



Performance Management-Nurturing Performance Culture (A Case Study of Ongc-Oil & Natural Gas Corporation Ltd)

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ABSTRACT

Liberalization, globalization and the disappearance of the License Raj have changed the corporate scenario. There is a remarkable change in the way the companies are looking at employee's performance. Being loyal, punctual and not taking leave are no longer the attributes of a good employee. Value addition has become the sole criteria for performance appraisal.

The compensation structure has also undergone a major transformation over a last decade. The shift to performance based pay or variable pay has become widely prevalent in Indian companies. Every salary hike has been literally linked to performance.

The key challenge to many Indian companies is how to survive in the new economy. In this competitive scenario performance management system(PMS) acts as an important tool to leverage performance of the organization .

Unfortunately many Indian organizations especially the public sector industries like power distribution companies, ONGC etc. had not moved on and are still operating the old performance management process even though other aspects of their structure and management process might have changed significantly after economic reforms. Survey of Fortune 500 or 1000 companies indicate a high degree of dissatisfaction with the performance appraisal systems. This is probably because in the absence of a carefully structured and implemented system of appraisal people tend to judge the work performance of others, including subordinates, naturally informally and arbitrarily which tends to create serious motivational, ethical and legal problems in the work place. In some cases though the appraisal systems are well designed but do not get implemented properly due to poor monitoring and follow-up. Thus the present study has made an attempt to understand the importance of PERFORMANCE MANAGEMENT and need to nurture performance culture in the organization.

This report concentrates on the study of the Performance Appraisal System (PAS) being practiced in ONGC and to check its effectiveness, also to suggest more feasible ways of improving and strengthening the Performance Appraisal System.

Keywords: PMS, value addition, PAS, performance based pay, variable pay, ONGC

INTRODUCTION

Performance appraisal practices in Indian organizations are quite varied. They vary from almost 'no appraisal' to a 'sophisticated multipurpose, multi component based appraisal systems'. In some of the small and medium sized organizations it is not uncommon to find no formal mechanisms of appraising performance. Informal appraisal reports are given by senior officers to the top management. At the time of promotion decisions the top management takes the views of appraisers in to consideration. There are also some organizations that have performance appraisals that aim simultaneously at different objectives, such as data generation for personnel decisions like rewards, promotions, job-rotation, transfers and creation of a new organizational culture of openness, trust, mutuality and generation of enabling capabilities and employee development that use different components such as key performance areas (KPA's), objective setting, managerial and behavioral dimensions, self-assessment, performance analysis, counseling, identification of training needs, etc. A good example of such a system is the one followed by

Larsen & Toubro limited and the one being experimented by the State Bank of India and its associate banks. On one side are organizations that have annual confidential reports which take in to consideration only certain traits like sincerity, punctuality, hard work, appearance, leadership, drive and loyalty, to be shown by the employee and ignore fully the job related accomplishments of the employee. On the other side of the continuum are organizations that have semi-confidential formats which require the appraisee to state his accomplishments. They also take in to account such statements of the appraisee for final assessment by the boss which is on work-related issues as well as behaviors of the employee. The appraiser is also required to discuss with the appraisee before his final assessment. Most of the government departments fall in to the earlier category whereas private and public sector industries tend to fall in the latter category. Here the government departments like the department of health and family welfare, education, energy, etc., are to be differentiated from public sector industries like BHEL, HMT, BEML, IOC, SAIL, etc. In between these two sets there are organizations having appraisals with various degrees of sophistication. Some have a performance-cum-trait based confidential report formats whereas some others have performance-cum-trait based appraisals open to the appraisee for discussion and requiring him to make his comments before they are sent to the reviewing authority and then to the personnel department.

If PMS has to work the first most important step required is to change the focus from appraisal to performance planning, review and development. The focus should shift the PMS process and the obsession with appraisals should stop. Appraisals should be given their due place. If the focus is on appraisal then the percentage of returns of filled in forms, objectivity in assessments, rewards, etc. will become areas of primary concern. Issues like performance improvements and competency building, gaining competitive advantage and taking up new challenges will recede to the background. Performance management and appraisal systems were not being rated as successful in our country for quite some time. The situation is changing slowly.

COMPANY'S PROFILE

Oil and Natural Gas Corporation Limited (ONGC) is Indian state-owned oil and Gas Company headquartered at Dehradun, India, engaged in exploration of hydrocarbons, is one of the leading companies with significant contribution in its industrial and economic growth. Government of India conferred the Maharatna status to ONGC, on 21st May 2010. With this empowerment, equity investment limit in subsidiaries, Joint ventures and Mergers & Acquisitions in India or abroad has been enhanced from Rs 1,000 crores to Rs 5,000 crores subject to a ceiling of 15% of the net worth limited in one project. It is a Fortune Global 500 company ranked 413 and one of the Asia's largest and most active company involved in exploration and production of oil. Today according to Platt's Top 250 Global Energy Company Ranking (2010), ONGC has been ranked as the number one Exploration & Production company in the world and 18th in the overall listing of Global Energy Companies. ONGC has been ranked at 172nd position in Forbes Global 2000 list 2011 of world's biggest companies for 2010 (April, 2011). It has been ranked at second position in financial express FE 500 listing of Indian companies both in terms of Net worth and overall composite ranking. It owns and operates more than 11,000 km of pipelines in India, including 3200 km of subsea pipelines. The company contributes 77% of India's crude oil production which accounts to 30% of India's crude oil requirement and 81% of India's natural gas production. It also one of the highest profit making companies in India. Today, ONGC is the flagship company of India with a dedicated team of nearly 40,000 professionals who toil round the clock. ONGC has a distinction of being a company with in-house service capabilities in all the activity areas of exploration and production of oil & gas related oil field services. Needless to emphasize, this was made possible by the men & women behind the machine.

During FY'11, the company recorded the highest ever production including the production share from its domestic joint ventures and the production of OVL (ONGC Videsh Ltd.) of 62.05 million tonne of oil and oil equivalent gas (MMTOE) with a significant breakthrough in SHALE gas exploration. The company has also made highest ever Net Profit of Rs 189,240 million.

OVL is presently operating in 14 countries with 33 projects; 9 producing assets, 3 assets under development, 2 assets discovered and under appraisal, 1 pipeline project and 18 assets under exploration. OVL signed definitive agreements with KazMunai Gas, for acquisition of 25% participating interest in the Satpayev exploration block in Kazakhstan on April 16, 2011. Other major subsidiaries of ONGC are MRPL (Mangalore Refinery & Petrochemicals Limited) and OTPC (ONGC Tripura power Company Ltd).

PERFORMANCE MANAGEMENT SYSTEM IN ONGC

With a view to establish a transparent, multidimensional performance evaluation system and to introduce performance contracting process in alignment with the best practices in the industry, the online Performance

Appraisal system named e-PAR was implemented in ONGC. It helped to speed up HR processes like promotion, special assignments, deputation out, rewards and incentives etc. Organizations like IOC and HPCL are already using IT enabled Performance Management system. ONGC in its 321st meeting held on 23.04.08 at Delhi approved the introduction of the online PAR system (e-PAR), w.e.f. the appraisal year 2008-09 and it went live from 4th June, 2008 and was accessible to the concerned executives.

Salient Features of e-PAR

- Uniform application across the company and standardized performance criterion with minimized subjectivity.
- It is a system driven control and monitoring mechanism enabling a single point data capturing and authentication thereby reducing the cycle time.
- Adherence to time schedules with enhanced data security and confidentiality.
- The **authenticity** and audit trail of transactions are well maintained, at the same time all the information is available on line.
- PAR of all the employees were enabled in stages. It is based on Employee Self Service Portal SAMPARC, which provides connectivity to all employees, configured on SAP platform.
- The e-PAR system has two components, i.e. the **performance appraisal** and the **potential appraisal**.

There are three main stages in performance management system in ONGC

1. Defining key result areas (KRA) and setting goals for the current year;
2. Undertaking mid-term reviews of these goals; and
3. Appraising the performance of an individual for the year in consideration.

KRA and Goal Setting

Every employee (L) at the beginning of the year is required to define the key result areas and the goals or key performance indicators under each KRA, specifying the weight age to each goal depending on the priority assigned to the same, in consultation with his superior at the beginning of the year. The Performance appraisal has been divided into 4 key Result Areas

- Quantitative & timeliness
- System improvement
- HSE/Office management
- Qualitative Aspects

The first KRA can have a minimum of 1 KPI to a maximum of 5 KPIs. The other KRAs are envisaged for assessment by the appraiser only.

Each goal/KPI would have associated with it

- **Weight age:** All the goals put together will have a total weight age of 100. This total weight age is apportioned to each goal depending on the impact the goal will have, its priority, the difficulty in achieving it, etc.
- **Measurement criteria:** Measurement criteria for each goal is spelt out. These are the criteria which will be used when reviewing and appraising the performance of an employee for the corresponding goal.
- **Existing position:** This is the position of the goal at the beginning of the year. Without accurate data the measurement of the goal would be difficult.
- **Desired position:** What would the person achieve at end of the year
- **Target Date:** The date by which the employee commits to achieving the goal. There may be certain long term goals, which may take more than a year to complete. For such goals, the existing position would be the one, which can be attained at the end of the current year.

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Mid Term Review

All the goals are reviewed in the mid year to monitor progress and to take up mid course corrections as necessary. The employee (L) updates the status of achievements of each goal and forwards it to the superior (L+1) for review and comments.

Performance Appraisal Forms

There are three parts of the performance appraisal.

1. The employee (L/appraisee) composing one's portion of performance appraisal.
2. The L+1 (appraiser) entering the portion of performance appraisal of the subordinate.

3. The L+2 (accepting authority) composing the final rating of the L.

Employee's Portion

This portion of the P.A form is to be entered by the appraisee based on the goals of the previous year. There are two parts in this section.

1. **Self assessment:** This first part consists of a set of questions, which are to be responded to by the employee. The employee should be concise in responding to these questions. While responding to these questions one should keep in mind that 'what is achieved and how it is achieved are equally important'. It is advised to include one's innovative/creative approaches in accomplishing goals/surpassing the targets.
2. **Goal assessment:** The status of achievement against each goal is entered. While mentioning the status of achievement the employee should refer to the measurement criteria/performance measures one has indicated in the goal statement.

The form consisting of the responses to the questions in self assessment as well as updated status of achievement in the goal assessment is to be sent to the L+1.

Performance Appraisal Rating of L by L+1

L+1 are required to respond to three parts in the performance appraisal of the subordinate once he/she has studied the responses to the questions in the self assessment.

1. Rating against each goal: L+1's rating for achieving the goal against the weight age should be given. The rating should be an absolute value and not percentages.
2. Potential appraisal: There are 10 attributes/traits to be assessed. A rating between 1 and 5 for each behavior can be given, where 1 indicates the lowest value and 5 indicates the highest value.
3. Feedback: Based on the employee's self assessment, the status of achievement for each goal and your rating for each goal, an overall feedback about the appraisee (L) is to be composed.

It is advisable that L+1 sits and discusses with the appraisee (L) to know more about the achievement of the goals before the ratings are offered. Once L+1 complete all the sections, the form is forwarded to L+2 for final rating.

Overall Performance Rating of L By L+2

The accepting authority (L+2) will play the crucial role as he/she offers the final rating of performance of the appraisee (L).

L+2 are expected to study the information provided by both L as well as by L+1 in various sections of the performance appraisal form. He/she is also expected to study the self assessment and goal assessment filled in by the appraisee (L), the rating offered and qualifying statements given by L+1 along with the potential appraisal and the feedback composed by L+1.

L+2 are required to fill in the following details:

1. Potential appraisal of L: There are 10 traits to be assessed. The ratings between 1 and 5 for each trait are given, where 1 indicates the lowest value and 5 indicates the highest value. These ratings would be based on L+2's perception of L as well as information/feedback one gets from other significant members in the function.
2. Comments of L+2: Based on the information L+2 has seen regarding the self assessment, goal assessment, L+1's rating etc., L+2 composes his/her comments about the overall achievement of goals and the way they were achieved.
3. Overall assessment and feedback: Based on the information available, L+2 assigns overall performance ratings based on certain specific performance standards which outline the characteristics of each of these ratings. Then the overall feedback based on the overall assessment and final rating is to be composed by L+2.

The accepting authority gives the final feedback and decides the rewards accordingly.

Performance Reward and Recognition

The outcome of performance appraisal is linked to:

1. Performance-linked pay
2. Development opportunities
3. Challenging assignments in various task forces in the company.

Change in Evaluation Methodology with e-PAR system in ONGC

Prior method of performance appraisal	e-PAR system
No provision to define targets at the beginning of year.	KRAs/KPIs to be defined at the beginning of appraisal year.
Self appraisal by employee at the end of assessment year, based on achievements during the year.	Self assessment based on achievements against pre-defined KRAs/KPIs, jointly set with Reporting Officer (Appraiser).
No provision for mid-term review.	Compulsory mid-term review
Unilateral appraisal by controlling officer based on KRAs (volume of work, Quality of output, Timeliness of Job).	Performance appraisal based on pre-defined KRAs (Quantitative & Timeliness).
Potential Appraisal based on pre-set Attributes and Traits.	Minor change by inclusion of punctuality. Existing system to be followed.

The tables given below are the various appraisal forms used in e-PAR system in ONGC for evaluating the performances of their employees.

Performance Appraisal

SYSTEM	PERFORMANCE ASSESSMENT MECHANISM IN e-PAR	
KRAS	Rating given to the Appraisee	Weight age
Quantitative aspect		40
Timeliness aspect		20
HSE/Office Management		10
System Improvements		10
Qualitative aspects		20
	Total	100

KRA	Description		Weight age	Appraiser	Reviewing officer												
<p>KRA 1: Quantitative & Timeliness (Quantitative-e.g. output in terms of production/ work over jobs/ meter age/ equipment availability/ oil gain/ LKMs/ interpretation volume/ %age completion of project/ achievement of project milestones/targets/ achievement of MOU parameters/ marks in case of trainees/ UPS/ SUPS schemes etc.)</p> <p>(Timeliness-e.g. response time/turnaround time / adherence to schedules/ time optimization etc.)</p> <p><i>Note: No .of KPIs may depend on assignments & level of executive (maximum 5 and minimum 1) Weight ages against each KPI may also vary as per importance of KPI in each case .The total allocation against quantitative and timeliness may be proportioned against the chosen KPIs.</i></p>	KPI-1	a)Quantitative															
		b)Timeliness															
	KPI-2	a)Quantitative															
		b)Timeliness															
	KPI-3	a)Quantitative															
		b)Timeliness															
	KPI-4	a)Quantitative															
		b)Timeliness															
	KPI-5	a)Quantitative															
		b)Timeliness															
Total KPIs	a)Quantitative		40														
	b)Timeliness		20														
<p>KRA 2: System Improvement E.g. efficient work procedures/ adoption of technology/ optimizing processes/ cost optimization/ dissemination of new knowledge etc.)</p>			10														
<p>KRA 3: HSE (for field duty) (e.g. safe work practices/ environment protection/adherence to safety guidelines/availability of safety equipment/ compliance of statutory requirements etc. & achievements/ innovation in these areas)</p> <p>Office Management (for office duty) (E.g. adherence to correct systems and procedures/ maintenance of records/IT systems usage/ optimizing processes/ proactive peer support/ workplace upkeep etc.</p>			10														
<p>KRA 4: Qualitative (E.g. depth of analysis/research done/ reliability of data provided/ reliability of end product/service/ end user feedback etc.)</p> <p>Overall Quality of performance of all KRAs as per criteria given in next column:</p>	<table border="1"> <thead> <tr> <th>Attribute</th> <th>Range</th> </tr> </thead> <tbody> <tr> <td>Excellent</td> <td>17-20</td> </tr> <tr> <td>Very Good</td> <td>13-16</td> </tr> <tr> <td>Good</td> <td>9-12</td> </tr> <tr> <td>Average</td> <td>5-8</td> </tr> <tr> <td>Below average</td> <td>0-4</td> </tr> </tbody> </table>	Attribute	Range	Excellent	17-20	Very Good	13-16	Good	9-12	Average	5-8	Below average	0-4		20		
Attribute	Range																
Excellent	17-20																
Very Good	13-16																
Good	9-12																
Average	5-8																
Below average	0-4																
GRAND TOTAL (performance-P)			100														

POTENTIAL APPRAISAL

Scale for potential Appraisal is from 1 to 5 (1-poor, 2-Fair, 3-Good, 4-Very Good, 5-Excellent) keeping the existing role as well as future positions in perspective.

Attribute/Trait	Appraiser's Rating	Reviewing officer's Rating
1. Result oriented approach: Focuses on given targets to achieve them, willingness and ability to come up with ideas and alternatives for solving job related problems		
2. Willingness to accept challenges: Willing and able to handle challenges based on understanding of upcoming changes		
3. Diligence and reliability: Reliability to perform and complete assigned tasks well within schedules of time, cost, quality and dependability		
4. Initiative: willingness and ability to start and complete tasks independently, self-starter		
5. Professional competence: awareness and understanding of the fundamentals and developments relating to one's own job and demonstrating high level of performance		
6. Communication skills: Ability in verbal and written communication, clarity of thought and expression		
7. Commitment and dedication: towards organizational (departmental and corporate) goals		
8. Personal conduct, discipline and punctuality: behavioral pattern repeatedly demonstrated, shows regard to Rules of the corporation		
9. Leadership: Demonstrates ability to lead to accomplish the given task and also inspires others to do it, Mentor		
10. Inter personal relationship/ team member: willingness and ability to work harmoniously within the team, extends cooperation and is respected and trusted		
TOTAL (Q)		

The e-PAR system is also incorporated with the facility to record receipt of any meritorious awards during the assessment period.

Award/Recognition (please tick)		
1.	Global/ International	<input type="checkbox"/>
	Corporate (Group)	<input type="checkbox"/>
	Key Executive (Group)	<input type="checkbox"/>
	Corporate (individual)	<input type="checkbox"/>
	Key Executive (individual)	<input type="checkbox"/>
2.	Name of Award	<input type="text"/>
3.	Education in :	
	Hindi	<input type="checkbox"/>
	English	<input type="checkbox"/>
	Graduation	<input type="checkbox"/>
	Intermediate	<input type="checkbox"/>
	High school	<input type="checkbox"/>
	Up to class 8	<input type="checkbox"/>

OBJECTIVE OF THE STUDY

The present study concerns broadly itself with the performance management system in Indian industries, public and corporate sector to withstand in the cut throat competition and strengthen the Indian economy. The study also encompasses a micro problem area by choosing one of the major public sector undertaking i.e. Oil and Natural Gas corporation Ltd to make an in depth as well as extensive study of various facets of performance management and to estimate the effectiveness of the performance appraisal system of ONGC.

RESEARCH METHODOLOGY

A structured approach was followed wherein the objectives, design, sample and the questionnaire were predetermined. A descriptive type of study was undertaken to estimate the effectiveness of the performance appraisal system of ONGC. The scope of the study is limited to ONGC Delhi (Jeevan Bharati) and the sample size was taken to be 100.

METHODS OF DATA COLLECTION

The data and other relevant information were collected from primary as well as secondary sources. The primary data was based, up on the responses of the respondents to the questionnaire designed and discussion with the chief HR Manager of the company. The questionnaire consisted of closed ended questions. A part of questionnaire was targeted to know the personal details of the respondents.

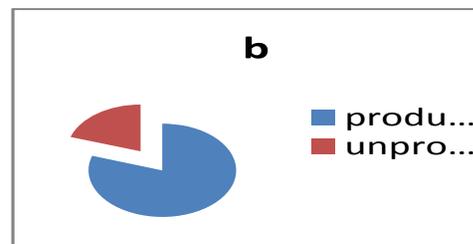
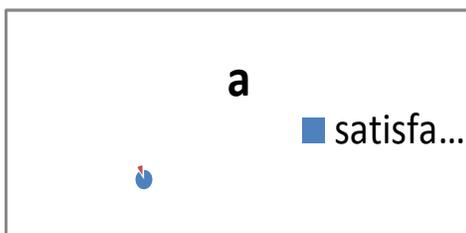
The secondary data was collected by referring through manuals, journals and intra net, websites, annual reports of ONGC and various other books on PMS. The final data was analyzed systematically to achieve the desired result.

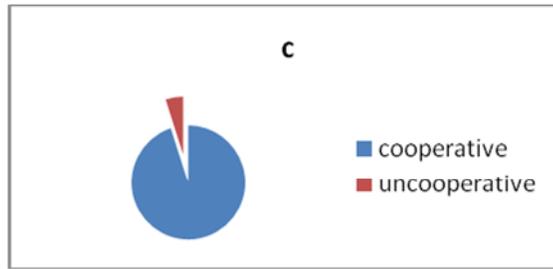
LIMITATIONS

1. ONGC is a vast organization comprising of multiple disciplines and work centers which make it very difficult to include employees from of all the disciplines, all over the work centers and at all the levels in the study.
2. Since the sample size is too small comprising of 100 respondents from a vast organization of 40,000 employees, the data may not be true representative of the actual scenario and responses may be indicative of the local situation.
3. Many questions were responded as “cannot say” due to the subjectivity of the topic.
4. There is a possibility that the respondents might have responded in a casual and random manner.

DATA ANALYSIS AND INTERPRETATION

1. To analyze the survey better the sample was divided in to various groups based on different criterions like age, gender, discipline, management level and experience. It was found that the executives from E1-E6 levels were primarily of the age above 50 years and majority of them were males. Almost all the departments were covered viz. HR, Logistics, Finance, civil, Electrical, Medical, Vigilance, Production, corporate Affairs and corporate planning.
2. Please place a mark on the scale below to indicate how you would characterize your relationship with the organization?





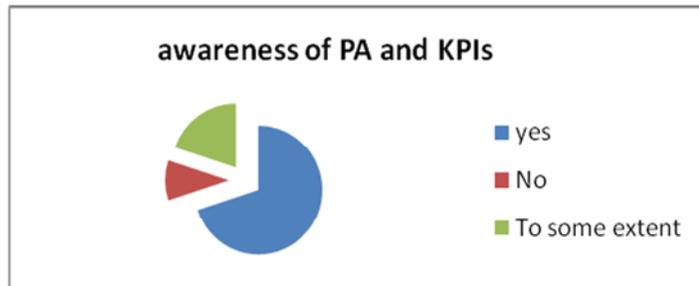
Interpretation: chart a, b and c shows how the employees characterize their relationships with ONGC. 90% of the respondents are satisfied and 95% of them find ONGC a very cooperative organization while 20% of them are not happy with the productivity.

3. Satisfaction level with your job.



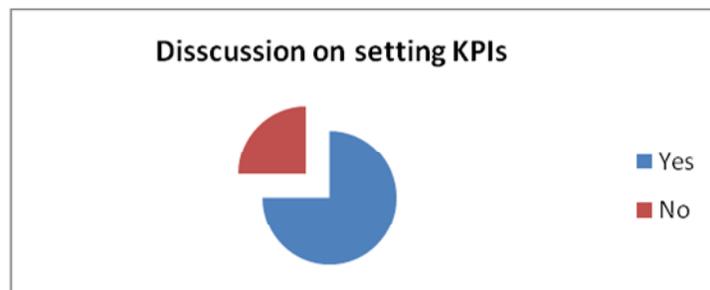
Interpretation: This chart shows that 60% of the respondents are satisfied with their job whereas 5% of them are unsatisfied and only 5% of them consider it to be the best possible alternative.

4. Are you fully aware of performance appraisal and key performance areas?



Interpretation: The chart shows that 70% of the respondents are fully aware of performance appraisal and their key performance areas while 10% of them are unaware and 20% of them understand only to some extent.

5. Before putting up key performance areas do your seniors discuss with you?



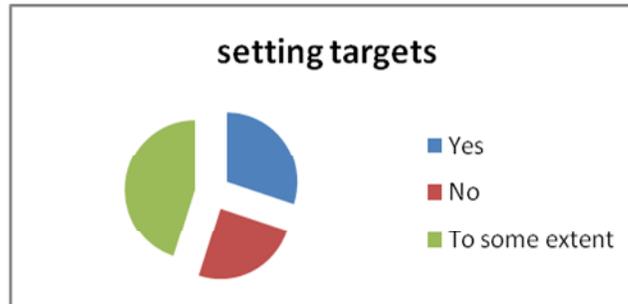
Interpretation: This chart shows that only 75% of the respondents say that before setting up key performance areas their seniors discuss with them while 25% of them disagree with this.

6. Does the setting of targets help you in understanding your job or expectation from you?



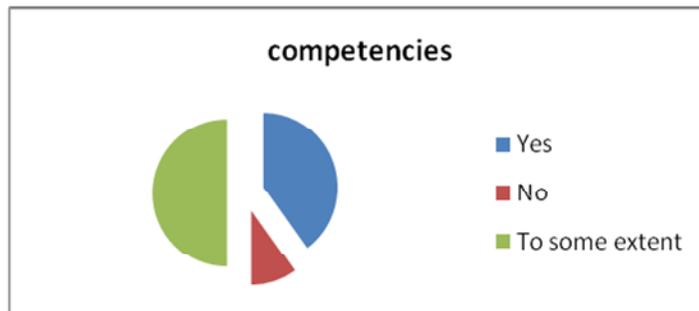
Interpretation: The chart shows that more than half of the respondents feel that setting of targets help them in understanding their job better while 10% of the respondents do not feel that.

7. Are you satisfied with the procedure for setting targets?



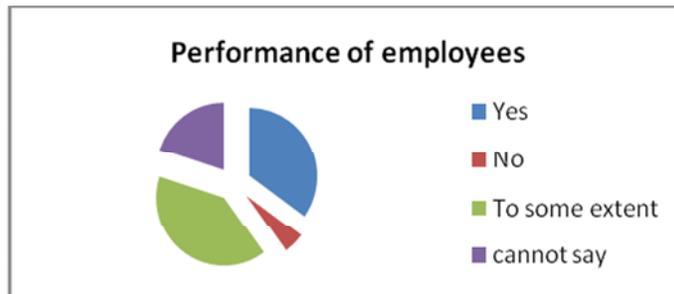
Interpretation: In ONGC only 30% of the respondents are satisfied with the procedure of setting targets and much of them are satisfied only to certain extent while 25% are unsatisfied.

8. Are you rated on your competencies- knowledge, skills, and attribute?



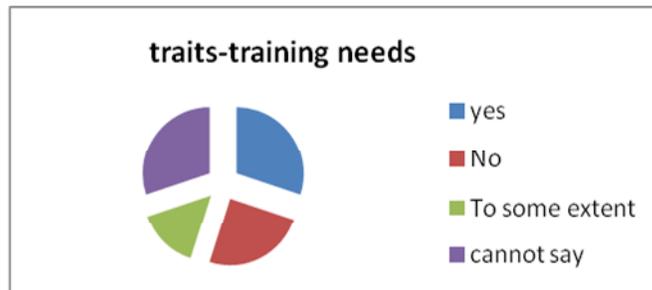
Interpretation: Majority of the respondents agree to the point that the appraiser knows their personality, talents and potentials but 10% of the respondents are not aware of their talents and potentials.

9. Does the performance appraisal system contribute in improving the performance of employees?



Interpretation: Most of the respondents think that performance appraisal system helps in improving their performance whereas only 5% of them say no.

10. Does your traits evaluated or assessed in the performance appraisal forms help in training and development needs?



Interpretation: Only 30% of the respondents believe that their traits evaluated in the PA forms help in training and development needs and 15% of them agree only to some extent while 25% of them disagree to this point.

11. Do the training and development needs of the executives are considered during performance appraisal system?



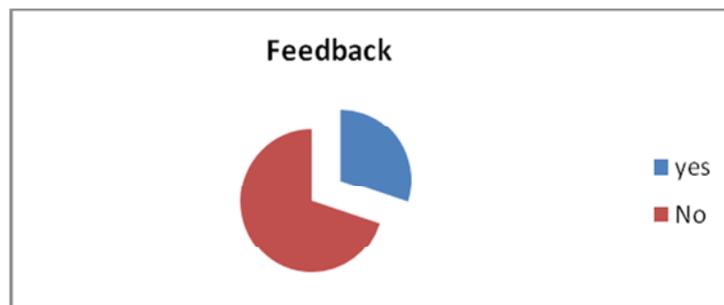
Interpretation: Around 65% of the respondents are in the opinion that their training and development needs are considered during PAS.

12. Do you think rewards are linked to appraisal grade?



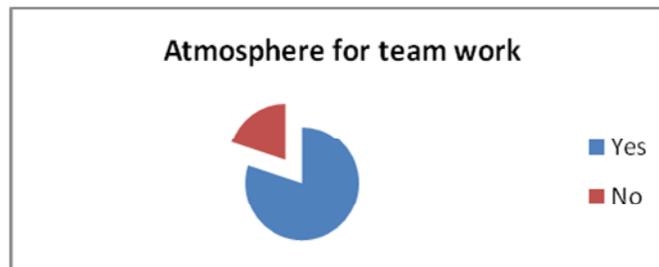
Interpretation: This chart shows that 65% of the respondents feel that the rewards that are given to them are linked to their appraisal grade while only 15% of them don't think so.

13. Are you provided with the genuine feedbacks?



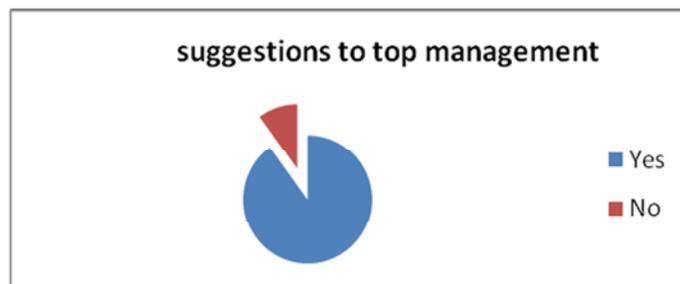
Interpretation: Majority feels that they are not provided with genuine feedback, but 30% of the respondents think they are given genuine feedback and are satisfied.

14. Does the management help to provide an atmosphere where all are encouraged to work as a team?



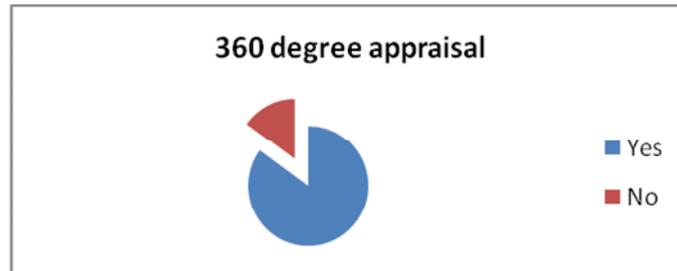
Interpretation: According to 80% of the respondents the management is playing an active role in creating an environment where all are encouraged to perform as a team. Only 20% denied to this role of the management.

15. Is there any mechanism to convey your suggestions to top management?



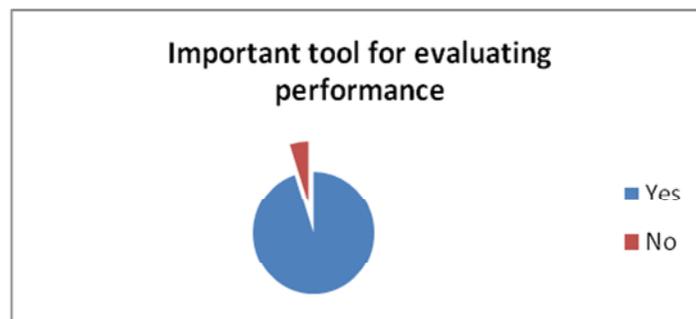
Interpretation: Majority of the respondents agree that they have the mechanism to convey their suggestions to top management but 10% of them disagree to this.

16. Do you want the system of 360 degree appraisal in which you give feedback of your superior?



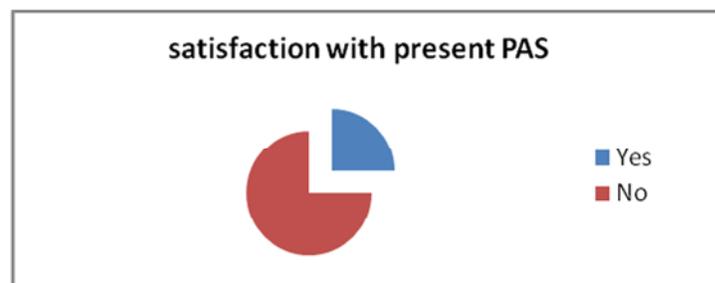
Interpretation: 85% of the respondents are in favor of implementation of 360 degree appraisal system wherein they would be able to give feedback of their respective superiors but 15% of them don't want any such system.

17. Do you think performance appraisal is an important tool for evaluating performance?



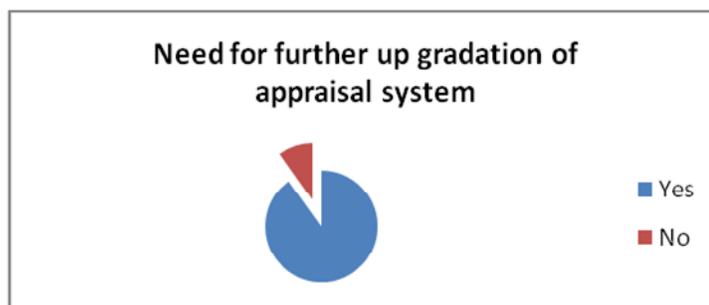
Interpretation: The above chart shows that 95% of the respondents agree that performance appraisal is an important tool to evaluate performance of the employees. Only 5% of them have a negative perception about the same.

18. Are satisfied with the appraisal process of your organization?



Interpretation: The chart shows that only 30% of the respondents are happy with the present performance appraisal system of the organization but the rest 70% are not that satisfied and need changes.

19. Is there a need for further up gradation of performance appraisal format which address the development needs of the employees?



Interpretation: A strong majority of the respondents feel that there is a need for further up gradation of the performance appraisal format which can better address the developmental needs of the employees.

20. Some of the suggestions that were given by the respondents are as follows:

- The current appraisal system is highly subjective on part of Assessor, Reviewer and Accepting officer. Thus there is a need of a mechanism that can moderate the gap between evaluations of assessor and accepting officer.
- 360 degree is a far better option for appraising the performance of employees. Also the time frame of evaluation should be adhered to.
- PAR grading should be known to appraise at each stage of evaluation of grading so that performance of individuals can be improved more effectively.
- In the present appraisal system only the marks given by the accepting officer can be seen. Facility should be available to view the marks allotted by the controlling officer.
- Present appraisals along with personality tests or interviews for higher ranks can further improve performance of the employees.
- A consultant should be appointed, who may take an independent view of the individuals apart from that of the management. That way an ideal PAR format can be developed.
- Appraiser should be involved in promotion and job rotation in the organization.

CONCLUSION

- The management in ONGC helps provide an atmosphere where all are encouraged for comradeship and team work.
- The online performance appraisal system (e-PAR) that has been implemented recently is a system driven control and monitoring mechanism enabling a single point data capturing and authentication which has greatly reduced the cycle time of the appraisal process, thereby providing the employees with more opportunity for development and growth.
- Here in ONGC, Delhi Superior-Subordinate relations are good, superior helps their subordinates set and achieve meaningful goals. The performance planning got the highest marks. Result from this section shows that the organization is getting better at clarifying goals and linking them to organizational strategies. This makes the environment amiable and congenial.
- E-PAR is a self assessment process; goals are set at the beginning of the assessment period with a facility of mid-term review to accommodate situations where modifications might be required.
- Although e-PAR has brought in more transparency still a lot of questions remain unanswered. The employees are still unable to identify the performance gaps in order to prepare for the future.
- Feedback and coaching, considered the heart of effective performance management system faced the worst. Respondents reported they receive feedback and coaching infrequently and when they do, it is unbalanced and non-specific.
- Individual feedback is not provided and hence the employees are unable to know their actual position after the appraisal.

- Majority of the respondents feel that performance appraisal is an important tool to evaluate the performance of the employees and are not satisfied with the present performance appraisal system and need changes thus the Performance Appraisal system needs total revamping and reorientation in view of changing business competitive environment and should recast on professional lines.
- Human resources fully committed to any change and to continue the process of change in the organization as per requirement of the changing environment along with the technologically manpower with various standards of competitiveness is the need of the hour.
- E-PAR needs to be used as a real development tool for an employee who identifies their development needs for helping them perform their work more efficiently and effectively leading to greater organizational productivity.

RECOMMENDATIONS

Implementation of e-PAR by ONGC has improved the performance efficacy of its human resources which are vital elements for achieving the objectives and targets in the competitive and dynamic environment. On the basis of the analysis of responses and findings the following suggestions are being made to strengthen the Performance Appraisal System.

- Performance Appraisal format needs up gradation and should identify the development needs of the employees. It should be made both evaluative and development oriented in nature.
- Genuine feedback should be provided to the employees and the opportunity to respond to the appraisal result. Grading should be known to appraisee at each stage of evaluation so that performance of individuals can be improved more effectively.
- Training requirements should be taken more seriously by the management as per the recommendation in the PAR evaluation.
- Counseling should be taken seriously by the appraisee and appraiser, and it should be done more frequently. Personal interactions between employees and their respective controlling officers should be given more priority.
- There is a need of a mechanism that can moderate the gap between evaluations of Assessor and the Accepting officer.
- In ONGC only superior appraise the subordinate. Majority of the respondents in the survey wants a 360 degree appraisal system to be introduced. In 360 degree feedback system the performance information is collected from multiple parties including one's subordinates, peers, supervisors and customers or clients. That will make the appraisal practice more transparent and genuine.
- A sense of healthy competition should be created among employees by introducing incentives on performance basis, which will boost up the growth of the individual as well as the organization.
- A culture should be developed where operational changes are made on the basis of priorities for improving the productivity of the organization rather than on the basis of bureaucratic definitions or boundary

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