

**ROLE OF PERFORMANCE APPRAISAL SYSTEM IN ENHANCING  
COMPETENCE AND IDENTIFYING STRENGTHS AND WEAKNESSES OF O&M STAFF  
IN ANDHRA PRADESH SOUTHERN POWER DISTRIBUTION COMPANY LIMITED**

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**ABSTRACT:** *This research study highlights the role of performance appraisal system in enhancing competence and identifying strengths and weaknesses of O&M staff in Andhra Pradesh Southern Power Distribution Company Limited. The strength of an organization depends up on the ability and performance of its employees. Performance appraisal is the significant and vital function of human resource department. Management of performance or development of performance is possible through a system of performance appraisal. Accurate appraisals are decisive for the evaluation of recruitment, selection, and training procedures that lead to improved performance of employees. Appraisal can direct the training needs and sometimes the counseling needs of employees. Appraisal can also boost up the employee motivation through the feedback process and may furnish an evaluation of working conditions, thus, improve employee productivity, by encouraging the strong areas and modifying the weak ones. Since performance appraisal is a continuous process to measure the employees' performance levels against the predetermined goals or targets in the organization, performance appraisal is the tool as well to communicate and help the employees and organization to understand their competencies, strengths as well as their weaknesses.*

**KEY WORDS:** *Performance Appraisal, O&M staff, APSPDCL, Competence, Strengths and Weaknesses.*

**INTRODUCTION:**

The systematic evaluation of employees at work place by the concerned superiors is called performance appraisal. To appraise the performance of a subordinate, a superior must possess the knowledge of the appraisal methods and the appraisal process. Performance appraisal is also called as merit rating, personnel rating, personal performance evaluation, and employees' appraisal. Rating of person by his superior is not a newer issue. It has been prevailed from ancient days. But the formal and systematic appraisals are recent origin. It is said to be a primary act of human to appraise individual performance. Basing on this performance appraisal, the human relations in an organization are initially strengthened or detached. To develop an effective performance evaluation system in the organization the management has to frame the objectives of their organization first. The objectives so framed should be communicated and positioned at both departmental and at individual levels to achieve them. It is a task of the management to make agree its workers with the given performance targets. If such information is perfectly passed to the workers then they will know the forthright the standards basing on which their performances are measured. Job description and job role are explained to the employees. The need and importance of the employee contribution for the achievement of wider organizational goals would clearly explain to the employees. The significance of individual performance and how an individual performance leads to team performance in a particular period of planning are also clearly put in front of employees. Whatever may be the targeted objectives, they should be able to put a link between employee performance and organizational performance. In many cases the objectives put for a department are standardized and shared among the team members so as to help in creating a committed and motivated workforce. To constitute an effective system of performance evaluation, top management support is very much needed. This support enables the employees to show their loyalty towards the organization and translate the overall goals and objectives of their organization in to individual objectives. A perfect performance evaluation system consists of many facets such as providing training to raters and ratees, regular performance reviews, perfect record maintenance, clear cut evaluation, multiple appraisals in the case of number of similar employees etc. Performance appraisal is often regarded as the most critical function of the human resource management. Performance appraisal helps to identify the area of strength and weakness of the employees and also to improve their

future performance. Performance appraisal is the continuous system of tracking and measuring performance against predetermined objectives and identifying the area of performance to be improved. Performance appraisal is a set of assessment tool used in organization measure the situational, social, psychological, and physiological traits of employees at work place. Performance appraisal is also the technique that measures both qualitative and quantitative performance of employee. Performance appraisals of employees are necessary that helps to understand each employee's abilities, competencies and relative merit and worth for the organization. Thus, performance appraisal plays a vital role in and important function of human resources in any organization.

#### **LITERATURE REVIEW:**

The systematic evaluation of employees at work place by the concerned superiors is called performance appraisal. To appraise the performance of a subordinate, a superior must possess the knowledge of the appraisal methods and the appraisal process. Performance appraisal is also called as merit rating, personnel rating, personal performance evaluation, and employees' appraisal. Rating of person by his superior is not a newer issue. It has been prevailed from ancient days. But the formal and systematic appraisals are recent origin. It is said to be a primary act of human to appraise individual performance.

'Performance Appraisal' refers to a formal process, which studies and evaluates the job performance of personnel in an organization. Appraisal is an effective instrument in the human resources management, which if performance correctly and logically, the organizations will reach their personnel will achieve their interest (Tami, 2000)<sup>1</sup>.

Performance appraisal system is a combination of all the factors like proposed strategies involving performance appraisal, reward and recognition systems are suggested and analyzed in order to improve performance (Marchant, 1999)<sup>2</sup>.

Coens and Jenkins (2000)<sup>3</sup> suggested that performance appraisal is a mandated process in which, for a specified period of time, all or a group of an employee's work behaviors or traits are individually rated, judged, or described by a rater and the results are kept by the organization.

Reid and Levy (1997)<sup>4</sup> recommend that subordinate appraisal of managers could also be undertaken to identify areas of skill and ability deficiency which could be utilized to further the development of these managers.

Wilson (2005)<sup>5</sup> supported the idea and explored that performance management is neither a technique nor a single step process, it can be considered as a set of processes that includes knowledge of employees about what their managers expect of them, their motivation to perform well, mentoring and evaluation of their performance aimed at identifying areas where the improvements are needed.

Performance appraisals have the unique power to help employees throughout the company build their self-awareness, whether they are being evaluated or doing the evaluating. The better that employee truly understand themselves, the better they will be able to learn, grow, and perform on the job. If their self-insights are marginal, their work is likely to be marginal, too (Lloyd, 2012)<sup>6</sup>.

Cokins (2004)<sup>7</sup> put his opinion that P.A system is important for organizations, as it mainly focuses on employees to develop their capabilities.

Rao (2004)<sup>8</sup> writes that performance appraisal is the process through which organization takes stock of its manpower in terms of its present performance, the aptitude and interest of each person, his strengths and weaknesses and his potential for growth.

The significance of performance appraisal, being a major and pivotal human resource activity can hardly be over emphasized for the growth, development and success of any organization (Abu and Weir, 2007)<sup>9</sup>.

Organizations should consider that performance appraisal is incomplete unless the appraisee is informed about his strengths and weaknesses. His performance cannot improve in the subsequent future if that is not done (Obisi, 1996)<sup>10</sup>.

### **RESEARCH METHODOLOGY:**

**Research Type:** Empirical Study

#### **Objectives:**

1. To gather opinion of O&M staff regarding Performance Appraisal System in APSPDCL.
2. To study the Role of Performance Appraisal System in enhancing Competence and Identifying Strengths and Weaknesses of O&M staff in APSPDCL.

#### **Sources of Data:**

**Primary Data:** Collected through primary sources.

**Structured Questionnaire:** Structured questions are used to extract the information from respondents in a manner that did not give them room to express their feelings in their own words. Structured questionnaire (both English and Telugu versions) with closed-end multiple-choice questions was helped in derivation of the research problem, programme designing and execution.

**Personal Interview:** One to One interview method was adopted in the present research study so as to collect data regarding Performance Appraisal System of O&M Staff in APSPDCL. Questionnaires were directly taken to the staff of O&M branches of Substation, Distribution, HT&LT transmission and MRT. No questionnaires were posted to respondents through any mailing system and there were no telephonic interviews as well, all the respondents were personally interviewed by me, to ensure maximum reliable data for this research.

**Secondary Data:** Gathered from various secondary sources.

**Journals, Books, Reports and internet Sources:** Secondary data is drawn from relevant Reports, Records, Files and Forms, Policy Statements that were available in various departments of APSPDCL. The records maintained by the Human Resources Department served as valuable source of secondary information required. Annual Journals, Reports of APSPDCL and AP Transco; APERC reports were formed the basis for the information. Power and electrical magazines, annual reports published by various state electrical boards and companies, national and international publications, research papers published in journals, text books and different internet sources were also considered for the secondary data.

#### **Sampling Technique:**

The present research work comes under purposive sampling with a definite purpose of significance of Performance Appraisal System of O&M Staff in APSPDCL. To overcome the drawbacks of purposive sampling such as favoritism or subjective element etc., stratified random sampling was used to choose the staff without replacement where every unit of population has an equal chance of being included in it.

#### **Population and Sample Size:**

The total 6135 O&M staff strength in APSPDCL revealed that the maximum staff are in the cadre of Junior Line Man whose absolute number was (2973) followed by Line Man (2327) Line Inspector (747), Senior Line Inspector (51) and Fore Man (37).

Each O&M cadre was taken as a stratum irrespective of the districts they concerned. The sample size covered 10% of the target population of the study in proportionate to the staff strength of the respective O&M cadre (614 out of 6135). Thus 614 questionnaires were given out to help sample views of O&M staff of the company. The sample was drawn from the each of the above said stratum by using proportional allocation.

#### **Analysis Technique:**

The results obtained in the current research study are presented as absolute figures and percentages in Tables apart from depicting in the form of Pie diagram, Statistical tools viz., ANOVA and Percentages are positioned to test the research validity.

#### **Limitations:**

1. Convenient sampling was used as the study of entire population is not possible for mode of conducting the research. The sample consisted only of employees in the day shift, employees of the night shift were not considered for the purpose of study
2. The questionnaire contained only multiple-choice questions; therefore many respondents may not have given a proper thought before answering the questions

#### **DATA ANALYSIS & INTERPRETATION:**

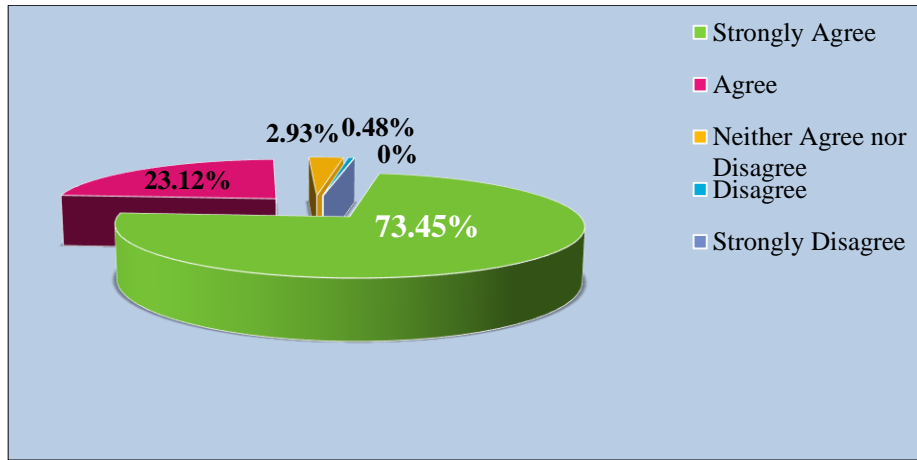
##### **1. Opinion of O&M staff regarding the need of Performance Appraisal System**

Performance Appraisal is a key personnel activity in the modern organisation. Growth and development of an employee is maximum possible through the training. The training needs of the human resources of an organisation are identified only by a perfect performance appraisal. Since the emphasis of performance appraisal is focussed on the development of the employee, in return it contributes largely to the success of the organisation. Irrespective of the size of organisation, the human activity should be meticulously measured by the concerned in order to strengthen it.

**Table: 1.** Table shows the responses of O&M staff regarding the need of Performance Appraisal System for O&M staff in APSPDCL.

<b>Response</b>	<b>No. of Respondents</b>	<b>Percentage</b>
Strongly Agree	451	73.4527
Agree	142	23.1270
Neither Agree nor Disagree	18	2.9315
Disagree	3	0.4885
Strongly Disagree	0	0
<b>Total</b>	<b>614</b>	<b>100</b>

**Figure: 1.** Pie chart shows the percentage wise distribution of the opinion of O&M staff regarding the need of Performance Appraisal System in APSPDCL.



It was observed in the present study that 96.57% of employees (593/614) were of opinion that there is need for Performance Appraisal System for O&M staff in APSPDCL (Table 1). Seventy three percent of the respondents (451/614) have expressed that there is strong need for performance appraisal system for evaluating O&M employees. However, a meagre 0.48% of the respondents (3/614) did not agree for existence of Performance Appraisal System for O&M Staff in APSPDCL whereas 18 employees (2.93%) were not clear about it. No one has strongly opposed the need of Performance Appraisal System for O&M Staff in APSPDCL (Fig. 1).

**Opinion of O&M staff regarding the need of Performance Appraisal System**

Designation	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree	TOTAL
Jr. Lineman	199	92	4	2	0	297
Lineman	191	27	14	1	0	233
Line Inspector	55	20	0	0	0	75
Senior Line Inspector	2	3	0	0	0	5
Foreman	4	0	0	0	0	4
<b>TOTAL</b>	<b>451</b>	<b>142</b>	<b>18</b>	<b>3</b>	<b>0</b>	<b>614</b>

**Testing of Hypothesis**

**H<sub>0</sub>:** There are no significant differences in the opinion among the selected designations regarding the need of performance appraisal system of O&M staff.

**H<sub>1</sub>:** There are significant differences in the opinion among the selected designations regarding the need of performance appraisal system of O&M staff.

**SUMMARY**

<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>
Row 1	5	297	59.4	7610.8
Row 2	5	233	46.6	6637.3
Row 3	5	75	15	575
Row 4	5	5	1	2
Row 5	5	4	0.8	3.2

**ANOVA**

<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	14552.96	4	3638.24	1.226789	0.33101	2.866081
Within Groups	59313.2	20	2965.66			
Total	73866.16	24				

**Interpretation:**

Since the calculated value of  $F$  is 1.227 which are less than the critical value hence the null hypothesis will be accepted and alternative hypothesis will be rejected.

There are no significant differences in the opinion among the selected designations regarding the need of performance appraisal system of O&M staff.

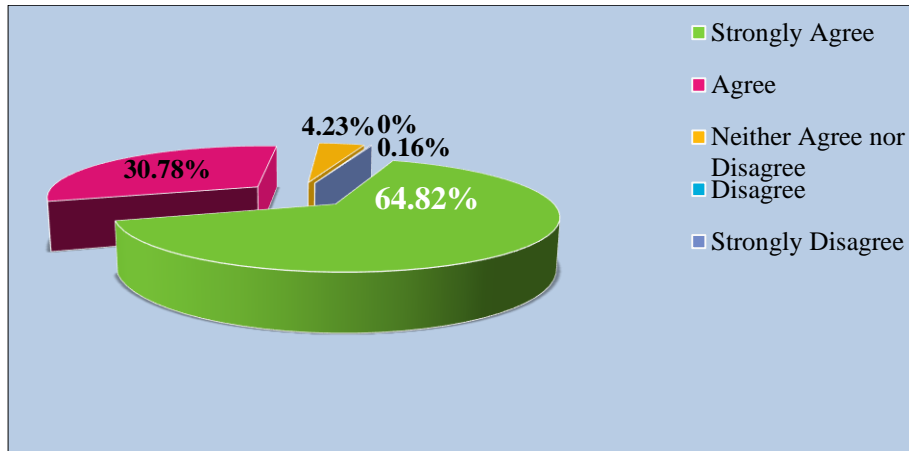
**2. Opinion of O&M staff regarding the Performance Appraisal System in assessing competency**

The competence or incompetence of a person will come in to lime light only when he is properly assessed. Since the performance appraisal process itself an assessing system of performances of the employees, it clearly assesses and identifies the abilities and inabilities of a particular person. Under this system a rater observes the ratee's performance very closely and measures his performance by comparing with the standards fixed to him. A question was formatted to know the opinion of the respondents regarding the role of performance appraisal system in assessing the competency of the O&M staff.

**Table: 2.** Table shows the responses of O&M staff regarding the role of Performance Appraisal System in assessing the competency of O&M staff in APSPDCL.

<b>Response</b>	<b>No. of Respondents</b>	<b>Percentage</b>
Strongly Agree	398	64.8208
Agree	189	30.7817
Neither Agree nor Disagree	26	4.2345
Disagree	0	0
Strongly Disagree	1	0.1628
<b>Total</b>	<b>614</b>	<b>100</b>

**Figure: 2.** Pie chart shows the percentage wise distribution of the opinion of O&M staff regarding the role of Performance Appraisal System in assessing competency of O&M staff.



The results of the question is very clear and one sided. It can be deduced from the Table 2 that 64.82% of the employees (398/614) have strongly responded that performance appraisal system plays significant role in assessing competency of O&M employees while 30.78% of the respondents (189/614) have agreed that performance appraisal system can play positive role in improving competency of employees where no one has disagreed. Only one respondent (1/614) counts 0.16% opposed strongly for it, 26 respondents (4.23% of the sample) were not clear and neutral in this regard. Percentage wise calculation of the data showed that 95.60% of the respondents have expressed that performance appraisal system plays positive role in assessing competency of employees in an organization while 4.39% of the respondents have either neutral or strongly opposed or unclear about role of performance appraisal system in assessing competency of the employees (Fig. 2).

**Opinion of O&M staff regarding the Performance Appraisal System in assessing competency**

Designation	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree	TOTAL
Jr. Lineman	178	108	10	0	1	297
Lineman	164	53	16	0	0	233
Line Inspector	50	25	0	0	0	75
Senior Line Inspector	3	2	0	0	0	5
Foreman	3	1	0	0	0	4
<b>TOTAL</b>	<b>398</b>	<b>189</b>	<b>26</b>	<b>0</b>	<b>1</b>	<b>614</b>

**Testing of Hypothesis**

**H<sub>0</sub>:** There are no significant differences in the opinion among the selected designations regarding the Performance Appraisal System in assessing competency of O&M staff.

**H<sub>1</sub>:** There are significant differences in the opinion among the selected designations regarding the Performance Appraisal System in assessing competency of O&M staff.

**SUMMARY**

<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>
Row 1	5	297	59.4	6451.8
Row 2	5	233	46.6	4775.8
Row 3	5	75	15	500
Row 4	5	5	1	2
Row 5	5	4	0.8	1.7

**ANOVA**

<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	14552.96	4	3638.24	1.550655	0.226005	2.866081
Within Groups	46925.2	20	2346.26			
Total	61478.16	24				

**Interpretation:**

Since the calculated value of  $F$  is 1.551 which are less than the critical value hence the null hypothesis will be accepted and alternative hypothesis will be rejected.

There are no significant differences in the opinion among the selected designations regarding the Performance Appraisal System in assessing competency of O&M staff.

**3. Opinion of O&M staff regarding the Performance Appraisal System in assessing strengths and weaknesses**

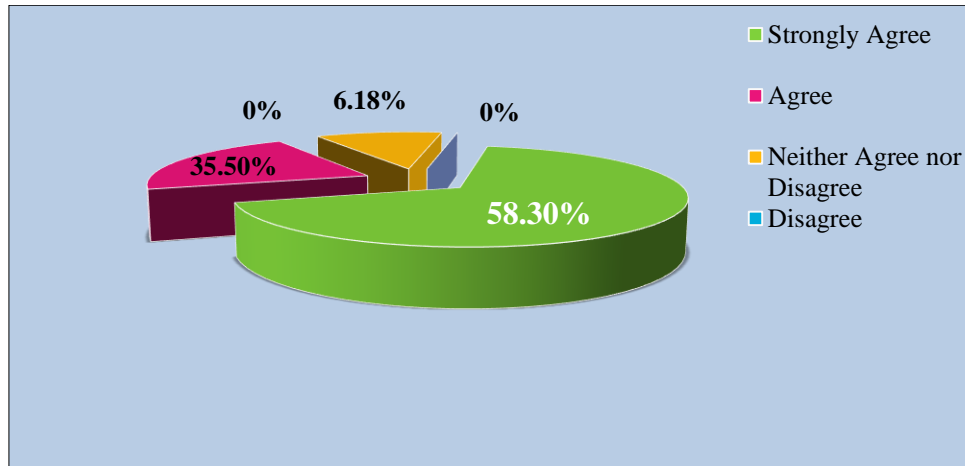
As a step of appraisal process a superior evaluates the performance of subordinates. The reasons for high and low performances of employees are thoroughly checked and recognized. The superior i.e., appraiser identifies the strengths and weaknesses of the appraisees. In a complete performance appraisal system the major snags and strengths of an appraisee are informed to him in order to make him to correct them in future.

**Table: 3.** Table shows the responses of O&M staff regarding Performance Appraisal System as an identifying tool to analyze strengths and weaknesses of O&M staff in APSPDCL.

<b>Response</b>	<b>No. of Respondents</b>	<b>Percentage</b>
Strongly Agree	358	58.3061
Agree	218	35.5048
Neither Agree nor Disagree	38	6.1889
Disagree	0	0
Strongly Disagree	0	0
<b>Total</b>	<b>614</b>	<b>100</b>



**Figure: 3.** Pie chart shows the percentage wise distribution of the opinion of O&M staff regarding Performance Appraisal System as an identifying tool to analyze strengths and weaknesses of O&M staff.



In the present study 58.30% of the respondents (358/614) strongly agreed that it is an effective tool to know the strengths and weaknesses of O&M employees. Out of 614 respondents 218 employees constituting to 35.50% of the sample size have agreed that performance appraisal system will help in identifying shortcomings of an individual (Table 3). It is noteworthy that no respondent was disagreed that performance appraisal can be an efficient tool for analyzing strengths and weaknesses of an employee. Only 38 employees accounted to 6.18% of sample are neutral about the performance appraisal as an instrument to identify strengths and weaknesses of workmen (Fig. 3).

**Opinion of O&M staff regarding the Performance Appraisal System in assessing strengths and weaknesses**

Designation	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree	TOTAL
Jr. Lineman	154	134	9	0	0	297
Lineman	151	53	29	0	0	233
Line Inspector	46	29	0	0	0	75
Senior Line Inspector	3	2	0	0	0	5
Foreman	4	0	0	0	0	4
<b>TOTAL</b>	<b>358</b>	<b>218</b>	<b>38</b>	<b>0</b>	<b>0</b>	<b>614</b>

**Testing of Hypothesis**

**H<sub>0</sub>:** There are no significant differences in the opinion among the selected designations regarding the Performance Appraisal System in assessing Strengths and Weaknesses of O&M staff.

**H<sub>1</sub>:** There are significant differences in the opinion among the selected designations regarding the Performance Appraisal System in assessing Strengths and Weaknesses of O&M staff.

**SUMMARY**

<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>
Row 1	5	297	59.4	6027.8
Row 2	5	233	46.6	3898.3
Row 3	5	75	15	458
Row 4	5	5	1	2
Row 5	5	4	0.8	3.2

**ANOVA**

<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	14552.96	4	3638.24	1.750955	0.178477	2.866081
Within Groups	41557.2	20	2077.86			
Total	56110.16	24				

**Interpretation:**

Since the calculated value of  $F$  is 1.751 which are less than the critical value hence the null hypothesis will be accepted and alternative hypothesis will be rejected.

There are no significant differences in opinion among the selected designations regarding the Performance Appraisal System in assessing Strengths and Weaknesses of O&M staff.

**FINDINGS:****1. Opinion of O&M staff regarding the need of Performance Appraisal System**

There are no significant differences in the opinion among the selected designations regarding the need of performance appraisal system of O&M staff.

Seventy three percent of the respondents have expressed that there is strong need for Performance Appraisal System for evaluating O&M employees as against only three respondents amounted to less than one percent (0.48%) of the total respondents opposed need of Performance Appraisal System for O&M staff in the organization

**2. Opinion of O&M staff regarding the Performance Appraisal System in assessing competency**

There are no significant differences in the opinion among the selected designations of O&M staff regarding the Performance Appraisal System in assessing competency of O&M staff.

It can be deduced from the present study that 64.82% of the employees have responded that Performance Appraisal System plays significant role in assessing competency of O&M staff while 30.78% of the respondents have observed that the existing system with modification will positively affect the O&M employees to improve their competencies. The above results indicate the importance of Performance Appraisal System in assessing competency of O&M staff.

**3. Opinion of O&M staff regarding the Performance Appraisal System in assessing strengths and weaknesses**

There are no significant differences in the opinion among the selected designations of O&M staff regarding the Performance Appraisal System in assessing Strengths and Weaknesses of O&M staff.

It was recorded from the opinion of O&M staff about Performance Appraisal System as a tool to identify strengths and weaknesses of an individual, the respondents about 35.50% agreed that it is a successful means to know the

strengths and weaknesses of employees while 58.30% of the sample size, have strongly agreed that Performance Appraisal System will help in identifying shortcomings of an individual.

#### **SUGGESTIONS:**

1. Since there is already a system of Performance Appraisal for O&M staff in APSPDCL, it is suggested to continue the system in future also.
2. Prompt and periodical appraisals; keen and continuous appraisals increase the competency levels of O&M staff. Hence it is suggested to frame and circulate clear cut directions among the concerned authorities to make the existing Appraisal System of O&M staff more effective.
3. It is suggested to shape the O&M staff Performance Appraisal System with open, transparent and integrated appraisals practices, so as to enable an O&M employee to know his strengths and weaknesses.

#### **CONCLUSION:**

Human Resource Policy forms one of the important policies in APSPDCL that are committed to provide human friendly work environment, establishing system for maintaining transparency, empowering O&M and other staff for enhancing responsibility, encouraging teamwork, providing growth and opportunities for skill development and ensuring effective communication among O&M and other staff. Under such situations, study on Performance Appraisal System of O&M Staff in APSPDCL assume a great importance in making the O&M staff part of the evaluation system so as to provide basis for determination of merit, efficiency and suitability among O&M staff for the purpose of the promotion, self-correction and improvement.

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