

A Literature Review on the Executive Performance Management System of Sail Employees

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Abstract – This paper proposes the framework of Executive Performance Management System in SAIL. The framework relates to online Performance management process at executive level. With the help of performance management System Employees are able to know their concrete and tangible particulars about their work and assessment of their performance .This paper is also designed to explore the loopholes of old appraisal system and improvisation in the new Management system.

I. INTRODUCTION

SAIL has introduced new Executive Performance Management System w.e.f 1.4.2008 which has been implemented for the appraisal year 2008-09. The Performance Appraisal System for Executives in SAIL is designed to assess the Performance and competencies to plan for their development. Before EPMS, they were following Executive Performance Appraisal System (EPAS). It is an online System for Performance Management. It helps in Leadership development and Competency building through 360 degree and through Assessment and Development Centre (ADC).It envisages that there will be two grades for individual executives during a year-one grading based on his performance during the year and the other grading on CPV (Competencies, Potentials & Values) factors as judged by supervisors. The executive would be graded as Exceptional Performer (EP), High Performer (HP), average Performer(AP) & Low Performer(LP) on both Performance as well as CPV factors.

II. EXECUTIVE PERFORMANCE MANAGEMENT SYSTEM

The EPMS will cover promotion of Executives from E1 to E8 grade. Since E8 & E9 grades follow the PSEB format of appraisal which is followed by all public sector enterprises as they are feeder cadre for Directional positions in PSUs.

III. LEVELS OF MAMAGEMENT (E-EXECUTIVE)

E1-E3 : Junior Management (shift level)

E4-E5 : Middle Management (Sectional level)

E6-E7 : Senior Management (HOD/Functional Head level)

E8-E9: Top Management (Strategic Leadership level)

IV. ON-LINE PERFORMANCE MANAGEMENT PROCESS

Step 1: Finalization of KPAs (Key performance areas) by employees

Step 2 : Filling up Performance Diary daily

Step 3 : Self Assessment

Step 4 : Assessment by Reporting Officer

Step 5 : Assessment by Reviewing Officer

Step 6 : Final assessment & grading by PMC(Performance management Committee)

Step 7 : Development and training needs plan

Step 8 : Communicating the grades to employees

V. KEY PERFORMANCE AREAS

Employees themselves have to describe their Key Performance Areas online. Three types of tasks and targets are categorized: Routine, Non-Routine and Special.

VI. PERFORMANCE DIARY

A Performance Diary is maintained daily (online) to record individual executive's performance highlights /constraints which are assessed by both Reporting and Reviewing Officer. Each executive's entry is intimated to his reporting officer and every reporting officer's remarks /entries are intimated to the individual executive concerned. The reviewing officer is able to view the executive's concerned performance diary whenever he desires. The diaries are expected to facilitate the effort of tracking key performance activities and are used as support during performance discussions. Only significant events , accomplishments and constraints faced are recorded in the diary.

VII. PERFORMANCE REVIEW DISCUSSION

It is conducted twice a year in the month of April and October. It is categorized as Mid-year review and Year-End review and assessment. During the PRD session, the reporting officer will ensure a conducive climate for discussion. In this session the reporting officer and appraise will discuss:

- (a) The extent of task and target fulfilled
- (b) Major strength of appraise
- (c) Development needs
- (d) Suggestions for improvement of the individual and team performance

In the first PRD session i.e , the Midterm PRD held in October , the discussion will be based on completion of the tasks /targets up to mid year and changes in the tasks/targets for the remaining six months. In the second PRD session i.e. annual PRD held in April, the discussion will be based on fulfilment of tasks/targets of the assessment year.

VIII. WEIGHTAGES OF VARIOUS COMPONENTS OF EPMS

Components	E1-E5	E6-E7	E8-E9
Performance	60	50	50
Competencies	15	20	20
Values	15	15	15
Potential	10	15	15
Total	100	100	100

IX. PERFORMANCE MANAGEMENT COMMITTEE

PMC is constituted of HOD, Reporting and Reviewing Officer. It decides the final grading. The final assessment sheet will then be communicated to the concerned Personnel Executive. It reduces subjectivity and recognizes good performers. HOD is responsible for completion of assessment. He plays a rationalization role taking into account the performance

of the departments along with the performance of various sections. PMC categorize each executive's performance for the year into four categories. High level PMC has to decide exceptional performers and low performers by recording two regions for the same. Basically there are two categorization of assessments are done: Performance & Competencies (includes both Potential & Values).Individual assessment by PMC is done into four categories:

- (a) EP (Exceptional Performer)-to be given very sparingly for role model , unquestionable , all agree consensus.
- (b) HP(High Performer)- Exceeds all targets , agreed by all as an excellent performer
- (c) AP(Average Performer)- Meets minimum target requirements
- (d) LP(Low Performer)- Not able to complete targets and needs to improve delivery of results.

X. COMPOSITION OF PERFORMANCE MANAGEMENT COMMITTEE

Level	Reporting Officer	Reviewing Officer	PMC Chairman	PMC Members
E1/E2	E3/E4	E5	Zonal Head	Departmental Head
E3/E4	E5	E6	Functional Head	Zonal Heads
E5	E6	E7	Director	Functional Heads
E6	E7	E8	Chairman	Director
E7	E8	E9	Chairman	Director
E8	E9	DIRECTOR	Chairman	Director

XI. DIFFERENCE BETWEEN OLD EMPLOYEE PERFORMANCE APPRAISAL SYSTEM and NEW PERFORMANCE MANAGEMENT SYSTEM

Performance Appraisal System	Performance Management System
Paper form	Online system
No Goal Alignment	Goal Alignment cascade workshop
Key Performance Areas	Weighted , quantifiable KPA's with evaluation criteria (Routine, Non-Routine, Special)
No Performance Diary	Performance diary
No self Assessment	Self Assessment
Performance and Potential assessments are merged	Separate grading for performance and competencies
Reporting and Reviewing officers' assessment are inter dependent	Reporting and Reviewing Officer's assessment are dependent
No transparency as grading are confidential	Transparency through communication of performance grading
Forced distribution	No Forced distribution
Reporting/Reviewing officer and HOD are not the part of Performance Reviewing Committee	Reporting /reviewing Officer and HOD are part of Performance Reviewing Committee
Role of HOD is not defined	Defined role of HOD
No incentives for High Performers	Incentives for High performers
No reasoning was given while identifying Executives as Outstanding or Low performers	PMC identifies EP & LP by recording two major achievements/shortcomings for categorizing executives as EP or LP
No Development Pan for low Performers	Training and Development plans for Low Performers
No assessment of Assessors	Assessment of Assessors
No 360 degree feedback	Presence of 360 degree feedback
No assessment and development centres	There is an assessment and development centre
No Technical committee	KPAs directly prepared by technical Committee
No audit system	PMS audit is there
No team appraisal	Presence of Team appraisal
No performance Linked pay	Performance linked pay to be introduced

XII. CONCLUSION

Not a single employee can be forced or directed to do a work but can only be encouraged or motivated for its accomplishment. The company has great concerns to make it a successful company and also for this it really requires skilled human resource at highest levels of management and to achieve such goal there should be transparency in performance appraisal of executives'. Moreover the executives should be well trained with latest technologies. By providing required facilities and periodic training every employee will be satisfied with the organization which will lead to high job involvement and high productivity.

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