Performance management in vodafone essay sample

Psychology, Goal

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. It is the main vehicle by which managers communicate what is required from employees and give feedback on how well they are achieving job goals (CIPD, 2009). It brings together many of the elements that make up the practice of people management, including in particular learning and development. Performance management establishes shared understanding of what is to be achieved and provides an approach to leading and developing people that will ensure it is achieved. Managers need to adopt performance management practices that will facilitate continuous review and ongoing development of departments/ teams in order to deliver organizational objectives. The underlying assumption is that by managing the performance of the individual and team, departmental and organisational performance will follow and by raising individual and team levels of performance, organisational performance will also improve. Equally when performance of individuals is not managed, it can lead to frustration and discontent amongst team members.

INDIAN TELECOM INDUSTRY – OVERVIEW

The Indian telecommunications industry is one of the fastest growing in the world. Government policies and regulatory framework implemented by Telecom Regulatory Authority of India (TRAI) have provided conducive environment for service providers. This has made the sector more competitive, while enhancing the accessibility of telecommunication services at affordable tariffs to the consumers. The Indian mobile services industry has proved to be the fastest growing mobile services market in the world,

accounting for a CAGR (Compund Annual Growth Rate) of more than 50% in terms of subscribers and 15% in terms of gross revenues over the past decade. Currently, the Indian telecom industry is the second largest globally by subscriber base with the total subscriber base of 913. 5 million as on July 2012. The primary drivers of the strong growth in the industry can be attributed to the country's large population, healthy economic growth, affordable handsets, and most notably low tariffs. The main players in the telecom market include BSNL, AIRTEL, VODAFONE, TATA TELESERVICES, AIRCEL. VODAFONE INDIA

Vodafone India is a member of the Vodafone Group Plc. It launched its operations in 1994 when its predecessor Hutchison Telecom acquired the cellular license for Mumbai. The company now has operations across the country with over 150 million customers. The company, formerly Vodafone Essar and Hutchison Essar, is the second largest mobile network operator in India after Airtel by subscriber base. It is headquartered Mumbai, Maharashtra. The company operates in 23 circles across India and has an employee strength of 11 400 people.

PERFORMANCE MANAGEMENT SYSTEM AT VODAFONE INDIA
Vodafone India adopted a new Performance Management System in 2010 to redefine existing systems and processes in order to keep pace with organizational goals and objectives. The main objectives of the current PMS are:

* To promote performance oriented culture, to realign goals of an individual with the objectives of the organization * To bring transparency, objectivity and participative approach in evaluating the performance of the executives

The key features of PMS in Vodafone India include the following

* Simple & efficient process

* IT as an enabler

* Sharper performance differentiation & sharper descriptors (PIGEX)

* Renewed process flow – few sequential steps made parallel * Compressed timelines

* Shorter Sign off process

The Performance Dialogue uses the PIGEX scale to evaluate an employee's overall performance. Vodafone's endeavor is to create a high performance culture which supports the achievement of individual, team and organizational goals

RATING SCALE DESCRIPTORS

X – Exceptional Performance: Shows outstanding performance against goals. This person is performing exceptionally well above the expectations of the role. Score 460 and above E – Exceeding Expectations: Regularly exceeds goals. This is an individual who regularly exceeds the expectations of the role. Score 400 to 459 G – Good Performance: All goals met and occasionally exceeded. This is an individual who requires minimum guidance. Score 300 to 399 . I – Improvement Required: Most, but not all, goals achieved. This person may need guidance and support to perform adequately in the role.

Score 200 to 299 P -Poor Performance: Many Key goals not met. Performing well below expectations and requirements of the job. Low level of performance is not due tol ack of clarity, opportunity or development. This level of performance is not acceptable and signals real improvement is needed. Score 0 to199

Ratings are a function of calibration at the Function / Circle / National level. The distribution curve for the annual Performance Dialogue cycle will is as follows: X – 5% of employees

E – 15% of employees

G – 65% of employees

I – 10% of employees

P – 5% of employees

Vodafone has a Band structure according to the hierarchy in the organization. The Band Structure is as follows: BAND | DESIGNATIONS|

J | Management Trainee|

I | Executive, Senior Executive|

H | Assistant Manager, Deputy Manager|

G | Manager, Senior Manager |

F| DGM, GM, AVP, VP |

The PMS process at Vodafone consists of following stages:

1) Performance Planning: – Setting goals / targets / Key performance areas on mutually agreeable and after sufficient discussions between Reporting

Officer and the Executive. The goals are set at four dimensions : * Company Goals

* Performance Goals

* Developmental Goals

* Personal Aspirations

The KPAs have to be – SMART (Specific, Measurable, Agreeable, Realistic and Time bound). The weightage to the each KPA is assigned depending on the level of challenge in its achievement.

2) Mid Year Review: – Review progress, re-visiting KPAs, early warning of non-performance etc. The assessing of resources, skill requirement and feedback on other parameters

3) Annual Assessment: – Discuss and arrive at an assessment of performance with respect to agreed target, competence and potential of core values actualization by individual.

4) Feedback, Coaching & Counseling: – Communicating the financial performance and providing developmental feedback. The Goal Sheet and the PD process is operational through an online system called Myworld Portal. The appraisal cycle is from April 1st to March 31st (financial year). The PMS is linked with Training and Development, Reward System and Career Development of employees. Every year a survey is administered across the organization to obtain feedback on the Performance Dialogue and Appraisal process to improvise and enhance the process. Training is given by the HR

department on goal setting, giving feedback as well as using the MyWorld Portal.

Pitfalls of the current PMS at Vodafone India:

* Calibration process is very time consuming and usually goes beyond planned timelines as it spans through functional, circle and corporate level delaying the bonuses, incentives etc * IT accessibility and infrastructure sometimes proves challenging as the entire process in online * Most of Vodafone's employees belong to the sales function. These employees are typically on field and find in difficult to access the intranet and fill the goal sheet and other necessary documents on time. * The process requires constant follow up by HR team to fill in the required documents * Some employees feel that the review sheet is very detailed. For instance, each employee is asked to list down not only the goal achieved or not achieved but also ' how' and ' when' and ' why' aspects of the goal achievement or non-achievement.

Performance Appraisal at Airtel

* Confidential report is prepared at the end of the year by the supervisor of the employee to point out the strengths and weaknesses of the employee with a proper feedback system. * Techniques at Airtel

1. Essay Technique- Appraiser records overall impression about the employee: strengths, weaknesses, employability and development needs 2. Critical Incident technique- Maintain daily log of what the employee does. Susceptible to favouritism. 3. Forced Distribution Ranking- Relative ranking

of employees with each other. Employees are then allotted to certain performance categories. The justification of the result is difficult.

Existing Performance Appraisal Practices in AIRTEL

Performance Planning Review & Development Process

1. Performance Planning will be done after the finalization of business / functional objectives and plans. The Individual KRAs will flow from these plans. These shall be finalized by the appraiser and appraise through a formally bid down process and signed off by both by March 31st for the next performance year.

2. The HR Department win facilitate the Performance Planning exercise in terms of translating the business objectives Into Individual KRAs by organizing KRA planning workshops wherever necessary.

3. The performance planning discussion will address the following Issues:

•Role of appraise, in the light of business/functional plans.

•KRAs, which would be a mix of talk and competency / performance factors related targets. The total number of KRAs should not exceed 8-10. •Task related KRAs should not exceed 5-6 and their weight age would be 60%. These may pertain to the following:

a)Functional / Organizational Targets (financial & non-financial)

b)Process Improvement.

Competency / Performance related KRAs should not exceed 2-3 and their weight age would be 40%. These will be decided with respect to the

competencies identified for the job being performed by the appraise and may pertain to the following: a) Self / Subordinate improvement

b) Customer / employee Satisfaction

Steps for Performance Appraisal at Airtel

Monitoring

Rewarding

Rating

Developing

Planning

Performance Appraisal at BSNL

Bharat Sanchar Nigam Limited An Overview

On October 1, 2000 the Department of Telecom Operations, Government of India became a corporation and was christened Bharat Sanchar Nigam Limited (BSNL). Today, BSNL is the Number. 1 Telecommunications Company and the largest Public Sector Undertaking of India with authorized share capital of $ 3600 million and net worth of $ 13. 85 billion. It has a network of over 45 million lines covering 5000 towns with over 35 million telephone connections.

Existing Performance Appraisal Programme in BSNL

The performance appraisal programme is a grading system basically conducted in two stages. In the first stage appraisal is done by immediate supervisor and in the second stage self-appraisal system exists, where

employee is asked to analyze his strength and weakness. The appraisal form is an important document, which is kept confidential. It provides basic and vital inputs for assessing the performance of an officer and for his/her future advancement in his/her career. The reporting officer in the beginning of the year set quantitative/Physical/Financial targets in consultation with each of the officer with respect to whom he is required to report upon. Performance appraisal is a joint exercise between the officer reported upon and the reporting officer. The targets are set at the commencement of the reporting year i. e. April, in the case of All India service officers. In case of an officer taking up a new assignment in the middle of the reporting year such targets are set at time of assumption of the new assignment The targets are clearly known and understood by both the officers concerned. While fixing the targets priority is assigned item wise taking into consideration the nature and the area of work and any special feature that may be specific to the nature, or the area, of work of the officer to be reported upon.

Although Performance appraisal is a year-end exercise, in order that it is a tool for human resource development, the reporting officer and the officer reported upon, are meeting during the course of the year at regular intervals to review the performance and to take necessary corrective steps.

Self-appraisal forms include question such as-Academic and professional achievement during the year. · The training course attended during the course or their.
· Brief Resume of the work done by the officer during.
Specification of quantitative/ physical/financial targets including degree

obtained book/assets published etc. parting officers need also be mentioned the year/period. A separate secret code is recorded and followed up. A copy of the note is sent together with the confidential report to the next superior officer who will ensure that the follow up action is taken expeditiously. Where it is not possible either to certify the integrity or to record the secret note the reporting officers states either that he had not watched the officer's work for sufficient time from a definite judgment or he has heard nothing against the officer as the case may be.

HYPOTHESIS TESTING

Chi Square has been used for hypothesis testing

Results of stepwise chi-Square value Predicting Mean Results. S. No.| BSNL| AIRTEL|

1| 12. 46| 19. 5|

2| 6. 19| 16. 93|

3| 13. 5| 17. 3|

4| 1. 909| 9. 28|

5| 8. 34| 11. 09|

6| 12. 47| 13. 57|

7| 14. 18| 15. 98|

8| 10. 6| 19. 17|

9| 9. 4| 15. 2|

10| 12. 03| 12. 72|

| 101. 079| 150. 74|

The chi Square value of AIRTEL is greater as compares to BSNL which proves the hypothesis that " Performance Appraisal of public sector does not have enough instruments to manage the employees performance in comparison to private one.

Findings

On the Basis of the analysis of the information collected from the employees and Managers I had come up with certain findings. The first part includes findings from the data analysis of employees and Managers of BSNL and the second part includes findings from the data analysis of employees & Managers of AIRTEL. Finally a comparison of both is done.

Finding : Responses from Employees and Managers of BSNL

· Employees perceive that they are not very much aware of the main purpose of performance Appraisal system however somewhat awareness is there.

· Employee's further state that their seniors do the types of performance appraisal useful for them rather then their colleagues & self.

· Employees are not aware about the Performance Appraisal calendar prepared by HRD Center. Majority thinks that it is held annually without any prior Intimation.

· Most of the employees feel that their Performance Appraisal system is not effective enough to fulfill their motivational needs. They said, as it is not related with incentive and is not efficient.

· There is no effective post appraisal interview in the organization. But if some one not satisfied can raise issue, which is finally resolved by the reporting officer. A change is implemented further.

· Employees do not have pay for performance system. But they like this system to be implemented, as it is the only factor to motivate employee to achieve organizational goal effectively and efficiently.

· Employees are in favor of their Performance system as a impartial one where each employee is related confidentially by one or more senior officers & personal department and if possible changes are initiated by the Reporting officers.

· The Performance Appraisal system is not effective enough to make the employees more punctual loyal & disciplined. There is no threat of existing system.

· Majority of the Managers thinks that major activity involved to enhance organizational Performance is customer quality improvement Plan.

· There was not any provision to implement SMART Test. However few acronyms effect such as specific and measurable are included & rest are ignored.

· When managers were asked about the pay for performance system they said that their existing system lacks this important tool but if it is introduced than it will be the greater source of motivation for the employees.

· In terms of linking performance with productivity also there lack a sound relationship. Most of the managers believe that their appraisal system is not effective enough to raise productivity level.

· Their appraisal system also not helps much in identifying and rewarding effective employees. It also lacks Comparative Performance Measurement Method (CPM), which is very important to motivate an employee.