

Performance Appraisal System in the Selected Outsourcing Companies in Pune

Abhay V. Patil

Assistant Professor, PDEA's Anantrao Pawar College, Pirangut. Tal. Mulshi. Dist. Pune.
412115, Maharashtra, India

Abstract

In the edge of globalization in outsourcing organizations the performance appraisal management plays an important role because the higher and middle management are under stress to enhance the quality and performance of their companies. The success of an outsourcing organization is based on the implementation of effective performance appraisal strategies. The important roles of the human resource department team leaders or managers to handle and enhance the employee's performance to the achievement of management's or organizations objectives in performance management. The assessment or appraisal of performance is a core function of human resource management, it the tool to distinguish between the expected and below expectation performance of employees in the outsourcing organizations. It is a scientific tool to measure a performance of individual with the assigned objectives. The objective of the research paper is to see the performance appraisal in the selected outsourcing companies in Pune. The researcher has performed a comprehensive investigation of performance appraisal system of the selected outsourcing organizations. This study comes up with an analysis that the employees in the outsourcing organizations are in conformity with their obtainable performance appraisal system.

KEYWORDS: Performance Appraisal, Outsourcing Organizations.

INTRODUCTION

Due to rapid globalization, the standard of performance of employees in the outsourcing organizations has undergone a huge revolutionize. Now in Pune the outsourcing companies have to face the aggressive work pressures from the clients or customers in terms of uncertainty of processes, target or result oriented results or output. Due to the highly self-motivated background the customers' expectations are getting more and more by the over a period of time. Due to these expectations of the customers or clients and therefore to retain the process in the organization it is highly challenging task to enhance the performance of the employees to stick in the competition. The performance appraisal is a system to show the report card of the employees in the organization in a specific period of time. It is nothing but the comparison of set objectives with the actual performance on the floor of the employee. On the floor there are many factors to enhance the performance of the employees like motivation, promotions reward and recognition, training and development, incentive schemes etc.

REVIEW OF LITERATURE:

Wright and McMahan, (1992) The source based analysis takes care for manpower as a collection of skills that can make easily available as a source to provide as a constant aggressive assistance to the outsourcing industry. This assumption gives a strong base to

the problem of human resource management in an outsourcing industry. The article is useful for the present study.

Dwivedi and Bardia, (Mar 2011). The achievement of an outsourcing industry is on the capability of the human resources in the industry. In India, the outsourcing industry is very energetic and always varying at the same time. In outsourcing industry the human resource department has new problems such as training and development, attrition in the particular process or in the organization as a whole. The outsourcing companies have paid huge salaries and benefits to attract manpower for job. Even if in the outsourcing organizations the big pay packages and complicated work traditions in the outsourcing have been successful to focus for young manpower, the organizations were unsuccessful to maintain the team. The causes have been physiological exhaustion and stress to be worried about future.

The Hindu Business Line (16/2/2009), article maintains that the work situation is usually rapid, regular, and repetitive, strongly controlled, and has slight capacity for the employees for good judgment. The outsourcing industry is fixed in an important managing stress of continuous reduction in costs, enhancing services and generating business, and this stress is always felt at the front line, at the cost of its manpower.

Need For the Study:

The customers' expectations are increasing day by day from the outsourcing companies therefore there is need to concentrate on the performance of the employees and to focus on the quality of the jobs or processes. To sustain or enhance the quality of the process there is need to stimulate the employees for better performance. Therefore there is need to study the role of performance appraisal system in outsourcing organizations.

Statement of the problem:

In outsourcing organizations the customers or clients requirements and expectations in respect of process improvements and innovations in the processes are increasing and accordingly they are mentioning in their key performance indicators or service agreements. And it is mandatory on the outsourcing organizations to achieve as per the key performance objectives or service agreements.

OBJECTIVES:

1. To significantly study the performance appraisal system in selected outsourcing companies.
2. To depict the essential findings of the data studied.

Methodology:

1. The primary data was collected from the outsourcing organizations like EXL Services, Syntel Inc, Wipro, WNS, Gallagher Offshore Support Services Pvt. Ltd. Five outsourcing organizations were taken for study in Pune through questionnaires. The managers and the executives in the processes are selected as samples for the study. The PA system of these organizations is studied. The respondents were seventy five male and female employees in EXL Services, Syntel Inc, Wipro, WNS, Gallagher Offshore Support Services Pvt. Ltd., outsourcing companies in Pune. From each organization fifteen randomly selected

employees were selected. The sampling was selected by using the convenience sampling technique.

2. The secondary information was collected from the internet.

Scope of the study:

It gives the direction to the outsourcing organizations, that how to make effective the performance appraisal system in outsourcing organizations so that the productivity of the process should be increase by minimizing the attrition in the organization as a whole.

Data Analysis:

The completed questionnaires by the respondents were studied. The data analysis was performed in the following tabular format for clear for understanding purpose.

Table No. 1: Standards measured for their performance appraisal in the selected outsourcing companies in Pune.

Outsourcing Companies	PERFORMANCE STANDARDS (%)								
	Attainment of KPI's	Key Competencies	Process Deadlines	Productivity	Employees Attitude	Core Competencies	Commitment with clients	Technical Proficiency	Competency
EXL Services	13	13	13	12	10	10	11	09	09
Syntel Inc	15	12	14	10	09	09	12	10	09
Wipro	13	112	12	11	10	10	12	11	10
WNS	14	12	11	10	11	11	11	10	10
Gallagher Offshore Support Services Pvt. Ltd	14	10	10	11	10	11	11	12	11

The Table show that the ratings given by the employees in the scale of 0%-100% in the companies to the different angles on their overall performance of the organization. A descriptive analysis on performance appraisal scheme in selected outsourcing companies is done.

Q. No. 1. Do you agree that the individual key performance indicators are clearly communicated to you by your company?

Name of the outsourcing organization	Responses from employees		
	Agreed	Partially	Disagreed

		Agreed	
EXL Services	13	02	00
Syntel Inc	12	02	01
Wipro	10	03	02
WNS	13	02	00
Gallagher Offshore Support Services Pvt. Ltd	12	02	01

The Table show that in EXL Services thirteen employees have agreed with this, not a single employee have completely disagreed with this and two employees have partially agreed, in Syntel Inc twelve employees have agreed with this, only one employee have completely disagreed with this and two employees have partially agreed, in Wipro ten employees have agreed with this, two employee have completely disagreed with this and three employees have partially agreed, in WNS thirteen employees have agreed with this, not a single employee have completely disagreed with this and two employees have partially agreed and from Gallagher Offshore Support Services Pvt. Ltd twelve employees have agreed with this, only one employee have completely disagreed with this and two employees have partially agreed with the individual key performance indicators clearly communicated by the company to all the employees. The manager in the process communicates their objectives to the employees.

Q. No. 2. Do you agree that your company gives feedback on your individual performance in annual performance appraisal meeting?

Name of the outsourcing organization	Responses from employees		
	Agreed	Partially Agreed	Disagreed
EXL Services	12	03	00
Syntel Inc	11	03	01
Wipro	10	03	02
WNS	12	03	00
Gallagher Offshore Support Services Pvt. Ltd	12	02	01

The Table show that in EXL Services twelve employees have agreed with this, not a single employee have completely disagreed with this and three employees have partially agreed, in Syntel Inc eleven employees have agreed with this, only one employee have completely disagreed with this and three employees have partially agreed, in Wipro ten employees have agreed with this, two employees have completely disagreed with this and three employees have partially agreed, in WNS twelve employees have agreed with this, not a single employee have completely disagreed with this and three employees have partially agreed and from Gallagher Offshore Support Services Pvt. Ltd twelve employees have agreed with this, only one employee have completely disagreed with this

and two employees have partially agreed that the company gives feedback on individual performance in annual performance appraisal meeting.

Q. No. 3. Do you agree that there is no bias in performance appraisal?

Name of the outsourcing organization	Responses from employees		
	Agreed	Partially Agreed	Disagreed
EXL Services	07	04	04
Syntel Inc	04	05	06
Wipro	08	04	03
WNS	06	04	05
Gallagher Offshore Support Services Pvt. Ltd	07	03	05

The Table show that in EXL Services seven employees have agreed with this, four employees have completely disagreed with this and four employees have partially agreed, in Syntel Inc four employees have agreed with this, six employees have completely disagreed with this and five employees have partially agreed, in Wipro eight employees have agreed with this, three employees have completely disagreed with this and four employees have partially agreed, in WNS six employees have agreed with this, five employees have completely disagreed with this and four employees have partially agreed and from Gallagher Offshore Support Services Pvt. Ltd seven employees have agreed with this, five employees have completely disagreed with this and three employees have partially agreed that there is no bias in performance appraisal.

Q. No. 4. Do you agree that the treating customer fairly is discussed in your performance appraisal discussion?

Name of the outsourcing organization	Responses from employees		
	Agreed	Partially Agreed	Disagreed
EXL Services	10	02	03
Syntel Inc	06	03	06
Wipro	12	01	02
WNS	06	03	06
Gallagher Offshore Support Services Pvt. Ltd	09	02	04

The Table show that in EXL Services ten employees have agreed with this, three employees have completely disagreed with this and two employees have partially agreed, in Syntel Inc six employees have agreed with this, six employees have completely disagreed with this and three employees have partially agreed, in Wipro twelve employees have agreed with this, two employees have completely disagreed with this and

only one employee have partially agreed, in WNS six employees have agreed with this, six employees have completely disagreed with this and three employees have partially agreed and from Gallagher Offshore Support Services Pvt. Ltd nine employees have agreed with this, four employees have completely disagreed with this and two employees have partially agreed that the treating customer fairly is discussed in your performance appraisal discussion.

Q. No. 5. Do you agree that there is effective performance appraisal management system in your organization?

Name of the outsourcing organization	Responses from employees		
	Agreed	Partially Agreed	Disagreed
EXL Services	03	04	08
Syntel Inc	03	04	08
Wipro	06	06	03
WNS	04	03	08
Gallagher Offshore Support Services Pvt. Ltd	04	04	07

The Table show that in EXL Services three employees have agreed with this, eight employees have completely disagreed with this and four employees have partially agreed, in Syntel Inc three employees have agreed with this, eight employees have completely disagreed with this and four employees have partially agreed, in Wipro six employees have agreed with this, three employees have completely disagreed with this and six employees have partially agreed, in WNS four employees have agreed with this, eight employee have completely disagreed with this and three employees have partially agreed and from Gallagher Offshore Support Services Pvt. Ltd four employees have agreed with this, seven employee have completely disagreed with this and four employees have partially agreed that there is effective performance appraisal management system in your organization.

Conclusion and Recommendations:

The performance appraisal of the each and every employee is one of the important functions in an outsourcing organization. The productivity and employee satisfaction is based on the transparent performance appraisal system in the organizations. From the study it has been seen that in selected outsourcing organizations in Pune have studied on the basis of the questions or conditions taken into considerations on performance appraisal system. These are the individual key performance indicators are clearly communicated to employees, whether the company gives feedback on the individual performance in annual performance appraisal meeting, bias in performance appraisal system, whether the treating customer fairly is discussed in performance appraisal discussion and is there effective performance appraisal management system in the organization. From the study the recommendations are 1. KPI'S should be communicated on formal basis to each and every employee in the processes or organization as whole. 2. The HR should get confirm that each employee should understands their roles and responsibilities on the floor. 3. There should be one to one discussions at least once in a

month conducted by process manager regularly and in that, the manager should check the KPI's with current performance of the employee. 4. In all the organizations the performance appraisal should be conducted in each quarter, based on that the incentive should be given to the employees. 5. The human resource department should also boost the employees to enhance the productivity and process improvement in the organization.

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