

Performance Appraisal and Employee Satisfaction with Reference to Western Coal Field Limited (WCL)

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Abstract

Now days it is greatest challenge for every organization to retain the manpower for long time. To retain the talent manpower organization should provide good facilities, environment, and motivation to do the work in proper manner. This leads to satisfaction of employee. In the era of Technology employee is assets for every organization.

This district belongs to eastern part of Maharashtra (India) and famous for Coal and Iron Industry throughout the India.

Western Coalfields Limited (WCL), a 'Miniratna' Cat-1 PSU, Nagpur based subsidiary of "Maharatna" Public Sector Undertaking- Coal India Limited, commenced operation in 1975 is engaged in mining and marketing of Coal. It operates through 82 mines spread over 10 areas located in different parts of Madhya Pradesh and Maharashtra.

This survey is helpful to draw the conclusion for employee satisfaction in western coal field Limited in Chandrapur District. The total sample of 200 employees was taken for suvey and Chi square Test is used to do the data analysis as this method is suitable for the data.

Key Words: - Employee Satisfaction, Performance Appraisal, Western Coal Field, Chandrapur district.

Introduction

Every organization exist to perform, if people do not perform organizations do not survive. If people perform at their peak level organization can compete and create waves. It is the heart of "People management" process in organization.

Appraisal is the evaluation of worth, quality or merit. Performance appraisal is the key ingredient of performance management. Performance appraisal is a method of evaluating the behavior of employees in the work spot, normally including both the quantitative and qualitative aspects of job performance. Performance here refers to the degree of accomplishment of the tasks that make up an individuals job. It indicates how well an individual is fulfilling the job demands. Performance is the always measured in term of results. The objectives of performance Appraisal is to providing feedback, to facilitates promotion and downsizing decision, to motivates superior performance, to set and measure goals, to determine compensation, to counsel poor performance, to encourage coaching and mentoring, supporting manpower planning, determining individual training and development needs, validating hiring decisions, to improving overall organizational performance.

Performance appraisal's most popular outcome is its linkage to compensation adjustment. Employees exhibiting superior performance are rewarded through increase in their compensation to motivate them to further excel in their jobs. Employees showing weaker performance are given lesser compensation. As the various theories of motivation stated that

compensation is the very important factor to motivate the employee. It is said that the final stage of satisfaction is the motivation.

The present WCL has mining operation spread over in the States of Maharashtra (in Nagpur, Chandrapur & Yeotmal Districts) and in Madhya Pradesh (in Betul and Chhindwara Districts).

The major customers of the company are State Electricity Boards located in Maharashtra, Madhya Pradesh, Gujarat, Uttar Pradesh and Punjab and the infrastructure sectors like steel cement, chemicals fertilizers, and paper and brick industry.

The company undertakes both underground and opencast mining operations with a workforce of 52484 men and women (including 2693 executives) as on 1st April 2014. It has produced 39.73 million tonnes of coal in the Financial Year 2013-14 and has registered a coal off take of 39.95 million tonnes.

WCL has incidentally emerged as the highest income tax payer in the Vidarbha Region of Maharashtra. The company paid Rs1819.39crores to state exchequer through Royalty, Sales Tax, Entry Tax, Stowing Excise duty, during the year 2013-14.

Review of Literature

Human Resource Policies is an analysis of an employee's recent successes and failures, personal strengths and weaknesses, and suitability for promotion or further training. Many researchers have conduct research on this topic as given follows.

Numbers of researchers study the topic of performance appraisal. Eichel and Bender (1984) study an imperial rater method to evaluate the performance of the members of the official family. Levinson (1992) investigate the importance of the processes of identification of the employee with manager. Mbiti (1994) evaluates the human temperaments as the reasons why we need to appraise employees. (Edwards & Erwin, 1996) study the topic 360 Feedback from multiple sources and its effect.), Richie (1996) appraises a skill- based method of performance management. Quiche (1997) evaluates that many companies in Nigeria conduct performance appraisals, regardless of their level of sophistication. Strebler, 1997; Akinyele and Obamiro 2005) study that Performance appraisal has become a key feature of an organization. McKinney and Levy (1998) evaluate the influence of positive and negative information. Cascio (1998) conducts study on performance appraisal as a process to improve employee's work. Moulder (2001) investigate the programs and practices of performance appraisal system for employees. Armstrong (2001), evaluates human resource practices and performance appraisal. Eichel and Bender (1984) reveals performance evaluations were designed primarily as tools for the organization to use in controlling employees. Levinson (1992) conceals that to help the development of the process of identification it is necessary for the manager to also examine his own process and needs of interacting with the subordinates. He also states several barriers which may come in the way of such legitimate process of identification as; lack of time, intolerance, of mistakes, complete rejection of dependency needs repression of rivalry, and unexamined relationship. Mbiti (1994) uncover employee into four major vegetations and rejecters. Mbiti describes vegetations as people who care for nothing except their pay at the end of the month. They have no initiative; they will take the slightest excuse to be off duty; because this gives them pleasures than writing. They require constant supervision without appraising them; they will try to hide amongst others while they do nothing. it reveals that design an acceptable, easy-to-use but reliable appraisal instrument that helps in improvement and employees development.

Davis (1995), finds that If employees are effectively appraised, then the organization will experience increased productivity and improved quality of output and for effective development and utilization of the human talent, performance appraisal plays a key role as it enables an organization to identify objectively the employee's strengths and weaknesses.

(Edwards & Ewin, 1996) reveals that feedback from multiple sources, such as superiors, peers, subordinates and others has a more powerful impact on people than information from a single source, such as their immediate supervisor. Employees view performance information from multiple sources as fair, accurate, credible and motivating. They are more likely to be motivated to change their work habits to obtain the esteem of their co-workers than the respect of their supervisors.

Objectives of the Study

- To Study the Performance Appraisal techniques which affects employee satisfaction
- To know the Human Resource policies of WCL Chandrapur.
- To study the employees' perception towards Human Resource policies.
- To know the facility and opportunity available for the WCL Chandrapur and their Workers safety program.
- To find whether the job satisfaction and working condition leads to HRP.

Hypotheses

H₀:- Performance Appraisal techniques affect employee satisfaction.

H₁:- Performance Appraisal techniques do not affect employee satisfaction.

Research Methodology

Type of research: Descriptive research

Sources of data: Both primary and secondary data have been used.

1) Primary data: The primary data was collected through observation, interview schedules personnel visit to obtain the necessary information. The only instrument used was a structured interview schedules for the study. The interview schedules were given managers for collection of data.

2) Secondary data: Secondary data was obtained from company records, magazines and annual reports etc.

Data analysis:

Sampling unit:-The study is confined to Employees of WCL of Chandrapur District.

Sampling technique:-Simple random technique.

Sample size:-A sample of 200 employees was selected randomly for this survey.

Tool for analysis:-

1. Chi square Test:- The Chi square formulae used on these data is

$$X^2 = \sum [(f_0 - f_e)^2 / f_e]$$

Where

f₀ – the observed frequency in each category

f_e – the expected frequency in the corresponding category

df – the “degree of freedom” (n-1)

X² – is Chi square.

2. Percentage method:- Simple percentage:

Simple percentage analysis was used by the researchers for analyzing and interpreting the collected data. The diagrammatic representations were given by pie diagrams and bar charts.

$$\text{Percentage Method} = (\text{No. Of respondents} / \text{Total respondents}) \times 100$$

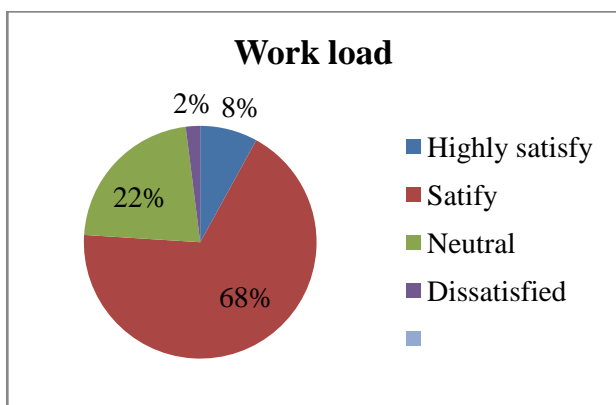
Data Analysis and Interpretation

For the study of this topic total 200 sample were collected from different sources of WCL employee in Chandrapur district. The tools used for the analysis and interpretation of data are Chi Square Test and Percentage Method.

The employees of the WCL has given their preferences as per their satisfaction level on following factors like work load, working hours, Relation with superior, Relation with Collogue, Present Salary Structure, Your Current Job, Utilization of Personal Skill Set, Present appraisal system.

1) Work Load

Highly satisfied	Satisfied	Neutral	Dissatisfied	Highly dissatisfied
8%	68%	22%	2%	0

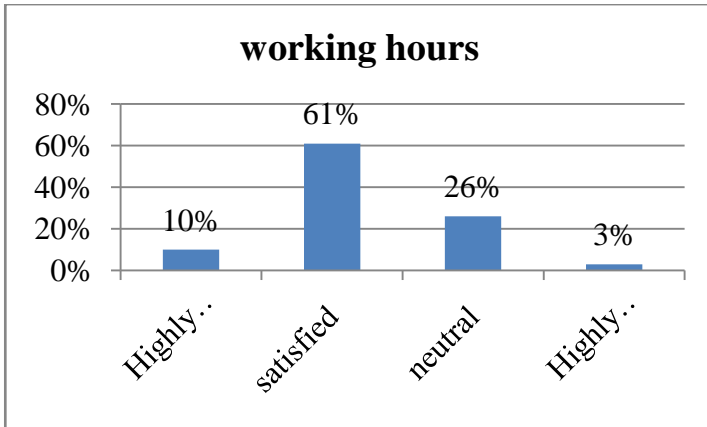


Interpretation:

From the above graph it is found that 8% of the respondents are highly satisfied regarding the work load in the company , 68% of the respondents just satisfied and remaining 22% of the respondents have the opinion as neutral where as it is found that 2% of the respondents are dissatisfied regarding the work load.

2. Working hours

Highly satisfied	Satisfied	Neutral	Dissatisfied	Highly dissatisfied
10%	61%	26%	3%	0

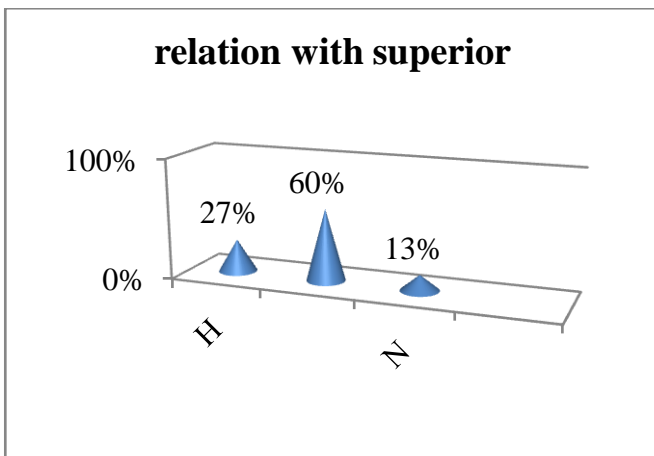


Interpretation:

From the above graph it is found that 10% of the respondents are highly satisfied regarding the working hours in the company, 61% of the respondents are just satisfied, 26 % the respondents are neutral, and 3%of the respondents are dissatisfied .

3. Relation with superior

Highly satisfied	Satisfied	Neutral	Dissatisfied	Highly dissatisfied
27%	60%	13%	0	0

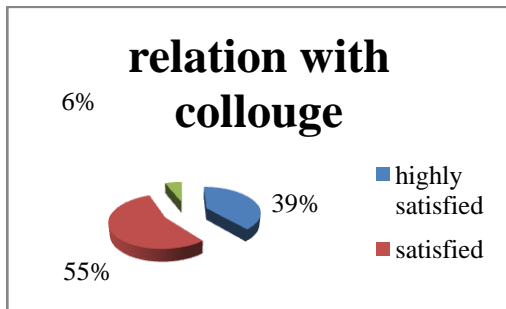


Interpretation:

From the above graph it is found that 27% of the respondents are highly satisfied with the fact that their relations with superior are properly maintained and 60% of the respondents are just satisfied, 13% of the respondents have the opinion as neutral.

4. Relation with colleague

Highly satisfied	Satisfied	Neutral	Dissatisfied	Highly dissatisfied
60%	13%	0	0	0

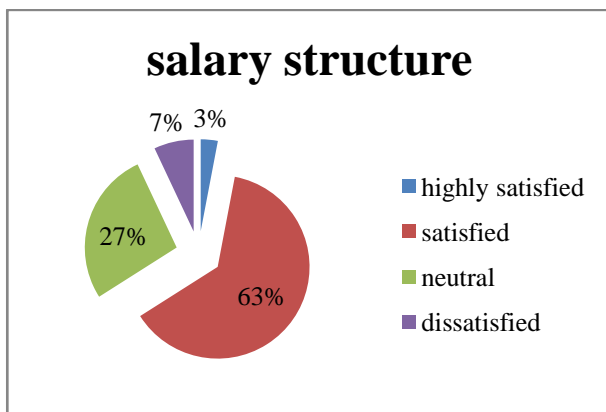


Interpretation:

From the above graph it is found that 39% of the respondents says that they are highly satisfied with the kind of relations they have with their colleagues and 55% of the respondents are just satisfied, 6% of the respondents have their opinion as neutral.

- 5. Present salary structure
- 6.

Highly satisfied	Satisfied	Neutral	Dissatisfied	Highly dissatisfied
3%	63%	27%	7%	0

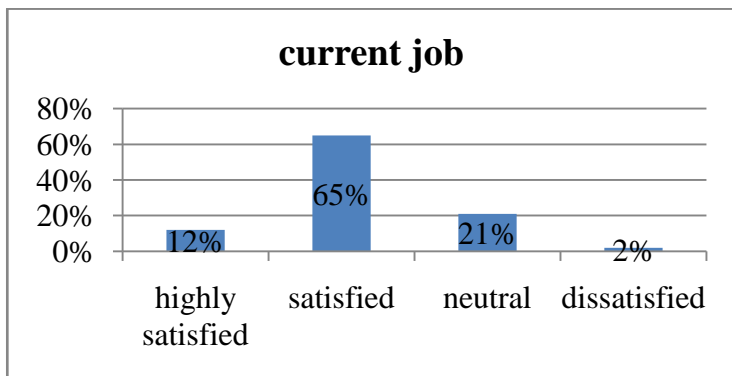


Interpretation:

From the above graph it is found that 3% of the respondents are highly satisfied with the present salary structure of the company and that 63% of the respondents are just satisfied whereas 27% of the respondents are neutral, and 7% of the respondents are totally dissatisfied.

7. Your current job

Highly satisfied	Satisfied	Neutral	Dissatisfied	Highly dissatisfied
12%	65%	21	2%	0

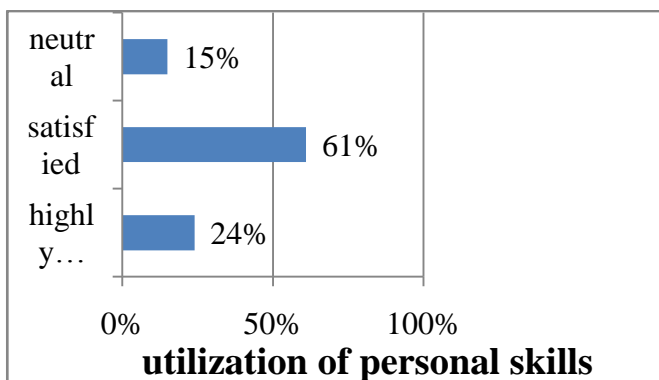


Interpretation:

From the above graph it is found that 12% of the respondents are highly satisfied, 65% of the respondents are just satisfied, 21% of the respondents are neutral, and 2% of the respondents are totally dissatisfied.

8. Utilization of personal skill set

Highly satisfied	Satisfied	Neutral	Dissatisfied	Highly dissatisfied
60%	13%	0	0	0

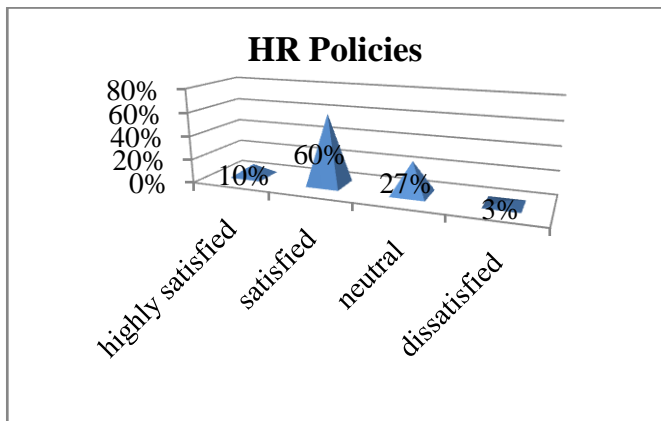


Interpretation:

From the above graph it is found that 24% of the respondents are highly satisfied when it comes to the matter of utilization of skills, 61% of the respondents are normally satisfied, and 15% of the respondents have their opinion as neutral.

9. Present HR policies

Sr no.	Factors	Highly satisfied	Satisfied	Neutral	Dissatisfied	Highly dissatisfied
1	Present appraisal system	10%	60%	27%	3%	0

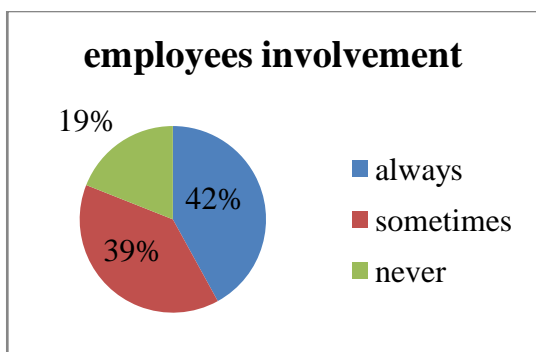


Interpretation:

From the above graph it is found that 10% of the respondents are highly satisfied with the present performance appraisal of the company, 60% of the respondents are satisfied, 27% of the respondents have their opinion as neutral, and 3% of the respondents dissatisfied with the present performance appraisal system.

Q.2) Does your management involve you while designing the human resource policies or its parameters?

Always	Sometime	Never
42%	39%	19%

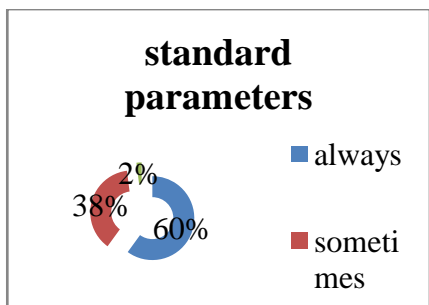


Interpretation:

From the above graph it is found that 42% of the respondents says that they are been considered while designing the performance appraisal policies, 39% of the respondents says that they are sometimes involved, and 19% of the respondents says that they are never been considered in any of the matter. .

Q.3) Does your organization follow standard parameters for human resource policies?

Always	Sometime	Never
60%	38%	2%

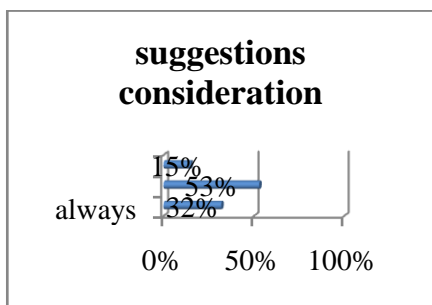


Interpretation:

From the above graph it is found that 60% of the respondents says that always the standard parameters are considered while performance appraisal, 38% of the respondents says that it is sometimes considered, and 2% of the respondents never are considered.

4.) Does your management consider your suggestions with regards to the human resource policies?

Always	Sometime	Never
32%	53%	15%

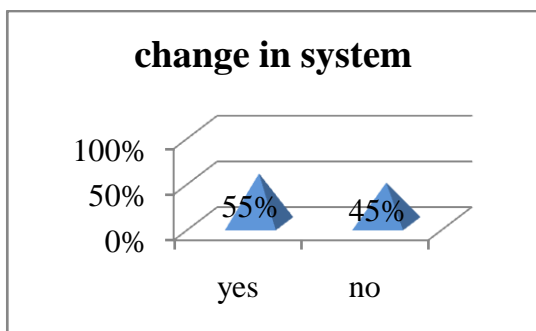


Interpretation:

From the above graph it is found that 32% of the respondents says that their suggestions are always considered for improvement, 53% of the respondents says that sometimes their suggestions are taken into consideration, and 15% of the respondents says that their suggestions are never been considered.

5.) Do you think that the present policies system should change and adopt new one?

Yes	No
55%	45%

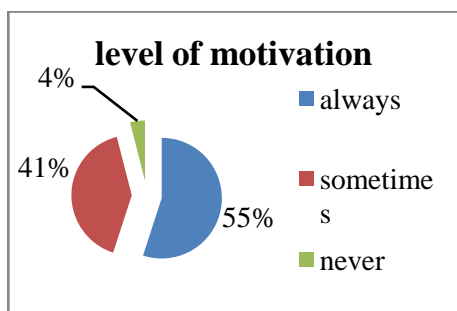


Interpretation:

From the above graph it is found that 55 % of the respondents says that there should be changes made in the current performance appraisal system whereas 45% of the respondents says that no changes are required.

Q.6) Does your present policies system motivate you?

Always	Sometime	Never
55%	41%	4%

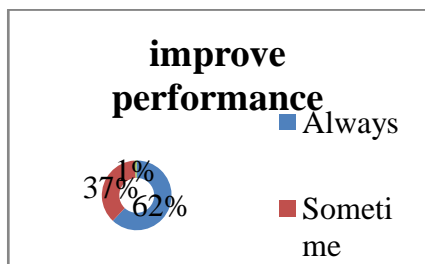


Interpretation:

From the above graph it is found that 55% of the respondents are always motivated towards the organization, 41% of the respondents are sometimes motivated, and 4% of the respondents are never motivated.

Q.7) does your superior help you to improve your policies?

Always	Sometime	Never
62%	37%	1%

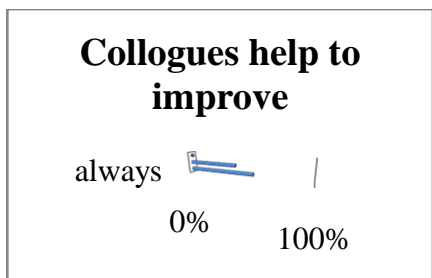


Interpretation:

From the above graph it is found that 62% of the respondents says that their superiors always support and help them in improving their performance, 37% of the respondents says that their superiors helps them rarely, and 1% of the respondents says they are never been guided with any kind of the support from their superiors.

Q.8) Does your collogues help you to improve your policies performance?

Always	Sometime	Never
57%	42%	1%

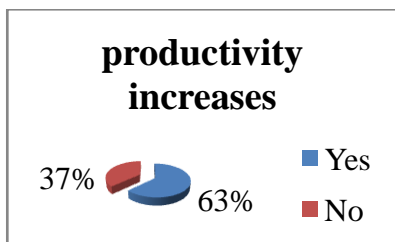


Interpretation:

From the above graph it is found that 57% of the respondents says that their colleagues always help them in their performance improvement, 42% of the respondents says that their colleagues helps them sometimes, and 1% of the respondents says that no one helps each other in the company.

Q.9) Do you think that, work productivity of the employees’ increase due to the present policies?

Yes	No
63%	37%

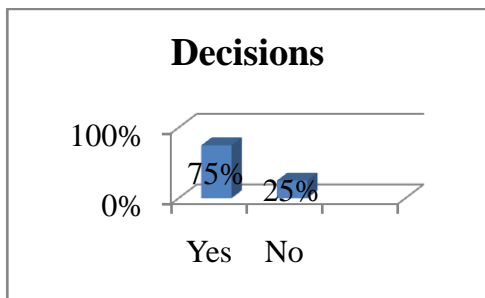


Interpretation:

From the above graph it is found that 63 % of the respondents think that the current appraisal system helps in improving the productivity whereas 37 % of the employees do not think in this manner.

Q.10) In your daily work, how free are you to make decisions and to act on them?

Yes	No
75%	25%



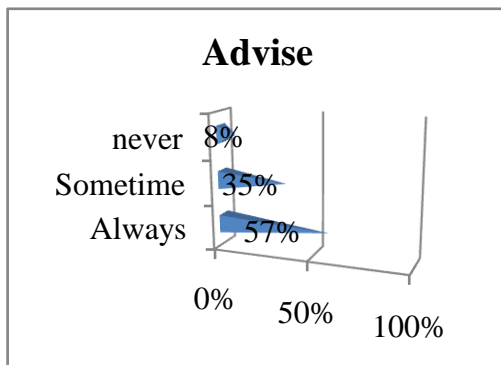
Interpretation:

From the above graph it is found that 75 % of the respondents says that they are free in terms

of decision making and its implementation whereas rest of the 25 % of the respondents do not think the same.

Q.11) Would you advise friends and family to join this organization?

Always	Sometime	Never
57%	35%	8%



Interpretation:

From the above graph it is found that 57% of the respondents are satisfied with the working in this organization and they would advice family and friends to join the organization whereas rest of the respondents does not feel so.

Hypotheses testing procedure

1. Set null and alternate hypothesis

H₀ :- Performance Appraisal techniques affect employee satisfaction

H₁ :- Performance Appraisal techniques do not affect employee satisfaction

2. Determine the appropriate statistical test (Chi square test)

$$X^2 = \sum [(f_o - f_e)^2 / f_e]$$

3. Set level of significance – Alpha as 0.05

4. Set the decision rule For the given level of significance, rules for acceptance and rejection of null hypotheses are as below,

If $X^2_{cal} < X^2_{criticla}$

Then accept the null hypothesis otherwise reject the null hypotheses

The critical value is

$X^2_{0.05, 14} = 23.685$ where the degree of freedom $n-1=15-1=14$

Sr no.	Description	Frequency f_o	Expected frequency f_e	$X^2 = (f_o - f_e)^2 / f_e$
1	Workload	76	81.53	0.38
2	Working hours	71	81.53	1.36
3	Relation with superior	87	81.53	0.37
4	Present salary structure	66	81.53	2.96
5	Your current job	77	81.53	0.25
6	Utilization of personal skills	85	81.53	0.15
7	Present policies	70	81.53	1.63
8	Involve while designing HR policies	81	81.53	0.00
9	Follow standard parameters	98	81.53	3.33
10	Accept Suggestions	85	81.53	0.15
11	Change & adopt new one	65	81.53	3.35
12	Motivation	96	81.53	2.57
13	Colleagues help to improve policies performance	99	81.53	3.74
14	Making decision	75	81.53	0.52
15	Advise friend & family to join	92	81.53	1.34
		$\sum f_o = 1223$		$\sum (f_o - f_e)^2 / n = 22.1$

NOTE: - In the above table the observed frequency taken into consideration includes only the positive responses where as the negative are not being involved.

Expected frequency

$$f_e = \sum f_o / n$$

$$= 1223 / 15$$

$$f_e = 81.53$$

From the above table

$$X^2 = \sum [(f_o - f_e)^2 / f_e]$$

$$= 22.1$$

As the critical value for $X^2_{0.05, 14}$ is 23.685

Where the degree of freedom = n-1

$$= 15 - 1$$

$$= 14$$

And the calculated value for X^2 is 23.685 i.e. critical value is greater than the calculated value, hence H_0 would be accepted which says that Performance Appraisal techniques affects employee satisfaction and accordingly H_1 is rejected.

Findings

- Many employees are highly satisfied and satisfied regarding all the work like a current job, workload, working hours, relation with superior and colleagues etc.
- The Human Resource Policies in WCL is done by management, which has been reviewed by his/ her superior with certain remarks and then finally is forwarded to the management.
- In the organization mostly employees says that they are been considered while designing the human resource policies, some of the employees says that they are sometime involved, and few of the employees says that they are not involved.
- They also use always standard parameters while policies system it is said by most of the employees, some of the employees say that it is sometimes considered, and few of the employee respondents says that they are never been considered.
- While WCL designing or planning human resource policies they include the employee suggestions always for improvement, it is said by most of the employees. Some of the employees say that sometimes their suggestions are taken into consideration and minimum of the employee says that their suggestions are never been considered.

Conclusions

- Human Resources Policies is the only tangible metric way by which an organization can know the level of performance of its diverse employees. Although most employees are aware of the type of performance application system used in the private companies.
- The employees know the objectives of the human resource policies. Many of the employees are satisfied with the existing HR policies in the organization.
- The human resource policies in the organization are motivating some employees towards better Performance. While there are many motivators, which play prominent role to motivate the employee, performance appraisal system conducted in a systematic way can yield better results?
- The process of human resource policies currently practiced in the organization is known by the employees.
- The policies criteria are made clear to the employees.
- Employees are able to assess their strengths and weakness through human resource policies.
- Employees are given an opportunity to express any grievance related to policies.
- Employees are taking human resource policies seriously.

Suggestions

An organization's goals can be achieved when people put in their best effort. Employee assessment is one of the fundamental job' of HRM, but not possible to implement unless we know employee's potential an effective policies reduces the "Change Happening" and introduces rationally into management.

- ◆ Every employee must be given written copy of job standards in advance of training policies.
- ◆ Provide timely feedback.
- ◆ It is better to conduct polices maker.
- ◆ Policies should be discussed openly with employees and counseling and guidance should be offered to help poor performers to improve their knowledge.

- ◆ Ineffective policies performance should be handled with objectivity, fairness, and recognition of the feeling of the employee involved. Otherwise they may be negatively motivated.
- ◆ The findings of the HR polices diagnosis should give a clear picture of his positive and negative aspects of the employee performance.
- ◆ It is hoped that the suggestions given will help the organization accurately identify who is well and give them some focus for improving employee productivity.

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