

North Asian International Research Journal Consortium

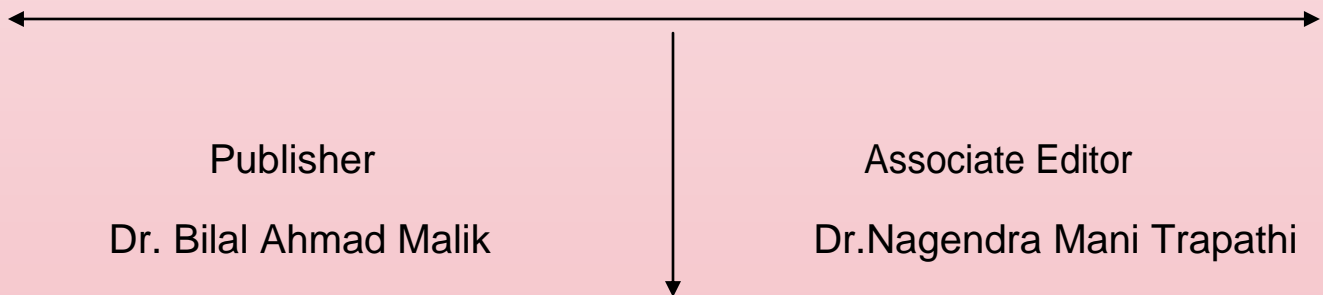
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ELECTRICITY DISTRIBUTION SECTOR – PERFORMANCE APPRAISAL ANALYSIS: A CASE OF MAHARASHTRA STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED

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ABSTRACT:

Trained manpower is required at every stage due to rapid advancement of technology. The technical knowledge acquired from engineering colleges, polytechnics, industrial training institutes and technical institutes needs to be supplemented with applied engineering and managerial skills. These skills are to be regularly updated to cope with the ever progressing and rapidly advancing technologies being introduced in the power sector where the speed of obsolescence often overtakes the pace of acquisition of a particular skill. Therefore performance management plays a key role through which better results can be obtained from the organization, teams and individuals by understanding and managing performance within an agreed framework of planned goals, standards and competence requirements. Performance Management processes is part of a holistic approach to managing for performance that is the concern of everyone in the organization.

Power Sector reforms in India have gained momentum with the initiative of most of the State Government by restructuring the SEBs. The reforms are expected to change the way the Indian Electricity Supply Industry has been functioning for the few decades and therefore demands major changes in the roles of technical/managerial personnel at various levels. As power sector reforms involve a number of complex and intricate issues, the people involved will need to be equipped with specific inputs in terms of knowledge, skills and attitude to enable them to play their changed roles effectively.

Index Terms: Electricity Distribution, Performance, Power Sector Reforms, Training, Skills.

INTRODUCTION:

The HRM field has shifted from a micro focus on individual HRM practices to a debate on how HRM as a more holistic management approach may contribute to the competitive management of the organization. Three

different perspectives have been used in recent researches on the relationship between HRM practices and organizational performance, organizational retention and organizational strategies. Strategies for managing performance exist to develop a high performance culture and achieve increased organizational effectiveness, better results for individual and teams, and higher level of skills, competence, commitment and motivation. Managing performance is a continuous responsibility for managers and team leaders. It is not achieved by a once a year performance appraisal meeting. Individual employees are responsible for managing their own performance but may need guidance and support in doing so.

Performance management can be defined as a strategic and integrated approach to delivering sustained success to organization by improving the performance of the people who work in them and by developing the capabilities of teams and individual contributors.

Performance management strategy aims to provide the means through which better results can be obtained from the organization, teams and individuals by understanding and managing performance within an agreed framework of planned goals, standards and competence requirements.

The scope of performance management concerns everyone in the business and not just for managers. It rejects the cultural assumption that only managers are accountable for the performance of their teams and replaces it with the belief that responsibility is shared between managers and team members. Managers and their teams are jointly accountable for results and are jointly involved in agreeing what they need to do and how they need to do it, in monitoring performance and in taking action.

The erstwhile Maharashtra State Electricity Board was looking after Generation, Transmission & Distribution of Electricity in the State of Maharashtra. Maharashtra State Electricity Board was unbundled into 4 Companies viz. MSEB Holding Co. Ltd., Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL), Maharashtra State Power Generation Co. Ltd. and Maharashtra State Electricity Transmission Co. Ltd. on 6th June 2005. MSEDCL supplies electricity to a staggering 2.20 crore consumers across the categories all over Maharashtra which fetch an annual revenue of about Rs.50, 000 crore.

MSEDCL has a workforce of about 79285 employees. This force is the real asset of the company. Thus performance management reviews provide the inputs required to create personal or team development plans and

to many people performance management is essentially a developmental process. This research is focused mainly on the Class I Officers of the MSEDCL.

LITERATURE REVIEW:

According to scholars, more research is needed to clarify the internal dynamic of the HRM formulation so as to better understand the reasons why human resources are considered in different ways in organizations. This fact can be explained by the importance of diverse contingent factors that have impact on this strategic process and how they are interpreted and analysed by top managers and HR executives.

One of the advantages of our theoretical model is that the standard HRM formulation process can be applied in both large and small companies. It also offers interesting recommendations about those aspects that need to be considered in each HRM stages. With the definition of HRM formulation process, managers will be able to analyse and assess their skills and reinforce them to develop each HRM stage. Moreover, it could be useful for managers to predict problems derived from the HRM strategy in advance. Secondly, managers can seize the analysis of contingent factors so as to focus on relevant elements, allowing more rapid and efficient HRM processes.

Kleiman (2000) defined performance appraisal as the assessment of employee's job performance levels. An effective performance appraisal system can create competitive advantage by improving employee job performance in two ways: by directing employee behaviour toward organizational goals and by monitoring that behaviour to ensure that goals are met.

The development of balanced scorecard plays an important role in performance appraisal (Zula and Chermack, 2007; Kettunen, 2005). In the balanced scorecard, there is a need to translate metrics into strategy by using four perspectives in critical areas such as product, process, customer and market development.

HR Focus (September 2003) cited the following Mercer's Human Resource Consulting list of ways to improve the performance management system:

- Reflect your organization's performance values.
- Secure the commitment and active participation of your company's executives.
- Find the relevant performance metrics

- Build in accountability – hold managers accountable for performance feedback and differentiation.
- Establish complementary roles and responsibilities for managers and those they manage.
- Integrate performance management with other business and human resource processes.
- Minimize the administrative burden of your system.
- Provide necessary training and communication.
- Measure and track your results.

Dhar et al. discussed Performance-based- culture for the new age employee in the article published in Indian Management (April 2016) issue. According to the author, the culture drives behaviour, and behaviour drives results, which makes it critical. A culture of meritocracy, transparency and teamwork is established in the organisations in a way such that employees are accountable for outcomes, and that drives productivity and growth.

MSEDCL has also evolved an appraisal system based on performance based appraisal. For Engineers working in the Field, the confidential report is initiated based on quantitative target. For all other technical and non-technical employees in pay-group I, II and III are based on Key Result Area and Key Performance Index. The performance appraisal system are written on 3 tier basis i.e., initiated by the Reporting Officer, then it goes to Countersigning Authority and then it finally goes to Accepting Authority. If the Reporting Officer appraisal system is not satisfied by the Countersigning Authority, then he can modify the same with justification. Similarly the final authority i.e., Accepting Authority having the supreme authority can also modify it or retain the same grading. The appraisal system is rated in 5 scales from 'Outstanding' to 'Poor'. At Corporate Office, Special Cell to monitor the confidential reports whether it has been initiated as per performance based appraisal system or not. Any confidential report not in conformity to policy issued will be treated as null and void and will be required to re-written and the Reporting Officer will be held responsible for the same. Further, while awarding overall grading as 'Outstanding', the same is to be intimated to the higher authorities by January of every year.

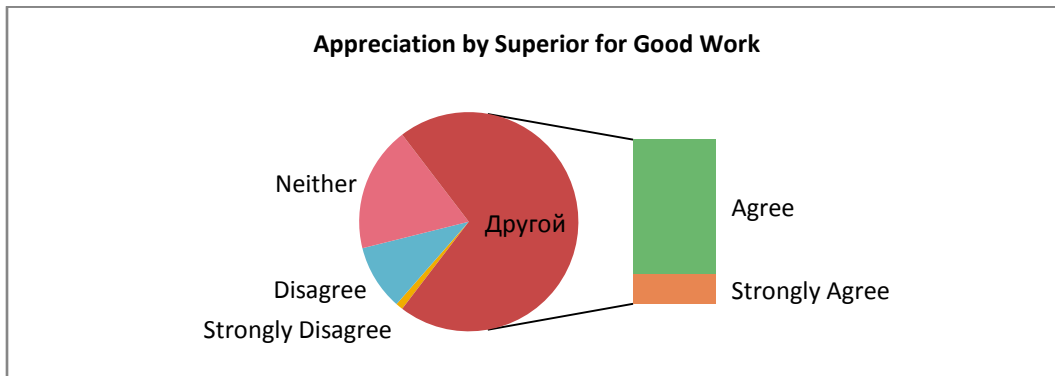
METHODOLOGY:

This study was based on a descriptive survey research design by using Likert Scale. For this study, a questionnaire was chosen as the data collection instrument. Primary data was collected from the respondent's answers given in the researcher's questionnaire.

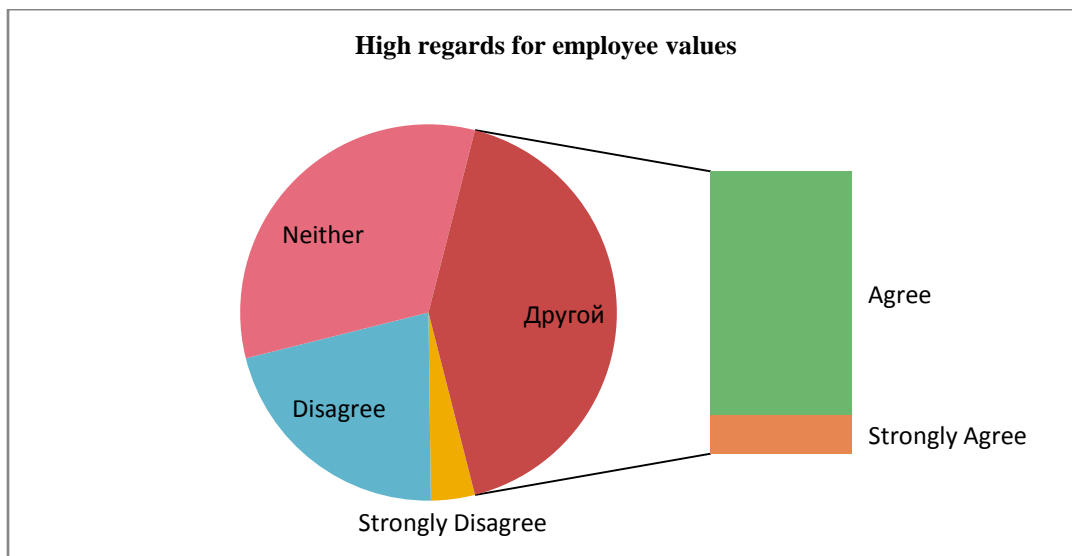
The population and sample of this research was restricted to Class I Officer’s included Chief Engineer, Superintending Engineer, Executive Engineer, Additional Executive Engineer, General Manager, and Assistant General Manager etc. Participants in this study were chosen because they dealt with human resources related issues daily and possessed more and relevant information in the area of study. A random sample from Zonal and Circle Offices are taken for study.

RESULTS:

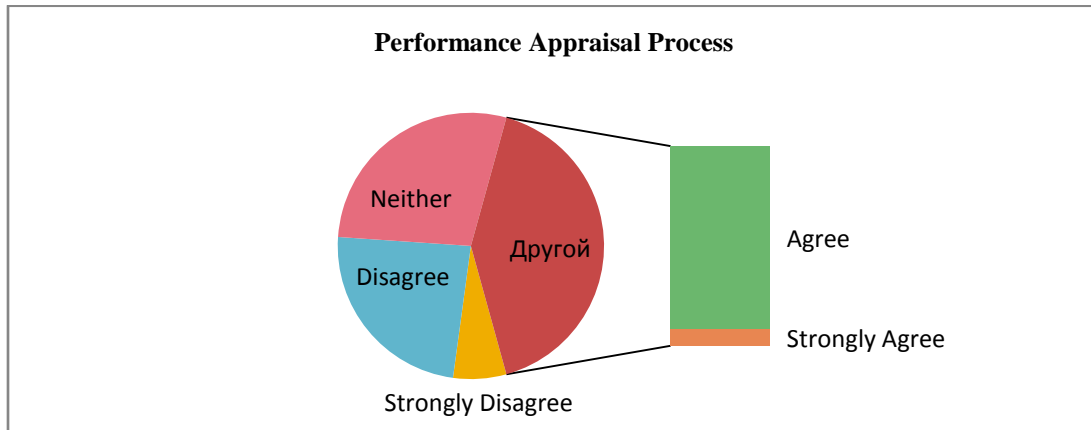
The first objective was to find out whether the superior appreciates good work done by the employees. The findings are shown as in Fig.1:



The second objective was to find out whether the organization shows high regards for the employee values. The findings are shown as in Fig.2:



The third objective was to find out whether the existing system of Performance Appraisal evaluates fairly in terms of actual performance. The findings are shown as in Fig.3:



KEY CHALLENGES:

As the distribution companies are growing rapidly, it faces multi challenges amongst the utility companies. The challenges have to be overcome as the organisation has grown in terms of employee. As a result, the need to build a strong leadership pipeline of high potential and performance has become critical. To ensure this, meritocracy and transparency both are important so that performance expectations are met and for the future employees are built. Moreover, a culture is to be driven in such a way that employees are accountable for outcomes, and that drives productivity and growth of the company. For this purpose, communication with employees with respect to the expectations enables transparency to set a clear growth path for the employees.

CONCLUSIONS:

It is important for MSEDCL to have systematic plan for performance appraisal so as to ensure all round development of the employees. A culture of strong performance shall be built so that employees are clear about their expectations, their goals, their career path and ladder in the organization.

It is recommended that from the beginning, the employee hired should be assimilated into the performance based culture through setting of goals within 30 days of joining followed by regular performance feedback, reviews and ratings. The culture is to be boosted by reward and recognition program in the company and through a development framework that provides a clear path for every employee. It is the right of every employee to get

the feedback and they should ask for it. An employee may have worked well through the year but if something didn't quite go well with the last quarter, the employee may be remembered for the last one and get a rating based on that recently effect. It's time for insta-appraisal and I believe that this will create a culture of real time feedback.

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ABOUT THE AUTHORS:



Sanjib Roy is a holder of an M.Phil (Business Management) and Master in Personnel Management from Pune University. He has more than 20 years of experience in the various areas of Human Resource Department and Administration in the private, government and public sector units. Currently he is working as an Assistant General Manager (HR) at the Maharashtra State Electricity Distribution Company Limited, Maharashtra, India.



Dr. Shilpa Varma holds a Ph.D in Business Administration and also a certified Business Professional; Certified Psychometric Testing Professional. She has worked as a Dean, School of Management, D Y Patil University, Navi Mumbai, Maharashtra, India. She is also a Director of Profrite Consultants Private Limited in Mumbai, India.

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