

Comparative Analysis of Performance Appraisal System in Public and Private Telecom Industry

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Abstract

India has the largest market for telecom services and it's growing in the fastest way day by day. Telecommunication services are necessary to develop the socio-economic growth of any country. A telecom service has become a prime support service in every sector. This present study is an attempt to explore the existing performance appraisal practices in the private and public telecom company in the North-Eastern Indian state. For this purpose, the researcher has conducted a self-structured questionnaire survey among the employees of BSNL and Airtel at the executive and non-executive level from the district of Mizoram. The result of the study reveals that there is a significant difference in the performance appraisal system in selected companies. The performance appraisal system in a private telecom company is more effective as compare to the public telecom company. Further, on the basis of the result, the study has suggested improving the performance appraisal practices.

Keywords: public and private telecom company, performance appraisal system, employee's performance, organizational growth.

Introduction

The performance appraisal system is an evaluation and review of an individual's job performance in order to achieve predetermined organizational objectives. On the basis of the results received by employees through their works, the appraisal came to be made; and not through the personal characteristics of the employees. According to To Lopes (2009), Performance Appraisal can be conceptualized as a continuous process of negotiation, monitoring and renegotiation of individual and group targets focusing on organizational results that generate subsidies to reward superior performance.

It is a component of improving and guiding the carrier development towards evaluating and recording work information about the relative

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strength of an individual to the organization. It can be also an assessment of an employees' current worth and weakness, success, and failures, need for training and suitability for reward and promotion. The appraisal system evaluates skills and actions with appropriate accuracy and consistency. It's helpful to identify areas for improving performance and to promote organizational growth. The appraisal system is not only a communication tool among supervisors and employees. The effectiveness of the appraisal process based on the appraiser's willingness to run a constructive and objective appraisal and on the appraiser's response along with the supervisor to achieve pre-established goals.

Profile of selected companies

Bharat Sanchar Nigam Limited

Bharat Sanchar Nigam Limited (BSNL) launched on 15 September 2000 is an Indian government-owned telecommunications service company. BSNL is one of the oldest and largest telecom service providers in the country. The company had a total of 124.11 million total subscribers, with these connections and market share, the company stood at 5th position as of 31.3.2018. However, in the recent 4-5 year company's revenues and share market plunged into a heavy loss. The company providing a wide variety of telecom services in India. The BSNL operating with almost every telecom service in India such as mobile cellular services, broadband services, enterprise business, and landline services.

Bharati Airtel

Bharati Airtel Ltd was incorporated on 7th July 1995 named Bharati Tele-Ventures Ltd under the law of India. Bharati airtel limited also acknowledged as Airtel is a global telecom service provider company. Airtel is the brand name that connects India with millions of people from all over the world. The company operating in 16 countries across South Asia, Africa and in Channels islands too. Airtel has become the most trusted telecom company in the world having 413.82 million subscribers by the end of 31 March 2018. It is the second-largest network provider in the world and 3rd ranked in India. The company mainly operates with mobile services in India, Bangladesh, and Shri Lanka. Company' Telemedia business offers broadband, IPTV and telephone services in the country. Another unit of business digital TV provides direct to home TV services in India and across 14 countries in Africa.

Literature Review

Ochoti et al (2012) conducted a descriptive study to access various factors influencing individuals' performance appraisal systems in the public sector, Kenya. Researchers found that all five independent variables: implementation process, rater accuracy, interpersonal relationship, informational factors, and employee attitude positively

affect the dependent variable: performance appraisal system. However, implementation processes highly influence the performance appraisal practices as compare to other factors. From the analysis, it can be concluded that an organization can use performance appraisal as an effective management tool by considering these factors.

Monari (2012) has discovered the factors that affect the utilization of performance appraisal in telecommunication organizations. The result of the research showed that supervisors apply professional knowledge, interviews periodically with employees, the study also found a strong association between employees strength and performance appraisal. However, the supervisor doesn't give feedback on appraisal practices. Findings of the study suggest the examined factors can be managed to enhance the success of appraisal practices by improving communication, the participation of managers in the recruitment process, allocation of more funds and budget for the planning of appraisal practices and automation of appraisal process to reduce instances of complaints.

Al-Kahtani and Khan (2013) Evaluated "Human Resource Development Practices in Telecom Sector in Saudi Arabia: An Empirical Presentation" The main objective of the research was to determine the difference in perception of employees on HRD practice between STC (public company) and mobily (private company). It was based on five dimensions: Quality of Work Life and Welfare Measures, organizational development, training and development, performance appraisal and reward, and participative management. The finding of the study shows that employees of both companies are moderately satisfied. Comparing public and private telecom sector, the mean score of Mobley is greater than STC in all dimension. But due to very less variation mean scores were observed to be above average.

Tanjeen (2013) conducted a study to examine the factors affecting job satisfaction of telecom industries in Bangladesh. In general, the study found most of the employees in the telecom sector were satisfied with their job. Further study revealed the factors leads to high satisfaction among them are working conditions, communication and good relationship among the staff, salary and job security. However, freedom, lack of promotion and reward opportunities, relation with the supervisor makes them low satisfied at the workplace. From the result of the study, it can be suggested that companies should implement in their promotion structure, communication, decision making, and reorganization system of valuable performance.

Khan et al. (2014) observed that the existing performance appraisal system was similar but the implementation of the appraisal system is different in the private and public sectors. Their study mainly reveals that government sector schools have better physical facilities but private sector schools are strictly applying the appraisal system. The result shows

that private sector schools' performance appraisal is more effective as compared to the public sector.

Malik and Bakhtawar (2014) described considerable differences among permanent and contractual employee's perceptions of the existing performance appraisal system in Pakistan Telecommunication Company Limited (PTCL). The finding shows that permanent employees are not satisfied with the instrument validity of the appraisal system while others are greatly satisfied. As the same permanent employee is having a little faith in distributive justice in the process of PAS, on the other hand, contractual employees termed the appraisal system as a fair and unbiased process. The study states that permanent and contractual employees vary regarding the appraisal system in PTCL. Their views are totally different in terms of fairness, transparency, utilization, and significance of the performance appraisal system.

Dhingra and Gakhar (2014) suggested implementation to improve employee development practices in Indian telecom industries. They selected 15 practices to analyze usage of selected practices in BSNL and MTNL and found, out of 15, top five practices E-learning, high visibility assignment, job sharing, job rotation, apprentice more frequently used in public telecom sectors and rest least-used practices are succession planning, carrier planning, stress training, stretch assignment and cross-cultural planning. Further study reveals, lack of retraining and systematic planning which reduces the frequency of development process of employees. The study suggests development practices should be continuous and well planned in public telecom companies.

Gautam and Jain (2016) investigated that a significant difference in the performance appraisal system between the public and private of the telecom industry and they in the study that public sector organizations are ambiguous to put less emphasis on the design of their performance appraisal system as compared to a private organization. In general, the study concluded that the performance management system yields benefit on the performance of employees by improving the moral quality of work and productivity in both sectors.

Need for the study

Very few comparative studies on overall employees' performance appraisal system in the public and private telecom sector in the context of northeast India has been found. Thus there is a need to examine the performance appraisal system in the public and private telecom sector in northeast India. Further study has discussed the issues of employee performance through the moderating variable and examines the effect of existing performance appraisal on employees' performance in public and private telecom companies especially.

Objective of the study

The primary objective of the present research is to evaluate the overall performance appraisal system of both selected public and private telecom companies. The secondary objectives of the study are:

1. To examine the impact of the existing performance appraisal system on employees' performance.
2. To evaluate which appraisal system is more effective between the selected companies.
3. To make a comparative evolution of overall existing performance appraisal practices in both telecom industries.

Research methodology

Data has been collected through primary and secondary sources for this study. The researcher used a self-designed questionnaire to collect primary data and secondary data has been taken from various sources such as journals, research articles, working record and manuals of selected companies and from the internet.

Sampling

The study has been carried out by collecting data from the executive and non-executive employees of BSNL and Airtel. A total of 84 samples were taken (62 from BSNL out of population 154 and 22 from Airtel out of total population 70) for the study.

Measures

A questionnaire survey has been used to explore the existing performance appraisal practices in selected telecom companies.

Data analysis and interpretation

Reliability test

Table 1: Reliability statistic of variables

Reliability statistics	
Cronbach's Alpha	N of Items
.927	37

Cronbach's alpha has been used to check inter-item reliability for all 37 items of study variables. Table 1 shows the reliability test, and Cronbach's alpha value found .927, which were highly reliable as if Cronbach's alpha value is more than 0.7.

Table 2: Dimension I: Showing awareness of performance appraisal system

SI N.	Variables	Company	SA %	A %	N %	D %	SD %
1	I am aware of the existing performance appraisal system.	BSNL	8.1	77.4	4.8	6.5	-
		Airtel	50.0	45.5	4.5	-	-
2	I am aware of the objectives of performance appraisal system	BSNL	11.3	77.4	4.8	6.5	-
		Airtel	63.6	36.4	-	-	-
3	The current appraisal system is just a formality without any important objectives	BSNL	3.2	27.4	27.4	35.5	6.5
		Airtel	-	4.5	9.1	63.6	22.7
4	You are informed of the performance appraisal before Conduction	BSNL	9.7	59.7	29.0	-	1.6
		Airtel	31.8	54.5	9.1	4.5	-
5	Performance appraisal system conducted in your organization once in a year or on a specific time	BSNL	12.9	71.0	12.9	3.2	-
		Airtel	36.4	40.9	22.7	-	-

Table 3: Dimension II: Showing purpose of performance appraisal system

	Variables	Company	SA %	A %	N %	D %	SD %
1	The performance appraisal system is useful in training needs assessment	BSNL	4.8	27.2	17.7	48.4	4.8
		Airtel	27.3	54.5	13.6	4.5	-
2	Performance appraisal system is useful in determining promotion criteria among employees	BSNL	6.5	22.6	35.5	30.6	4.8
		Airtel	68.2	27.3	4.5	-	-
3	Appraisal system is helpful to weed out incompetent employee	BSNL	4.8	11.3	43.5	38.7	1.6
		Airtel	72.7	27.3	-	-	-
4	Appraisal system used to measure departmental objectives	BSNL	17.7	66.1	12.9	3.2	-
		Airtel	59.1	31.8	9.1	-	-
5	Appraisal system used to motivate the employees	BSNL	3.2	37.1	45.2	14.5	-
		Airtel	36.4	45.5	18.2	-	-

6	Appraisal system is used to decide salary and rewards	BSNL	-	12.9	33.9	46.8	6.5
		Airtel	31.8	50.0	18.2	-	-
7	Appraisal system is used in the identification of individual roles	BSNL	-	24.2	51.6	21.0	3.2
		Airtel	40.9	54.5	4.5	-	-
8	Appraisal system is useful to improve performance planning	BSNL	4.8	77.4	12.9	4.8	-
		Airtel	40.9	59.1	-	-	-

Table 4: Dimension III: Showing fairness of performance appraisal system

SI N.	Variables	Company	SA %	A %	N %	D %	SD %
1	Appraisal system given by appraise is fair	BSNL	8.1	58.1	33.9	-	-
		Airtel	54.5	40.9	4.5	-	-
2	Standard of performance well communicates with you.	BSNL	11.3	40.3	40.3	8.1	-
		Airtel	18.2	77.3	4.5	-	-
3	Regular feedback is provided by your organization on the appraisal system	BSNL	8.1	25.8	46.8	19.4	-
		Airtel	22.7	45.5	31.8	-	-
4	Appraisal system helps each appraise and appraiser to have a clear joint understanding of each	BSNL	6.5	56.5	32.3	4.8	-
		Airtel	22.7	68.2	9.1	-	-
5	Management is devoted to giving priority to effective maintenance and operation of the appraisal system	BSNL	8.1	37.1	35.5	19.4	-
		Airtel	45.5	40.9	9.1	4.5	-
6	Whether you have informed about the appraisal model used in the organization during your induction	BSNL	4.8	45.2	25.8	11.3	12.9
		Airtel	18.2	45.5	22.7	13.6	-
7	There is an appeal process in place if an employee disagrees with the appraisal	BSNL	6.5	51.6	40.3	1.6	-
		Airtel	9.1	68.2	18.2	4.5	-
8	Performance standard is consistent across the organization.	BSNL	6.5	58.1	17.7	6.5	11.3
		Airtel	31.8	50.0	13.6	4.5	-

Table 5: Dimension IV: Showing effectiveness of performance appraisal system

SI N.		Company	SA	A	N	D	SD
1	Current performance appraisal system is an effective tool for employee's performance	BSNL	11.3	37.1	40.3	9.7	1.6
		Airtel	68.2	31.8	-	-	-
2	Performance appraisal helps to reduce grievance.	BSNL	1.6	43.5	37.1	12.9	4.8
		Airtel	27.3	36.4	31.8	4.5	-
3	Performance appraisal helpful for improving personal skills	BSNL	6.5	59.7	25.8	4.8	3.2
		Airtel	40.9	54.5	4.5	-	-
4	Performance appraisal helps to win cooperation and teamwork	BSNL	3.2	45.2	33.9	16.1	1.6
		Airtel	31.8	45.5	13.6	9.1	-
5	Appraisal system helps to identify the strength or weakness of the employee	BSNL	4.8	50.0	29.0	16.1	-
		Airtel	59.1	31.8	9.1	-	-
6	Appraiser and appraise jointly developed the performance goal	BSNL	4.8	37.1	40.3	6.5	11.3
		Airtel	13.6	68.6	18.2	-	-
7	Team meeting conducted efficiently in your organization	BSNL	4.8	48.4	19.4	19.4	8.1
		Airtel	50.0	40.9	9.1	-	-
8	In general, you received the appraisal outcome that you deserved	BSNL	8.1	45.2	38.7	8.1	-
		Airtel	36.4	36.4	18.2	9.1	-

Table 6: Dimension V: Showing rating scale of performance appraisal system

	Variables	Company	SA	A	N	D	SD
1	Performance rating are accurate and reflect actual performance	BSNL	1.6	53.2	29.0	14.5	1.6
		Airtel	45.5	45.5	9.1	-	-
2	Rating is based on actual performance not personal feelings	BSNL	4.8	61.3	22.6	11.3	-
		Airtel	18.2	72.7	9.1	-	-
3	Format of the rating scale is important to measure the accuracy of individual performance	BSNL	1.6	79.0	19.4	-	-
		Airtel	40.9	45.5	13.6	-	-

4	Your appraiser takes the rating system and process seriously to evaluate you	BSNL	1.6	61.3	27.4	9.7	-
		Airtel	63.6	36.4	-	-	-
5	Performance rating is helpful for the management to provide employee counseling	BSNL	1.6	62.9	32.3	3.2	-
		Airtel	45.5	45.5	9.1	-	-
6	Management fixes the salary through the performance rating	BSNL	-	6.5	17.7	62.9	12.9
		Airtel	40.9	50.0	9.1	-	-
7	Performance rating help to fix increment	BSNL	-	11.3	21.0	51.6	16.1
		Airtel	54.5	36.4	9.1	-	-
8	Overall, you are satisfied with your job evaluation through the rating scale of the existing appraisal system	BSNL	3.2	53.2	33.9	3.2	6.5
		Airtel	40.9	50.0	9.1	-	-

(Note: SA – Strongly agree, A - Agree N- Not sure, D – disagree SD- Strongly disagree)

As shown in Table 2, the perception of respondents on the dimension awareness of the performance appraisal system shows that employees of both companies are aware of their appraisal system. Comparing between public and private companies, it is analyzed that respondents of Airtel have positive observation as compare to BSNL because the agreement level of Airtel is higher for every statement except one.

Data shown in table 3 reveals the purpose of the performance appraisal system in selected telecom companies. all statements of this category clearly show a strong variation between the mean scores. As noted in table 3, respondents of Airtel have a strong positive agreement as compared to BSNL, which concludes the existing appraisal system in Airtel is more purposeful than BSNL.

Table 4 depicted the dimension “Fairness and clarity of performance appraisal system” also has a different attitude in the respondents towards BSNL and Airtel. Theirs perception strongly varied, however from the analysis it can be observed that both the companies have positive perceptions towards this category but respondents of Airtel were found more agreed.

From table 5 the mean value shows the result for the effectiveness of eight performance appraisal practices in BSNL and Airtel. Data reveals a significant variation for this dimension. Respondents of both companies have a positive attitude but an overall average positive score of Airtel is higher than BSNL. This indicates that the efficiency of performance appraisal in Airtel is higher than BSNL.

Data shown in table 6 shows a statistical difference for two statements out of eight regarding the rating scale formate of the performance

appraisal system in the selected company. The agreement score of BSNL is lower than score of Airtel for the statement 'Management fixes the salary through the performance rating' which shows employees of Airtel have a positive response on the statement as compare to BSNL. Another strong difference for 'Performance rating help to fix increment' for other rest six statements, respondents of both companies have a positive attitude but overall average of the mean score of Airtel is higher than BSNL.

Findings

Performance appraisal system conducted in both selected organizations once in a year or at a specific time. The majority of employees in BSNL observe just a formality without any objectives while the majority of respondents in Airtel disagreed. The current appraisal system in BSNL) is not effective in weed out incompetent employees, access the training need, decide salary and rewards, determine promotion criteria, and motivate the employees but they perceive that its useful to measure departmental objectives and improve performance planning. Accordingly, in the private sector (Airtel) appraisal practices found to be highly effective. The performance standard is consistent across both public and private organizations. There is an appeal process exist in both companies if employees are not satisfied with the appraisal process. Appraisal practices are not used to reduce grievance and win the team cooperation in BSNL. However, most of the respondents of Airtel express that the appraisal system is helpful to win the cooperation of teamwork and reduce the grievance in their organization. The appraisal process plays no role in establishing new job expectations in the public company (BSNL). However, in the private sector (Airtel) management establish a new job after the performance appraisal process. The existing appraisal system in both the public and the private company is helpful to identify the strength and weaknesses of employees and to improve their performance. The study found that employees of Airtel were highly satisfied with their job evaluation through the rating scale of the existing appraisal system. As compare to BSNL. In a private telecom company (Airtel), management provides regular feedback on the appraisal system but in BSNL, the majority of respondents disagreed with this. The awareness level on the appraisal system was found higher in the private sector than in the public sector. The existing appraisal system both of organization is fair and clear. While respondents of Airtel have a strong positive perception as compared to BSNL. Management is more devoted to giving priority for effective maintenance and operations of the appraisal system in a private telecom company (Airtel) as compared to a public telecom company (BSNL). Appraisal practices in the private sector (Airtel) used to identify individuals' roles, but in the public sector (BSNL), these were missing. In the public sector (BSNL), a performance appraisal system not used to

decide promotion criteria, in general organizations promote the employees on the basis of seniority. But in the private sector (Airtel), employees get promoted on the basis of their performance after the appraisal process. In Airtel, management decides salary, reward, and increment through the rating of the appraisal process in the private sector but not in the public sector.

Conclusion

This research aimed to explore existing performance appraisal practices in the public and private telecom companies. The tested result has been explained through tables. The study concludes that selected five variables analyzed include the awareness, purpose, fairness and clarity, effectiveness and rating scale format of PAS. The items under these variables have exposed the differences in the practices of PAS between BSNL and Airtel. From the result, it is evident that there is a significant difference in performance appraisal between public and private telecom sectors. The performance appraisal system in the public telecom sector needs to implement. Although the study was conducted in Aizawl, it points out the issues of the appraisal system in public and private telecom sectors, as the same appraisal process exists in public and private telecom companies throughout the country.

Recommendations

1. In the public telecom sector, the HR department must inform and provide detail through conducting effective programs like workshops, conferences, and telecasting videos to the employees before conducting a performance appraisal system.
2. Management needs to improve communication between employees to get their feedback. The format of the appraisal must be refined from their feedback.
3. In a public telecom company, the performance appraisal process should be linked with the individual's compensation and employees should be also rewarded and motivated to achieve an organizational goal through performance appraisal.
4. In the public telecom sector, performance appraisal must be used to identify training needs. Training development, carrier development and planning to organizational development is the main function of performance appraisal.
5. Team meetings must be conducted regularly.
6. Performance appraisal should be linked to weed out incompetent employees to promote effective employees and improve the performance in public telecom company.
7. In the public sector company, the organization should focus to give more enough time to an appraiser

8. The appraisal report should be properly communicated to the concerned employee. Good performance should be appreciated so that the employee is sufficiently motivated and happy.
9. In the public sector (BSNL) the appraisal format, procedure, and rules should be standardized.
10. To evaluate the performance of employees effectively, both companies should conduct a performance appraisal process at least twice a year. In the public sector telecom sector, a performance rating standard needs to be implemented to measure performance accuracy and standard need to be directly linked to fixing salary and increment to motivate effective employees.

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