSRTC to execute various duties and responsibilities at different levels of the organization, it could not cover in detail the management of ownerships, and other related aspects of APSRTC which seem to have the potential of an independent and separate full-length investigation.

METHODOLOGY

The researcher adapted conventional methods of social science research. The documentary data for the study was collected from the records, documents, annual reports, rules and manuals of APSRTC Head Office, and the offices of Hyderabad Metropolitan Region. Where administration of questionnaire is not possible the researcher held informal discussions with various functionaries of the Hyderabad metropolitan regions of APSRTC. Thus the observations in this study are based on the published data, personal observations and informal discussions with the functionaries and the tabulated responses of employees who responded to this study.

Table 1.3

The secondary data of the study was collected from the popular literature on public enterprises and passenger road transport produced by eminent thinkers as W.A.Robson, H.A.Hanson, VV.Ramanadham, Laxmi Narain, and J.Satyanarayana. In addition, scholarly papers on public enterprises appearing in such famous Journals as “Indian Journal of Public Administration”, “Journal of Road Transport Management” and “Journal of Public Enterprises” were also consulted. Annual reports and year books of the Bureau of Public enterprises, Government of India,
New Delhi, and the Institute of Public Enterprises, Hyderabad were also reviewed. The researcher visited the libraries of Osmania University, Hyderabad; Institute of Public Enterprises, Hyderabad; Administrative Staff College of India, Hyderabad; Central Institute of Road Transport, Pune; University of Pune, Pune; and Staff Training College, APSRTC, Hakimpet, Hyderabad for views, news and materials.

**PERFORMANCE APPRAISAL SYSTEM IN APSRTC**

The present system of appraisal in Andhra Pradesh State Road Transport Corporation emphasizes mainly on traits. It is treated as confidential and only the adverse remarks are passed on to the concerned. As a result of these, the employee is not very sure of what performance is expected of him. The system is designed to:

1. Control employee behaviour,
2. Make decisions regarding salary and promotions.
3. Place of people to do the right jobs and
4. To identify training needs of the employees.

In APSRTC, performance appraisal is done by the Personnel Department. It is based on performance appraisal of the employee higher. This system is mostly used when internal recruitment by way of promotion/departmental test methods are followed for staffing.

In APSRTC, the performance of an employee is appraised through Merit Rating Report.

The proforma consists of 5 columns and each column in turn is divided into 3 sub-columns. Each attribute is allotted 15 points @ 1 point per each sub-column.

Merit rating is done by concerned officers and again it is endorsed by counter signing officer.

Merit rating is done for supervisors and above category. If the candidate scores 1-3 points in each attribute, he is considered as to be good with satisfactory performance.

If score is 10-15 points for each attribute, the candidate is called for counseling to improve his performance. The various attributes tested are as follows:

1. Physical suitability and bodily vigour
2. Cleanliness of person and working habits.
3. Care of tools, materials and corporation property
4. Willingness and enthusiasm
5. Quality of work  
6. Quantity of work  
7. Reliability  
8. Ability to take intelligent action  
9. Mobility  
10. Leadership potentialities

Different appraisal systems are used to known the performance and potential of staff like the fitness and suitability of eligible candidates, for promotion will be based on records of service, special skills, qualifications, recommendations, awards for specific good work done, and potentially for the higher post. This will be assessed against a total of 100 marks he secures while performing his duties. The facts considered while appraising the employee are:

i. Record of service and merit report of the latest 5 years be taken into account.

Table.1, Method followed for rating performance appraisal

As can be seen from the Table 1. That 58 (22.39%) respondents revealed that the corporation is following ranking methods for appraising the performance of the employees, where as 53 (20.46%) respondents opined that
management by objectives method is being adopted in the corporation. 41 (15.83\%) employees said that group rating method is being followed by the corporation, and 34 (13.12\%) respondents say that Group rating method is adopted on the whole it is found that the employees do not having any idea about the method being used for evaluating the performance of the employees.

Table 2.Method followed for Performance Appraisal is Appropriate

The above table indicated that out of 259 respondents 48, that is 18.53 per cent say that they find it appropriate. While 43, i.e., per cent say that is reasonably appropriate, whereas 45.94 per cent find it inappropriate. 11.96 per cent are neutral and 6.94 per cent are reluctant to answer this question.

Table 3.Present Performance Appraisal should be continued

The above table reveals that there is a need for change in the present performance methods adopted in the corporation. (26) 44.06 per cent executives and 64 32.0 per cent non-executives felt that there is a need to continue the present performance system with changes. Whereas 18 executives (30.5\%) and 30 non-executives (19.5\%) revealed that the present performance system should be continued as it is. But it is interesting to say that 12 (20.33\%) executives and 86 (43.0\%) non-executives opined that the present appraisal system should be rather discontinued only 14 respondents said that they don’t know. The moot question is whether or not the performance system is based on adequate information.
Table 4. Performance Appraisal is based on adequate information.

The above table shows whether performance appraisal is based on adequate information, that is, whether the employees are aware of the basis on which performance is determined. Out of 259, 40.54 per cent respondents feel that the performance appraisal is not based on adequate information (57) 22.0 per cent respondents say that it is based on adequate information. Only (41), 15.83 per cent respondents feel that the performance appraisal system is based on adequate documentary support.

Table 5. Decisions regarding pay promotion, and transfer are based on suitability of the appraisee

Table 7.5 shows that pay, promotion and transfer of the employees depend upon suitability of the appraisee. Only 10.42 per cent said that it is based on document performance appraisal records, 67 (25.86%) felt that it is based on selective documents. 23.93% say, no documents, and an equal percentage of employees felt that it is based on documents occasionally. To sum up, APSRTC performance appraisal reports are used as a threatening tool or a development tool, and the personnel policies adopted in the corporation are not very conducive to employee development. Thus according to many respondents. There are causes of frustration.
Table 6. Do you feel senior officers assessment of your performance

Out of 259 respondents, 47, 18.14 per cent feel it is fair and 97 (37.45%) say that they are uncommitted, whereas 113, 43.62 per cent said that it is unfair. Several respondents revealed during the informal discussion with the researcher that the ratings are based on their personal relationship with the immediate superiors. The reason for it is, lack of clarity. The rating yardsticks are not clearly defined and this gives ample room for subjectivity in rating. Therefore there is a need to lay down clear guidelines for rating performance without any discrimination.

Table 7. Performance Appraisal Exercise provides good opportunities for performance planning

The above table indicates that the performance appraisal system provides opportunities for performance planning of employees. Out of 259 respondents 110, 42.47 per cent say that the performance appraisal provides opportunities for performance planning to a large extent, whereas (120), 46.33 per cent say it is to some extent only and 11.19 per cent they are not completely sure about it. This certainly hampers the development of the employees in the organization. In order to develop a HRD climate, it is suggested that the APSRTC should redesign the performance appraisal system on the following lines:

SUMMARY

Respondents say that Group rating method is adopted on the whole it is found that the employees do not having any idea about the method being used for evaluating the performance of the employees
44.06 per cent executives and 64.32 per cent non-executives felt that there is a need to continue the present performance system with changes. Whereas 18 executives (30.5%) and 30 non-executives (19.5%) revealed that the present performance system should be continued as it is. But it is interesting to say that 12 (20.33%) executives and 86 (43.0%) non-executives opined that the present appraisal system should be rather discontinued only 14 respondents said that they don’t know. The moot question is whether or not the performance system is based on adequate information.

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**SUGGESTION**

1. The thrust should be on evaluating the performance of the person and not the person per-se.

2. The existing appraisal format, that useful is defeated in purpose as there is no feedback, employees are not aware of the purpose of the appraisal, the motivation for the self-appraisal is fleeting.

3. System should attempt to assess the key performance areas (KPAs).

4. The appraisee must be clear about what is expected of him and on what basis he will be evaluated.

5. Emphasis on traits should be less and only those traits, which are required to perform the job, should be taken into consideration.

6. The onus of appraisal should be on the appraisee. The superior’s
role should be to help the subordinates in relating their self-appraisals, their targets, plans for the ensuring period to the realities of the organization.

7. Customer feedback could be thought of as an input in the system of performance appraisal.

REFERENCES


2. Ibid, p.960.


10. Ibid.