

Critical Study of Performance Management in Shree Baidyanath Ayurved Bhawan Private Limited, Nagpur.

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Abstract

The meaning of Human resource management, in the sense of getting things done through people. It's an essential part of every manager's responsibilities, but many organizations find it advantageous to establish a specialist division to provide an expert service dedicated to ensuring that the human resource function is performed efficiently. Performance appraisal vis-à-vis management is becoming more and more dynamic in the era of globalization. Performance appraisal is the systematic evaluation of the individual with respect to his performance on the job and his potential for development. Human resource development has undergone a drastic change and has now become Human Resource Management. Similarly, the performance appraisal is changing dimensions to be known as performance management. The present study will focus on HR practices, in general and Performance Management, in particular. The current scenario and past performance of Human Resource in selected organization from Private sector shall be taken into consideration.

Key Words: Performance Management Meaning, HR practices, Dimensions of PA.

INTRODUCTION

Human resource management

Humans are an organization's greatest assets; without them everyday business functions such as managing cash flow, making business transactions, communicating through all forms of media, and dealing with customers could not be completed. Humans and the potential they possess drive an organization. Today's organizations are continuously changing.

Organizational change impacts not only the business but also its employees. In order to maximize organizational effectiveness, human potential individuals' capabilities, time and talents must be managed. Human resource management works to ensure that employees are able to meet the organization's goals.

“Human resource management is responsible for how people are treated in organizations. It is responsible for bringing people into the organization, helping them perform their work, compensating them for their labours, and solving a problem that arises”.

There are seven management functions of a human resources (HR) department that will be specifically addressed.

Staffing, performance appraisals, compensation and benefits, training and development, employee and labour relations, safety and health, and human resource research.

Generally, in small organizations those with fewer than a hundred employees, there may not be an HR department, and so a line manager will be responsible for the functions of HRM. In large organizations, those with a hundred employees or more a human resource manager will coordinate the HRM duties and report directly to the Chief Executive Officer (CEO). HRM staff in large organizations may include human resource generalists and human resource specialists. As the name implies, an HR generalist is routinely involved with all seven HRM functions, while the HR specialist focuses attention on only one of the seven responsibilities.

Meaning and Definition of Performance Appraisal:

Appraisal is the judgment of an employee's performance in a job based on considerations other than productivity alone. It is sometimes called merit rating, more frequently when its sole object is to discriminate between employees in granting increases in wages or salaries. All managers are constantly forming judgments of their subordinates and are in that sense continuously making appraisals; the term is, however, applied in personnel management to a format and systematic assessment made in prescribed and uniform manner at a certain time.

Performance appraisal is the systematic evaluation of the individual with respect to his performance on the job and his potential for development. The immediate superior is incharge of such performance appraisal. Thus, each manager is appraised in turn by his superior in the management hierarchy. The Managerial Appraisal should measure both performance in achieving goals and plans as well as all managerial functions such as planning, organizing, leading and controlling.

The appraisal program should be directed towards the actual performance of a manager on his present job and potential for promotion to a higher level position. Individual plan for development is based primarily on the managerial potential revealed by appraisal reports. Appraisal of managerial ability on performance against predetermined verifiable objectives is a big step in the right direction.

Objectives:

1. To help a manager to decide what increase in of pay shall be given, on grounds merit.
2. To determine the future use of an employee, e.g. whether the employee shall remain in his or her present job or be transferred, promoted, demoted or dismissed.

Problems with Performance Appraisal :

The following are some common problems with performance appraisal :

i) The Halo Effect :

The appraiser gives a favourable rating to overall job performance essentially because the person appraised has performed well in one particular aspect of the job which the appraiser considers all important.

ii) The Pitch-Fork Effect :

This is the exact opposite of the halo effect, whereby the appraiser gives an unfavourable rating to overall job performance essentially because the appraisee has performed poorly in one particular aspect of the job which the appraiser considers all important.

iii) Central Tendency :

The appraiser deliberately avoids using the end points of the rating scale and rates all employees as average in virtually all aspects of job performance.

iv) The Regency Error :

In rating an employee's job performance over, for example, a twelve month period, the appraiser makes disproportionate use of instances of performances which are relatively recent, (i.e. close to the interview in time) to make an assessment.

v) Length of Service Bias :

The assessor assumes that an experienced employee who has been rated well in the past has absorbed and responded well to any new aspects of their job and hence does not closely monitor their performance in this regard.

RESEARCH METHODOLOGY

This chapter is devoted to the methodology of research adopted for this research work.

Research is endless quest for knowledge or unending search for truth. It brings to light new knowledge or corrects previous errors and misconceptions and adds in an orderly way to the existing body of knowledge. The knowledge obtained by research is scientific and objective and is a matter of rational understanding, common verification and experience.

RESEARCH PROBLEM :

One of the most difficult phases of any research project is the choice of a suitable problem. The beginner is likely to take a very long time in making his choice. In this first step of any research the research worker should not take a hasty decision. Every problem, which comes to his mind or even that suggested by a more experienced person may not be a fit research problem. The identification of a good research problem should be considered a discovery in itself.

AIMS AND OBJECTIVES :

Any scientific approach towards research cannot be complete unless specific objectives are set. The objectives for this study are as follows:-

- a) To study the trend of HR Practices in selected organization.
- b) To study the trend in performance management in selected organization.
- e) To suggest corrective measures and innovative techniques on the basis of data collected and analyzed.

Sampling Frame:

The various phases of research methodology will be in the following accords.

For Primary data quota sampling shall be adopted and the stratified sample shall be as follows:

Sample Design for each Level.

S.No.	Particulars	Total

1.	Top Level	10
2.	Middle Level	50

Data Collection:-

The secondary data shall be collected from annual reports of the selected banks and other published materials from authentic sources.

Tabulation and Processing of Data:-

The data collected from Primary and Secondary sources shall be processed and tabulated according to objectives of study.

TOPOGRAPHY OF NAGPUR DISTRICT

Nagpur, the city was assigned the status of the second capital to Maharashtra.

Nagpur is named after the Nag river which originates from Ambazari Lake and drains in Kanhan River. “Pur” is common suffix given to cities, villages and towns across Indian Climate

LOCATION & GEOGRAPHY :

Maharashtra State has been divided into six revenue division for administrative purpose. The district Nagpur comes under Nagpur division comprising of six districts-Nagpur, Chandrapur, Gadchiroli, Bhandara. Wardha, and Gondia. Nagpur is one of the 11 administrative districts in the Vidarbha region of Maharashtra state.

AREA & POPULATION :

Nagpur district stretches over an area of 9892 sq.kms Area under urban sector is 364.66 sq.kms while the area under rural sector is 9527.34 sq.kms In terms of area district Nagpur constitutes 3.21% of the total area of Maharashtra state.

The population of the district according to 1991 census was 3287139. The urban population was 2031000 and rural population was 1256139 which constituted 61.79% and 30.21% respectively of the total population of the district.

Material Resources:

- | | |
|-----------------|---------------------|
| 1) Agricultural | 2) Mineral |
| 3) Forest | 4) Animal Husbandry |
| 5) Fisheries | |

PERFORMANCE MANAGEMENT IN SELECTED ORGANIZATION

SHREE BAIDYANATH AYURVED BHAWAN PRIVATE LIMITED :

Ayurveda is a 5000 years old Science of health care and herbal treatment. Ayurveda, is highly effective in common and complicated ailments, assures long term relief and has no side effects. Ayurveda is now backed by modern scientific research and technologies and provides its gentle healing touch to millions around the world.

One of India's most respected Companies, Shree Baidyanath Ayurved Bhawan Private Limited., popularly known as Baidyanath, is the acknowledged leader of ayurvedic know-how. Established in 1917, the company has played a pioneer role in reestablishing ancient knowledge with modern research and manufacturing techniques.

Today, Baidyanath produces the largest range of Ayurvedic products with over 700 formulations, sold at over 1,00,000 retail outlets, catering to over 50,000 practitioners. Baked with decades of experience, modern infrastructural facilities, state-of-the-art technology and quality human resource, Baidyanath continues to live the role it had assumed decades ago, that of a true heir to the legacy of Ayurveda.

Human Resource: The best for the best :

Baidyanath take pride in a 2500 strong work force that comprises professionals working in various capacities across various branches in their respective areas of work. It is this quality human resource that has made Baidyanath what is today. Underlining the importance of Human Resource, the Organisation believes in investing handsomely in one of the most valuable of its assets. Today, the Baidyanath family comprises 1700 skilled workers, 400 marketing professionals, 150 research professionals and 250 management professionals that work in integrity towards achieving a common goal.

ANALYSIS OF DATA & INTERPRETATION

PRIMARY DATA :

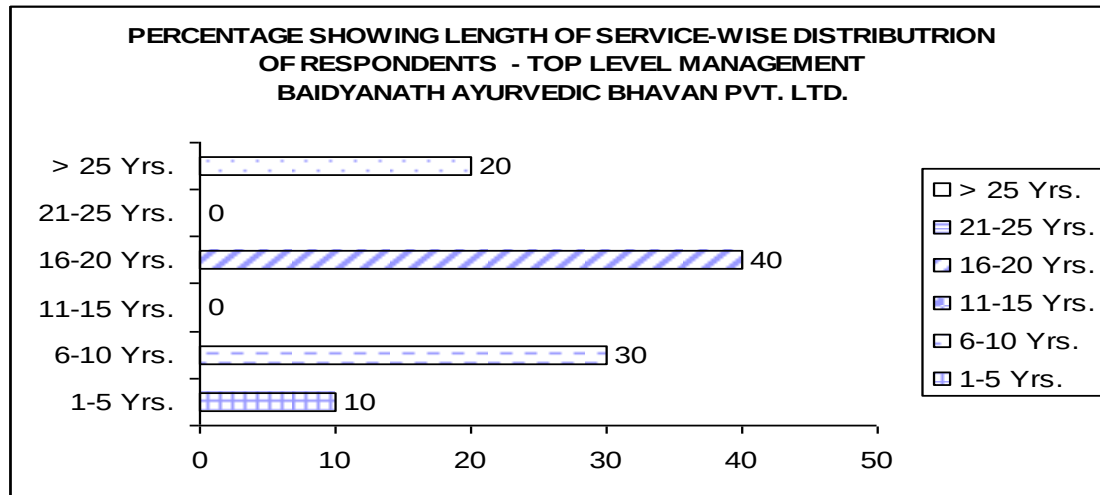
Primary Data was collected by canvassing Pre-Designed Questionnaire – Annexure-1 (Top Level Management), Annexure-2 (Middle Level Management)

Length of Service-wise Distribution of Respondents.

S.N.	LENGTH OF SERVICE	NO. OF RESPONDENTS	PERCENTAGE
1	1 YR. TO 5 YRS.	1	10
2	6 YRS. TO 10 YRS.	3	30
3	11 YRS. TO 15 YRS.	0	0
4	16 YRS. TO 20 YRS.	4	40
5	21 YRS. TO 25 YRS.	0	0
6	25 YRS. & ABOVE	2	20
7	TOTAL	10	100

The length of service-wise distribution has shown maximum concentration in the range of 16 to 20 years service completed by 4 respondents (40%).

From the table, it may be concluded that the management was successful in getting the benefits of ex



Training and Performance Appraisal :

The response to the question asked about training and performance appraisal, the majority opinion was (a) Personal Growth – observed to be good, (b) Development of new skills – Satisfactory, (c) High earning capacity – Achieved considerably, (d) Adjustment with changing technology – Found to be slightly difficult, (e) Increased safety – Satisfactory because of training and (f) Confidence – Increased confidence level because of training and skill development.

Performance Appraisal :

There are many systems of performance appraisal. Although 360 Degree appraisal is considered as most advanced and suitable, Baidyanath Ayurved Bhavan Private Limited, Nagpur have adopted Result Oriented Appraisal or MBO method. perienced employees for overall development of the organization.

Motivation and Incentives:

The majority employees have favored Cash Incentives over Incentives in kind. The overall observations made by Top Management have suggested that the organization should adopt

360 degree of Performance Appraisal Method. They have also suggested for more cash incentives to enhance motivational level amongst the employees.

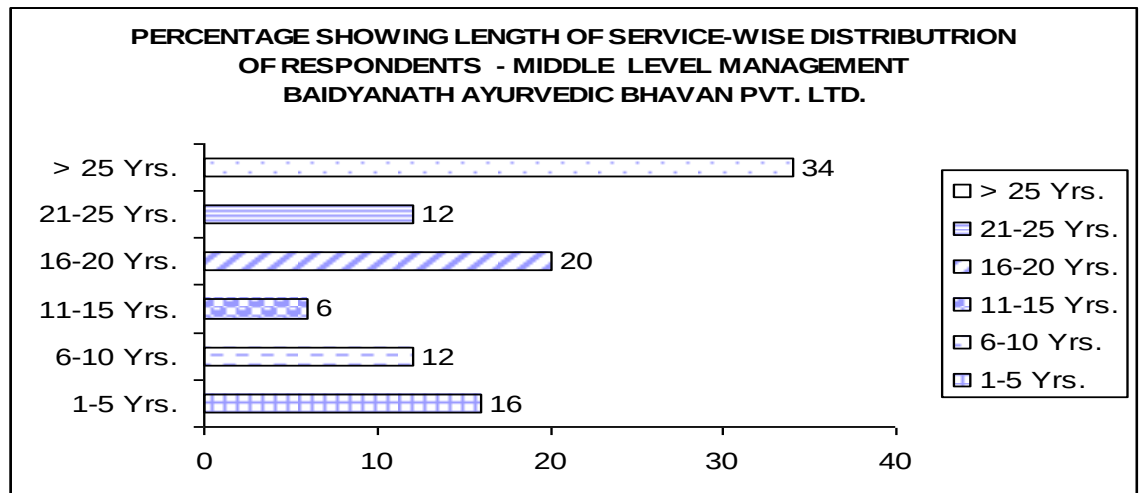
Middle Level Management :

Length of Service-wise Distribution of Respondents.

S.N.	LENGTH OF SERVICE	NO. OF RESPONDENTS	PERCENTAGE
1	1 YR. TO 5 YRS.	8	16
2	6 YRS. TO 10 YRS.	6	12
3	11 YRS. TO 15 YRS.	3	6
4	16 YRS. TO 20 YRS.	10	20
5	21 YRS. TO 25 YRS.	6	12
6	25 YRS. & ABOVE	17	34
7	TOTAL	50	100

The length of service-wise distribution has shown maximum concentration in the 25 years and above service completed by 17 respondents (34%).

From the table, it may be concluded that the management has continued with the old employees, may be considering their honesty, experience and attachment.

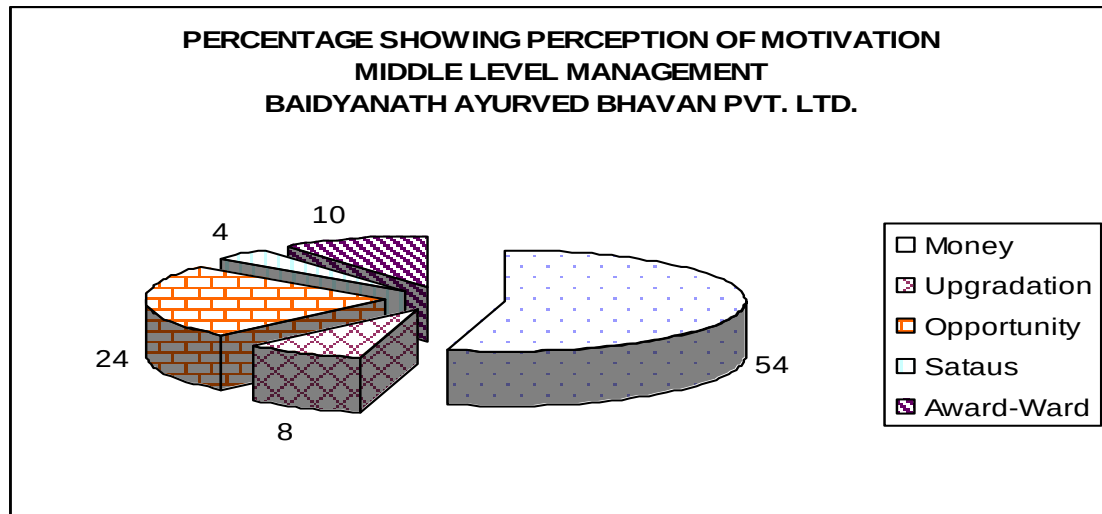


Perception of Motivation.

S.N.	ANSWER GIVEN BY RESPONDENTS	NO. OF RESPONDENTS	PERCENTAGE
1	Money	27	54
2	Opportunity	12	24
3	Upgradation	4	8
4	Status	2	4
5	Award-Reward	5	10
6	TOTAL	50	100

27 out of 50 respondents (54%) were favouring money as the main source of motivation whereas opportunity was accepted as source of motivation by 12 out of 50 respondents (24%). The status as well as Award-Reward was given very less importance.

It may be concluded that the employees were more in favour of monetary gains for motivation.



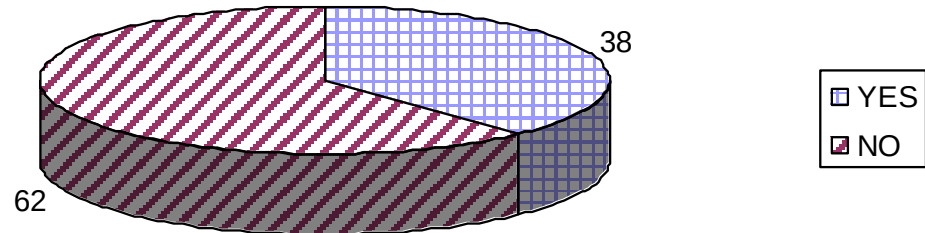
Is there any Performance Appraisal System in Organization?

S.N.	ANSWER GIVEN BY RESPONDENTS	NO. OF RESPONDENTS	PERCENTAGE
1	Yes	19	38
2	No	31	62
3	TOTAL	50	100

19 out of 50 (38%) of the respondents have accepted that performance appraisal system persists in the organization while 31 out of 50 (62%) were of the opinion that there did not exist any performance appraisal system.

It may be concluded that the majority employees were not aware of the performance appraisal system adopted by the management.

**IS THERE ANY PERFORMANCE APPRAISAL SYSTEM IN
ORGANIZATION?
MIDDLE LEVEL MANAGEMENT
BAIDYANATH AYURVED BHAVAN PVT. LTD.**

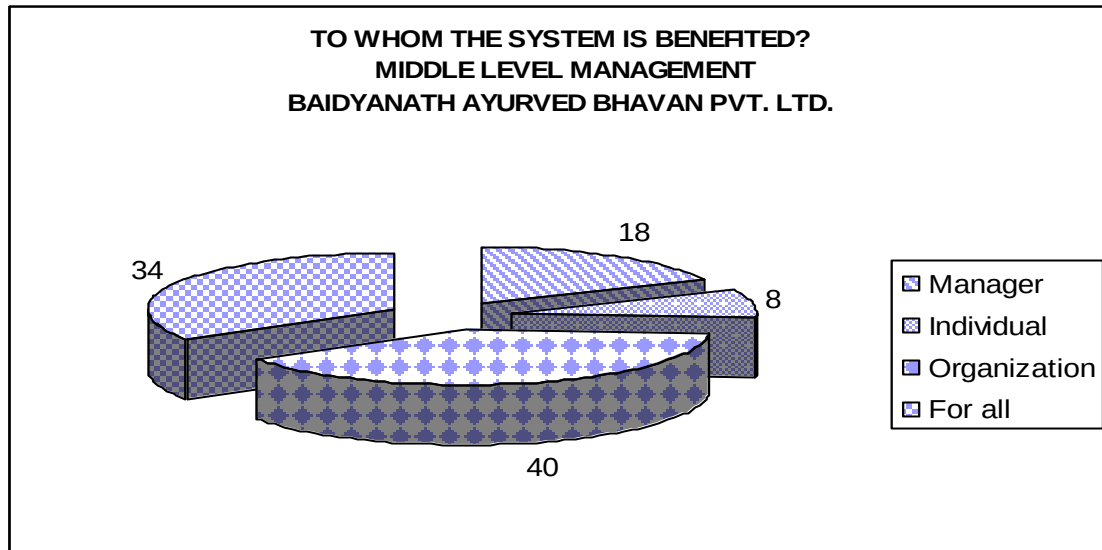


To whom the System is Benefited?

S.N.	ANSWER GIVEN BY RESPONDENTS	NO. OF RESPONDENTS	PERCENTAGE
1	Individual	4	8
2	Manager	9	18
3	Organization	20	40
4	For all	17	34
5	TOTAL	50	100

The majority of the respondents (20 out of 50) have shown that the system of appraisal was beneficial to the organization and for all (17 out of 50).

The above details revealed that the benefits of the appraisal system was beneficial to the organization and not to employees.



SUMMARY, CONCLUSIONS AND SUGGESTIONS

Conclusions based on Primary Data:

SHREE BAIDYANATH AYURVED BHAWAN PRIVATE LIMITED:

Top Level Management:

The length of service-wise distribution: has shown maximum concentration in the range of 16 to 20 years service completed by 4 respondents (40%).

The management was successful in getting the benefits of experienced employees for overall development of the organization.

Training and Performance Appraisal : The response to the question asked about training and performance appraisal, the majority opinion was (a) Personal Growth – observed to be good, (b) Development of new skills – Satisfactory, (c) High earning capacity – Achieved considerably, (d) Adjustment with changing technology – Found to be slightly difficult, (e) Increased safety – Satisfactory because of training and (f) Confidence – Increased confidence level because of training and skill development.

Performance Appraisal: There are many systems of performance appraisal. Although 360 Degree appraisal is considered as most advanced and suitable, Baidyanath Ayurved Bhavan Private Limited, Nagpur have adopted Result Oriented Appraisal or MBO method.

Motivation and Incentives: The majority employees have favoured Cash Incentives over Incentives in kind.

The overall observations made by Top Management have suggested that the organization should adopt 360 degree of Performance Appraisal Method. They have also suggested for more cash incentives to enhance motivational level amongst the employees.

Middle Level Management :

The length of service-wise distribution: has shown maximum concentration in the 25 years and above service completed by 17 respondents (34%). It may be concluded that the management has continued with the old employees, may be considering their honesty, experience and attachment.

Perception of Motivation: 27 out of 50 respondents (54%) were favouring money as the main source of motivation whereas opportunity was accepted as source of motivation by 12 out of 50 respondents (24%). The status as well as Award-Reward was given very less importance. It may be concluded that the employees are more in favour of monetary gains for motivation.

Is there any Performance Appraisal System in Organization?

19 out of 50 (38%) of the respondents have accepted that performance appraisal system persists in the organization while 31 out of 50 (62%) were of the opinion that there did not exist any performance appraisal system. It was concluded that the majority employees were not aware of the performance appraisal system adopted by the management.

To whom the System is benefited?

The majority of the respondents (20 out of 50) have shown that the system of appraisal was beneficial to the organization and for all (17 out of 50). The above details revealed that the benefits of the appraisal system was beneficial to the organization and not to employees.

Suggestions and recommendations based on data analysis.

1. The top management should take a proactive approach towards employee development. Since this is necessary for the growth of organization.

2. Effective implementation of the training programs based on the training needs of the employees can be done so as to equip them with new techniques of doing work.
3. Performance Appraisal mechanisms should be implemented in a better way by following 360 Degree approach. This should be done by linking employee development and career succession planning can be done.
4. The salaries in the organization are not well structured. This should be based on the job evaluation at various levels.
5. Efforts should be made to link the efforts of employees to the goals of the organization through team building exercises and better synergy effort by the organization members.
6. All necessary steps should be taken by the organizations to enhance motivational level of the employees and for better Performance Management.

