

A STUDY ON PERFORMANCE MANAGEMENT HERO MOTO CORP

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ABSTRACT:

Training is an integral part of the work situation and is closely related to the career and promotion structure. So practical training could be taken as a beginning of a process of indoctrination into the ways of a business organization and it is the first step which would be helpful in future prospect. Training makes the concept clear and help in facing the actual situations. I have done training at HERO MOTO CORP. in Human Resource. During the training Programme, I got the opportunity to learn valuable things regarding management. It was my fortune to get the training in a very healthy atmosphere.

The management of the company offered learning situation sufficient facilities and training opportunities to fulfill the objectives of training. The project assigned to me was Performance Management System. In my project report I have studied the procedure of Performance Management System at MSSL. The process of PMS from Setting Goals till Learning and Development has been done in my project report. From the study and work of Performance Management System I can say that it is an important tool for Human Resource and also for the development of the employees. This Project has really exposed me to a far new world and I sincerely hope that "HERO MOTO CORP." Will find my study equally valuable as found it in shaping my career.

INTRODUCTION:

Performance management (PM) includes activities that ensure that goals are consistently being met effectively and efficiently. Performance management can focus on the performance of an organization, a department, an employee, or even the processes to build a product or service, as well as many other areas.

Performance management as referenced on this page is a broad term coined by Dr. Aubrey Daniels in the late 1970s to describe a technology (i.e. science embedded in applications methods) for managing behavior and results, two critical elements of what is known as performance.

Performance is the sum of behavior plus results:

Performance = Behavior + Results

When you are looking at performance, it is necessary to focus on both, behavior and results:

- If you only focus on behaviors, you won't notice if you don't get desired results
- And if you only focus on results, you won't notice if your employees don't behave ethically

Remember this simple formula – it's very easy to recall it and it is extremely useful

The purpose of performance management is to help and encourage everyone to raise their performance, develop their abilities, increase job satisfaction and achieve their full potential to the benefit of the individual and the organization as a whole.

Performance management is the process of creating a work environment or setting in which people are enabled to perform to the best of their abilities. Performance management is a whole work system that begins when a job is defined as needed. It ends when an employee leaves your organization.

NEED AND IMPORTANCE OF THE STUDY

Today leading organizations are using every available tool with greater vigor to create a more efficient and profitable business. One of these tools, Performance Management, historically has been viewed as an effective highly political and time consuming task yet there is hardly a single organization in the world that does not want a performance management system focused on results and backed by commitment.

The performance appraisal is the key element in the performance management process. When used effectively the performance appraisal can provide accurate feedback on past performance, significantly enhance employees' productivity and satisfaction and offer feedback to employees on how to improve. For that reason performance appraisal is one of the most important responsibilities of supervisor or manager.

SCOPE OF THE STUDY

- The study helps to understand the existing performance management system in HERO MOTO CORP.

- It helps management and me to find whether the employees are aware of the performance management system.
- It helps to know to what extent employees are satisfied with the existing performance management system.
- It can be helpful to study performance management system helps in an individual's performance development.
- The study will help to know the importance of a performance management system.

OBJECTIVES OF THE STUDY:

OBJECTIVES OF THE STUDY

A) PRIMARY OBJECTIVES

- To study the effectiveness of the performance management system and its practical application in HERO MOTO CORP.
- To study how a performance management system helps in individual performance development.
- Understand the role that direct supervisors play in the designing of the development plans.
- To study the performance management system based on decisions like promotion, increments, rewards dismissal, etc.,
- To know steps taken by management to improve employee performance.
- To find out whether the employees are aware of the performance management system and if they are aware then up to what extent they are satisfied with the existing performance management system.
- How can companies use performance management as an effective tool to achieve organizational effectiveness and efficiency?

B) SECONDARY OBJECTIVES

- To observe the work environment in the organization.
- To get experience and expertise in making projects.
- To enhance my communication skills.
- To increase my confidence

RESEARCH METHODOLOGY

A. INTRODUCTION:

- Research methodology is the systematic way to solve the research problem. It gives an idea about various steps systematically adopted by the researcher to determine various manners.
- The success of any study depends upon the methodology adopted that is the techniques or the way to gather information from different sources. Hence, a primary plan is very important to any field investigation or research study
- As an organization consists of more than 2000 employees it is not easy to analyze all employees. So simple random sampling methodology is used for data collection.
- In HERO MOTO COPR. performance management system is applicable only for the managerial level so the focus is on management cadre staff only.
- For the excellent and effective study, the data has been collected in both ways that are primary data and secondary data.

B. SAMPLING METHOD:

HERO MOTO CORP consists of more than 2000 employees out of which 150 employees are applicable for the appraisal. So sample size is 20% which includes randomly selected employees.

C. SOURCES OF DATA:

1. PRIMARY DATA COLLECTION:

- A set of the questionnaire had been prepared to gather the information related to the subject from the employees.
- Personal interviews were conducted to get more information.
- Information is also collected by observing the employees.

2. SECONDARY DATA COLLECTION:

- Data has been collected from organizations' various documents from the HR department.
- The process of data collection is further supplemented by various books and websites to get more information

LIMITATIONS

1. Time period to be the major limitation.
2. Due to lack of time, the study is confined only to a few employees.
3. The area of study is limited to HERO MOTO CORP only.
4. Fear in that period of expressing their feelings results in a psychological barrier
5. Due to the confidentiality of the data few data could not be collected relevant to the topic.

REVIEW OF LITERATURE:

(Michael S. Lane, Gerald L.Blakely,1990):

Management development programmes are increasingly being studied and evaluated, regarding their efficiency and effectiveness. Presents the results of a survey of 155 directors and vice-presidents of personnel and human resource management departments regarding the current status of their management development programmes. The results indicate that management development programmes do not seem to differentiate between levels of management.

Oladele Akin (1991)

Evaluation is increasingly being regarded as a powerful tool to enhance the effectiveness of training. Three major approaches to training evaluation: quality ascription, quality assessment and quality control are highlighted. In order to enhance the effectiveness of training, evaluation should be integrated with organizational life.

Phillip C. Wright (1992)

Reports on a study of current and past training literature which suggests that, to be effective and to isolate both training needs and those problems having other, non-trainable solutions, training must be preceded by a needs analysis. Proposes a needs assessment model to illustrate an optimum needs assessment process, and compares this model with the Ontario Government's.

Farhad Analoui (1995)

Traditionally, the effectiveness of the senior officials within the public sector has been disproportionately associated with task instead of people-related skills. A study of 74 senior managers within Indian Railways, over three years, has revealed that managers, in order to become effective, not only require task and people skills but also self-development knowledge and skills. Moreover, the above broad categories of managerial skills form a hierarchy which suggests that the more senior positions which managers occupy, the greater the need for people and self-development. Explores the implications of the above for senior management training and development in public sector.

According to the Michel Armstrong, "Training is systematic development of the

knowledge, skills and at

Attitudes required by an individual to perform adequately a given task or job”.
(Source: A Handbook of Human Resource Management Practice, Kogan.8th Ed.,
2001)

According to the Edwin B Flippo, “Training is the act of increasing knowledge and skills of an employee for doing a particular job.”(Source: Personnel Management, McGraw Hill; 6thEdition, 1984).

The term „training“ indicates the process involved in improving the aptitudes, skills and abilities of The employees to perform specific jobs. Training helps sin updating old talents and developing new ones. „Successful candidates placed on the jobs need training to perform their duties effectively”.

(Source: Aswathappa, K. Human resource and Personnel Management, New Delhi: Tata McGraw-Hill Publishing Company Limited,2000, p.189).

According to Casse and Banahan (2007), the different approaches to training and development need to be explored. It has come to their attention by their own preferred model and through experience with large Organisations. The current traditional training continuously facing the challenges in the selection of the employees, in maintaining the uncertainty related to the purpose and in introducing new tactics for the environment of work and by recognizing this, they advising on all the problems, which reiterates the requirement for flexible approach.

Usually the managers have the choice to select the best training and development programme for their staff but they always have to bear in mind that to increase their chances of achieve the target they must follow the five points highlighted by Miller and Desmarais (2007). According to Davenport (2006), mentioned in his recent studies that it's easy to implement strategy with the internet supported software.

Some of the Training theories can be effective immediately on the future of the skill and developments. The “content” and the “access” are the actual factors for the process. It is a representation itself by the Access on main aspect what is effective to the adopted practice in training development. As per the recent theories to access the knowledge is changing from substantial in the traditional to deliver the knowledge for the virtual forms to use the new meaning of information with electronic learning use.

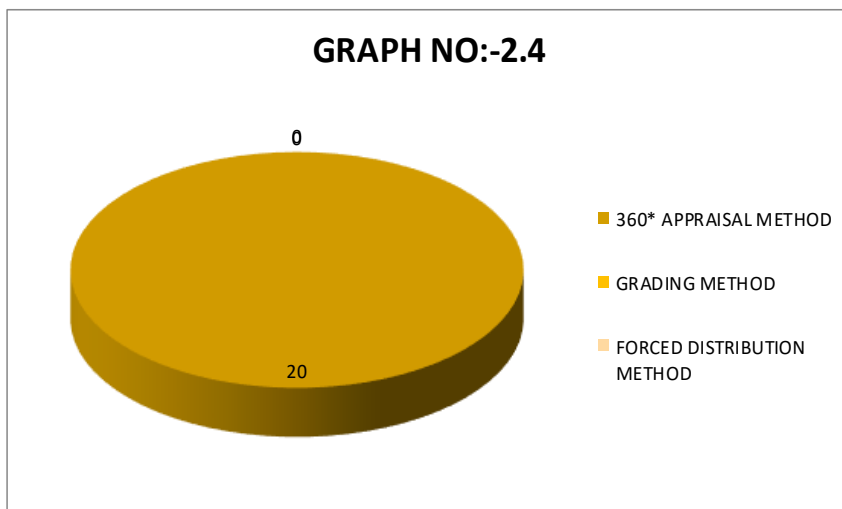
There is a survey confirmation for using classroom to deliver the training would drop dramatically, (Meister, 2001).

DATA ANALYSIS & INTERPRETATION:

4. Which type of appraisal is adopted in this organization?

Table-4

RESPONSES	OBSERVATION	PERCENTAGE
360* APPRAISAL METHOD	20	100
GRADING METHOD	0	0
FORCED DISTRIBUTION METHOD	0	
TOTAL SAMPLE	20	100



INTERPRETATION:

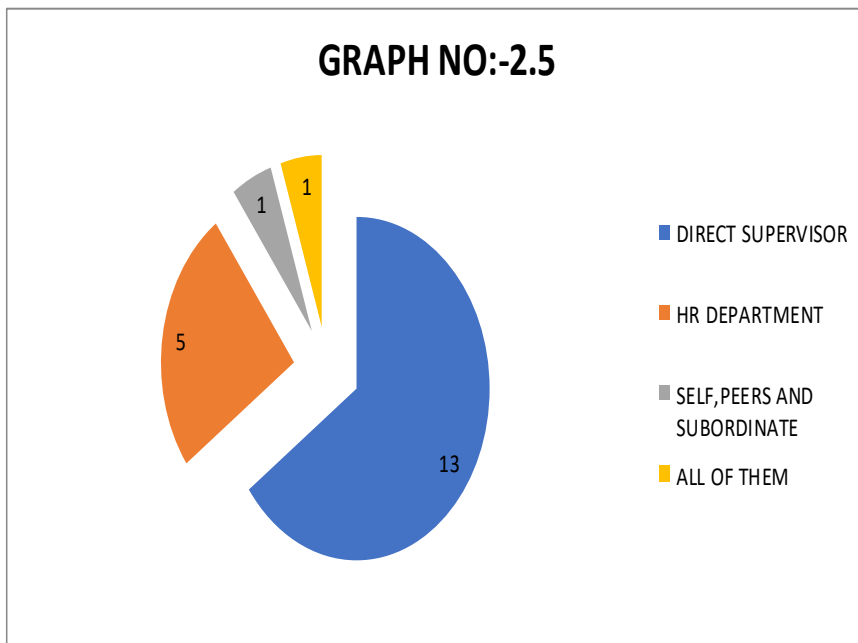
Currently, the organization is implementing 360* appraisal method for their performance management.

5. According to you who should conduct the performance appraisal?

Table-2.5

RESPONSES	OBSERVATION	PERCENTAGE
DIRECT SUPERVISOR	13	65
HR DEPARTMENT	5	25

SELF, PEERS AND SUBORDINATE	1	5
ALL OF THEM	1	5
TOTAL	20	100



INTERPRETATION:-

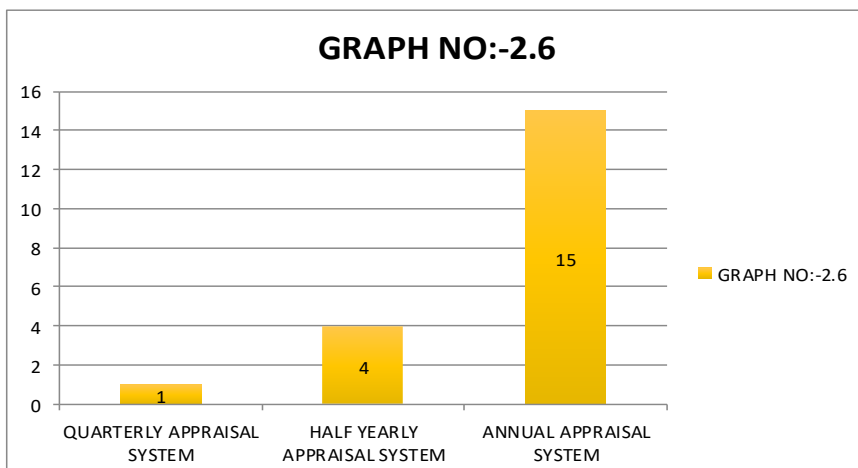
Most of the employees believe that along with the self appraisal, direct superior is appropriate for the appraisal as he is more aware regarding the work and performance of his subordinates.

Employees also want the HR Department to be involved in the appraisal.

6. What is the time interval of performance appraisal?

Table-2.6

RESPONSES	OBSERVATION	PERCENTAGE
QUARTERLY APPRAISAL SYSTEM	1	5
HALF YEARLY APPRAISAL SYSTEM	4	20
ANNUAL APPRAISAL SYSTEM	15	75
TOTAL	20	100



INTERPRETATION:

Organization implemented Annual System to motivate employees.

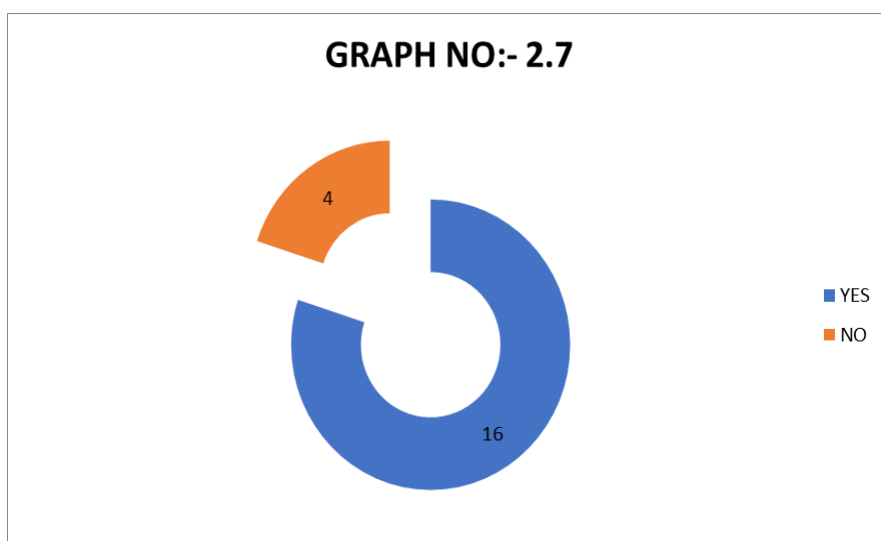
Transition has taken place from Annual Appraisal System to Half Yearly Appraisal System to create their efficiency to give

their best.

7. Does your company have fair appraisal system?

Table:- 2.7

RESPONSES	OBSERVATION	PERCENTAGE
YES	16	80
NO	4	20
TOTAL	20	100



INTERPRETATION:-

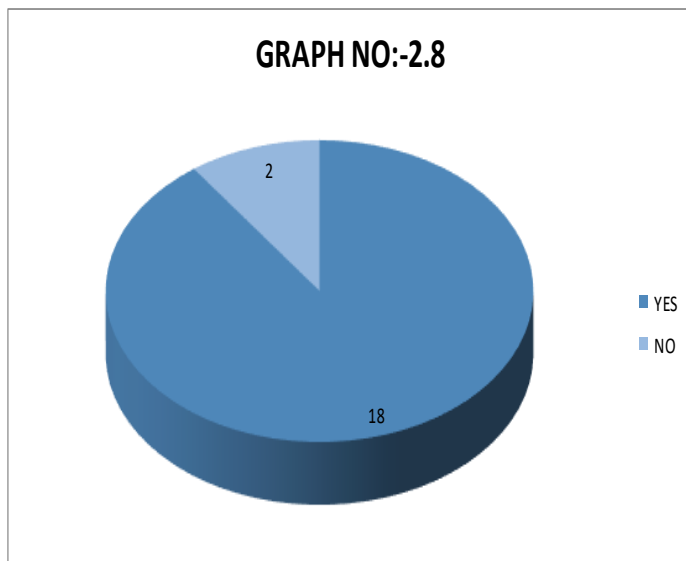
Most of the employees are in the fewer in the performance management system

But they want to develop trust between employees and the system

8. Does management provide feedback regarding your performance appraisal?

Table no-2.8

RESPONSES	OBSERVATION	PERCENTAGE
YES	18	90
NO	2	10



TOTAL	20	100
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INTERPRETATION:-

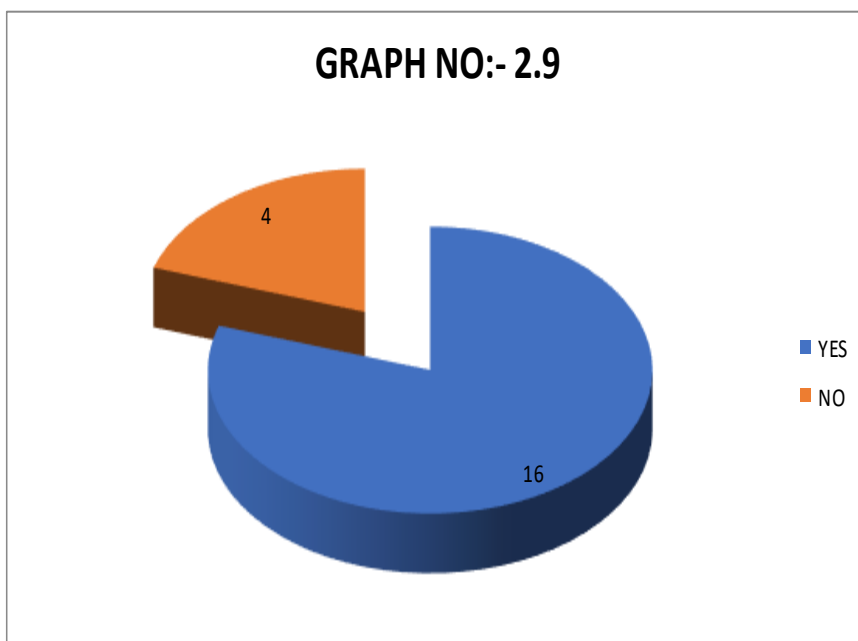
Concerned HOD's and direct superiors provide the feedback to the employees regarding their performance and appraisal results.

Similarly, the employees expect the feedback regarding the appraisal results from their HOD's along with the HR Department after the appraisal process.

9. Does the appraisal feedback help you in improving your performance?

Table-2.9

RESPONSES	OBSERVATION	PERCENTAGE
YES	16	80
NO	4	20
TOTAL	20	100



INTERPRETATION:

Timely feedback is being provided to the employees by their superior.

According to the employees the feedback provided by their superior i.e., appraiser help them to know their by help them in improving their performance.

Feed back helps the

employees to know;

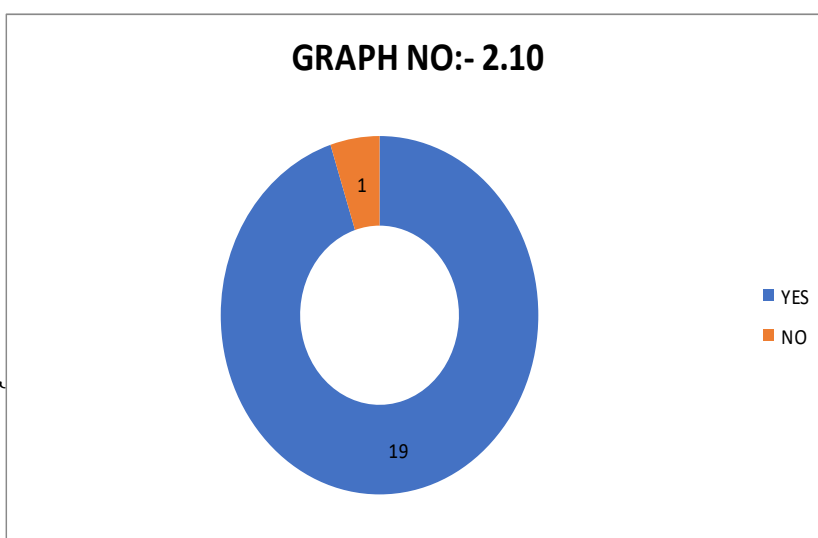
*How much they are performing?

*How well they perform it?

10. Does your direct supervisor motivate you and help you in improving performance?

Table-2.10

RESPONSES	OBSERVATION	PERCENTAGE
YES	19	95
NO	1	5
TOTAL	20	100



INTERPRETATION:

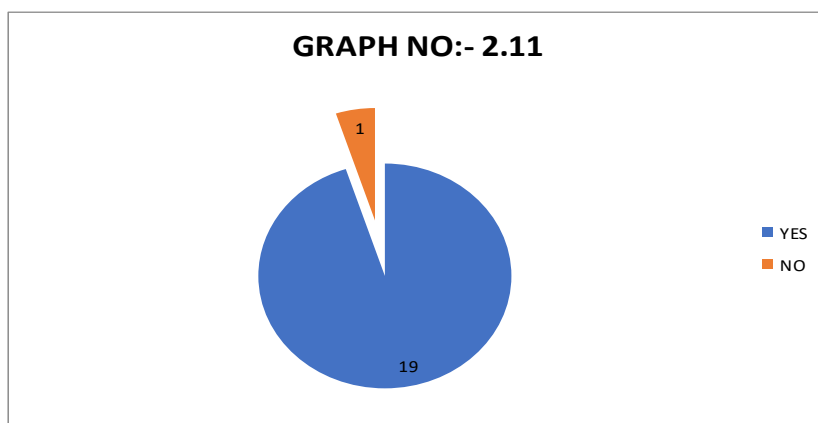
It was good to found that the superiors motivate and help the employees in all possible ways to improve their

performance and acquire new skills and knowledge.

11. Is your performance is linked with your development plans such as promotion, reward, incentives etc?

Table no-2.11

RESPONSES	OBSERVATION	PERCENTAGE
YES	19	95
NO	1	5
TOTAL	20	100



INTERPRETATION:

Yes, it is linked with the employee’s development plans such as promotion, reward and incentives.

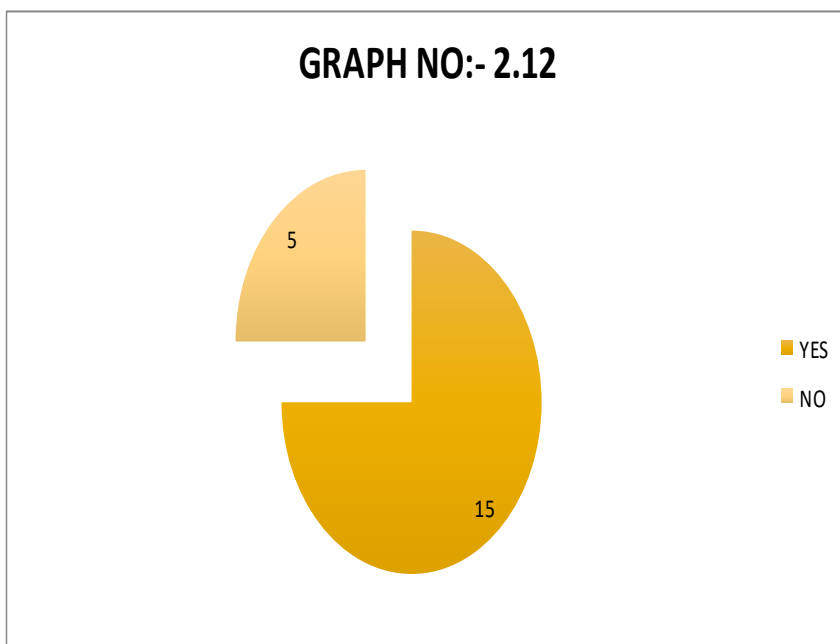
After considering the Performance Appraisal Results decision regarding the promotion

are been taken by the HR department.

12. Does the management take action on the basis of your appraisal report to improve your performance?

Table- 2.12

RESPONSES	OBSERVATION	PERCENTAGE
YES	15	75
NO	5	25
TOTAL	20	100



INTERPRETATION:

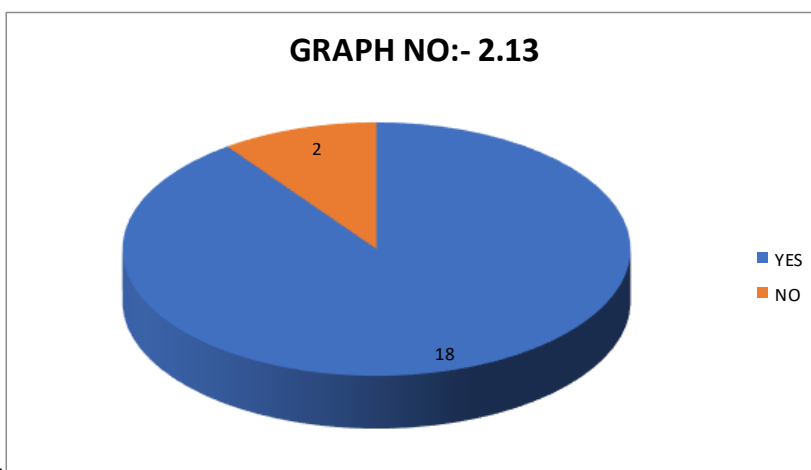
Management takes action on the basis of appraisal report to improve your performance.

But it was found that too much attention is given towards review and control and not enough towards advice and improvement.

13. is the required training and education is provided by the management for your personal development?

Table- 2.13

RESPONSES	OBSERVATION	PERCENTAGE
YES	18	90
NO	2	10
TOTAL	20	100



INTERPRETATION:

Management always tries to provide the required training programs as prescribed by the concerned department of the employees.

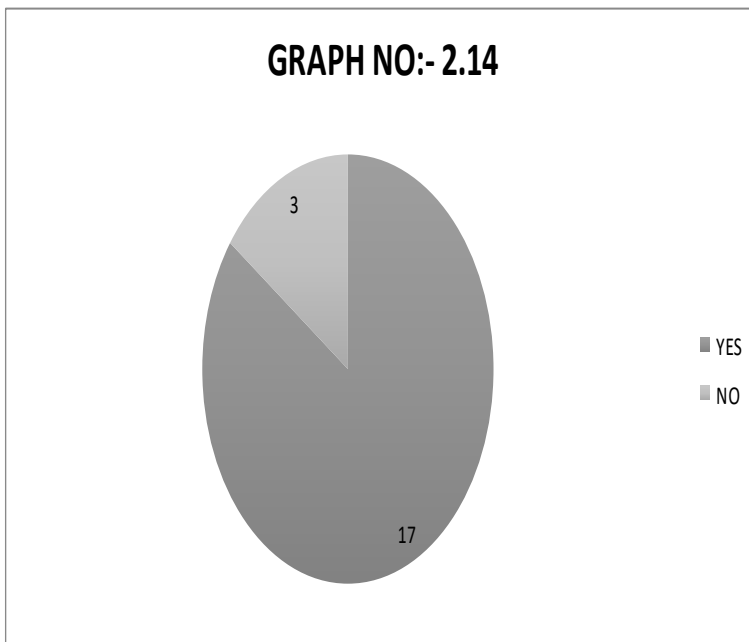
Both on-the-job and off-the-job training are provided with the help of internal and external trainers.

Due to some problems all the training programs prescribed by the concerned department cannot be provided by the management.

14. Are you satisfied with the training programs provided by your organization?

TABLE NO-2.14

RESPONSES	OBSERVATION	PERCENTAGE
YES	17	85
NO	03	15
TOTAL	20	100



INTERPRETATION:

Most of the employees are satisfied with the standard of trainings provided to them.

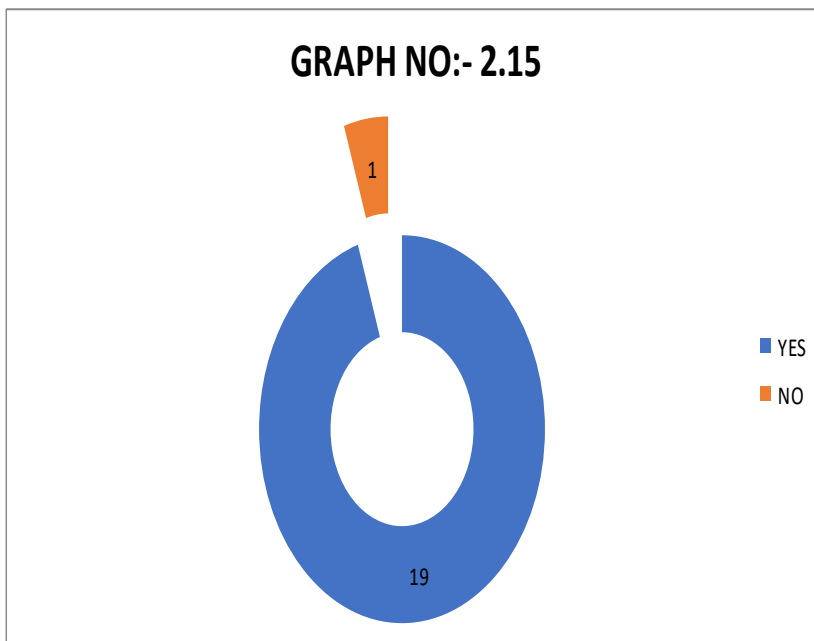
All the training programs prescribed by the concerned department especially external are not provided by the management so some of the employees are not satisfied.

15. Does performance management system help in self development?

TABLE NO- 2.15

RESPONSES	OBSERVATION	PERCENTAGE
YES	19	95
NO	01	05

TOTAL	20	100
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INTERPRETATION:

According to the employees the performance management system helps them in setting their goals and to know their level of achievement along with their strengths and weakness which help them in personal development.

Performance Management System also results in providing training to

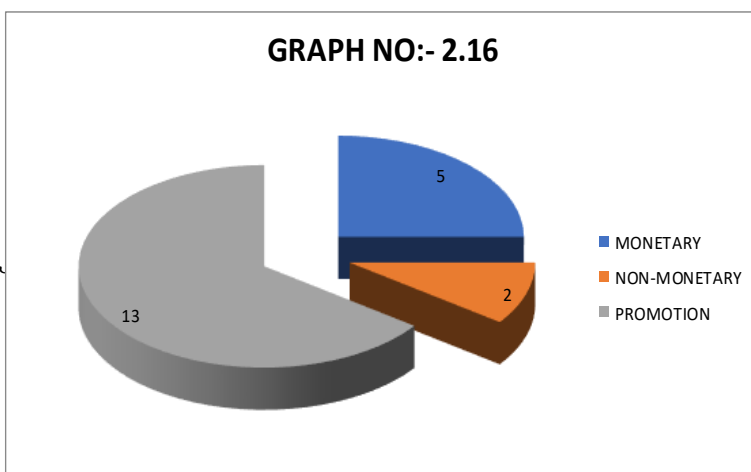
employees which promotes self development.

Employees agree that Performance Management System results in personal development.

16. What kind of rewards is made available for your good performance?

TABLE NO-2.16

RESPONSES	OBSERVATION	PERCENTAGE
MONETARY	05	25
NON-MONETARY	02	10
PROMOTION	13	65
TOTAL	20	100



INTERPRETATION:

Due to consideration is given to rewarding the performance, by way

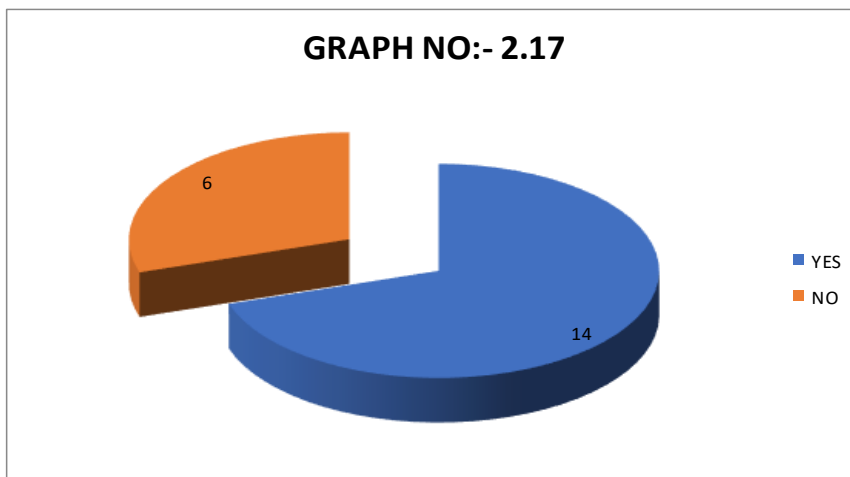
of monetary benefits and promotions etc.

As a typical human character the employees are not satisfied with the present reward system

17. Are you satisfied with the existing Performance Management System?

TABLE NO- 2.17

RESPONSES	OBSERVATION	PERCENTAGE
YES	14	70
NO	06	30
TOTAL	20	100



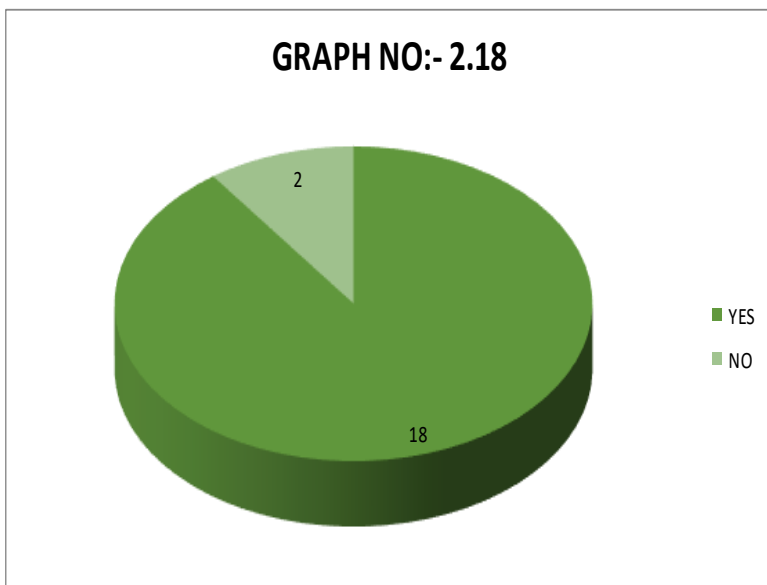
INTERPRETATION:

Employees are not fully satisfied with the existing Performance Management System
 Employees expect more transparency in the system.

18. Does Performance Management System help managers to get more insight about subordinates?

TABLE NO- 2.18

RESPONSES	OBSERVATION	PERCENTAGE
YES	18	90
NO	02	10
TOTAL	20	100



INTERPRETATION:

Managers and employees also believe that Performance Management System results in frequent meetings of employees and their superior managers which help the managers to get closer to the employees and know more about them.

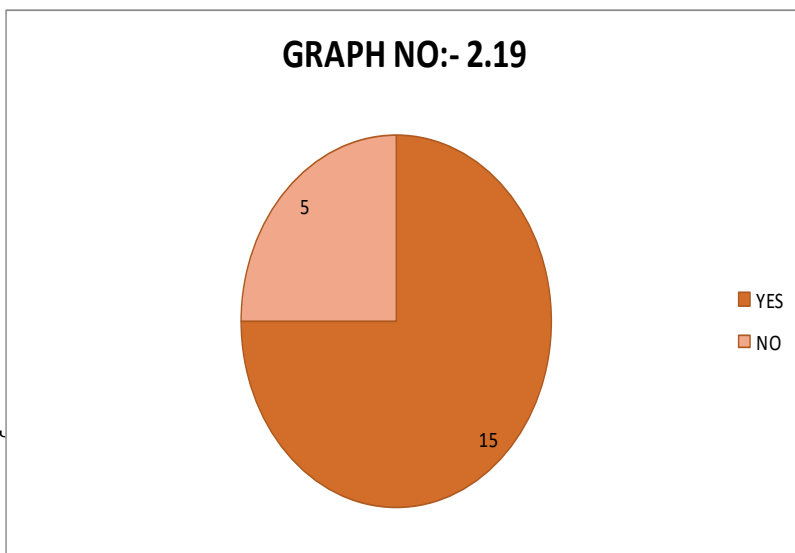
Performance appraisal also helps the managers to get more insight

about subordinates.

19. Does Performance Management help in reducing communication gap between employees and management?

TABLE NO- 2.19

RESPONSES	OBSERVATION	PERCENTAGE
YES	15	75
NO	05	25
TOTAL	20	100



INTERPRETATION:

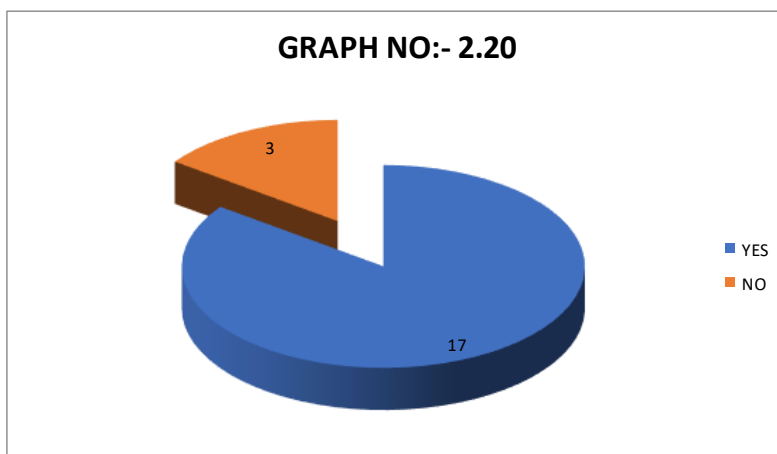
As Performance Management System requires frequent meetings and conversation between employees and managers, so it results in reducing communication gap

between employees and the management

20. Does Performance Management System result in making employees more competent?

TABLE NO- 2.20

RESPONSES	OBSERVATION	PERCENTAGE
YES	17	85
NO	03	15
TOTAL	20	100



INTERPRETATION:

Employees believe that up to some extent Performance Management System results in making employees more competent.

FINDINGS:-

After visiting the JK Tyre and interacting with employees of various departments, observation, and personal interviews which were conducted during the study period, I tried to suggest regarding the performance management system.

The following findings are based on my observation during the study period.

- All the employees are aware of the performance management system.
- Too little attention is paid to communicating performance targets.
- Self-appraisal method is used in the organization but it was found that the appraisal method differs with the department.

- Most of the employees believe that along with the self-appraisal direct superior is appropriate for the appraisal as he is more aware of the work and performance of his subordinates.
- One thing I came to understand is that it is difficult to evaluate the performance of employees in the service department as compared to the technical work department.
- Employees believe that a performance management system helps them in improving personal development.
- According to the employees, the performance management system helps them in setting their goals and to know their level of achievement along with their strengths and weakness which help them in personal development.
- It was good to find that the superiors motivate and help the employees in all possible ways to improve their performance and acquire new skills and knowledge.
- Concerned HODs and direct superiors provide feedback to the employees regarding their performance and appraisal results, similarly, the employees expect, feedback regarding the appraisal results from their HODs along with the HR department after the appraisal process.
- Management always tries to provide the required training programs as prescribed by the concerned department for the development of the employees. Both on-the-job and off-the-job training is provided with the help of interval and external trainers.
- Due to consideration being given to rewarding the performance, by way of monetary benefits and promotions, etc, as a typical human character, the employees are not satisfied with the present reward system.
- Employees are not fully satisfied with the existing performance management system. Employees expect more transparency in the system.

SUGGESTIONS:-

Suggestions are based on the areas in which the management and HR department should concentrate more to make the present performance management system more effective. Some of these suggestions are been given by the employees based on their personal experience.

- The overall process and purpose of the performance management system should be clear and well communicated to the employees.
- It is important to set and agree on clear goals, with tasks to be completed by a specified date and standards to be achieved.
- Supervisors' meetings should be formally conducted between the employees and their line managers. Let this type of meeting be private and uninterrupted at a regular time interval.
- Through performance, an appraisal is annually conducted it should be reviewed half-yearly in the form of documentation.

- Management should try to adopt the latest appraisal techniques such as MBO or 360-degree feedback for generating complete and reliable feedback.
- Based on appraisal results the management should take the necessary steps to improve the efficiency of the employees.
- Management should provide pre-planned training programs as well as special training if possible on the demand of the employees for their personal development.
- Management must provide attractive rewards which can satisfy the employees and be strong enough to motivate the individuals to perform well.
- The level of trust between employees and the system should be increased by encouraging maximum involvement of employees in management decisions.
- The performance management system should be more transparent.

CONCLUSIONS:-

- Performance management is about getting the best from the staff to achieve the best for the organization.
- When staff is clear about what they need to do, what standards they are expected to achieve, and feel supported in their job.
- The information collected by a performance management system is most frequently used for performance feedback, the identification of employees' strengths and weaknesses, and decision making.
- A performance management system promotes good employee relations by providing opportunities for timely feedback.
- A performance management system communicates the organizational mission, fulfills responsibilities to organizational members, enables employees to manage their performance, and manages expectations.
- Performance is measured against expectations and rewards on the job achievement.
- Improved individual performance assures the success of the organization.
- A performance management system provides a system by which employees can develop on the job and managers can develop coaching and counseling skills.
- A performance management system encourages open discussion on employee development and career prospects.
- So we can conclude that-

The performance management system is a continuous process of identifying, measuring, and developing the performance of individuals and teams and aligning performance with the strategic goals of the organization.

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