

**A COMPARATIVE STUDY ON IMPLEMENTATION OF
PERFORMANCE MANAGEMENT SYSTEMS OF THREE
MAHARATNA PUBLIC SECTOR ORGANIZATIONS IN INDIA**

A Thesis submitted to the
UPES

For the award of
Doctor of Philosophy
in
Management

BY

Sandeep Roy

February, 2024

Supervisors

Dr. P. C. Bahuguna

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School of Business
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Dehradun-248007: Uttarakhand

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DECLARATION

I declare that the thesis entitled "*A Comparative Study on Implementation of Performance Management Systems of three Maharatna Public Sector Organizations in India*" has been prepared by me under the guidance of Dr. P. C. Bahuguna, Sr. Associate Professor, School of Business, UPES, Dehradun, Uttarakhand, India AND Dr. Neeraj Rawat, Deputy Director – Executive Education and MDPs, UPES, Dehradun, Uttarakhand, India.

No part of this thesis has formed the basis for the award of any degree or fellowship previously.



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CERTIFICATE

We certify that **Shri Sandeep Roy** has prepared his thesis entitled "*A Comparative Study on Implementation of Performance Management Systems of three Maharatna Public Sector Organizations in India*" for the award of Ph.D. degree of the UPES, Dehradun under our guidance.

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ABSTRACT

The Indian economy has witnessed a rapid economic growth of 7.2% in 2022-23 fiscal year and remained strong in the first quarter of 2023 at 7.8%. Indian public sector organizations contribute around 15% to 16% to the GDP of the country. The public sector organizations have grown from 5 in 1951 to 389 in 2023. They are categorised into four schedules and awarded Ratna status - Maharatna, Navratna and Miniratna. Their performance largely depends on how their human resources contribute to the growth. Effective implementation of a performance management system is vital to an organization's success and ensures that the employee performance is tracked consistently and objectively. Performance management applies the methodology along with technology to achieve alignment of employees for unidirectional contribution towards the business objectives.

Although performance management systems (PMS) are widely implemented in public sector organizations, there are several challenges as systems without organization-specific requirements and endorsement of managers may be disastrous. Performance management is the most difficult Human Resource system to implement in public sector organizations and is consistently one of the lowest, if not the lowest, rated area in employee satisfaction surveys. Yet, performance management is the key process through which work gets done. Hence, this research is conducted on 'A Comparative Study on Implementation of Performance Management Systems of three Maharatna Public Sector Organizations in India.'

The purpose of this research is to examine performance management system challenges in literature and through case studies based on stakeholder insights of large Indian public sector organizations, to identify key perceptions and suggest appropriate resolutions. It is an academic journey to study the nuances and suggest further improvements to resolve business problems, specifically in light of latest unavoidable environmental factors like recruitment of gen-next employees, amplified aspirations, digitalisation, remote working, and so on.

It is an attempt to study and understand from successful public sector organizations on their accomplishment of performance management tasks irrespective of their business operations and employee strength, to gain insights into trends that can be generalized and applied to other public sector organizations. By undertaking this comprehensive study, the objective is not only to identify the hurdles encountered but also to propose effective coping strategy to facilitate a smoother and more efficient process of establishing performance management systems in alignment with overarching organizational strategy.

This research has adopted a case study approach as a strategic qualitative research methodology, utilizing case study protocol to conduct semi-structured and in-depth interviews with open-ended questions to delve into the process of establishing performance management systems in public sector organizations. It has centred on three prominent Indian Maharatna public sector organizations across industries. The participants of the study brought to light major challenges and a thorough analysis has revealed effective coping strategy proposed to be implemented by the organizations to ensure effective implementation of systems.

The fast changing global and local external factors are contributing to higher employee attrition in public sector organizations, adversely affecting the achievement of business strategy in addition to incurring additional cost and losing expertise. The specific comments across parting employees during exit interviews reveal that the main reason for attrition is dissatisfaction due to ineffective implementation of performance management systems. Thus, the business problem faced is that a poorly implemented performance management system leads to high attrition and loss of top talent. The organization faces an unstable talent pool that adversely affects the conduct of business effectively.

This research study is conducted on three Indian Maharatna organizations that are multi-locational, having a workforce of over 10,000 employees, and operating in diverse industry sectors comprising power (NTPC Ltd.), petroleum (HPCL), and engineering (BHEL).

The literature on the earlier research undertaken in the field of study has been reviewed adopting the Systematic Literature Review (SLR) process. The papers are examined to identify common fields of study and clubbed under different themes to analyse primary literature review findings, for further undertaking the gap analysis. Initially 868 articles have been searched based on research protocol using identified keywords. The application of inclusion and exclusion criteria resulted in refining the search to limit the number of relevant articles to 228. The title and abstracts of shortlisted articles are carefully studied to further eliminate unrelated articles. Applying the quality criteria to include only the peer reviewed research articles having B and above ranking in the ABDC listing resulted in shortlisting a total of 158 research articles, which are included as the final list of articles for review of full text versions for identifying the literature review themes and for systematic literature review. The articles are divided into identified themes and rearranged according to the learnings to undertake thematic literature review.

A critical review of the identified theme-based gaps and combining the overlaps revealed the research gap that translated to the following research problem:

- Formulating KRAs aligned to strategy of the organization and manager's involvement
- Responsibility of managers in executing the tasks of performance management system
- Monitoring mechanisms established in public sector organizations for ensuring execution of intended tasks by managers

Performance management research is multidisciplinary, as informed by a varied group of complementary disciplines and corresponding theories. The goal-setting theory underpins the current research, since it is relevant in both macro and micro approaches. Goal setting theory is a cognitive theory of motivation based on the premise that people have needs that can be thought of as specific outcomes or goals they hope to obtain.

Recognizing the substantial research gap, following research questions have been framed to address this pertinent issue:

- (RQ1) What is the process of setting-up the KRAs in alignment to the strategy of the organization?
- (RQ2) What factors are considered by managers while accomplishing the performance management system tasks required to meet KRAs?
- (RQ3) What monitoring mechanisms are adopted by public sector organizations to ensure that the managers execute the performance management system tasks as intended?

The objective of this study is to gain a comprehensive understanding of the factors influencing and coping strategy practices adopted by successful public sector organizations to overcome the challenges faced by them during PMS implementation journey. Accordingly, the research objectives are deciphered as under:

- (RO1) To explore the process of setting up of Key Result Areas and their alignment to the strategy of the organization.
- (RO2) To comprehend the process of accomplishment of various tasks by managers to achieve KRAs as required of the Performance Management System.
- (RO3) To understand the control mechanism implemented by organizations to ensure that the managers accomplish tasks as intended.

The philosophy adopted in this research is interpretivism because the greatest attention here is given to understanding of the ways through which managers experience the systems. Inductive research approach is used since the research questions are predominantly looking for answers

to the 'process' and 'practices.' Qualitative research method is preferred since the research questions are about experience, meaning and perspective, mostly from the standpoint of the participants. The research strategy adopted is case study approach with multi-case holistic design using case study protocol for data collection.

A total of 14 managers and heads of human resource and performance management functions responsible for getting the performance management tasks implemented amongst the three organizations are selected for this qualitative research for conducting interviews using case study protocol. Data is also collected from websites, annual reports, other documents and archival records of the three organizations.

The data triangulation resulted in an in-depth study of the process from various perspectives and increased the construct and internal validity of the research findings. The data analysis strategy adopted for this research study is qualitative analysis for within-case study of all three cases individually and for cross-case study of all three cases together, resulting in external validity for generalization of results. ATLAS.ti tool has been employed for data analysis to help consistent and systematic analysis of qualitative data thereby increasing the reliability of research in view of replicability of procedures.

The current research is conducted by adhering to the basic principles like transparency and accuracy in ensuring the quality of the study. The likelihood of any unintentional potential source of bias has been recognized in data collection, analysis or interpretation and steps have been taken to reduce or minimize the deviation from the truth. Because of these steps undertaken to mitigate bias, this research study has created accurate interpretations and true conclusions thereby leading to correct decisions.

A careful study of literature through systematic literature review has identified three initial conceptual constructs: KRA – Business Strategy Fit, Manager's Responsibility and Monitoring Mechanism. These have been elaborated for studying their main attributes denoted through sub-constructs. The detailed within-case and cross-case analysis including comparison of similarities and differences with reference to initial conceptual constructs has provided insights in identifying the factors contributing to the effective implementation of performance management systems in public sector organizations and the coping strategy practices adopted by these organizations to overcome the challenges faced by them in executing the performance management tasks.

In accordance with the above, the case studies are developed for each of the three Indian Maharatna public sector organizations based on thorough analysis of collected data. The interview data has been coded with the help of ATLAS.ti tool using open coding, focused coding and identification of patterns of relationship among conceptual categories. Accordingly, three level data analysis is done on same data, identification of contributing factors in phase I, coping strategy for overcoming the challenges faced by the organization in phase II, followed by finding the relationships among the factors and coping strategy practices in phase III. The researcher created Qualitative Associative Networks (QAN) diagrams using ATLAS.ti for better visualization of contributing factors and coping strategy practices adopted by the Maharatna public sector organizations and the relationships among them as derived from the interview extracts of the participants. The case study findings have been further studied with reference to the research questions and important conclusions have been recorded.

Same process has been repeated for cross-case data analysis and based on the comparison (similarities/ dissimilarities) amongst cases and careful examination of QAN diagrams for factors, coping strategy practices and relationships among them, the critical observations have been studied again, with reference to the research questions. New contributing factors and coping strategy practices emerged from this study viz., continuous monitoring through weekly planners and innovative non-monetary motivational interventions. The inferences from above suggested a total of 7 propositions that provided answers to the three research questions.

The present research study contributes the existing knowledge on the challenges faced while executing performance management tasks at intra-organizational levels. Current research employed goal-setting theory to understand the challenges faced by public sector organizations while transitioning from seniority-based to performance-based management. Through multi-case analysis, this study identified the best coping strategy practices of large Indian Maharatna public sector organizations, which will be useful for other public sector organizations for replicating and mitigating the challenges faced in effective implementation of performance management systems. New categories of coping strategy practices have emerged out of this study viz., continuous performance management thru weekly planners, introduction of dynamic performance management system, managers' responsibility to achieve cascaded team targets and executable action plan, ascertained via audits to ensure alignment of managerial goals with the organizational goals and sustain employees' motivation etc.

This research contributes to academia for theory building as well as practitioners in the implementation of performance management tasks. It has proposed additions in the existing theoretical framework for most effective implementation of performance management systems in public sector organizations. Moreover, this research study's findings enable managers of public sector organizations across industries to better understand the challenges they are likely to encounter while implementing performance management systems and to adopt the suitable coping strategy practices.

Though this research adds valuable insights to the body of knowledge, there are certain limitations of the study. Future scholars must explore potential challenges faced by smaller public sector organizations, longitudinal quantitative studies that empirically validate the factors and coping strategy practices and validation of findings in other geographical contexts.

This research study's key findings regarding the acquaintance of varied contributing factors and coping strategy practices are essential to both researchers and practitioners. It is proposed to adopt a comprehensive rather than piecemeal approach for effective implementation of performance management systems in public sector organizations.

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Appendix A. Case Study Protocol..... 228

LIST OF ABBREVIATIONS

ABDC:	Australian Business Deans Council
BHEL:	Bharat Heavy Electricals Limited
CEO:	Chief Executive Officer
CGM:	Chief General Manager
CHRO:	Chief Human Resources Officer
CPV:	Competencies Potential Values
DGM:	Deputy General Manager
DPE:	Department of Public Enterprises
GDP:	Gross Domestic Product
GM:	General Manager
GW:	Gigawatt
HBR:	Harvard Business Review
HPCL:	Hindustan Petroleum Corporation Limited
HR:	Human Resources
IBM:	International Business Machines Corporation
IDP:	Individual Development Plan
IT:	Information Technology
KPA:	Key Performance Areas
KPI:	Key Performance Indicators
KRA:	Key Result Areas
MOU:	Memorandum of Understanding
MW:	Megawatt
NTPC:	National Thermal Power Corporation Limited
PM:	Performance Management
PMS:	Performance Management Systems
QAN:	Qualitative Associative Networks
RO:	Reporting Officer
RO1/2/3:	Research Objective 1/2/3
RQ1/2/3:	Research Question 1/2/3
SLR:	Systematic Literature Review
SMART:	Specific, Measurable, Achievable, Relevant, Time-bound

Chapter 1

Introduction

1.1. Background

India is one of the fastest-growing major economies in the world. After rapid economic growth of 7.2% in the 2022-23 fiscal year, economic momentum has remained strong in the April-June quarter of 2023, with estimated Gross Domestic Product (GDP) growth of 7.8% year-on-year (The National Statistical Office [NSO], Ministry of Statistics and Programme Implementation [MoSPI]). In order to sustain this momentum, organizations in all sectors are required to perform efficiently. The share of the gross turnover of public sector organizations to the GDP of India at current prices is around 15 to 16%. Government wants public sector organizations to double their contribution to the GDP and be the 'third major source' of revenue for the Central Government after direct and indirect taxes (Press release 15 May 2020, Ministry of Finance). Public sector organizations develop large infrastructure projects that help in strengthening the economy, being capital-intensive and also in creating employment and other opportunities.

1.1.1. Public Sector Organizations

The focus on public sector organizations increased after implementation of industrial policy, 1956 during second five-year plan (1956-60) that focused on industrialization for strengthening the economy. The number of public sector organizations in India grew from 5 to 389 during the years 1951 to 2022, which includes central and state semi-government organizations and subsidiaries (Public Enterprises Survey 2021-22, Department of Public Enterprises [DPE] | Ministry of Finance).

The DPE develops policy guidelines on organizational and Board structure of public sector organizations. The public sector organizations are categorized based on the quantitative as well as qualitative parameters into four schedules - Schedule A, Schedule B, Schedule C, and Schedule D. As of 2023, there are 182 scheduled central public sector organizations. Further, Ratna status awarded to central public sector organizations - Maharatna, Navratna and Miniratna. This status is awarded based on the size of operations and financial performance. This provides higher autonomy to these organizations in administrative and financial matters. Maharatna status is awarded to 13 organizations, Navratna to 14, Miniratna Category-I to 60 and Miniratna Category-II to 11 as of 2023 (DPE | Ministry of Finance). Maharatna

organizations are a distinguished category of public sector organizations in India. The Hindi term 'Maharatna' means 'a great jewel.' These organizations are deemed to be of immense importance to the nation's economy and have significant global influence.

The public sector organizations greatly contributed to the economy in addition to capability building of human resources, the crucial component of any successful organization; public or private (DPE | Ministry of Finance). Public sector organizations have to overcome challenges related to performance management similar to the private sector organizations in order to sustain and enhance performance year-on-year in view of persistent requirement of demonstrating improvement.

The performance of an organization largely depends on how its human resources contribute to its growth. The individual as well as collective contribution of human resources is exceptionally enhanced through an effective performance management system. Effective implementation of performance management system is vital to an organization's success. The public sector organizations globally face increasing pressure to demonstrate effective performance management (Maran et al., 2018). As Governments are demanding greater transparency and accountability towards public funds, public sector organizations have increasingly adopted private sector performance management practices to improve and demonstrate their performance and accountability (Hood, 1995; Jackson & Lapsley, 2003).

1.1.2. Performance Management System (PMS)

A performance management system is vital to an organization's success and ensures that the employee performance is tracked consistently and objectively. Performance management applies the methodology along with technology to achieve alignment of employees for unidirectional contribution towards the business objectives. The managers get signals of any possible problems or challenges through these systems which enable them to make course correction to overcome challenges. It is known that the high performing organizations have ascertained effective performance management systems. To illustrate, General Electric (GE) was effectively taken to much greater heights by its CEO Jack Welch through exemplary performance of its employees in the same direction that resulted in extraordinary collective

performance towards organizational objectives (Amernic et al., 2007). Another illustration is the depiction of success by Henry Ford: 'Coming together is a beginning; keeping together is progress; and working together is a success.'

Still, several organizations are ignoring the importance of effective performance management systems. Organizations must be flexible and responsive to changes in the ecosystem towards technology, competition and market conditions (Carpi et al., 2007). Strong performance management rests on the simple principle that, 'what gets measured gets done' (Wilson et al., 2004). It is essential to objectively measure the performance of individuals and departmental units of an organization. This is possible if the role of each employee and of the department unit is clearly articulated by designing their performance expectations aligned to the organizational objectives. Performance expectations are converted to key result areas. Managers evaluate the performance against key result areas and draw attention of respective subordinates towards deficit to ensure improvement through course correction. Simultaneously, they appreciate the achievements of subordinates who exceeded expectations and even reward them.

Previous researchers have identified that no common solution or model is available for organizations of different sectors, geographies, turnovers, ownerships and so on, irrespective of the common challenges faced by them (Pulakos & O'Leary, 2011). The performance management systems have progressed through varied models and methods suggested by researchers and practitioners in the past. Thus, it is essential to evaluate the varied concepts, models, methods, practices and the theories informing them. Earlier researchers have used systematic review or other methodology to evaluate the literature on this domain in the past, first in 2004 and subsequently in 2014 (Schleicher et al., 2018). The process model of performance management system encompasses several tasks, including formulating key result areas (KRAs), setting strategic goals, measuring performance, evaluating performance, providing feedback, identifying areas for improvement, and recognizing achievements (Schleicher et al., 2018). A large number of public sector organizations, especially the organizations with Ratna status, are also adopting this performance management system model and performing all tasks envisaged for implementation of the system.

However, scholars have observed that after the transformation from seniority-based to performance-based management, public sector organizations are facing several challenges and there are gaps in implementation of the processes by these organizations (Lee & Kim, 2006). A few common pitfalls are bias, such as halo and horn effect, lack of clarity in setting strategic goals, resistance to change by employees, metrics not aligned with organizational strategy, lack of transparency and lack of ownership or commitment because of targets thrust from top management. The literature suggests that some public sector organizations transitioning to performance management system approach face potential challenges in implementing these tasks that may ultimately decrease performance (Kansal & Goel, 2015).

Despite all efforts to organize and evolve, performance management system is often referred to as the 'Achilles Heel' of human capital management (Pulakos & O'Leary, 2011). There are several challenges confronted in effectively managing the performance specially by the public sector organizations. They need to formulate clear performance expectations, finalize objective and measurable targets, evaluate the performance, punish underperformers and reward overachievers to improve organizational performance over time. The way each organization adopts the coping mechanisms to overcome challenges is unique and there is no common approach. The organizations operating in different geographies, cultures, context, technology and sectors need to necessarily adopt the different coping mechanism irrespective of the similar challenges faced by all of them. Researchers and industry practitioners constantly strive to research numerous concepts, opinions, theories and practices with distinctive operational issues and align the knowledge with practice.

1.1.3. Background of Research

The contribution of human resources of a public sector organization is the most important factor affecting its performance. An effective performance management system enhances the contribution of human resources multi-fold. The parameters for different types of organizations may differ, but the performance management is relevant in all types of organizations, in all sectors, traditions, structures or ownership.

Effective performance management system formally as well as informally enables achieving the strategic organizational objectives through alignment of employees, resources and systems. However, there are so many public sector organizations where the performance management systems either lack timely response or are completely unresponsive. This is adversely impacting the effectiveness of these organizations. Additionally, the risk is that they may become incapable to react to the technology or market changes and may fail to competition (Carpi et al., 2007).

This research work is an academic journey to study the nuances and suggest further improvements to the implementation of performance management systems in public sector organizations, specifically in light of latest unavoidable environmental factors like recruitment of gen-next employees, amplified aspirations, implementation of bell curve, digitalisation, automation, other technological advancements, remote working in view of pandemic, and so on.

This research work is an attempt to study and understand from successful public sector organizations as to how they accomplish the task of performance management of their employees irrespective of major differences in their business operations and employee strength, to gain insights into industry trends that can be generalized and applied to other public sector organizations.

1.1.4. Overview of the Study

Establishing performance management systems constitutes a pivotal element within the framework of achieving organizational objectives and corporate strategy of public sector organizations. Within the sphere of public sector organizations, the process of formulating the performance expectations, public managers diligently implementing the tasks and enforcement by organizations through monitoring mechanisms, often demands meticulous attention.

Regrettably, several recurrent stumbling blocks emerge during this endeavour. Biases such as the halo and horn effect occasionally infiltrate the process of defining performance expectations. Strategic goals, at times, suffer from a lack of lucidity, leading to ambiguity in their comprehension. Employees' resistance to change further complicates this task, while metrics may occasionally diverge from the broader organizational strategy.

Moreover, issues related to transparency, ownership, and commitment tend to surface, especially when targets are imposed from the upper echelons of the hierarchy. In light of these challenges, this study seeks to delve into the multifaceted factors that influence the alignment of performance expectations with organizational strategy. This exploration entails a comparative analysis of the current practices employed by prominent and high-performing public sector organizations.

This study adds valuable insights to the body of knowledge by (a) shedding light on the challenges faced by public sector organizations as they move from a seniority-based to a performance-based human resource model, and (b) uncovering the diverse coping strategies adopted by these organizations. This research study will contribute to academia as well as practitioners for theory building in the field of public sector performance management.

1.2. Objectives of the Study

Although performance management systems (PMS) are widely implemented in the public sector organizations, there are several challenges as performance management systems without organization-specific requirements and endorsement of managers may be disastrous. Performance management is the most difficult Human Resource system to implement in public sector organizations and is rated one of the last if not bottommost parameter in employee engagement surveys. Still, the systems are important to ensure effective employee performance. The objective of this study is to examine performance management system challenges in literature and through cases of stake holder insights of large organizations, identify key perceptions about performance management systems implementation and suggest appropriate resolutions.

This research aspires to study and understand the challenges faced by successful Indian Maharatna public sector organizations and coping strategy adopted or proposed by them to accomplish the task of performance management of their employees irrespective of major differences in their business operations.

1.3. Business Problem

Need for continual improvement in public sector employees' performance is inevitable due to fast changing global and local factors viz., unstable exchange rates, deregulation, entry of major private players in the sectors, and ensuing global competition.

In addition to external factors, employees have started posing internal pressures, demanding work-from-anywhere culture, increase in compensation in line with global players, support in sustained academic development and growth in position with assignment of additional responsibilities. These factors are contributing to higher employee attritions in public sector organizations, thereby adversely affecting the achievement of business strategy.

The public sector organizations continue to face following challenges:

- Employee Attrition rate is much higher in the last few years.
- Younger population of employees is higher in view of large number of retirements and resignations, resulting in recruitment at entry level in most of the public sector organizations. Expectations of these employees are much higher and varied.
- Additional cost incurred on Talent Acquisition and Training & Development. The cost is calculated at ~Rs.40 Lakhs per annum average in a public sector organization.
- Apart from financial losses, the attrition takes away time to train and retrain people for the same jobs rather than for more productive and qualitative purposes.
- Loss of top talent that are groomed to be placed in critical positions.

The exit interview results indicate that following aspects are lacking and need attention for employee retention:

- People practices across all employee segments
- Motivation and influence among Managers
- Recognition and work life balance among individual contributors
- Salary, career opportunities and inspiration among top talent

The specific comments across parting employees during exit interviews reveal that the main reason for attrition is dissatisfaction due to ineffective implementation of performance management system in public sector organizations. As such, it is required to explore how to best implement the performance management systems in public sector organizations.

Thus, the business problem identified is:

A poorly implemented performance management system leads to high attrition and loss of top talent. The organization faces an unstable talent pool that adversely affects the conduct of business effectively. As such, it is required to explore how to best implement performance management system in the public sector organizations.

1.4. Scope of the Study

Our study has focused on the implementation of performance management systems within three high-performing, large public sector organizations. In India, public sector organizations fall into distinct categories such as Maharatna, Navratna, and Miniratna, based on their size, performance, and financial autonomy. Objective of current research is to gain insights into the best practices employed in the process of implementing performance management systems. To achieve this, three Indian Maharatna public sector organizations have been selected that meet specific criteria of being multi-locational, having a workforce of over 10,000 employees, and operating in diverse industry sectors comprising power, petroleum, and engineering.

This research seeks to examine public sector organizations whose current services are built upon established products and core technologies at this stage of their development (Brax, 2005; Lütjen et al., 2017; Oliva & Kallenberg, 2003). Accordingly, three large Indian Maharatna public sector organizations operating in diverse industry sectors have been selected that are comprising of power (NTPC Ltd.), petroleum (HPCL), and engineering (BHEL) field.

Chapter 2

Literature Review

2.1. Introduction

A literature review is the academic description of the extant literature on a particular topic to demonstrate available body of knowledge and inference. It also encompasses the judicious analysis of available data and academic information critically, hence it is not just a report but a detailed review. The process of reviewing the literature also encompasses the manner of writing the identified content with respect to the context and analysis based on the assessment of content. The core purposes of literature review are content coverage of available evidence in existing research and theories followed by the critical analysis of this content and arguments by the researcher.

This section elaborates the overall imprint of the literature review process adopted in this research, the review methodology used, the themes grouped basis relevance and thematic analysis. The review of models applicable to this study is detailed in line with the research design. The in-depth study of themes in terms of research gaps for each theme is undertaken with reference to the effective implementation of performance management systems in public sector organizations and the theme findings subsequent to the analysis are summarized. The research gaps are further examined and accordingly the research questions and research objectives are formulated.

2.2. Literature Review Methodology

The Systematic Literature Review (SLR) process is adopted to identify and analyse the existing research undertaken on the implementation of performance management systems in public sector organizations. This enabled the researcher to effectively review and identify the relevant research for further analysis.

Systematic literature review is defined as a systematic, explicit and reproducible method for identifying, evaluating, and synthesizing the existing body of completed and recorded literature produced by researchers, scholars, and practitioners in the research framework (Okoli, 2015). Systematic literature review allows the researcher to adopt a predefined process to collect details and arrive at conclusions which has helped to design befitting research questions. This process is also useful in noting down the methodical assessments of literature for proposing interventions and defining the objectives for further research (Moher et al., 2016). This provides a structured approach to the review instead of unorganised browsing of articles.

A 'systematic' review encompasses use of research protocol that explicitly describes the steps to ensure that the objectivity is protected (Tranfield et al., 2003). Systematic review includes the relevant research objectives, specific focus of research, research strategy and criteria for inclusion and exclusion of articles to shortlist for review (Davies & Crombie, 1998).

Systematic literature review assumes the exhaustive review of extant literature on the field of study that culminates in contributing to the academicians and practitioners in addition to providing directions for future research (Balaid et al., 2016). The flow diagram depicting the details of the systematic literature review methodology adopted in this research is detailed in Figure 2.1 below:

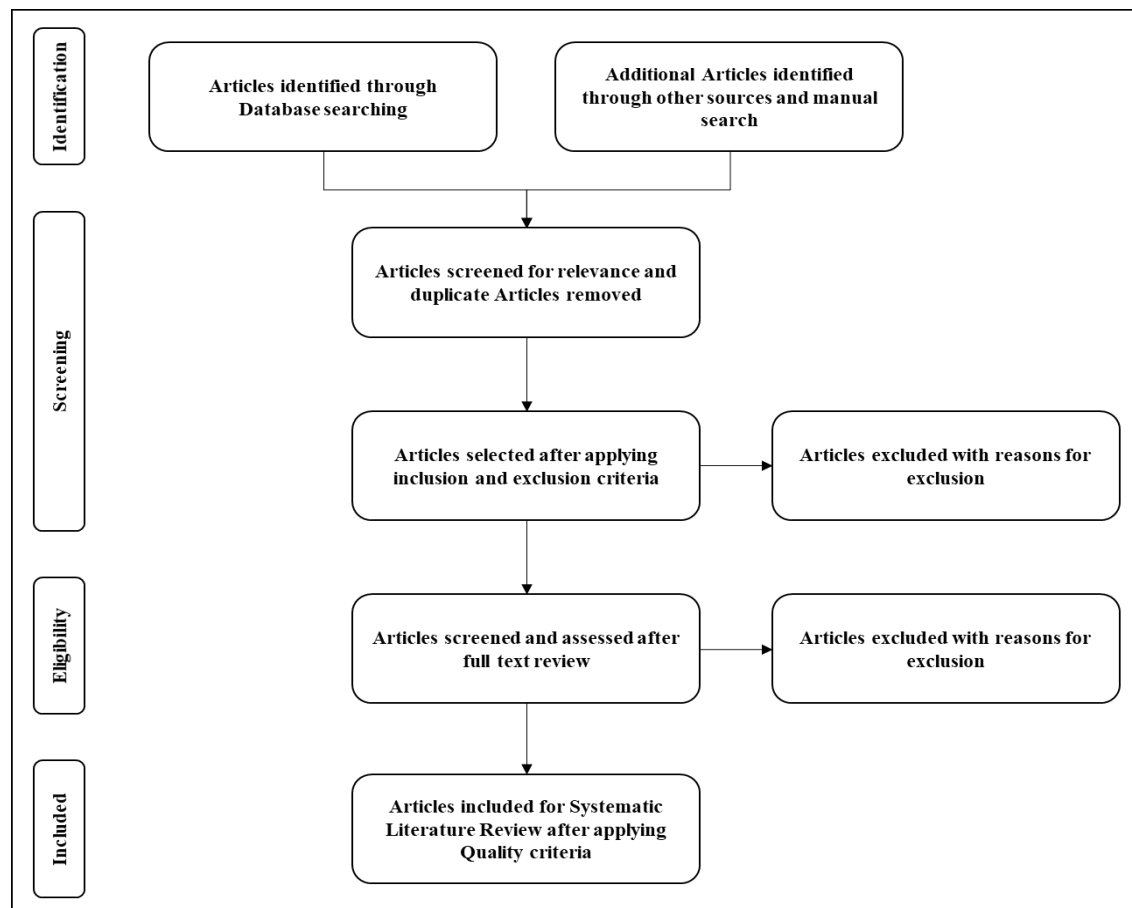


Figure 2.1. Systematic literature review methodology adopted

Systematic literature review in this research has been built on a detailed protocol (Boell & Cecez-Kecmanovic, 2015) describing in detail the reasoning, assumptions, and process of review, to enable the knowledge and appreciation of the methodology, besides the understanding of variations in the approaches and selective coverage in final literature reviews.

2.2.1. Literature Review Objective

With the business problem identified in previous section related to attrition in public sector organizations due to poor implementation of performance management system in mind, journals and books were studied in libraries and online to understand the following aspects:

- What is the definition of a good or effective performance management system?
- How is the performance management system implemented in successful high-performing public sector organizations?
- Do employees get dissatisfied with and even leave an organization specifically because of performance management system design or processes?

The public sector organization websites and documents have been searched in addition to the online and offline databases and other sources based on the relevance of research articles that are identified through recurring keywords and phrases. In view of similarity of performance management systems adopted in various sectors of public sector organizations, like petroleum, power, engineering, chemical, shipping, railways, electronics, mining and heavy industries, this research study looked at the process of implementation of performance management system tasks, role and responsibilities of managers in implementing these tasks and monitoring mechanisms instituted for ensuring accomplishment of tasks by public sector managers in the research literature.

2.2.2. Sources Searched

The sources searched included online databases viz., Scopus, Web of Science, EBSCO, ScienceDirect, Google Scholar, Emerald Insight, Elsevier, ResearchGate, SAGE Publications, Wiley Online Library, SpringerLink, Oxford University Press, and thesis from libraries of universities accessible online.

The identified literature has been primarily reviewed, research articles are filtered based on keywords and phrases and after analysis of common themes have been clubbed in groups for thematic literature review.

Current research has adopted three stage screening consisting of articulation of search terms or keywords, article extraction based on search strategy, and data

cleaning after applying inclusion, exclusion and quality criteria to find articles from 1990 to 2023.

2.2.3. Search strategy

A well-constructed search strategy is the core of systematic review. The quality of the search strategy also affects what items may have been missed. The earlier sections already detail the review questions to be searched on the topic of implementation of performance management systems in public sector organizations. These review questions have been framed to bring focus to the systematic review including determining eligibility criteria, searching for relevant studies, collecting data from included studies, and presenting findings. The search has been conducted using the search terms identified in the next section and Boolean logic has been used by including the operators 'and', 'or' and 'not' to try different combinations of search terms or subject headings.

Search Terms. The articles are extracted through searching of databases or other sources using the search terms or keywords to identify themes and their mutual inter-relation. The keywords used for search are 'performance management' and 'public sector' which included their synonyms, strings and variations. Considering the synonyms and related words expanded the scope of literature review, the keyword strings and variations included are 'performance measurement,' 'performance appraisal,' 'performance assessment,' 'performance evaluation,' 'job performance,' 'personnel management,' 'key performance indicators,' 'balanced scorecard,' 'human resource management,' 'organizational performance,' 'public sector organizations,' 'public sector management,' 'public administration' and 'government.' This exhaustive list of search terms provided extensive coverage of the topic studied in the past.

Inclusion criteria. Inclusion criteria are the essential parameters that must exist for a research article to get included in a literature review. Articles pertaining to social science research have only been included, with only articles containing a combination of search terms, defined in the search queries. Research articles indexed in the databases cited above from January 1990 to September 2023 have been included. The study has also included general management journals in which HR-related articles are more likely to be found.

Exclusion criteria. Exclusion criteria are the parameters that will make a research article ineligible to get included in the literature review. Strict exclusion criteria have been adopted to include only research articles and book chapters and excluding the conference papers, presentations, and notes. Further, the articles written in a language other than English have been excluded. Another exclusion criteria applied is the elimination of unrelated articles, i.e., articles that do not explicitly claim addressing the topic of this research study.

Quality criteria. Systematic literature review completely depends on the information from extant research and the quality of review is directly proportional to the quality of included research articles in terms of reliability and unbiased approach. Thus, the quality of each research article included in the systematic review is very critical and has been assessed. The only articles which are peer-reviewed and indexed in the above databases have been reviewed. In order to enhance the quality of selection through shortlisting academically strong articles, the research papers having the ranking of B and above in the ABDC listing have only been considered. The methodology used for systematic literature review undertaken for this research is summarised in the protocol as depicted in Table 2.1 below:

Table 2.1. Systematic Literature Review Protocol adopted

Protocol Elements	Translation in this study
Objective	Literature review of implementation of performance management systems in public sector organizations
Sources searched	Scopus, Web of Science databases and additional articles from EBSCO, ResearchGate, ScienceDirect, Google Scholar, Emerald Insight, SAGE Publications, Elsevier, Wiley Online Library, SpringerLink, Oxford University Press, and thesis from online libraries of universities
Search strategy	Search based on the review questions finalised, using the identified search terms including the Boolean logic.
Search terms	'Performance measurement,' OR 'performance appraisal', OR 'performance assessment,' OR 'performance evaluation,' OR 'job performance,' OR 'personnel management,' OR 'key performance indicators,' OR 'balanced scorecard,' AND 'human resource management' OR 'organizational performance,' AND 'public sector organizations,' OR 'public sector management,' OR 'public administration,' OR 'government.'

Inclusion criteria	Research articles pertaining to social science research indexed in the databases and general management journals cited above for the period from the year 1990 to 2023 have been included.
Exclusion criteria	The conference papers, presentations, and notes have been removed. The articles written in a language other than English have been excluded from the study. Another exclusion criteria applied is the elimination of unrelated articles.
Quality criteria	Only peer-reviewed articles which are indexed in the above databases and having the ABDC listing ranking of B and above.

A total of 868 articles were identified on the research protocol after initial search based on the above search terms. The inclusion criteria were applied, i.e., only social science research articles were selected, published during the period of last 33 years from 1990 to 2023 from the sources and databases detailed above. The exclusion criteria were then applied to remove conference papers, presentations and notes. The articles written in a language other than English were also excluded. The number of non-English articles removed are 17.

The application of inclusion and exclusion criteria resulted in refining the search to limit the number of relevant articles to 228 numbers. The title and abstracts of shortlisted articles have been carefully studied to further identify the articles that are not relevant to the topic of study. These unrelated articles are also removed, resulting in further shortlisting of identified research articles to 209 numbers. The quality criteria have been applied to include only the peer reviewed research articles that have a ranking of B and above in the ABDC listing. This resulted in identifying a total of 158 research articles, which are included as the final list of articles for systematic literature review. The full text versions of these 158 articles have been downloaded and reviewed in detail for identifying the literature review themes and for further analysis.

2.3. Literature Review Themes

The shortlisted articles have been reviewed in detail and grouped based on the patterns or themes on which studies have been conducted on the main topic of implementation of performance management systems in public sector organizations. This study has looked at related issues on the basis of definitions of abstract terms, methodologies, agreements

and disagreements, different findings or approaches, statements or concepts, which helped the researcher to understand what each of these contributes to the conversation. Researcher then broke up the sources by the identified themes and rearranged them according to the learnings from each on the themes.

In order to understand the process of literature review, let us imagine a series of buckets, each representing a theme, into which each article's contributions are sorted to the understanding of the topic and what is known or needs further exploration. It is noted that not every article contributed to every theme and some articles contributed to more than one theme.

Theme based systematic literature review or thematic analysis is the process in which a number of themes or patterns are identified within the included studies and the data is analysed and reported by each theme (Braun & Clarke, 2006).

This thematic analysis is termed inductive, i.e., themes are not enforced by the researcher but emerge from data. In other words, the analysis simultaneously occurs during data collection (Ahmad & Usop, 2011). Thematic analysis elucidates varied facets of research (Boyatzis, 1998). It provides structure to data analysis enabling prolific description (Braun & Clarke, 2006).

Theme based review involves emergence of themes based on identification of patterns in the data and the researcher categorises the analysis for the arrived themes (Fereday & Mui-Cochrane, 2006).

A theme encapsulates a common relevant subject which a set of articles are referring to or covering. In qualitative data analysis, the quantum or amount of data gathered by a researcher required to provide evidence for recognising it as a theme is not fixed or specified (Braun & Clarke, 2006).

The different themes derived from primary literature have been filtered and five different themes for further review of literature along with their search outlook are identified. Within each theme's section, this study discusses on: what each article contributes to the theme and how they connect.

These literature review themes and their search outlook in the literature are presented in Table 2.2 below:

Table 2.2. Literature Review Themes and Search Outlook

Theme	Search Outlook in the Literature
PMS in Public Sector Organizations – Employees' involvement (Fryer et al., 2009)	<ul style="list-style-type: none"> ▪ Effect on Stakeholders Involved ▪ Co-create Design with Employees ▪ Practical Implementation ▪ KRAs Aligned to Strategy
Abolishing performance evaluations and appraisals (Adler et al., 2016)	<ul style="list-style-type: none"> ▪ Proper and Fair Implementation ▪ Benefits: Transparency, Development ▪ KRA Design and Execution
Effects of performance management and measurement (McEvoy & Cascio, 1987)	<ul style="list-style-type: none"> ▪ Employee Attrition ▪ Formal Performance Appraisals ▪ Individual Performers, Top Talent
Quality of PMS implementation in Public Sector Organizations and resultant dissatisfaction (Schleicher et al., 2018)	<ul style="list-style-type: none"> ▪ Processes, Systems and Tasks ▪ Innovation, Customization ▪ Managerial Development
Non-satisfactory Evaluation by Public Sector Managers (Dhammika et al., 2012)	<ul style="list-style-type: none"> ▪ Monitoring Mechanism for Managers ▪ Delegation of Power ▪ Interaction ecosystem in verticals ▪ Managers' Result-oriented Approach

These themes are further validated through existing literature with references and are covered in detail in the next section.

2.4. Theme based systematic literature review

It is evident that organizations use different performance appraisal formats and performance management systems, but an ideal form or way still eludes us. While there are strong opinions depicting the details of processes and systems of improving the adoption of performance management systems, there are also strong opinions that raise serious doubts and the need to find a new way of performance management (Kondrasuk, 2011). The most widely accepted view is that a performance management system is

appropriately designed and executed to make it effective for the purpose it exists in an organization. Some authors, practitioners and researchers have laid down models for effective performance management system, suggesting innovation, customization and following the process as laid down by the organization (Schleicher et al., 2018).

2.4.1. Theme 1: Performance management in public sector organizations - Employees' involvement

This theme has been addressed by several authors wherein participation of employees in formulating organizational strategy and effects of their involvement in performance management systems has been analysed in detail. The effectiveness of goal setting is expected to improve with involvement of employees in goal setting process instead of imposing goals on them (Kaupa & Atiku, 2020).

Customised training is required for managers and employees to enable them to formulate challenging goals against KRAs with stretched targets, in alignment to the strategy (Frederiksen et al., 2020; London et al., 2004). The organizational objectives are effectively achieved when its human resources understand, own, commit and contribute to the performance through achievement of goals aligned to business strategy. Explicit and unambiguous communication within the organization on the purpose of goal setting is the key to effective performance management (Johanson et al., 2019).

Another research on employee involvement details the key features of a successful performance management system. The salient points identified are (i) performance management system aligned to business strategy; (ii) commitment of management; (iii) enabling culture of encouraging good performance rather than penalising poor performance; (iv) involvement of stakeholders; and (v) regular monitoring, seeking feedback, proactive communication and learning from outcomes (Franco & Bourne, 2003; Waal, 2003; Wang & Berman, 2001). A study of the education system revealed that the assessment of teachers is done based on the performance of their students without considering their performance before they started interaction with the teacher. Moreover, many other individuals are involved in the process of students' education (Brown, 2005).

In the context of employee performance, involvement of customers needs to be included as an indicator, but the studies are silent on this aspect (Taylor & Koch,

1996). Van de Walle (2008) has expressed that there are conceptual issues in public sector organization as they face dilemma while defining indicators (lack of clarity on the role of the public sector or meaning of good performance) though he has acknowledged that data quality in his research is an issue (Fryer et al., 2009; Van de Walle, 2008).

Several authors have suggested frameworks that broadly cover an organization's activities by adopting right indicators, such as the performance prism (Neely et al., 2001) or the Balanced Scorecard (Kaplan & Norton, 1996). Rouse and Putterill (2003) have critically analysed these frameworks and have proposed another framework that has multiple dimensions that include a broad spectrum of stakeholders for views and evaluation (Rouse & Putterill, 2003). It is pertinent to note that the applicability of a framework depends on several organizational specific factors and the approach to adopt common framework is not appropriate, like in case of quality (Pun & White, 2005).

Stakeholders' involvement in performance management process is a critical factor and is the key to more efficient performance management (Goh, 2012). The stakeholders include the internal stakeholders like departments or functions designing performance management systems as well as direct users of systems, i.e., employees, managers, and the external stakeholders like customers, related organizations, politicians. The researchers have compared performance management with a three-legged stool, since commitment of internal and external stakeholders is essential for its effectiveness (Glendinning, 2002).

It is also necessary that the employees wholeheartedly participate in the performance appraisal process to ensure their ownership and commitment to the process (Roberts, 2003). A number of studies cover the relationship between employee engagement and performance management system effectiveness (Cawley et al., 1998; Dewettinck & van Dijk, 2013; Tung et al., 2011).

Cawley et al. (1998), conducted meta-analysis of 27 studies with 32 independent samples to study the relation between employee participation and reactions. They concluded that employee participation in the process improves employee satisfaction and once employees endorse the system, they trust the benefit of the system which

motivates them to follow the process diligently, resulting in the enhancement of their performance.

Dewettinck and van Dijk (2013) surveyed over 3000 employees online, in Belgium to examine the impact of impartiality as a factor in the relationship between characteristics versus effectiveness of performance management. Their findings reveal a strong positive correlation between employee participation and performance management effectiveness with perception of impartial appraisal.

This research, thus, advocated participation of employees in performance management process for enhancing the effectiveness of performance management systems. They suggested that the organizations are required to imbibe a culture of involving employees in the process of performance management (Teeroovengadam et al., 2019).

The important condition of employee participation is that they share opinions freely and their opinions are valued (Ghosh & Srivastava, 2014). Extant research informs that employee participation impacts organizational loyalty (Abdulkadir et al., 2012; Bhatti et al., 2011) and evokes commitment (Grund & Titz, 2022).

Some researchers have studied the restraining impact of employee participation in relation to apparent efficiency of performance management systems and emotional commitment (Waladali, 2022).

Drucker is regarded as a founder of the performance evaluation system of measuring achievement of results for 'key' indicators. He highlighted the importance of a shift in managers' approach from issue-based to result-oriented. The authors refined this approach by suggesting 20 evaluation criteria for performance balance. It revealed flaws in traditional accounting indicators as they needed to echo the organization's actual performance (Kaplan & Norton, 1996). The scholars further refined the indicators, suggesting a maximum of 10 key effectiveness indicators, 80 production indicators, and 10 KRAs (Hope & Fraser, 2003). Panov, (2012) suggests using 10-15 KRAs for organizational units to rationalize supervising function (Dvulit et al., 2019).

An organization attains a competitive edge through sustained development toward long-term strategy and aligning human resources through a shared vision. Those

organizations outperform which align their human resources to proficiently work towards a common goal for achieving strategic objectives. Given the current complexity of structure and cultures, one of the most effective approaches is to implement a performance management system based on KRAs or key performance indicators (KPIs) (Deberdieva, 2015).

A uniform setting of performance expectations aligned to strategy channelizes the entire organization's and individuals' activities to achieve strategic goals, increase process performance, and efficiency. Setting performance expectations as a tool is a concept many organizations use worldwide. Renowned management gurus have immensely contributed to this management practice, some of the prominent concepts being the strategic map model (Lueg, 2015), total performance scorecard (Rampersad, 2005), balanced scorecard (Kaplan & Norton, 2004), purpose management (Drucker, 2007) and others.

The assessment of performance expectations of verticals and the organization has a massive impact on the management of complex organizations. Simultaneously, the researchers do little work in this area of management (Drucker, 2007). An organization is successful mainly if its employees deliver their best individual performance. The employees are not only aware of the organization's strategic objectives but are actively involved in the envisioned implementation of the strategy.

In order to achieve this involvement, performance expectations play a significant role in enabling employee motivation. Additionally, management may effectively utilize KRA to empower employees through proper delegation of powers and create an interaction ecosystem among business verticals (Deberdieva, 2015).

The extant literature on this theme of employees' involvement in performance management of public sector organizations focused on its effect on stakeholders, co-creation of strategy, practical implementation of systems and alignment of KRAs of employees to the organizational strategy, that has provided insights and identified gaps in literature on which previous researches have not focused. Essentially, the process of setting up of KRAs of employees and managers and their alignment to strategy of public sector organization is not adequately addressed in literature.

The literature review on first theme based on search outlook in the literature and the research gap identified are summarised and presented in Table 2.3 below:

Table 2.3. Literature Review and Research Gap - Theme 1

Theme 1	Select Author(s)	Inferences	Gaps
Performance management in public sector organizations - Employees' involvement	Kaupa & Atiku, 2020; Frederiksen et al., 2020; London et al., 2004; (Johanson et al., 2019; Franco & Bourne, 2003; Waal, 2003; Wang & Berman, 2001; Brown, 2005; Fryer et al., 2009; Van de Walle, 2008; Neely et al., 2001; Kaplan & Norton, 1996; Rouse & Putterill, 2003; Pun & White, 2005; Goh, 2012; Glendinning, 2002; Roberts, 2003; Cawley et al., 1998; Dewettinck & van Dijk, 2013; Tung et al., 2011; Teeroovengadum et al., 2019; Abdulkadir et al., 2012; Bhatti et al., 2011; Grund & Titz, 2022; Waladali, 2022; Hope & Fraser, 2003; Dvulit et al., 2019; Deberdieva, 2015; Lueg, 2015; Rampersad, 2005; Kaplan & Norton, 2004; Drucker, 2007;	The extant literature on this theme of employees' involvement in performance management of public sector organizations and its effect on stakeholders, co-creation of strategy, practical implementation of systems and alignment of KRAs of employees to the organizational strategy has provided insights and identified gaps in literature on which previous researches have not focused.	The process of setting up of KRAs of employees and managers and their alignment to strategy of public sector organization is not adequately addressed in the literature.

2.4.2. Theme 2: Abolishing performance evaluations and appraisals

Some researchers have been radical in studying the theme whether performance evaluations and appraisals can be abolished. Even the need for existence of the system seemed to be under question. Some provocative opinions about doing away with the performance management systems are also softened by some scholars. In their published article 'Getting Rid of Performance Ratings: Genius or Folly? A Debate' they opine that the system, if implemented correctly, can yield desired results (Adler et al., 2016).

In an article titled 'Let's not kill performance evaluations yet' in HBR, Facebook, the organization, argues that organizations needn't throw out performance reviews altogether. The article details the process through which Facebook is able to take

advantages of impartiality, transparency and growth in a cost effective manner (Goler et al., 2016). Performance appraisals, while differentiated from Performance management systems, are mostly condemned and poorly done. Still, performance appraisals are here to stay. Performance appraisals enable effective talent management. Thus, right design and execution of performance management systems is crucial. If goals and targets finalised jointly by the employee and manager are directed towards business strategy, effectiveness of performance management systems is ensured (Lawler et al., 2012).

In case the managers and employees regularly perform effectively as a routine and behave as desired, the requirement of implementing a formal performance management system will be eliminated or shall be minimal. In practice, some manager-employee teams who practice this, achieve high individual and team performance, whether or not a formal performance management system is in place. However, most managers do not practice this and formal system becomes a deterrent that results in unproductive performance and reactions (Lin & Kellough, 2019).

Many organizations are not ready to consider such drastic steps of abandoning ratings or formal performance management systems. Additionally, they foresee the need to maintain records for legal and other purposes. Thus, in spite of the merits of such propositions, the question to be answered is: How can organizations reduce the harmful effects on performance and behaviour of employees and improve performance by making the right choice about rating and performance management systems?

The aim of implementing a performance management system is mainly to draw the highest productivity of employees by enabling them to perform at their maximum potential. Following objectives are considered to manage the performance needs in achieving the enabling performance:

- Alignment of efforts of employees with the organization's goals.
- Guidelines for monitoring behaviour and output of employees and necessary course correction to maximize performance.
- Enabling employees to overcome hurdles and achieve success.

One or more of these objectives are addressed by designing the processes aligned to the performance management systems. Organizations should adopt a strategic

perspective instead of a short-term approach of focusing only on ratings in order to achieve what the performance management system needs. The important questions depending on the situation will have to be answered to select the most appropriate performance management strategy (Stannard, 2011).

A study of large-scale retail trade organizations revealed that even though the strategic alignment of indicators is achieved at the operational level, its effectiveness is evaluated with the organization's strategic orientation. It opens a new research direction of integrating the studies on KRAs with an essential element of organizational strategy in complex and changing environments (Luoazzo et al., 2023). Another study on luxury fashion organizations deliberated on which key performance indicators are measured for achieving the chosen strategy and how to evaluate the alignment (Bindi et al., 2023).

Scholars have studied that management's monitoring and evaluation process of KRAs aligns with the organizational strategy to sustain organizational performance (Bubenik et al., 2022). The scholars have concluded that though standard KRAs are designed for the type of industry, the key areas arrived at without incorporating organization-specific requirements may be disastrous. KRAs and performance targets are instrumental in achieving strategic objectives and enable an organization to overcome challenges in conducting business activities (Bishop, 2018).

The process studied by scholars in human resource management to select key performance indicators in alignment with the strategic tasks indicated that there needs to be more relationship between evaluation parameters and organizational objectives. Studies in other management areas also revealed similar results (Becker et al., 2011). Scholars have concluded that the KRA approach provides direction for achieving strategic milestones and also assists in selecting the right strategy for sustained organizational growth. The selected strategy's goal-oriented criteria at all management levels are studied by scholars using multicriteria optimization (Lenkova & Osinovskaya, 2015). The resource strategy's effectiveness was estimated using the process of KRA and a balanced scorecard for the organization's resource base (Harvey & Sotardi, 2018).

The available literature on second theme advocating no structure or system for proper and fair implementation of performance management, associated results of

transparency and development with design and execution of tasks based on KRAs has provided the other spectrum of issues, that will occur in the absence of a system. It is observed that literature is silent on the process of performance feedback, quality and frequency of performance review by managers. Thus, role and responsibility of manager in getting KRAs formulated in line with strategy and evaluation for providing constructive feedback for course correction is a clear research gap identified through in-depth study of literature on this theme.

The literature review on second theme based on search outlook in the literature and the research gap identified are summarised and presented in Table 2.4 below:

Table 2.4. Literature Review and Research Gap - Theme 2

Theme 2	Select Author(s)	Inferences	Gaps
Abolishing performance evaluations and appraisals	Adler et al., 2016; Goler et al., 2016; Lawler et al., 2012; Lin & Kellough, 2019; Stannard, 2011; Luoizzo et al., 2023; Bindi et al., 2023; Bubenik et al., 2022; Bishop, 2018; Becker et al., 2011; Lenkova & Osinovskaya, 2015; Harvey & Sotardi, 2018;	The available literature on second theme advocating no structure or system for proper and fair implementation of performance management, associated results of transparency and development with design and execution of tasks based on KRAs has provided the other spectrum of issues, that will occur in the absence of a system	The literature is silent on the process of performance feedback by managers, and quality and frequency of performance review by manager. Thus, role of manager in getting the KRAs formulated in line with strategy and evaluation for providing constructive feedback for course correction is a clear research gap identified through in-depth study of literature on this theme.

2.4.3. Theme 3: Effects of performance management and measurement

The third theme, Effects of performance management and measurement, is also a recurring theme, employee attrition widely believed to be one of the main one. Extant research has indicated that employee performance and turnover are correlated based on a meta-analysis wherein the extent and direction are estimated. The study

of 7717 employees amongst 24 organizations found sample size-weighted mean correlation of -0.28, indicating that good performers have lower turnover (McEvoy & Cascio, 1987). Research findings show that the employee getting a below-average performance rating is apparently under stress, and the individuals who are stressed are more likely to carry out information search activities than others (Keller, 1984). Conversely, there is a negative relationship between employee engagement and attrition intent, or employee engagement and turnover. Considerable extant research establishes these relations (Petty et al., 1984; Steel & Ovalle, 1984). Thus, the theory that turnover and performance are negatively related is reasonable; with the consistency in the direction of the relationship with extant research and with majority of the latest turnover models, except the relationship of ease of movement and performance.

Scholars have researched the Gaussian premise on which modern performance management system ratings are based on. The research article - 'The best and the rest: revisiting the norm of normality of individual performance' informs that the performance of individuals follows Pareto (power law) distribution and not the normal distribution as indicated in the published research results that reflect a remarkable consistency across organizations, job roles, type of performance indicators and timelines (O'boyle & Aguinis, 2012).

Performance management system of an organization has effects on employees and other stakeholders. In a candid interview in HBR titled co-creating the employee experience (Burrell, 2018), Diane Gherson the CHRO of IBM states as below to a question by interviewer Lisa Burrell in March-April 2018 issue:

'Question: IBM has given its performance management system an overhaul as well. How have employees been involved in that process?

Answer: As you know, performance management is kind of a lightning rod in most companies. Rather than do the typical thing-which would be to do some benchmarking, pull together a bunch of experts, come up with a new design, and pilot it - we decided to go all out and co-create it with our employees in a sort of extended hackathon. We used design thinking and came up with what you might describe as a 'concept car' - something for people to test drive and kick the tyres on, instead of just dealing with concepts.'

Some researchers have proposed performance management framework suggesting formulation of key result areas and performance indicators with specific awareness of all pertinent stakeholders and have indicated the process of balancing the diverse interests of these stakeholders optimally. Public sector organizations are more suited than private sector for these models, viz., balanced scorecard (Zheng et al., 2019). The following guidelines provide a systematic and systemic technique to public sector organizations:

- Strategy to be percolated from top to bottom at operational level with details of relevant actions formulated
- Appropriate stakeholders to be identified and respective interests to be captured
- Stakeholders' interests to be balanced using captured details
- Actions to be analysed in relation to four standpoints – goal, operation, capability and stakeholder
- KRAs to be formulated in detail wherever required

The extant research affirms the advantage to managers and theorists by considering organizations as agile groups of common interest individuals, the benefit of stakeholder concept to identify competing claims and balancing them, and the benefits of systems-based approaches to the corporate governance and to managing people.

Researches have indicated that the involvement of employees in HR systems increases the acceptance level, dedication (Gould-Williams, 2004), and job satisfaction (Pettijohn et al., 2001). Systems model of performance management is recommended for enabling increased formal involvement of stakeholders (Simmons, 2003).

The extant literature related to third theme on the effects of performance management and measurement has covered employee attrition, carrying out formal performance appraisals and identifying individual performers and top talent. The literature has though not covered the aspect of setting up a mitigating process to reduce attrition.

A research gap is identified in studying the setting up of systems enabling motivation of employees accomplishing various tasks by implementing coaching and mentoring programs through managers. Thus, similar research gap is observed in this theme, to

identify the responsibility of manager in keeping the employees motivated and productive to effectively implement the performance management tasks without having the ill effects of measurement on some employees.

The literature review on third theme of effects of performance management and measurement, based on search outlook in the literature and the research gap identified are summarised and presented in Table 2.5 below:

Table 2.5. Literature Review and Research Gap - Theme 3

Theme 3	Select Author(s)	Inferences	Gaps
Effects of performance management and measurement	McEvoy & Cascio, 1987; Keller, 1984; Petty et al., 1984; Steel & Ovalle, 1984; O'boyle & Aguinis, 2012; Burrell, 2018; Zheng et al., 2019; Gould-Williams, 2004; Pettijohn et al., 2001; Simmons, 2003	The literature has not covered the aspect of setting up a mitigating process to reduce attrition. A research gap is identified in studying the setting up of systems enabling motivation of employees accomplishing various tasks by implementing coaching and mentoring programs through managers.	Research gap is observed in this theme, to identify the responsibility of manager in keeping the employees motivated and productive to effectively implement the performance management tasks without having the ill effects of measurement on some employees.

2.4.4. Theme 4: Quality of PMS implementation in Public Sector Organizations and resultant dissatisfaction

The organizations today are exerting more pressure on change managers in order to gain the competitive advantage. However, managers are not supported towards their competency development by these organizations, which is urgently required owing to the rapidly changing ecosystem. Extant research indicates that in order to retain and accelerate change, it is essential that the organizations enhance and develop futuristic competencies of managers. Current research needs to examine the reasons for failure of systems for developing the managers and the ineffectiveness of management involvement. It is identified that many organizations largely depend on

formal appraisal systems for competency development of managers while their appraisal systems are greatly ineffective (Longenecker, 1997).

The evaluation of particular performance management components indicates the critical congruence-related consequences. Some performance management tasks are still underrepresented in the literature; for example, motivation literature covers the process of setting performance expectations but it is largely understudied in the performance management literature. Similarly, the literature on judgment and decision-making has studied collating performance information while performance management literature has not covered it broadly.

Though it may be claimed that performance management may be comprehended by applying the knowledge derived from other subject areas, but there are areas like equivalence amongst performance management tasks and other components of performance management systems where the knowledge from literature on other subjects cannot be employed directly.

The current research intends to examine the understudied areas of performance management tasks in the literature pertaining explicitly to performance management and enlighten the interrelation among varied tasks to analyse equivalence. The extant research strongly recommends performance management-specific literature review on relatively understudied performance management tasks in the latest literature. Some of the understudied tasks are setting performance expectations and measuring and collating performance information (Schleicher et al., 2018).

It became evident that the dissatisfaction with performance management is an issue across businesses in some form or the other in varying degrees. It also became evident that the issue of effective performance management is one that affects organizations across the world, cutting across ownership types, size and stage of organization, cultures and continents. The theme of inappropriate, unfair, ineffective performance management systems that did not contribute to employee experience recurred in articles and journals. The subject is approached with myriad viewpoints, as if earnestly trying to attempt any and all ways for improvements and innovations in the performance management system in the way it exists in the world of the author, researcher or practitioner. Clearly, there is no one approach or direction.

The success of performance management systems largely depends on the rapid changes in the ecosystem. The extant research has examined and identified challenges encountered by organizations while implementing performance management systems, which is supplementing the body of knowledge to enlighten further research.

The researcher has examined the latest and future ecosystem changes in this current research that will possibly impact performance management by posing new challenges to the organization.

Through this research, the performance management challenges of the future have been predicted and identified, thus providing an opportunity to the academicians and practitioners to anticipate the issues and design strategy in advance to mitigate them while implementing performance management systems.

The varied crucial research areas have been recognized through a detailed literature review and discussions on various aspects of performance management systems: Examination of the efforts in executing performance management tasks and suggestion on standard method to be implemented; validation of the importance of performance management by studying the systems through multiple case studies; development of framework for identifying coping strategy practices to encounter environmental changes related to performance management at diverse public sector organizations; study and propose the evolution of performance management systems in an organization related to the changes in internal and external operating conditions; investigation on the changes required in the existing practices related to change management and performance management for improving effectiveness in multi-cultural setups and settings; identification of latest trends in executing performance management tasks necessary to overcome challenges and accomplish value to customers through motivated employees.

The need is observed to undertake a detailed study on performance management to overcome challenges in implementation, by integrating performance management and change management in view of agile business ecosystem such as globalization, technological advancements, and futuristic competency requirements for public sector organizations in restricted atmosphere (Nudurupati et al., 2011).

There is a need to monitor performance management system, after implementation, in current fast changing environment, specifically for its impact on employees. The system undergoes a change in culture which is a very slow, gradual and time-taking process and the entire human resources need to be prepared mentally for such a change.

Thus, very effective two-way communication, monitoring different unionised group activities, imbibing the culture of excellence at all levels, and backing of management shall be helpful for the organization.

The challenges studied through a detailed literature review need to be addressed taking a wholesome approach which may result in effective implementation. There are times when the challenges emerge due to organizational resistance to change, which may have impact on the evaluation process, namely, policies related to promotions, rewards and recognition, managerial decision-making process etc. (Singh et al., 1981).

The most important challenge in an organization is the implementation of policies in letter and spirit. Organizations may formulate best of strategy but without proper implementation, it is of no value. Thus, the main focus is always on effective implementation of systems through efficient execution of tasks as it not only impacts managers but also employees and the whole organization (Iqbal & Kureshi, 2016).

Literature on the fourth theme of quality of implementation and resultant dissatisfaction has been reviewed covering the aspects of establishing processes, systems and tasks, encourage innovation, customization and development of managers in performing required tasks.

It is observed that the literature has not adequately covered the process of establishing systems, procedures and methodology for observing quality of employee performance by managers. Here again, research gap recognized is the identification of managers' responsibility in executing performance management tasks.

The literature review on the fourth theme of quality of PMS implementation in Public Sector Organizations and resultant dissatisfaction based on search outlook in literature and research gap identified are summarised in Table 2.6 below:

Table 2.6. Literature Review and Research Gap - Theme 4

Theme 4	Select Author(s)	Inferences	Gaps
Quality of PMS implementation in Public Sector Organizations and resultant dissatisfaction	Longenecker, 1997; Schleicher et al., 2018; Nudurupati et al., 2011; Singh et al., 1981; Iqbal & Kureshi, 2016;	The literature has not adequately covered the process of establishing systems, procedures and methodology for observing quality of employee performance by managers.	Research gap recognized is the identification of managers' responsibility in executing performance management tasks.

2.4.5. Theme 5: Non-satisfactory Evaluation by Public Sector Managers

Research indicated that 80% of top managers rated their performance evaluation systems as non-satisfactory, owing to the inability to derive outcome and motivation as they lack interrelation between plans and proper implementation. Implementing performance-based management may address this aspect by improving the accuracy of performance measurement. The performance-based management integrates many management concepts, simultaneously retaining the essence of the classic approach suggested by Drucker. This approach's benefit hinges on continuous monitoring of strategy implementation and amalgamation of isolated strategic milestones at a single platform (Dhammika et al., 2012).

According to Organization for Economic Co-operation and Development (OECD) 1997, the government started focusing on improvement of public sector efficiency after 1989. This approach brought lot of improvement in the performance management of human resources, yet lot needs to be accomplished. The public administration was revamped to provide a conducive environment to public sector organizations for making them more efficient, decentralized and capable of operating with agility in both internal and external operations (Aspridis, 2012). Performance is evaluated normally on annual or semi-annual basis regularly and is mostly linked with the promotion policy and performance incentives while earlier it used to be seniority based.

The evaluation is done based on initially specifying the roles and responsibilities and then using a criteria for evaluation which could be based on self-appraisal, management by objectives, sweating of assets, achieving goals and targets, demonstration of respectable behaviour and performance within the targeted period. Public sector organizations have undergone major reforms in line with the changes in culture. Public sector organizations provide a backup and effectively rescue during crises.

The following parameters are essential for effective implementation of performance management system in public sector organizations:

- (1) The evaluation criteria is clear, unambiguous, preapproved and in sync with the organizational requirement;
- (2) The evaluation is objective and true reflection of employee performance;
- (3) The system is critically reviewed periodically to identify any issues and amend them for betterment with inputs and feedback from stakeholders (Aspridis, 2012);
- (4) The system provides an opportunity to make necessary amendments and required course correction;
- (5) The performance is visible to manager for a formal periodic assessment;
- (6) The performance management system gets precedence over any other system;
- (7) An enabling performance culture is developed within the organization (Brewster, 2007; Werther Jr & Davis, 1985).

The literature reviewed on the fifth theme of non-satisfactory evaluation by public sector managers encompasses the role of performance management department or top leadership in ensuring that the most important link in effective implementation of systems, the manager, is performing the intended tasks. Accordingly, the literature has been reviewed for monitoring mechanism for managers, delegation of power, interaction within departments or units and managers' result-oriented approach.

The research gap identified is the total absence of any monitoring mechanism or process in public sector organizations to monitor and control a proper implementation of all intended performance management tasks by managers.

The literature review on fifth theme based on search outlook in the literature and the research gap identified are summarised and presented in Table 2.7 below:

Table 2.7. Literature Review and Research Gap - Theme 5

Theme 5	Select Author(s)	Inferences	Gaps
Non-satisfactory Evaluation by Public Sector Managers	Dhammika et al., 2012; Aspridis, 2012; Brewster, 2007; Werther Jr & Davis, 1985	The role of performance management department or top leadership is critical in ensuring that the most important link in effective implementation of systems, the manager, is performing the intended tasks. Accordingly, the literature has been reviewed for monitoring mechanism for managers, delegation of power, interaction within departments or units and managers' result-oriented approach.	The research gap identified is the total absence in literature of any monitoring mechanism or process in public sector organizations to monitor and control the managers for effective implementation of performance management tasks as intended.

2.5. Research Gaps from Literature Review

Scholars have observed a common challenge across most public sector organizations, where they struggle to fully harness the advantages of performance management systems. This predicament stems from inherent difficulties in skilfully designing and executing the process consistently throughout the organization's various levels.

It is widely acknowledged that there are no quick fixes to realign the public sector organizations' approach to this critical task, and formidable choices are confronted during the implementation journey.

In light of this, current research acknowledges the dearth of comprehensive insights available concerning the multitude of elements that organizations need to consider during their transition from a seniority-based to a performance-based human resource model.

All the identified research themes have been reviewed based on the search outlook in the literature to identify the research gaps for each of the themes.

Based on the literature review on research themes, the identified Research Gaps are summarised in Table 2.8 below:

Table 2.8. Research Gaps Identified through Literature Review

Theme	Search Outlook in the Literature	Research Gap
PMS in Public Sector Organizations - Employees' involvement	<ul style="list-style-type: none"> ▪ Effect on Stakeholders Involved ▪ Employees Co-create Design ▪ Practical Implementation ▪ KRAs Aligned to Strategy 	Process of setting up of KRAs of employees in alignment with strategy of public sector organization.
Abolishing performance evaluations and appraisals	<ul style="list-style-type: none"> ▪ Proper and Fair Implementation ▪ Benefits: Transparency, Development ▪ KRA Design and Execution 	Role of manager in getting the KRAs formulated in line with strategy and system of performance feedback by managers in the process of performance review
Effects of performance management and measurement	<ul style="list-style-type: none"> ▪ Employee Attrition ▪ Formal Performance Appraisals ▪ Individual Performers, Top Talent 	Systems enabling employee motivation by managers accomplishing various tasks.
Quality of PMS implementation and resultant dissatisfaction	<ul style="list-style-type: none"> ▪ Processes, Systems and Tasks ▪ Innovation, Customization ▪ Managerial Development 	Systems, procedures and methodology for observing performance of employees by managers.
Non-satisfactory Evaluation by Public Sector Managers	<ul style="list-style-type: none"> ▪ Monitoring Mechanism for Managers ▪ Delegation of Power ▪ Interaction in verticals ▪ Managers' Result-oriented Approach 	Mechanism in public sector organizations to ensure proper execution of all performance management tasks by managers

A critical review of the research gaps reveals that the research gaps identified for the first two themes have an overlap and there are commonalities. Accordingly, first two themes have been combined to identify a common research gap. This has indicated that there is a requirement to undertake research study on process of setting up of KRAs of employees in alignment with strategy and the role of manager in the process of formulating KRAs at public sector organizations.

Likewise, research gaps identified for third and fourth themes have similarity and can be integrated. Thus, the common research gap identified is the formulation of systems, procedures and methodology for observing performance of employees by managers in accomplishing various performance management tasks including employee motivation. The review of fifth theme has resulted in research gap of establishing mechanism in public sector organizations to ensure proper execution of all performance management tasks by the managers.

In summary, based on the gaps identified in the literature, research is needed for effective performance management system implementation in public sector organizations on the following:

- Formulating KRAs aligned to strategy of the organization and manager's involvement
- Responsibility of managers in executing the tasks of performance management system
- Monitoring mechanisms established in public sector organizations for ensuring execution of intended tasks by managers.

2.6. Theoretical Premise

An organization is successful mainly if its employees deliver their best individual performance. The employees are not only aware of the organization's strategic objectives but are actively involved in the envisioned implementation of the strategy. In order to achieve this involvement, performance expectations play a significant role in enabling employee motivation. Additionally, management may effectively empower employees through proper delegation of powers and create an interaction ecosystem among verticals (Deberdieva, 2015).

There are multiple sections of matching disciplines and related theories in performance management research. Some of these contributing to the area of performance management are Operations Management, Strategic Management, Organizational Behaviour, Human Resources Management, Marketing, Information Systems, Management Accounting and Control. In view of this nature, the performance management is informed by diverse theories. Taking a macro view, the matching theme details a systemic approach to organizational management, supported by organizational theory (Jones, 1995), systems theory (Von Bertalanffy, 1973) and contingency theory

(Donaldson, 2001) as interconnected theories highlighting the structure facet and goal-setting theory (Locke & Latham, 2002), addressing the performance facet. Taking a micro view, the matching theme is behavioural and operationally distinctive. The micro view is addressed by two main theories, goal-setting theory and principal-agent theory (Laffont & Martimort, 2002).

Goal-setting theory: Locke and Latham's (2002) goal-setting theory informs individual performance management. This most effective motivational theory was inductively formulated and is based on the assumption that conscious goals affect action, where goals are considered the object or aim of an action.

The principles of goal-setting theory are applicable both at individual as well as organizational level. The authors have suggested that this theory is potent in any situation where performance is in control of people (Locke & Latham, 2004).

At an organizational level, the theorists highlight that mismatch or discord in individual and team goals can motivate conflicting actions that may result in below par performance. Thus, individual and team goals must be aligned to maximise performance. In view of this, the goal setting theory is linked to the principal agent theory or the agency theory.

Agency Theory: The agency theory dwells upon the arrangement of relationship between the principal who decides the job and the agent who performs the job (Eisenhardt, 1985). The agency theory has a limitation in finding the optimum agreement for the agent's service. Moreover, the goal mismatch and information imbalance need to be analysed at organizational level. This connects the agency theory to the organizational theory, studying entire organizations on their adaptability, strategy and structures. Eisenhardt (1985) further suggests that both agency and organizational theory are similar and inform both behaviour based as well as outcome based performance evaluation.

Organizational Theory: The organizational theory highlights task customization based on the selected control strategy. It suggests the presence of social control as opposed to performance evaluation control. It is essential that the organization's structure, size, and technology are in sync with the requirements of its environment. This perspective is called contingency theory which considers that the leadership style depends on various internal and external restrictions (Fiedler, 1964).

Systems Theory: The organizational theory is further subdivided into systems theory, comprising of a sequence of alternatives like General Systems Theory (Von Bertalanffy, 1973), Dialectical Systems Theory (Mulej, 1974), Critical Systems Thinking (Flood & Jackson, 1991; Jackson, 2001), or Viable Systems Theory (Beer, 1984). Systems theory deliberates that the organizations are systems that interact with the environment and in order to survive, they have to adapt to the changes in the environment.

2.6.1. Theoretical Underpinning

As approaches and theories evolved & Organization Behaviour professed a practical, comprehensive approach, it has been evident that while the focus of research can be on the organization or individual, a marriage of the Macro and Micro approaches is a given for effective performance management understanding. The goal-setting theory is relevant in both macro and micro approaches and is used for organizational as well as individual performance management. Consequently, the goal-setting theory (Locke & Latham, 2002) underpins the current research on setting performance expectations and performance management in public sector organizations, which is a very effective motivational theory.

Goal Setting Theory is a cognitive theory of motivation which assumes that people have desires which could be specific goals or outcomes they expect to achieve (Locke & Bryan, 1968). It assumes that the behaviour of human beings is resolute (Locke & Latham, 1990), and that goals provide direction and endurance (Ryan, 1970) to channelise energy for executing a specific action. Unambiguous, specific, and challenging goals accompanied by a deadline for completion are more significant motivating factors than easy, general, and vague goals and lead to greater output and better performance (Lunenburg, 2011). Salient features of goal-setting theory are self-efficiency and goal commitment. Self-efficiency is the individual's self-confidence and faith that he has the potential to perform the task. The goal commitment is higher if goals are made open, known, broadcasted, and set by individuals rather than designated (Chou et al., 2011).

The limitation of goal-setting theory is that, at times, the organizational goals conflict with managerial goals. Goal conflict has a detrimental effect on performance if it motivates incompatible action drift. Further, challenging and complex goals stimulate riskier behaviour. Also, if employee is required to gain the skills and

competencies to perform actions essential for the goal, goal-setting may succeed and maintain performance only after the necessary skills and competencies are acquired (Lunenburg, 2011). A careful study of the theory informs the importance of setting clear performance expectations, adequate support, setting specific and challenging goals as these actions result in enhanced motivation of employees, leading to improved performance (Tubbs et al., 1993).

Chapter 3

Research Design and Methodology

3.1. Introduction

This chapter specifies the research design and methodology for leading the research study with reference to each of the objectives and findings for each objective within the study framework. The study is envisioned to identify and understand from successful public sector organizations on how they accomplish the task of performance management irrespective of major alteration in business operations, to gain insights into industry trends that can be generalized and replicated in other public sector organizations.

Research design illustrates the logical relationship of data collected during the research with the initially framed research questions, to arrive at the conclusions (Yin, 2003). This section highlights the focus of research, research questions, research objectives, and the process of research investigations. It particularly addresses the research philosophy and paradigms, approach, type of research, research strategy, research methodologies, data collection methods and data analysis strategy. It illustrates the general methodology and premise for the selection of research strategy, design, and data collection methods adopted in this research.

3.2. Research Problem

Over the years, increased employee attrition due to poor implementation of performance management system has been an increasingly important subject in public sector organizations in India. Research on public sector organization has mainly focused on the impact of performance management system as a whole but there has been little work on the factors affecting implementation of individual tasks of performance management system. As per the research gap identified through literature review, the research problem is defined as:

Study is required on effective implementation of crucial performance management system tasks viz.,

- *Formulating KRAs aligned to strategy of the organization with manager's involvement*
- *Responsibility of manager in accomplishment of performance management tasks*
- *Monitoring mechanisms by public sector organizations for accomplishment of intended performance management tasks by managers.*

The current research would be attempting to seek answers to above research problem through comparative study of existing processes within three distinguished Indian Maharatna public sector organizations to scrutinize them closely, with the ultimate intent to identify challenges faced and recommend coping strategy in the implementation of crucial performance management system tasks, i.e., formulation of KRAs aligned to strategy, role of managers and monitoring mechanisms by organizations. These insights are intended to be a valuable resource for other public sector organizations seeking to enhance their performance management system processes in addition to the contribution to theory.

3.3. Research Questions

It is widely acknowledged that there are no quick fixes to redefine the public sector organizations' approach to the critical performance management system tasks, and formidable choices are confronted during the implementation journey. In light of this, current research acknowledges the dearth of comprehensive insights available concerning the multitude of elements that public sector organizations need to consider during their transition from a seniority-based to a performance-based human resource model.

Recognizing this substantial knowledge gap, the following research questions have been framed to address this pertinent issue:

(RQ1) What is the process of setting-up the KRAs in alignment to the strategy of the organization?

(RQ2) What factors are considered by managers while accomplishing the performance management system tasks required to meet KRAs?

(RQ3) What monitoring mechanisms are adopted by public sector organizations to ensure that the managers execute the performance management system tasks as intended?

3.4. Research Objectives

The objective of this research study is to gain a comprehensive understanding of the factors influencing the implementation of performance management system tasks and coping strategy adopted by the successful public sector organizations to overcome the

challenges faced by them during the implementation journey. To achieve this objective, study of the existing practices has been conducted within three distinguished high-performing large Indian Maharatna public sector organizations through a comparative analysis. The aim of this research is to scrutinize these practices closely, with the ultimate intention of identifying and recommending the important factors influencing the implementation of crucial performance management system tasks.

Acknowledging this substantial knowledge gap, study has to be conducted on the following research objectives, to explore the most appropriate answers of the identified research questions:

(RO1): To explore the process of setting up of Key Result Areas and their alignment to the strategy of the organization.

(RO2): To comprehend the process of accomplishment of various tasks by managers to achieve KRAs as required of the Performance Management System.

(RO3): To understand the control mechanism implemented by organizations to ensure that the managers accomplish tasks as intended.

3.5. Research Methodology

Current research has applied case study approach as a strategic qualitative research methodology for this study. A case study is one of the most commonly and extensively used methodologies of qualitative social research. The application of case study approach has been growing exponentially during past few years and now various social science disciplines are using it, such as sociology, psychology, anthropology, management, and others (Priya, 2021).

Case study is defined as an empirical inquiry adopted to investigate a phenomenon in real-life situation. Case study research employs multiple procedures for data collection, for in-depth study of a phenomenon. The case study approach is defined as the process by which a decision or set of decisions are highlighted with the reasons for taking those decisions, process of implementation of those decisions and the outcomes of their implementation (Yin, 2003). Case study approach is not a method of data collection, rather is a research strategy or design to study a social unit (Yin, 2009). Case studies are a qualitative design in which the researcher explores in depth a program, event, activity, process, or one or more individuals (Creswell, 2014).

For performance management system implementation in Indian Maharatna public sector organizations, the stated and latent wisdom in the domain of performance management systems and best practices for execution of its tasks is available with Human Resources and Performance Management department Heads and Managers of the Performance Management department of the organizations. This wisdom can be acquired through them for accumulating the in-depth knowledge to design and formulate KRAs aligned to business strategy, role of managers for execution of performance management tasks and monitoring mechanism for managers in undertaking intended tasks.

Therefore, qualitative research methodology is most suited to acquire and reuse the stated and latent wisdom in the domain of performance management systems' implementation at the study organizations. To conduct this research study, three large Indian Maharatna public sector organizations have been selected, which are multi-locational, considered successful, high-performing in their respective industry sectors and have an ingrained performance management system.

The data has been collected from officials of Human Resources and Performance Management departments of these three Indian Maharatna public sector organizations using the case study protocol. A case study protocol is a set of guidelines that can be used to structure and govern a case research project. It encompasses a case interview guide for data collection and the general guidelines and process of using the protocol. At the time of data collection, the validity of construct has been verified by comparing evidence from multiple sources. The application of case study protocol resulted in achieving reliability (Yin, 2003). Initially, a detailed case study protocol has been designed for collecting the primary data through semi-structured interviews with managers and heads of Human Resources and Performance Management departments of the three organizations.

At the beginning of the interview, the participant has been informed of the confidentiality and is assured that interview data and case study material will be used only for academic purposes. The participants have been assured that whatever details they share will be used only to academically arrive at coping strategy practices adopted by the organization in implementing performance management systems. The participant has also been explained the framework detailed above and the case study research methodology.

The purpose of adopting a qualitative approach is to explore, analyse, arrive at the conclusions and to present these conclusions. The most critical part of data analytics is

to understand the main attributes out of voluminous data, extract right information, recognise patterns and formulate a context for presenting the core insights (Patton, 1990). Current research study has applied grounded theory approach to analyse the participants' responses. Grounded theory sets out to discover or construct theory from data, systematically obtained and analysed using comparative analysis (Charmaz, 2006; Locke, 2004).

The framework for research methodology adopted for the current research is depicted in Figure 3.2 below:

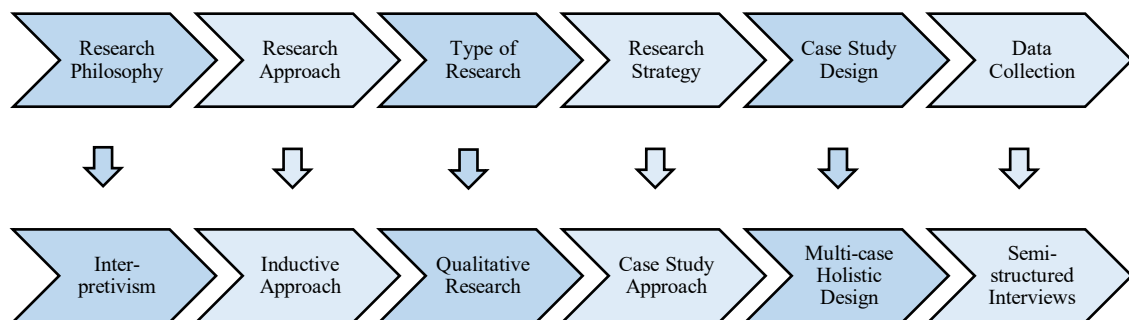


Figure 3.2. Framework for Research Methodology

3.5.1. Research Philosophy

Research philosophy and research paradigm both describe the set of beliefs, assumptions, and principles that underlie the way the study is approached and serve as a base for the research strategy. There are many approaches or paradigms, namely:

- Positivism
- Interpretivism
- Pragmatism.

Current research has preferred interpretivism as research philosophy because the this research largely relies on comprehending the manner in which people view the social world. Interpretivist research philosophy is based on the principle which illustrates the specific character of researcher and states that the researcher observes the social world. Basically, interpretivism suggests that the reality is constructed socially. In other words, it assumes that the reality is subjective, and is constructed by the researcher through his experience of the situation, instead of being independent of the researcher.

The interpretivist paradigm typically inspires studies where the research objectives require the researcher to try and comprehend the meanings and interpretations that respondents attach to their experiences, which is the case in this current study. An interpretivist philosophy also usually manifests in the implementation of a qualitative methodology, adopting data collection methods such as interviews, observations, and textual analysis. These types of studies usually explore complex social phenomena and individual perspectives, which are certainly more subjective and nuanced.

3.5.2. Research Approach

Research approach is a general plan and procedure for conducting the study. Accordingly, approach for the research is divided into three categories:

- Inductive
- Deductive
- Abductive

The relevance of hypotheses to the study is the main distinctive point between inductive and deductive approaches. Inductive approach contributes to the emergence of new theories and generalizations, whereas deductive approach tests the validity of assumptions (or theories / hypotheses). Abductive research starts with surprising facts or puzzles and the research process is devoted to their explanation.

Hypothesis is not formulated in inductive approach. Starting with the research questions, it focuses on the objectives to be achieved during the research process. The focus is on finding the answers to the research questions through the research process. Thus, it implies that a new theory is generated related to research questions by analysing the answers to research questions obtained during the research process.

The inductive and deductive research are two halves of the research cycle that continuously iterates between theory and observations. Though both inductive and deductive approaches are important for the advancement of research, inductive (theory-building) research is more valuable when there are few prior theories or explanations, while deductive (theory-testing) research is more productive when there are many competing theories of the same phenomenon and researchers are interested in knowing which theory works best and under what circumstances.

The complimentary nature of inductive and deductive research approaches is presented in Figure 3.3 below:

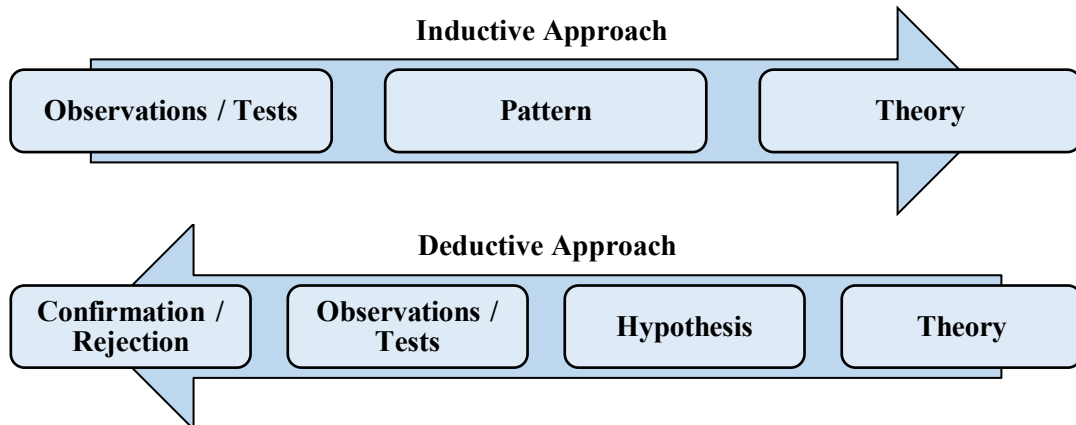


Figure 3.3. Complimentary nature of Inductive and Deductive Approach

Current research has adopted Inductive approach in this study since the research questions are predominantly looking for answers to the 'process' and 'practices.'

3.5.3. Type of Research

Research methods are the strategy, processes or techniques adopted for data or evidence collection for analysis in order to uncover new information or create better understanding of a topic. Following are the types of research methods that use different tools for data collection:

- Qualitative
- Quantitative
- Mixed

Qualitative Research involves data collection related to live experiences, sentiments or behaviours, and the interpretation of respondents. It enables researchers to gain insight of complex situations, social exchanges or cultural occurrences. Qualitative research is suitable to explore how or why things have happened, interpreting events and describing actions. Quantitative Research on the other hand collects numerical data that can be ranked, measured or categorised through statistical analysis. Quantitative research is useful to find how many, how much, how often, or to what extent. Mixed Methods Research integrates both Qualitative and Quantitative Research. It provides a holistic approach combining and analysing the statistical data with deeper contextualised insights.

Current research has used qualitative research method since the research questions are mainly covering the perspective of the participant viz., experience, understanding and perception. It is not possible to quantify this information in terms of counting or measuring. In the current research study qualitative research techniques have been adopted which included examination of beliefs, attitudes and concepts of standard behaviour through semi-structured interviews.

Participants were requested to share their experience on the topic to understand the situation or occurrence from a personal perspective. Further data was collected through analysis of texts and documents such as annual reports, government reports, media articles and websites to gather secondary information on the subject.

From the research problem and research objectives, it is suggesting that there is dominance of how (and exploring what), studying the process and rich description of phenomenon is dominating, so this research has used qualitative research for this current study (Creswell, 2014).

3.5.4. Research Strategy

A Research Strategy is a step-by-step plan of action that gives direction and enables conduct of research systematically. The choice of research strategy is a part of research design. The suitability for the research study should be considered for deciding the qualitative research strategy. The techniques include action research, case study research, and ethnography (Ritchie & Lewis, 2003). Each technique has advantages and disadvantages based on: (a) types of research questions, (b) control of researchers on behavioural actions, and (c) focus on current process (Yin, 2003).

This research study is undertaken using the case study approach considering that the research questions to be answered are 'how' and 'why' and the 'process'. The case study method is capable of explaining the reasons for taking a decision, process of implementing the decision and outcome of that decision, either for single or multiple decisions (Yin, 2003).

The case study method is applied based on the comparative benefits it accrues for qualitative research interpretation. The critics of case research have suggested that the case study's usefulness is limited to an exploratory phase in a hierarchically arranged research programme (Miles, 1979).

Those advocating case study method contest that there is lack of clarity in researchers about the applicability of case study method to the type of research questions and the type of design for case study (Yin, 1981).

The current research requires a detailed study of present approach of strategy formulation for performance management by the organization and the data and information has been collected through the Heads and Managers of the HR and PMS functions. The in-depth analysis and study of these critical inputs gathered from three different organizations is best achieved using the case study method for this qualitative research by conducting within case and cross case analysis. By design, the case study method provides descriptive accounts of single or multiple cases with authentic conclusions.

3.5.5. Case Study Design

Multi-case Holistic design of case study research is used for this study. Multi-case design has been considered because, the evidence from multiple cases is often more compelling, and the overall study is therefore regarded as being more robust. A multiple case study enables the researcher to explore differences within and between cases. The goal is to replicate findings across cases. Because comparisons will be drawn, it is imperative that the cases are chosen carefully so that the researcher can predict similar results across cases, or predict contrasting results based on a theory (Yin, 2003).

The study contains comparison of three Indian Maharatna public sector organizations on the process of implementation of PMS, for which a multiple-case study is required. This is often equated with multiple experiments. A multiple or collective case study will allow to analyse the processes within each organization and across organizations.

In a multiple case study, three cases are being examined to understand the similarities and differences between the cases. It has been used to, '(a) predict similar results (a literal replication), or (b) predict contrasting results but for predictable reasons (a theoretical replication)' (Yin, 2003). Overall, the evidence created from this type of study is considered more reliable.

Case Study Design Process: The process of designing or formulating the case study is detailed in this section. The process of developing case studies is first described, followed by the scope of case studies, unit of analysis, level of analysis and initial conceptual constructs. Figure 3.4 below demonstrates the process of case study design adopted for the current research.

Research Questions		
Literature Review		
Initial Concepts/ Constructs		
Case Study Protocol		
Case Study 1	Case Study 2	Case Study 3
Data Analysis 1	Data Analysis 2	Data Analysis 3
Inferences 1	Inferences 2	Inferences 3
Cross Case Analysis		
Findings and Recommendations		
PMS process and best practices for public sector organizations		

Figure 3.4. Case Study Design Process

The structure used in current research is detailed below:

Scope of the study: This research study has been conducted on the implementation PMS in three organizations that are:

- Indian public sector organizations having Maharatna Status.
- The organizations are multi-locational with business entity spread across all states.
- The organizations have employed more than 10,000 employees.
- Organizations are functioning in three different industry sectors: Power, Petroleum, and Manufacturing.

Unit of Analysis: The goal of current research is to understand how public sector organizations can improve performance management systems or implement and monitor effective PMS, hence the unit of analysis for the current study is 'Organization'. In this case, even though decisions are made by individuals in these

organizations, these individuals are presumed to represent their organization's decision rather than their personal decisions.

Level of analysis: Corporate Level: Human Resource and Performance Management
Department Heads

Individual Level: Managers/ Team leaders of PM department

Initial Conceptual Constructs: A careful study of literature through systematic literature review has identified three initial conceptual constructs to be studied in this research: KRA – Business Strategy Fit, Manager's Responsibility and Monitoring Mechanism. These three initial conceptual constructs have been elaborated for studying their main attributes denoted through sub-constructs:

- i) KRA – Business Strategy Fit:
Sub Constructs:
 - a) KRA formulation
 - b) Strategy alignment.
 - c) Role of Managers
- ii) Manager's Responsibility:
Sub Constructs:
 - a) Evaluation of subordinates
 - b) Performance feedback
 - c) Subordinate motivation
- iii) Monitoring Mechanism:
Sub Constructs:
 - a) Training and development
 - b) Digitalization
 - c) Audit
 - d) Systemic improvements

Sampling: Sampling is the most important aspects of research design. In a research context, sampling refers to the process of selecting a subset of items from a defined population for inclusion into a study.

This study selected sample of department heads of HR and PM departments and the managers responsible for getting the performance management tasks implemented for all three organizations for this qualitative research for conducting interviews

using case study protocol. A total of 14 officers from human resource and performance management functions amongst the three organizations have been interviewed.

3.5.6. Data Collection

Current research has employed inductive approach in this research study to generate meanings from the interview data collected in order to identify patterns and relationships to build a theory. As one approach to qualitative content analysis, inductive content analysis involves collecting and analysing data without preconceived categories or theories. This flexibility allows the data to guide the researcher's analysis in order to identify emerging patterns, themes, and concepts (Patton, 1990).

The advantage of using case study method is that it enables data collection, classification and analysis in a comprehensive manner for in-depth study of each individual case. Another benefit is that the interviewer is free to express his knowledge in any language of his choice and the evidence is gathered from multiple sources, viz., archives, online and offline resources, interviews and physical evidences (Eisenhardt, 1985; Yin, 2003).

Additionally, the data gathered from multiple sources is analysed with different perspectives called data triangulation for increasing the validity of the findings. Data has been collected from three sources: Heads and Managers of Human Resource and Performance Management department through semi-structured interviews using case study protocol, respective websites, annual reports and informal discussions with a focus on the process to identify factors, strategy and responsible persons (Pettigrew, 1997). Informal information gathered during the interactions has also been recorded for including in the analysis.

Case Study Protocol: A detailed case study protocol has been designed prior to data collection. The data has been collected from officials of the three selected Maharatna public sector organizations through semi-structured interviews in line with the case study protocol. Before starting the interview, the participant has been informed about the process of case study research and protocol. The interview is conducted in three sections corresponding to the research questions for the study of PMS practices in Indian Maharatna public sector organizations.

The participants cooperated with detailed sharing of their experiences and knowledge which took around 45 to 60 minutes for interview. The responses were recorded for future reference as well as transcribed for better understanding and to ensure replicability of analysis by future researchers.

The case study interview guide is the part of the protocol which provided structure to the interview questions. Moreover, the general procedure and rules have been specified in the protocol to enable consistent approach for within cases and cross case data analysis.

The objective of the current research is to explain the best process for implementation of performance management system in organizations. A universal framework for most effective implementation arrived through comparative study of three top performing organizations will act as a guide for organizations at large to imitate in order to achieve high performance. Case Interview Guide has enabled the structure to the interview questions while seeking responses from the participants. The validation during in-depth interview was achieved through initial conceptual constructs developed after thorough gap analysis during literature review. The Case Study Protocol adopted during data collection is enclosed as Appendix A.

3.6. Data Analysis Strategy

The qualitative data analysis approach refers to the process of systematizing descriptive data collected through interviews, surveys, and observations and interpreting it. The method aims to identify patterns and themes behind textual data. The challenges in data analysis encompass drawing meaningful information from huge amount of data, condensing voluminous information, identifying significant patterns, and constructing a framework for communicating the essence of what the data reveals (Patton, 1990). Data analysis in this research is based on the interpretations and description of phenomena. These interpretations are subjective based on participants' experiences. This approach is classified as modified form of grounded theory (Charmaz, 2006; Locke, 2004).

Data analysis is aimed to (i) explore the process of setting up of KRAs and their alignment to the strategy of the organization, (ii) comprehend the process of accomplishment of various tasks by managers to achieve KRAs as required of the Performance Management System, and (iii) understand the control mechanism

implemented by organizations to ensure that the managers accomplish tasks as intended. The data analysis strategy adopted for this research study is the qualitative analysis of data for within case study of all three cases individually and for cross case study of all three cases together. The data analysis for within case study encompassed comprehending the individual case data for three cases separately to identify unique characteristics of each organization. The data analysis for cross-case study identified the commonalities and variances amongst all three organizations to arrive at the common understanding of generalised outcome for public sector organizations with external validity.

Data analysis within a case study enables in-depth analysis of voluminous data by organising the textual content and arriving at meaningful insights (Eisenhardt, 1985). The cross-case study enabled the comparison amongst the insights of three individual cases to arrive at the pattern of contributing factors and coping practices adopted in the three Indian Maharatna public sector organizations (Patton, 1990).

3.6.1. Data Analysis using Grounded Theory

As grounded theorists, researcher studies primary data and begins to separate, sort, and synthesise by coding it qualitatively. In the process of coding, the data segments that describe analogous content are identified and relevant labels are attached. Coding distils and sorts the data that enables comparison amongst different data segments (Charmaz, 2006). Current research has used open coding, focused coding and identified patterns of relationship among conceptual categories.

The analysis of open coding and focused coding provided insights on factors contributing to the formulation and alignment of KRAs to strategy in public sector organizations and the role of public managers in getting the performance management tasks implemented. The identification of patterns of relationship among conceptual categories facilitated in identifying the coping strategy practices adopted by Indian Maharatna public sector organizations.

Step I: Open Coding. Open coding in grounded theory method is the analytic process by which concepts to the observed data and phenomenon are attached during qualitative data analysis. Part of the text which are sentences describing the research objectives are highlighted using open code technique (Charmaz, 2006; Strauss &

Corbin, 1990). This study began by looking at patterns of speech and at the repetition of key words and phrases, paying particular attention to participants' use of metaphors and the commonalities. (Ryan & Bernard, 2003).

Open coding may be applied in varying degrees of detail. The codes can be linked to a line, a sentence, a paragraph or wholesome text (protocol, case, etc.). While coding, the main aim of coding should be to break down and understand the text and develop categories to be put in order in the course of time (Charmaz, 2006; Strauss & Corbin, 1990).

Figure 3.5 below depicts the process of open coding from participants' responses:

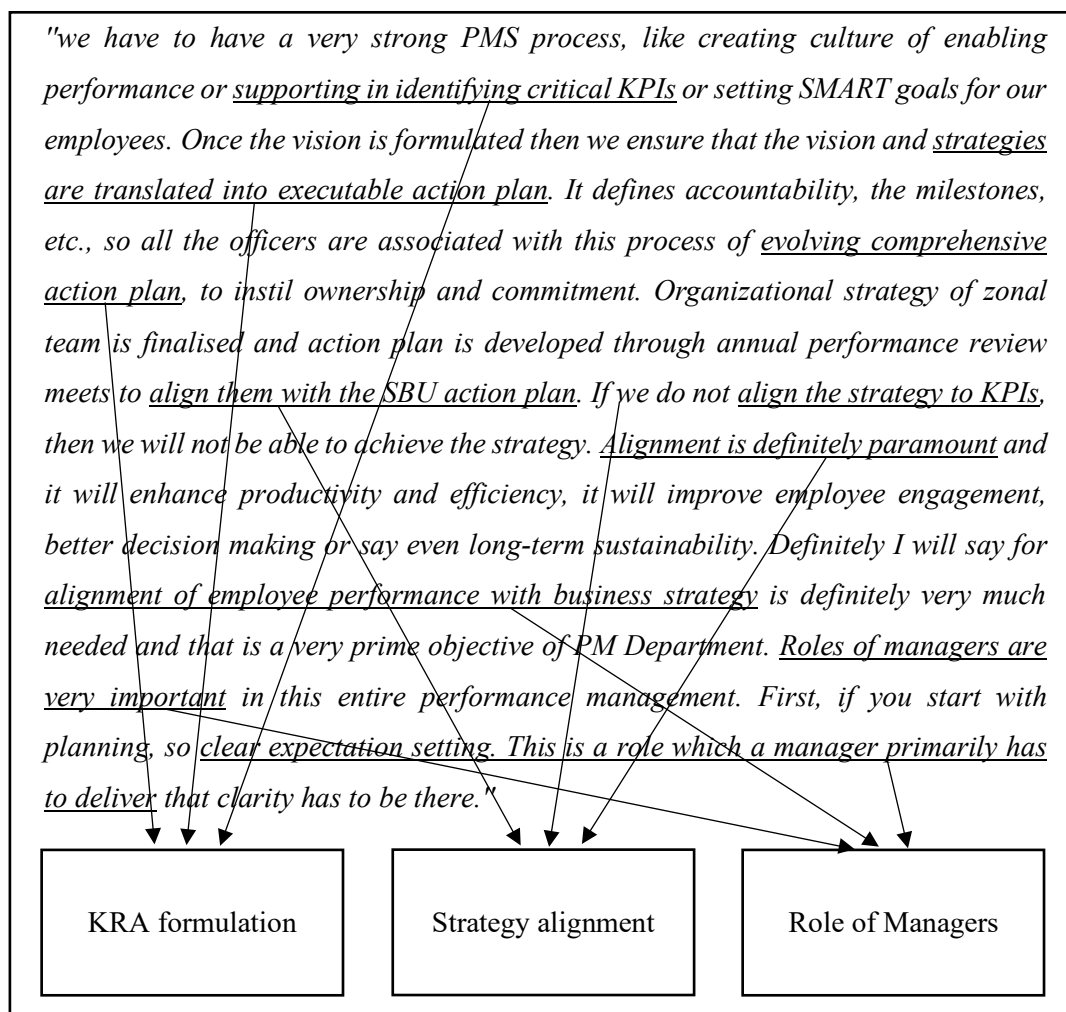


Figure 3.5. Example of Open Coding

In the example statement, the words 'supporting in identifying critical KPIs,' 'translated into executable action plan,' 'evolving comprehensive action plan'

illustrates the formulation of KRAs (explains initial conceptual subconstruct – KRA formulation), therefore, in open coding step these are marked as codes.

Similarly, phrases 'align the strategy to KPIs,' 'alignment of employee performance with business strategy' illustrate about alignment of KRAs with strategy and therefore, marked as codes. Phrases 'roles of managers are very important' and 'clear expectation setting is a role which a manager primarily has to deliver' illustrates the involvement of managers in finalizing KRAs.

The participants' responses are coded in ATLAS.ti, a computer-assisted qualitative data analysis tool that facilitates analysis of qualitative data. The tool supported locating, coding/ tagging, and annotating within bodies of unstructured data, to organize and analyse complex textual and multimedia data and offered visualization functions to uncover actionable insights (Creswell et al., 2007; Miles & Huberman, 1994; Weitzman, 2001).

Step II: Focused Coding. Focused coding is a multistage process. First, themes and categories identified in open coding are collapsed or narrowed down by reading through the notes prepared while conducting open coding. Then, the themes or categories that seem to be related are identified, and some of them are merged.

Thus, the relevant themes and concepts unfolded from the participants responses (Strauss & Corbin, 1990). Codes have been grouped into categories using a bottom-up approach. Figure 3.6 below depicts the categorisation and linking process of codes, categories and concepts in detail:

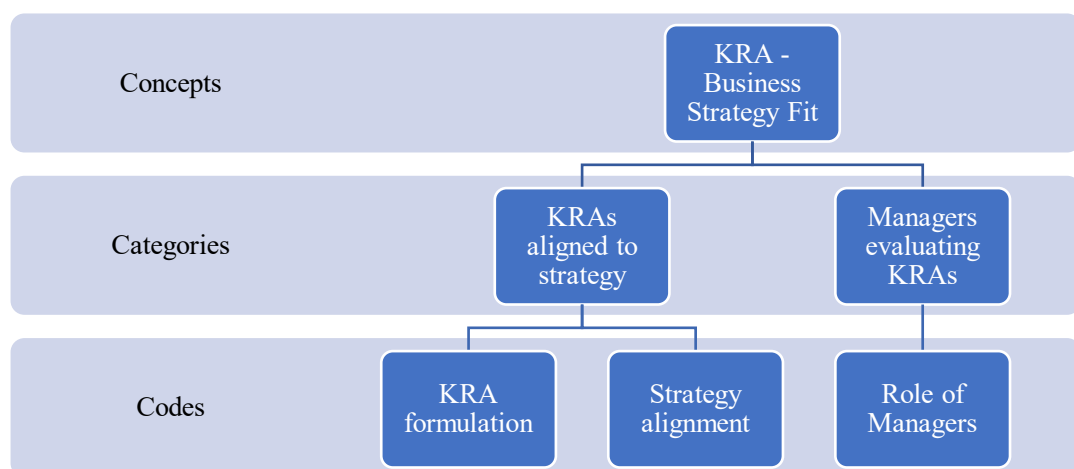


Figure 3.6. Categorisation and linking of Codes, Categories and Concepts

Initial conceptual construct identified from literature, related to KRA – Business Strategy Fit, as an extension of the example in Figure 3.5, is the foundation for recognising concepts.

The text segments associated with the initial conceptual constructs are coded. Then some of the related codes are merged to arrive at category. This resulted in identification of factors contributing to the sub-constructs, viz., KRA formulation, strategy alignment, and role of managers. Each category is then linked to Initial Conceptual Construct category. Any new category not associated with the category of Initial Conceptual Constructs is recognized as a new concept category.

As detailed above, open coding and focused coding have been done and comments added to the codes to label the participants' responses and to arrive at codes, categories and concepts. The codes and categories are related to the production of a creative work 'is part of,' 'is cause of,' 'is associated with' relationships. These causal relationships among codes, categories and concepts are identified and formulated as the structure of these concepts or categories.

Step III: Identifying patterns of relationships among conceptual categories. The patterns are then recognised to understand the causal relation among codes, categories and concepts. The identified relationships during data analysis, are associative ('is part of,' 'is associated with') and causal in nature.

As an extension of example in Figure 5, important achievements narrated by the interview participants, indicating link to the process of business strategy alignment with performance expectations, are coded by creating appropriate codes in ATLAS.ti.

The process of identification of causal relationships by understanding and coding the statements of interview participants is shown in Figure 3.7 below. As shown in the Figure 3.7, 'evolving comprehensive action plan' is the specific performance management strategy being adopted in public sector organizations that is the cause of 'identifying critical KPIs' to achieve organizations' strategic objectives.

Similarly, 'aligning the strategy to KPIs' of employees and managers leads to 'enhanced productivity and efficiency, improved employee engagement, better

decision making or say even long-term sustainability' in the public sector organizations.

Thus, with the help of ATLAS.ti tool, the relations 'is part of,' 'is cause of' and 'is associated with' are added to link the identified codes having relationships as shown below.

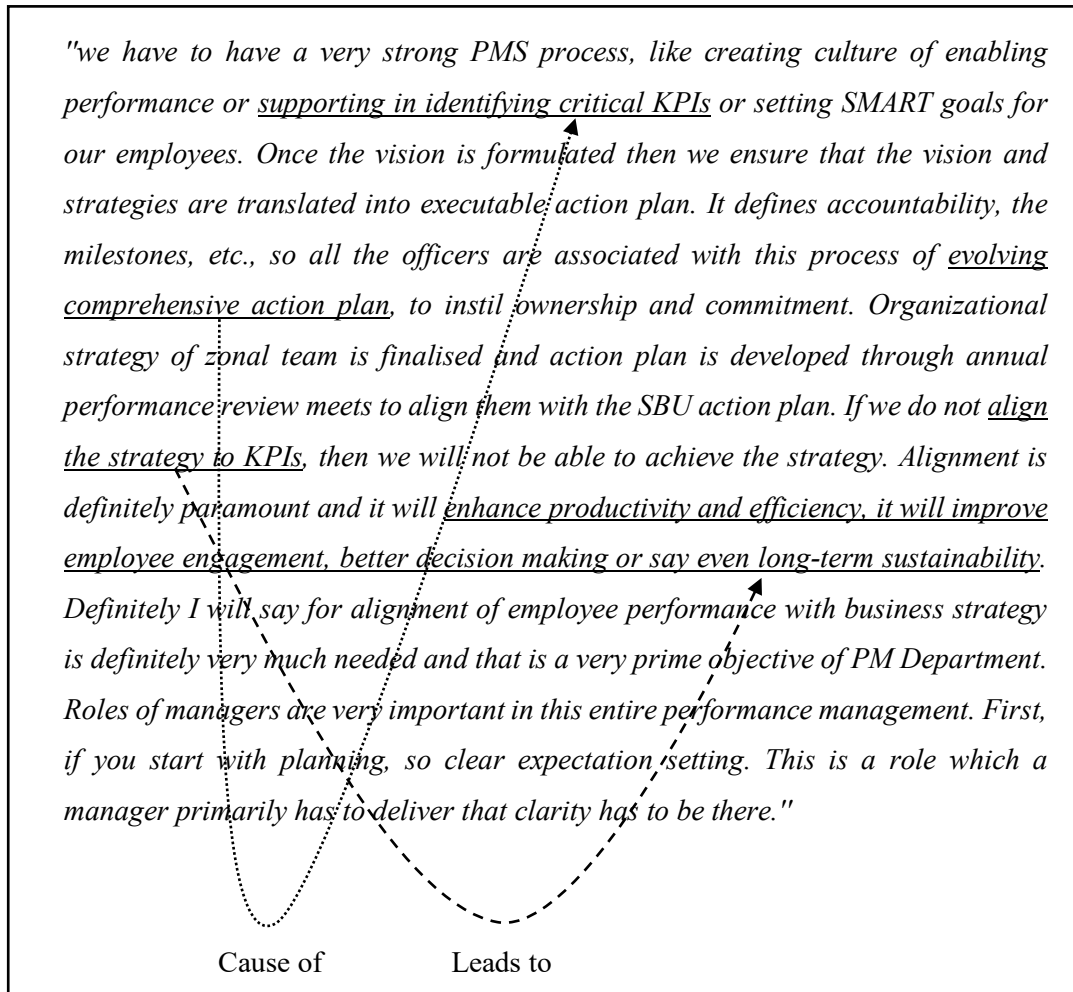


Figure 3.7. Causal Relationships identified from Interview Statements

The relation among codes already identified from the data attributes are abridged and the essential characteristics of these codes are translated to categories and concepts.

Continuing with the example in Figure 3.7 above, code 'evolving comprehensive action plan' is associated with 'implementation of business strategy', which in turn is a part of 'KRA – Business Strategy Fit' concept. Similarly, 'supporting in identifying

critical KPIs' code is associated with category 'role of managers in finalizing KRAs' which is the part of concept 'Manager's responsibility.'

The causal relationships of codes, 'cause of' or 'leads to' are categorised and connected to concepts as shown in Figure 3.8 below.

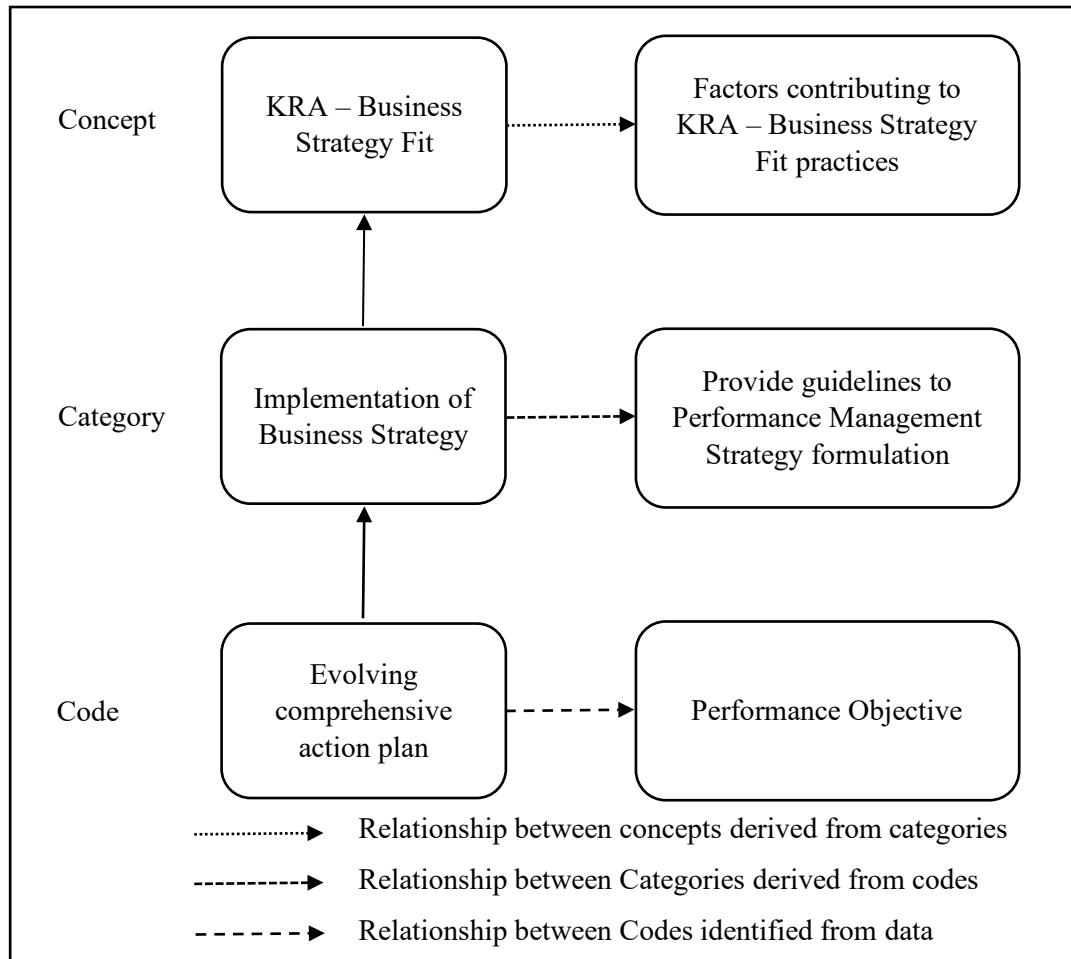


Figure 3.8. Relationships between Concepts/Categories derived from Codes

3.6.2. Within Case Data Analysis

The interview data of participants is analysed within each case with reference to research questions. This approach leads to identification of various factors contributing to the effective implementation of performance management systems in Indian Maharatna public sector organization. These factors form the basis for coping strategy and best practices adopted by the organization. Further, the process of implementation of coping strategy for overcoming challenges faced by the organization is recognized. Then, the relationship between the contributing factors

and the coping strategy practices adopted are analysed in depth. The phases of within case data analysis are shown in Figure 3.9 below.

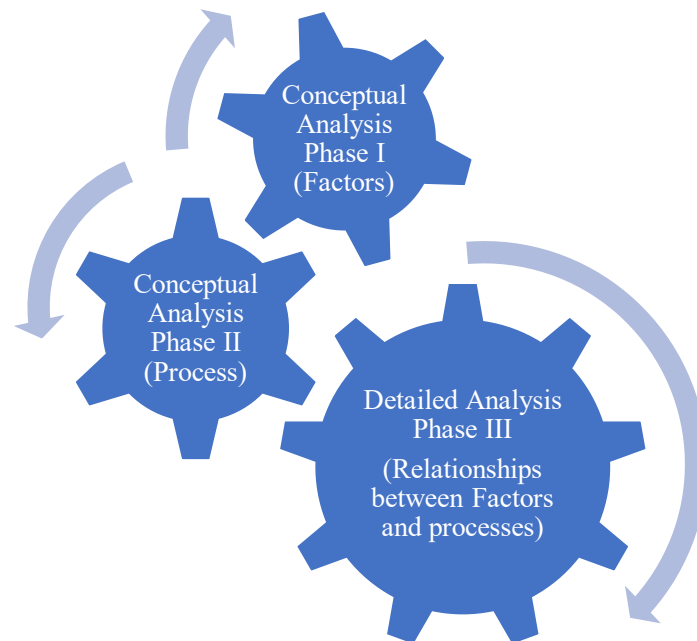


Figure 3.9. Phases of Within Case Data Analysis

The conceptual analysis of data is conducted in phase-I, providing the insights on the factors contributing to the effective PMS implementation. Phase-II data analysis results in identifying the coping strategy practices adopted for sub-constructs: KRA formulation aligned to the strategy, accomplishment of tasks by managers, and control mechanism to ensure effective execution of the performance management tasks as intended. The findings of detailed analysis in phase-III identifies the relationships between the contributing factors and coping strategy practices adopted (Tsang, 1997).

The internal validity of research study improves using two level data analysis on the same data set, called triangulation of perspectives or triangulation theory (Patton, 1990).

Phase I: Identification of factors contributing to the effective implementation of performance management systems. The categories and concepts are recognised through open coding and focused coding of the interview data as detailed in the previous section. During open coding, the codes from interview data that explain the research objectives are identified. The codes help in identifying respective

categories, which are studied to identify their relationship with the concepts. This phase describes the contribution of factors for effective implementation of performance management systems in Indian Maharatna public sector organizations. Further analysis is done on these categories and concepts in next two phases.

Phase II: Identification of coping strategy for overcoming the challenges faced by the organization. The coping strategy practiced by the organization to overcome challenges has been recognised through open and focused coding. Open coding provided insights from participants' responses on the processes that manage tasks effectively. Categories are arrived at by combining these codes. This resulted in the development of concepts using focused coding and classification of categories. Further analysis is done in third phase by providing the relations, 'is associated with' in ATLAS.ti software to identify relationships with contributing factors.

Phase III: Relationships among the factors identified in phase I & coping strategy identified in phase II. In this phase this study identified the relationships between the factors contributing to effective implementation of performance management systems and practices adopted by organization for coping the challenges. Participants' responses have been examined in detail and basic patterns have been recognised among contributing factors. The results are used to get insights on new categories and concepts by comparing with the exiting literature. This cycle is repeated till saturation after which concepts and categories are finalised. The outcome is depicted visually using ATLAS.ti and 'qualitative associative networks' (QAN) are drawn. These networks consist of nodes associated or linked through a relation. The QAN consists of boxes encompassing the concepts connected with arrows denoting the relations between concepts. These relations may be mutual or one-sided, represented by bi-directional or unidirectional arrows. These could be causal, associative, part of, or linked to relationships (Ryan & Bernard, 2003).

3.6.3. Cross-Case Data Analysis

Cross-case analysis is a method that involves the in-depth exploration of similarities and differences across cases with a view to supporting empirical generalisability and theoretical predictions. It is a method to synthesize evidence from multiple cases within a multi-case setting, rather than a secondary analysis of different case studies (Eisenhardt, 1985). A summary of the synthesized evidences is prepared in a tabular

format to analyse the common outcomes of content from all the cases (Miles & Huberman, 1994). ATLAS.ti, the qualitative research analysis tool, helps in visualization of analysed data by developing the qualitative associative networks (QAN) and these diagrams include the outcomes of all the cases together.

3.7. Quality of Research

Awareness of the criteria used when assessing the quality of qualitative research is key for anyone conducting qualitative research. As have been seen, these criteria typically include: trustworthiness, credibility, transferability, dependability, confirmability, reflexivity and ethics. The research must contribute to the explanation or extension of theory by presenting the contention of case to ascertain quality of research study.

This research on effective implementation of performance management systems has specific focus on public sector organizations rather than on generality as in extant research (Yin, 2003). This approach may not be supporting the generalisation, being local and specific to a sector but this approach is useful and is contributing to the existing body of knowledge by generalising for the specific sector (Hughes & Jones, 2003). The earlier qualitative studies advocated in-depth research on single case study for thorough examination but subsequently it is established that multi-case holistic design with detailed within case and cross case analysis mitigates bias.

In order to ensure quality of research study, it must pass the following tests: Construct Validity, Internal Validity, External Validity, Reliability (Yin, 2003) and minimisation of bias. Following sections details each of these quality criteria.

3.7.1. Construct Validity

Construct validity concerns how well a set of indicators represent or reflect a concept that is not directly measurable. Construct validation is the accumulation of evidence to support the interpretation of what a measure reflects (Yin, 2003). It is required to correctly measure the selected concepts. Construct validity is achieved through triangulation of data collected from different sources to arrive at the conclusions (Rossman & Wilson, 1985). The construct validity is ensured if common outcomes are achieved from the data collected from multiple sources. Yin, 2003 has explained the data triangulation as, 'corroborating the same fact or phenomenon.' The collection of data or evidence through different sources enables measuring the same event in

multiple ways (Yin, 2003) which strengthens the corroboration with the constructs and improves construct validity (Eisenhardt, 1985).

The subject matter experts examine the details of the case study. Additionally, feedback from the participants is also obtained. Subsequent to integrating the expert comments and feedbacks with the case study for necessary modifications, conceptual as well as detailed examinations are carried out to enhance the construct validity through two level analysis using triangulation of perceptions on the same set of research data (Patton, 1990).

3.7.2. Internal Validity

Internal validity is the extent to which a piece of evidence supports a claim about cause and effect, within the context of a particular study (Yin, 2003). There may be two associated issues, first, making inferences from case study instead of directly observing the event, and second, the spurious effect i.e., likelihood of missing out few additional constructive factors. This research study has used multiple methods to address these issues and ensure internal validity. For example, (i) within case data analysis is done with different perspectives viz., two levels of analyses, conceptual and detailed and, (ii) reports examined by the subject matter experts and their valuable comments incorporated in the final case study. This brings focus on the degree of confidence that the causal relationship being tested is not influenced by other factors or variables and a 'cause' directly leads to an 'effect'.

3.7.3. External Validity

The generalization of established research findings to other units of the domain of study is termed as External Validity (Yin, 2003). The generalisation is strengthened if the research findings are identified using multiple case studies. A major step to create replication logic in the research is the formulation and study of multiple cases instead of a single case and undertaking cross case data analysis for arriving at the conclusions. This approach is equivalent to the validity of applying the conclusions of a scientific study outside the context of that study. In other words, it is the extent to which the results of a study can be generalized to and across other situations, people, stimuli, and times (Yin, 2003). The difference between the single- and multiple-case study is the research design, though they are within the same

methodological framework (Eisenhardt, 1985; Yin, 2003) and application of replication logic research makes the results acceptable (Yin, 2003).

3.7.4. Reliability

The basic objective of reliability test is to eliminate errors and biases in the research. The reliability of test is the extent to which they are consistent across different occasions of testing, different editions of the test, or different raters scoring the test taker's responses (Yin, 2003). Thus, the same data collection procedure applied by another researcher, which was applied by first researcher, will result in the same outcomes and conclusions.

This research has used several methods to ensure consistency, like case study protocol to guide the interview process. The reliability of case study research increases multifold if case study protocol is used as guide in conducting interviews (Yin, 2003). The consistency is achieved in data collection and analysis for within cases as well as across cases. Secondly, the interviews have been recorded and transcribed to capture every detail, which enables independent data analysis by any researcher. Thirdly, ATLAS.ti tool has been used to help consistent and systematic analysis of qualitative data by any researcher (Weitzman, 2001). This has increased the reliability of research in view of replicability of procedures (Yin, 2003).

3.7.5. Actions to minimize Bias

The current research is conducted by adhering to some basic principles like transparency and accuracy in ensuring the quality of the study. The likelihood of any unintentional potential source of bias has been recognized in data collection, analysis and interpretation and steps have been taken to reduce or minimize the deviation from the truth. Because of these steps undertaken to mitigate bias, this research study has created accurate interpretations and true conclusions thereby leading to correct decisions.

In data collection: The data has been collected at two levels to reduce any bias in data collection. The primary data has been collected through semi-structured interviews with heads of Human Resources and Performance Management departments and the senior and middle level managers of the three organizations

using the detailed case study protocol. The responses were recorded for future reference as well as transcribed for better understanding and to ensure replicability of analysis by future researchers. The case study protocol included instrument (i.e., the interview questions) as well as procedures and general rules that are followed. The indirect and open-ended questions are framed to achieve triangulation of data by ensuring that the responses to different questions have connections and interrelation with each other. Thus, consistency has been achieved for all the sections covered in both within cases and cross case analysis.

In data analysis: The possibility of introduction of self-reporting bias of researcher in data analysis has been eliminated to get the most honest and unbiased analysis. The case study protocol is carefully designed with open-ended questions that refrained from imbuing personal opinions into questions. Clear and concise questions are framed to avoid any influence on respondents to answer in a certain way and the language is kept simple to avoid misinterpretation. Additionally, the researcher first documented his own understanding of the subject and recorded the response. A thorough analysis of the supportive and contrary findings based on compelling evidence is carried out and conclusions reflected these contrary findings, which mitigated the self-reporting bias.

In interpretation: In order to bring objectivity in data analysis and unbiased interpretations, the data coding, analysis and visualization has been done for within case and cross-case analysis of entire data through ATLAS.ti tool and researcher divided the data into various subgroups until this association became significant, which avoided any preference to the research conclusions.

Accordingly, when making decisions, the researcher has not relied on intuition and has made extra efforts to use immaculate reasoning. An external peer review is undertaken and resulting modifications or gaps in the argument are addressed. The learning and spotting any possible bias and using the techniques detailed above has opened up the thinking about possible outcomes, objectives, and options that led to better choices.

Chapter 4

Case Study I -

Implementation of PMS

at NTPC

4.1. Introduction

NTPC Limited, formerly known as National Thermal Power Corporation Limited, is a leading power generation Maharatna central public sector organization in India with a focus on clean and sustainable energy production. This section presents the case study in detail, conducted on Implementation of Performance Management Systems at NTPC Limited, India's largest energy conglomerate and dominant power major with presence in the entire value chain of power generation business.

The details of data collection pertaining to this Case Study I (NTPC) are discussed in next section. The data analysis findings are reported in detail in the subsequent sections on factors contributing to effective implementation of performance management systems, coping strategy practices adopted for overcoming the challenges faced, and relationship between contributing factors and practices adopted by organization for coping the challenges in this large Maharatna public sector organization of power sector in India. Further, detailed case findings are discussed and outcomes are summarised in concluding remarks. The study shall first discuss about the dominant power major in India (NTPC Limited) and implementation of its performance management systems across the organization.

4.1.1. A dominant power major in India

NTPC Limited is a pioneering force in India's power generation sector. Established in 1975, NTPC has grown to become the largest power utility company in India and one of the country's foremost public sector organizations. NTPC's unwavering commitment to producing reliable and sustainable electricity has not only catalysed India's industrial and economic growth but also significantly contributed to the nation's energy security. With its ambitious plans and relentless focus on clean and green energy, NTPC continues to shape the future of power generation in India and beyond.

Company Overview:

History and Milestones: NTPC's journey began with the commissioning of its first power plant in 1977 at Singrauli. Since then, NTPC has consistently expanded its footprint to encompass over 55 power stations across India, with a combined installed capacity of more than 65,000 MW. NTPC's growth is punctuated by

remarkable milestones such as the commissioning of its first gas-based power plant in 1987 and its entry into the hydro power sector in 2004.

Leadership and Governance: NTPC's corporate governance practices are lauded as some of the best in India's public sector. The company is led by a competent and experienced management team that includes a Chairman and Managing Director, who is supported by a talented cadre of professionals from various domains. NTPC's commitment to ethical practices, transparency, and accountability has won it numerous awards and recognitions.

Diverse Energy Portfolio: NTPC is not just a thermal power giant; it is diversifying its energy portfolio to include renewable sources. The company is investing heavily in solar and wind power projects and aims to achieve a substantial portion of its power generation from clean energy sources by 2032. This shift towards green energy is a testament to NTPC's commitment to environmental sustainability.

Environmental Stewardship:

Reducing Carbon Footprint: NTPC has initiated several eco-friendly measures, including the installation of flue-gas desulfurization (FGD) systems in its thermal power plants to reduce sulphur dioxide emissions. The company is also working on retrofitting old power plants to improve their environmental performance. NTPC's investments in renewable energy projects are a part of its strategy to mitigate its carbon footprint and contribute to India's climate goals.

Corporate Social Responsibility (CSR): NTPC is deeply involved in the communities it operates in. The company actively pursues CSR initiatives in healthcare, education, and skill development, benefitting millions of people. NTPC's sustained commitment to social welfare projects demonstrates its dedication to sustainable and inclusive development.

Future Outlook: NTPC's vision for the future is both ambitious and forward-thinking. The company aims to achieve a total installed capacity of 130 GW by 2032, with a strong emphasis on renewable energy sources. NTPC is also exploring opportunities beyond Indian borders and has entered into collaborations for projects in neighbouring countries, thereby fostering regional energy cooperation.

As India continues to evolve and grow, NTPC remains at the forefront of its energy transformation. NTPC's commitment to reliable power generation, environmental stewardship, and corporate social responsibility reflects a company with a vision beyond just electricity production. It is a company that understands its pivotal role in shaping India's future and is dedicated to powering a more sustainable, inclusive, and prosperous nation. NTPC's journey, marked by milestones, and its unwavering commitment to innovation, sustainability, and excellence, makes it a model for public sector enterprises not only in India but globally.

4.1.2. Performance management systems at NTPC

NTPC's Performance Management System is founded on a set of core principles that guide every facet of the organization's operations. These principles revolve around transparency, accountability, meritocracy, and a relentless focus on performance-driven outcomes. They form the bedrock upon which NTPC's work culture is built, promoting a dynamic and high-performance work environment. One of the fundamental aspects of NTPC's PMS is the establishment of well-defined, SMART (Specific, Measurable, Achievable, Relevant, Time-bound) goals for employees at all levels. These goals are closely aligned with the company's overarching strategic objectives and facilitate a clear understanding of expectations.

Performance Appraisal and Evaluation: NTPC recognizes that employee performance appraisal and evaluation are crucial components of the PMS. The company employs a rigorous evaluation process that combines quantitative performance metrics and qualitative assessments. This process ensures that performance is not only quantifiable but also reflective of the organization's values. NTPC adopts the Balanced Scorecard framework to manage performance at various levels of organization. This approach assesses performance from four key perspectives: financial, customer, internal processes, and learning and growth. This holistic view enables a comprehensive understanding of how NTPC is meeting its strategic objectives and customer needs while maintaining operational efficiency.

Key Result Areas (KRAs): KRAs serve as vital performance indicators within NTPC's PMS. These metrics are continually monitored to evaluate the effectiveness and efficiency of various operational functions. KRAs encompass a broad range of areas, including power generation capacity, environmental sustainability, financial

performance, and safety records. Performance management at NTPC extends beyond mere evaluation, it is also a platform for continuous learning and development. Employees are encouraged to identify areas of improvement, participate in training programs, and undertake skill-building activities to ensure their growth aligns with the company's evolving needs.

Performance Recognition and Rewards: NTPC places great importance on recognizing and rewarding high-performing employees. The company offers various programs, including non-monetary rewards, promotions, and opportunities for career advancement, as a means of acknowledging and motivating excellence.

NTPC's Performance Management System is a testament to the organization's commitment to fostering a culture of continuous improvement, transparency, and meritocracy. It ensures that the company's objectives are met efficiently and ethically, contributing to its status as a leader in the power generation sector. As NTPC continues to innovate and adapt to a changing energy landscape, its PMS will remain a cornerstone, driving the organization's pursuit of excellence and its mission to power India's future.

4.2. Data Collection

Semi structured interviews have been conducted using case study data protocol from the following human resource and other personnel of the organization detailed in Table 4.9, responsible for performance management system implementation and monitoring.

Table 4.9. List of participants of Case Study I (NTPC)

Level of Analysis	Designation	Date of Interview
Level 1 - Corporate	Head - HR	June 25, 2023
Level 2 - Corporate	Head - PMS	June 24, 2023
Level 2 - Power Plant	GM - PMS	July 9, 2023
Level 3 - Power Plant	DGM - PMS	July 9, 2023
Level 3 - Corporate	Ch. Manager - PMS	July 8, 2023

Note: The names of participants are not disclosed due to agreed confidentiality.

The data has been collected from multiple sources: (i) semi-structured interviews of HR and PMS heads and managers of performance management department at corporate headquarters and power plants, (ii) online search of website, intranet, and documents related to performance management, and (iii) informal discussions with leaders and

mangers responsible for implementing performance management tasks. The data collection activity was completed within three months. Researcher developed contacts and prepared for data collection activities in the month of May, 2023. Participants have been requested for interviews during Jun-Jul, 2023 in the order of their availability. Interview responses are transcribed, clarifications and additional information sought in some cases, and suggestions and feedback from the leaders incorporated. This study is conducted for within case data analysis based on the participants' responses, considering the research questions and the analysis is detailed in subsequent sections.

4.3. Factors contributing to effective implementation of PMS at NTPC

This study analysed the collected data in line with the data analysis strategy described earlier. The phase I of the conceptual analysis describes the factors contributing to the effective execution of performance management systems at NTPC Limited. The outcomes of the analysis with reference to the initial conceptual construct of KRA-Business Strategy Fit and its subconstructs i.e., KRA Formulation, Manager's Responsibility and Monitoring Mechanism is presented below:

4.3.1. KRA-Business Strategy Fit

The interview data analysis indicates that this construct and its sub-constructs i.e., KRA formulation, Strategy alignment and Role of Managers are practiced only partially in the case study organization.

KRA formulation: A few of the representative quotations on the first sub-construct i.e., KRA formulation, from the interview excerpts are:

"...Performance Management department is an enabler, which is basically designed to ensure that you are achieving the organizational objectives. For base functions we have a (Key Performance Area) KPA directory..." – Head-Performance Management.

In order to achieve strategic objectives, performance management department develops framework for KRA formulation for each job role. They have centrally created list of possible KRAs and the directory is available to employees to select respective KRAs based on their roles.

"...we have committees which we call management committees and executive committees. All executive directors and above are part of the executive committee, including the chairman and the directors. The management committee consists of various business heads also, that is the various GMs, CGMs who head the various business units, they are also part of the management committee. So, in these meetings also certain strategic aspects are decided, based upon the environment scanning done by the corporate planning department and taking inputs from various other departments or sources. So, based upon that they also come out with certain imperatives that need to be addressed and these imperatives are then sent to the various departments with the targets that business needs to achieve in so much time frame..." – Head Human Resources

"...when NTPC was entering into renewable business, because we were new to the renewable business, then lot of programmes etc were required, which came through the executive committee meetings and management committee meetings. So, lot of programmes etc, lot of initiatives etc were driven to selected executives for these solar initiatives or these renewable initiatives..." – Head Performance Management

It is evident that KRAs based on certain imperatives are finalised at top management level and are included for employees in respective roles in order to address the latest competitive environment and other stakeholder aspirations.

"...In the KPA directory, certain roles like renewable business, and NTPC entered into so many areas that are not there, that is to be framed. Challenges are basically that the world is so dynamic and the rules are also changing, becoming so dynamic that KPA directory has to be dynamic..." – DGM Performance Management

It indicates that the organization is facing challenges in formulating KRAs of employees using the directory which is fast becoming obsolete in view of new business and dynamic ecosystem.

"...Competencies Potential Values (CPV) we are calculating for the PMS, for executives at the time of promotion. Once they are due for promotion, the CPV assessment would be done and that CPV assessment also forms a part of the promotion exercise, because there are certain marks allocated to the CPV assessment, there are certain marks allocated to the KPAs of course, there are

certain marks allocated to the weekly planner also. Weekly planner and KPAs together will form the PMS..." - GM Performance Management

It can be inferred that the organization has introduced a system of evaluation of quality of KRAs formulated by employees through allocating marks for the activity. This is one way by which they are attempting to overcome the challenge of wrong formulation of KRAs for employees. However, the limitation is that it is only for those employees who are due for promotion.

"...When we do the HR audit or we do the PMS audit, we can also audit as to what kind of planners have been prepared, whether they are strategic. What we have done is, when you see the weekly planner, you also have a view of whatever KPAs you have filled in, whatever IDPs you have filled in, so that is also there..." – Head Performance Management

In the above statement it is clear that the improvement proposed but not yet implemented by the organization is to set up a process of auditing the quality of KRAs being formulated for each job role as a regular exercise during PMS periodic audits.

Strategy alignment: The second sub-construct of Strategy alignment is reviewed through the representative quotations on KRA alignment to Strategy and the interview excerpts are as under:

"...An MOU is signed by NTPC with the Government. Besides that, external MOU which lays down various macro level targets for various departments, we also have an internal MOU system wherein the targets which are there in the external MOU are also reflected in the internal MOU. These are more stringent actually than whatever is given in the external MOU. So, the MOU system is one way in which the strategic aspects of various departments and functions are captured." – Head Human Resources

"...for various departments like this, we have the strategy and how the strategy is to be implemented, who is going to implement it, all that is decided and then it percolates from the top down. In fact, when the internal MOU is formed then it is both top down and bottom up, because various departments also come up with what they have in plan, what is to be achieved and then that is discussed in the internal

committee which finalises the internal MOU. It is ensured that the targets are sufficiently stretched targets and they are not taking very light targets etc..." – Head Performance Management

All public sector organizations in India sign an MOU with the Government to decide their strategic objectives. It is evident from above excerpt that this Maharatna organization has devised a unique method to cascade strategy to each vertical and department through stringent internal MOUs with top management and accordingly align the KRAs with strategy to ensure ultimately meeting these objectives.

"...We have introduced something called the Weekly Planner, which I do not think will be there in any PSU. So, now what we have done is that we have created more of a continuous performance management, continuous check-ins. What we do is that we have a system, it is all online, the weekly planner is to be filled at the start of the week..." – Ch. Manager Performance Management

Another innovative process introduced by this Maharatna public sector organization to ensure effective alignment of KRAs to strategy is the introduction of weekly planner which has resulted in continuous performance review and course correction if required.

"...The PMS is always something which is always challenging. It will always be subjective. Of course, there will be one more challenge, because people are choosing themselves the KPIs, in some cases maybe they may not be aligned to strategy, which may ultimately lead to not achieving the strategy..." – Head Performance Management

"...We also had a training session wherein we covered almost all executives who had 3 or 4 subordinates reporting to them, so we covered them through a specialised programme where we focused on the quality. I cannot claim that everything is hunky-dory, but we are moving in the right direction to see that the PMS is aligned to the organizational objectives..." – DGM Performance Management

It is evident that in spite of taking so many steps, the organization is facing challenges in aligning the KRAs to strategy. However, they are confident that by implementing the steps initiated by them, they would mitigate the situation.

"...One thing I have already discussed is the output of the weekly planner, in the sense that how much they are aligned to the objectives. Then gradually, the weekly planner can also be sort of a dynamic job description of a particular role, because the output of the reports can also help you with, what kind of attributes are there in this particular role or what are the kind of things that the individual is required to do, what are the kinds of challenges he is facing. Of course, it is still in conceptualization stage and interpretation will take time, but these things can be done to take PMS to the next level..." – Head Human Resources

The organization is proposing to implement a completely new practice of creating dynamic job description of roles, which will help them overcome the challenge of alignment of KRAs to strategy.

Role of Manager: The analysis of third and final sub-construct of this construct i.e., Role of Manager based on the representative quotes from the interview excerpts is as under:

"...The RO is the most important person in the whole system what I see. Because of that we are also focusing on ROs. All these things have been focused upon because what happens is that, you may have great people practises but it is your managers who drive those practises to enable the positive employee experience. Otherwise, those practises will remain only on paper..." – Head Performance Management

"...The KPAs which have to be formulated, has to be done in consultation with the reporting officer of the concerned person and since the MOU targets etc. they are external as well as internal, they are prime and top..." – GM Performance Management

It is clear that the role of manager is very important in formulating KRAs as manager is mainly responsible for the performance of his subordinates, which can be achieved only if right KRAs are formulated by his subordinates, for which he acts as a guide and mentor.

"...because people are choosing themselves the KPIs, in some cases maybe they may not be aligned to strategy, which may ultimately lead to not achieving the strategy. If the RO does not keep a check on that..." – Head Performance Management

It is evident that the manager has to ensure alignment of KRAs to strategy and the organization largely depends on the manager for this, to ensure desired performance of the subordinates.

"...the RO, the managers are the key people who drive the entire process and research also shows that in many organizations the reason for people leaving, if it is not for a better prospect, then it is because they don't enjoy that kind of support or that kind of camaraderie with the reporting manager. So, RO is very important in the entire system and that is one weak point..." – Head Human Resources

The input provided by the key personnel of this Maharatna public sector organization is that the manager is an important factor in ensuring KRA-strategy fit towards formulating KRAs and ensuring that they are aligned to the strategy and an organization that focuses on manager development can definitely outperform others.

The outcome of the analysis of case data with reference to the sub-constructs of KRA-Business Strategy Fit construct are also shown in Table 4.10.

Table 4.10. Findings for sub-constructs of KRA-Business Strategy Fit

Initial Conceptual Construct	Sub-construct	Category from data	Focused codes from data	Data Analysis observation	Contributing factors
KRA-Business Strategy Fit	KRA formulation	Implement business strategy	Comprehensive action plan	PM department develops framework for setting up KRAs for each job role	KRA directory, Marks for right KRAs, KRA audit
	Strategy alignment		Cascading business strategy	Organization has devised a unique method to cascade strategy to each vertical and department	Internal MOU with top management, Weekly planner, Dynamic job description of roles
	Role of Manager		Evaluation of action plan	Manager is mainly responsible for performance of his team	Manager as a guide and mentor, Focus on manager development

The qualitative associative network (QAN) related to the initial conceptual construct 'KRA-Business Strategy Fit' is also shown in Figure 4.10.

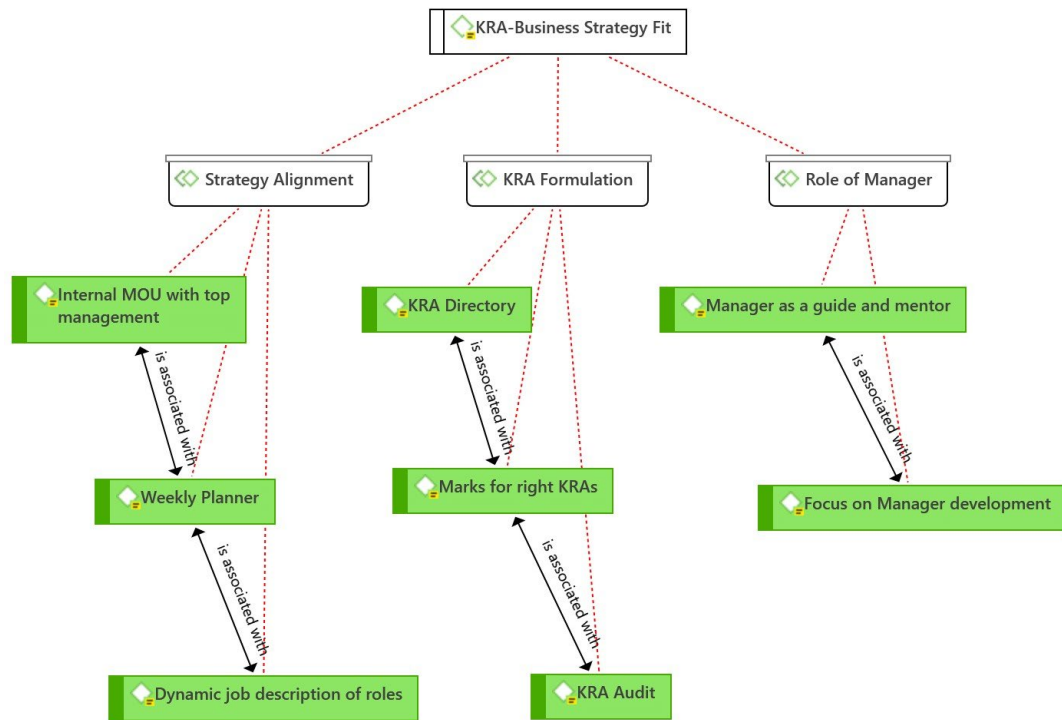


Figure 4.10. QAN for KRA-Business Strategy Fit

Thus, in conclusion, the current practice of the organization for the construct of KRA-Business Strategy Fit is addressed partially by establishing the process of formulating an exhaustive KRA (or KPA) directory centrally by performance management, from where employees have to select appropriate KRAs aligned to the business strategy based on their job roles and manager has to play its role of ensuring the proper KRA selection. However, the organization is facing challenges in terms of employees not selecting the right KRAs and taking easy and attainable targets instead of stretched targets, not necessarily aligned to strategy, and managers are accepting these without any guidance or intervention.

The organization has adopted certain practices, like, allocating marks to KRA formulation, internal MOUs, introduction of weekly planner, and continuous performance review. Additionally, organization is proposing to introduce a system of conducting periodic audits. All these implemented and proposed factors shall provide a huge competitive advantage to the organization as more alignment of KRAs to strategy would mean better achievement of strategic objectives and as such

enhanced organizational performance. The factors of the first initial conceptual construct, contributing to the effective implementation of performance management systems in NTPC Limited, a large Indian Maharatna public sector organization, have been identified along with their associations as detailed above.

4.3.2. Manager's Responsibility

Participants indicated that the second initial conceptual construct relating to the manager's monitoring of performance management tasks of subordinates has a significant impact on their performance and thus is a major contributing factor. The sub-constructs identified from literature for performance management tasks and part of this construct are Evaluation of subordinates, Performance feedback, and Subordinate motivation.

Evaluation of subordinates: The representative interview excerpts on the first sub-construct i.e., Evaluation of subordinates suggested by the participants are:

"...now what we have done is that we have created more of a continuous performance management, continuous check-ins. What we do is that we have a system, it is all online, the weekly planner is to be filled at the start of the week..." – Ch. Manager Performance Management

"...The weekly planner goes to the RO who can also add or delete any of the plan that is prepared by me. At the end of the week, I assess the weekly planner performance, and then that goes to the RO. I can also tag achievements, of course the RO has the right to review it. RO has to review it and the RO has to give me feedback on the weekly planner..." – DGM Performance Management

"...Based upon the number of weekly planners I submit within the year, the system will also allocate around 5 marks for submitting weekly planners alone, in the PMS. If I don't submit the weekly planner then certain marks get deducted automatically. Then every month the RO also assesses the person, that assessment can be seen by the subordinate also. At the yearend, based upon the assessment by the RO, marks get auto calculated by the system and the system will give marks accordingly. So, 30 marks are for the weekly planner and 70 marks are for the KPAs which includes the IDPs etc..." – Head Performance Management

It is clear that review and evaluation is a continuous process in this organization and the marks are awarded to the employees based on the evaluation by the manager. An important factor is the weightage of marks for different parameters like timely submission, quality of KRAs, achieving development plans and performance output.

"...Our systems are now throwing the reports on how many people are submitting the weekly planners, how many people submitted and how many were reviewed, how each RO is rating his subordinates or what kind of feedback, what kind of assessment, whether he has done or not. The system is working if not 100% then at least 95-96% people are doing things in the proper manner..." – GM Performance Management

It is evident that this organization is facing a challenge of some managers not evaluating the performance of subordinates in time. The evaluation of performance, whether weekly, half yearly or at least annually, is very critical for identification of pitfalls and making timely corrections for enhanced performance.

"...in the weekly planner there is a tab wherein you have to also fill in, whether you have displayed any of these attributes during the week and how do you have displayed that. Then the RO also has to assess and has to comment on whether what you are writing is okay or not or whether he needs more training or he needs to be more specific or whatever kind of feedback has to be given..." – Head Performance Management

The organization has implemented a systemic control through online self-evaluation with subsequent review and evaluation by manager on display of various attributes.

Performance feedback: The second sub-construct of the initial conceptual construct of manager's responsibility is Performance feedback, which is analysed through the representative quotations from the interview excerpts of participants as under:

"... we focused on the quality of giving feedback and what kind of conversations are there, how people should be conversing, how the ratings have to be given, what feedback is to be given how developmental feedback should be given, and all that. So, that kind of exercise is also done..." – DGM Performance Management

It is evident that the organization is focused on managers providing quality feedback for performance and employee development. They have defined processes and they

have entrusted manager with the responsibility of providing true and constructive feedback.

"...main challenges which managers face is to give proper feedback. As per Department of Public Enterprises there is a restriction for giving 1 rating to only top 15% as per bell curve. In particular cases, if they come to know something, they will also talk to that particular manager on how he has rated. Still, the major challenge for any reporting officer is basically giving feedback and calling a spade a spade..." – Head Performance Management

Performance evaluation encompasses providing factual feedback and getting the necessary improvements done on continuous basis to ensure maximum performance. However, the challenge faced by the organization is the lack of genuine feedback, resulting in acceptance of poor performance by majority of managers.

"...when you give feedback, you can talk about performance. When the feedback is given, it should be given immediately and this is what is happening based upon the event and based upon what has happened. The feedback should never be personal or never should be demeaning the individual as such, but only talking about the performance and what went wrong and what would have been better. If someone or something has been done well, then the feedback majorly should be given..." – GM Performance Management

It is inferred that performance feedback is the most critical factor in the entire process and the organization is focusing on this important parameter. Though they have not achieved proficiency, the steps are taken to clearly highlight the importance and recommending the correct process of giving timely and constructive feedback.

Subordinate motivation: The analysis of third and final sub-construct 'Subordinate motivation' of this construct Manager's Responsibility conducted through the corresponding interview excerpts is as under:

"...Motivational programs are done by our training infrastructure. What happens is the training need analysis for the training calendar. The input comes from the PMS also that when they are filling the IDP, they will also put in what kind of training they require or in which area, because IDP also provides what kind of books they should read or what kind of training etc they will refer to, what kind of professional

associations, what kind of things they will do. Maybe they plan to participate in the internal NTPC competition or simulation games to develop their leadership abilities..." – Head Performance Management

In a unique initiative to motivate subordinates, managers provide them opportunities to learn and grow. Individual development plans (IDPs) are made to develop their personal and professional skills and leadership qualities, which help them to grow within or even outside the organization after they separate.

"...Rewards and recognition are only non-monetary. The government has restricted that PSUs cannot do something on their own, else that will be against the government guidelines, so now there are no such schemes. But earlier we used to have something called generational construction centimetre, basically plant based, depending on generation..." – GM Performance Management

Government does not permit Indian public sector organizations to offer any monetary reward or performance-based incentives. Thus, it is difficult for public managers to keep subordinates motivated to perform consistently. Managers have to innovate non-monetary reward schemes to create competition amongst subordinates for better performance.

"...I can also tag achievements, like if I feel that this particular thing that I have done is a major achievement of mine, so I can tag it as an achievement, of course the RO has the right to review it. RO has to review it and the RO has to give me feedback on the weekly planner..." – DGM Performance Management

Another non-monetary motivational initiative implemented by the organization is to provide opportunity to the subordinates to showcase their achievements to their manager for fair evaluation of their performance, which may result in their promotion as a reward.

"...All these things have been focused upon because what happens is that research shows that, you may have great people practises but it is your managers who drive those practises to enable the positive employee experience. Otherwise, those practises will remain only on paper..." – Head Performance Management

It is evident that manager's responsibility includes subordinate motivation and it is essential to develop and empower managers so that they may keep their subordinates motivated.

The outcome of analysis of interview data for each sub-construct is presented in Table 4.11.

Table 4.11. Findings for sub-constructs of Manager's responsibility

Initial Conceptual Construct	Sub-construct	Category from data	Focused codes from data	Data Analysis observation	Contributing factors
Manager's responsibility	Evaluation of subordinates	Ensure execution of performance management tasks	Fair and unbiased evaluation of subordinates	It is essential to overcome major challenge of appropriate evaluation without demotivation	Parameter-wise weightage of marks, timely and fair evaluation, and online self-evaluation
	Performance feedback		Timely, true and constructive feedback	Timely and genuine feedback will provide opportunity to make course correction	Genuine and constructive feedback, objective performance evaluation, and timely feedback
	Subordinate motivation		Motivational initiatives	Motivated employee delivers enhanced performance Restriction on monetary benefits compels devising innovative schemes	Opportunities to learn and grow, non-monetary recognition schemes, opportunity to showcase achievements, and empower managers

For this initial conceptual construct, the organization has implemented some initiatives and has proposed some other initiatives to adequately address manager's

responsibility and its subconstructs. Factors impacting performance related to evaluation of subordinates are parameter-wise weightage of marks, timely and fair evaluation, and online self-evaluation for opportunity to present own case. Analysis has revealed that the second subconstruct of performance feedback has factors influencing it as genuine and constructive feedback by manager, objective performance evaluation, and process of giving timely feedback.

The qualitative associative network (QAN) related to the initial conceptual construct 'Manager's Responsibility' is also shown in Figure 4.11.

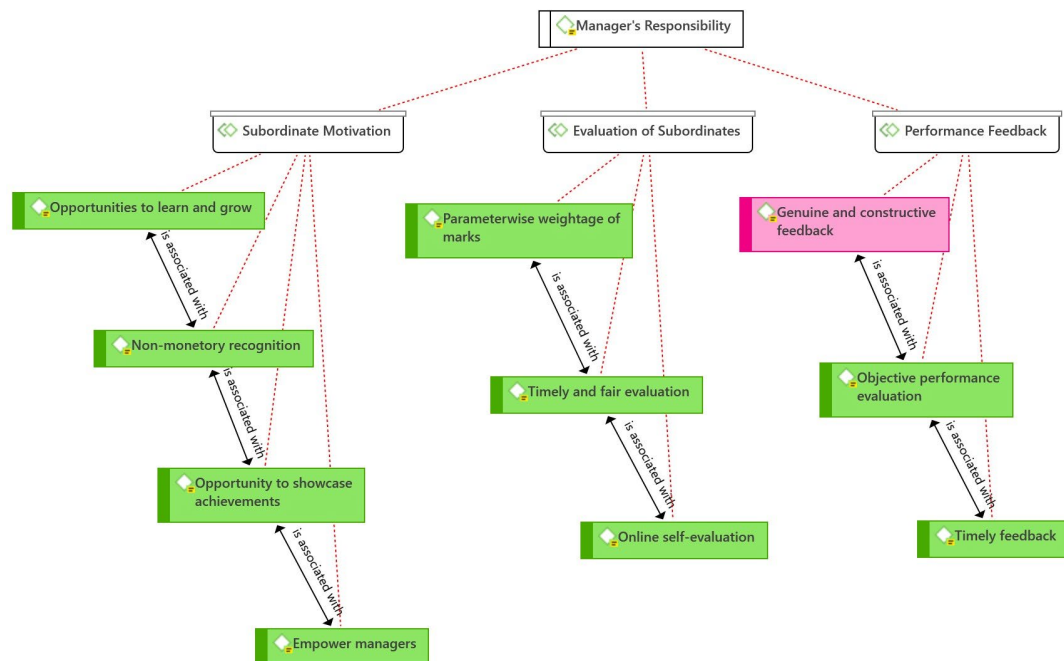


Figure 4.11. QAN for Manager's Responsibility

Thus, in conclusion, it is very challenging in Indian public sector organizations to address the third subconstruct of subordinate motivation in view of restriction on monetary rewards. Still, organization has devised some innovative initiatives for subordinate motivation and the main factors are providing them opportunities to learn and grow, coin non-monetary recognition schemes, opportunity to showcase achievements, and to develop and empower managers. Additionally, performance management team has to implement mechanisms to monitor that the managers perform the intended tasks. The factors detailed above and their associations have been identified for the second initial conceptual construct of manager's

Responsibility in effective implementation of performance management tasks through analysis of participant interview responses.

4.3.3. Monitoring Mechanism

The third initial conceptual construct relating to mechanisms to be implemented by performance management department for monitoring performance of managers in ensuring intended performance management tasks of subordinates is a crucial factor for effectiveness of systems. The sub-constructs identified from literature and participants' interview responses are Training and development of managers, Digitalization for ensuring controls, Audit of performance management processes, and systemic improvements implemented or proposed by the organization.

Training and development: The representative interview excerpts on the first sub-construct informed by the participants are:

"...We also had a training session wherein we covered almost all executives who had 3 or 4 subordinates reporting to them, through a specialised programme where we focused on quality of giving feedback and what kind of conversations are there, how people should be conversing, how ratings have to be given, what feedback is to be given how developmental feedback should be given, and all that..." – DGM Performance Management

It is evident that the organization is investing on the training and development of managers to enhance their competencies in handling difficult conversations, providing quality feedback and so on, for improving the effectiveness of performance management tasks' implementation.

"...there is one more challenge, that is, because we have so many targets etc, your focus is also on getting the work done you are not focusing on developing your people. Even if there is a programme for developing a person, the manager does not release him on the pretext that there is some official exigency, like overhauling is going on etc, and he is reluctant to send him for training or development activities. This is not beneficial in the long run as you are not developing the person who needs it. Actually, the middle level managers think only for short term. In fact, I will say that even at the top level they have issue and lack of thinking in the long term..." – Head Human Resources

The organization is facing a challenge of reluctance on the part of managers to release their subordinates for their training and development. Thus, managers' awareness is another factor for them to realize that the organization is nominating employees for trainings with the long-term perspective of their current as well as future roles.

"...RO also has to ensure that the subordinates' development is happening and marks are there for the RO whether development of subordinates is happening, whether he is giving proper feedback etc. In fact, the reporting officer of RO can see the system as to whether the RO has given feedback or not, whether the RO has given monthly assessment, whether he is complying with or supporting the subordinate or the team in the weekly planner system, so that is available to the RO's reporting officer when the assessment of the RO is going to happen..." – Head Performance Management

Another factor for setting up monitoring mechanism for the subconstruct of training and development is the evaluation of manager on the basis of subordinate development. This will ensure that the manager performs the intended task of training and development of subordinates.

Digitalization: The second sub-construct of the initial conceptual construct of monitoring mechanism is Digitalization, which is analysed in terms of providing systemic controls through the representative quotations from the interview excerpts of participants as under:

"...I feel in the organization space we have moved to this something called paperless office system where in whatever approvals we take etc everything is in the online system so the repository is maintained..." – Head Human Resources

It is evident that the organization is in advance stage of paperless office through digitalization of performance management processes.

"...Also, we have an automated system, you keep getting reminder for the weekly planner. It implies that they have to submit the weekly planner to ROs, that they have to assess, they have to give the monthly feedback and the mails and messages will go automatically through the system, at various points in time..." – Head Performance Management

Digitalization has helped the organization in maintaining close follow up without making much efforts as auto generated mails are sent at every step, the important factor being the auto reminder system.

"...Based upon the number of weekly planners I submit within the year, the system will also allocate around 5 marks for submitting weekly planners alone, in the PMS. If I don't submit the weekly planner then certain marks get deducted automatically. At the yearend, based upon the assessment by the RO, marks get auto calculated by the system and the system will give marks accordingly..." – Head Performance Management

The factor positively impacting performance evaluation in the organization is auto evaluation of certain parameters in award of marks which do not require human intervention as everything is recorded in the system with digital footprint.

"...the reporting officer of RO can see the system as to whether the RO has given feedback or not, whether the RO has given monthly assessment, whether he is complying with or supporting the subordinate or the team in the weekly planner system, so that is available to the RO's reporting officer to when the assessment of the RO is going to happen. efforts are being made but of course we are nowhere near being perfect. It is an ongoing process, we are trying to improve on a gradual basis..." – Head Performance Management

The organization is implementing a unique system of evaluating managers on execution of performance management tasks, which is an important factor contributing to the effective implementation of performance management tasks.

Audit: The third sub-construct of initial conceptual construct of monitoring mechanism is Audit, which is analysed in terms of monitoring and control of performance management tasks through representative quotations from the interview excerpts of participants as under:

"...The PMS is always something which is always challenging. It will always be subjective. ...because people are choosing themselves the KPIs, in some cases maybe they may not be aligned to strategy, which may ultimately lead to not achieving the strategy. If the RO does not keep a check on that. That is why the next step is that we

need to audit that to see as to how it is happening..." – Head Performance Management

"...That also we are working on, that the system is able to throw, so that we can audit. When we do the HR audit or we do the PMS audit, we can also audit as to what kind of planners have been prepared, whether they are strategic. What we have done is, when you see the weekly planner, you also have a view of whatever KPAs you have filled in, whatever IDPs you have filled in, so that is also there..." – Head Performance Management

It is an important factor to audit the KRAs formulated or selected by the employees whether it is happening in consultation or after approval of respective managers.

"...We have regular reviews and then we also audit the performance management related actions of the managers. There is a PMS audit which takes place on a periodic basis in which the focus right now is to improve. In fact, our systems are now throwing the reports on how many people are submitting the weekly planners, how many people submitted and how many were reviewed, how each RO is rating his subordinates or what kind of feedback, what kind of assessment, whether he has done or not. The system is working if not 100% then at least 95-96% people are doing things in the proper manner. So, all that comes out in the audit and that is being done..." – GM Performance Management

It is evident that the organization has identified PMS audit of managers as an important factor in effective implementation of tasks by managers.

"...the RO is also getting a repository of information as to how people are displaying the various attributes, If I say that I have displayed ownership then I have to give a particular example as to how it is displayed, how I have exhibited ownership. Now this will also be an audit portion whether what he is saying and how RO is accepting or whether any improvement is required there or not. So, that will be another step that we can probably take, because we are trying to integrate these leadership attributes of the weekly planner system..." – GM Performance Management

The organization is planning to address another critical factor on audit of leadership attributes through review of quality of execution of various tasks towards display of leadership attributes included in KRAs.

Systemic improvements: The fourth and last sub-construct of the initial conceptual construct of monitoring mechanism is Systemic improvements, which are analysed for challenges faced by the organization, through the representative quotations from the interview excerpts of participants as under:

"...What I was talking about is the 2nd phase, which we have planned, which we are not exactly doing right now, that is the quality of planning in the weekly planner and the quality of the feedback being given by the reporting officer, what kind of feedback is given and whether it is appropriate or not, how he is handling etc. we are trying to develop in online system on what kind of coding can be done so that various reports can be generated, so that we can see as to how things are happening..." – Head Performance Management

It is clear that the organization intends to improve the quality of execution of performance management tasks by implementing systemic improvement and coding of reports for online monitoring.

"...because the system is online, so the people who are responsible for the PMS are also able to see it, because each site will have one designated PMS officer. That PMS officer may be doing other things also, but his major goal is that of resolving PMS issues. In the region also, there is one PMS officer and then at the corporate level there is one PMS officer, like one of my teammates is the PMS officer for the entire CPC. So, all these PMS officers can be approached whenever there is any problem which you are facing and these PMS officers at various times be sending mail etc..." – DGM Performance Management

Another important factor is the organizational structure of performance management team, since decentralization and providing support at field locations is facilitating organization in mitigating the challenges faced during execution of performance management tasks at field level.

"...the RO is also getting a repository of information as to how people are displaying the various attributes, we are trying to integrate these leadership attributes of the weekly planner system..." – GM Performance Management

"...Then gradually, the weekly planner can also be sort of a dynamic job description of a particular role, because the output of the reports can also help you with, what

kind of attributes are there in this particular role or what are the kind of things that the individual is required to do, what are the kinds of challenges he is facing can be taken out if we are able to get the correct kind of reports from the system. Of course, it is still in conceptualization stage and implementation will take time, but these things can be done to take PMS to the next level..." – Head Human Resources

It indicates that an innovative and futuristic factor of effective performance management is dynamic performance management system, which means the system attributes shall keep changing based on the environmental dynamics and agile requirements to demonstrate exemplary performance in all situations or ecosystems. This unique initiative shall mitigate the challenge faced because of Bell Curve rating system.

The outcome of analysis of interview data for each sub-construct of monitoring mechanism construct is presented in Table 4.12.

Table 4.12. Findings for sub-constructs of Monitoring mechanism

Initial Conceptual Construct	Sub-construct	Category from data	Focused codes from data	Data Analysis observation	Contributing factors
Monitoring mechanism	Training and development	Monitor execution of tasks by manager	Competency development	Manager is responsible for subordinate development and resulting performance	Managers' competency development, awareness to training, and evaluation on subordinate development
	Digitalization		Automatic and system driven initiatives	Leveraging technology can streamline processes, reduce efforts and handle voluminous data in a structured format	Paperless office, Auto reminder system, Auto evaluation of certain parameters, and System driven evaluation of managers

	Audit		Audit of processes, quality of tasks and output achieved	Audit is necessary to monitor performance and ensure effective execution	Audit of KRAs formulated, PMS audit of managers, and Audit of leadership attributes
	Systemic improvement		Future development	Manager is mainly responsible for performance of his team	Quality of PMS tasks, Organizational Structure, and Dynamic PMS tasks

Thus, initial conceptual construct of monitoring mechanism reveals the factors responsible for imposing controls on managers to perform in accordance with the intended execution of performance management tasks. The organization has implemented and proposed some unique systems as monitoring mechanism and its subconstructs. The factors identified through analysis of participants' interview excerpts for first subconstruct, training and development, are managers' competency development in performing PMS tasks, their awareness to training needs of the subordinates, and organization conducting evaluation of managers on subordinate development activities undertaken by them.

The influencing factors of second subconstruct, digitalization, are paperless office, auto reminder system for PMS tasks, auto evaluation of certain parameters, and system driven evaluation of managers. The third subconstruct of audit has the identified factors as the audit of KRAs formulated, PMS audit of managers, and audit of leadership attributes of employees.

The factors identified through analysis for fourth and final subconstruct of systemic improvement are the focus on quality of PMS tasks, restructuring performance management team to provide field support and implementing dynamic PMS tasks, which appears to be a little futuristic factor.

The qualitative associative network (QAN) related to the initial conceptual construct of monitoring mechanism is also depicted in Figure 4.12.

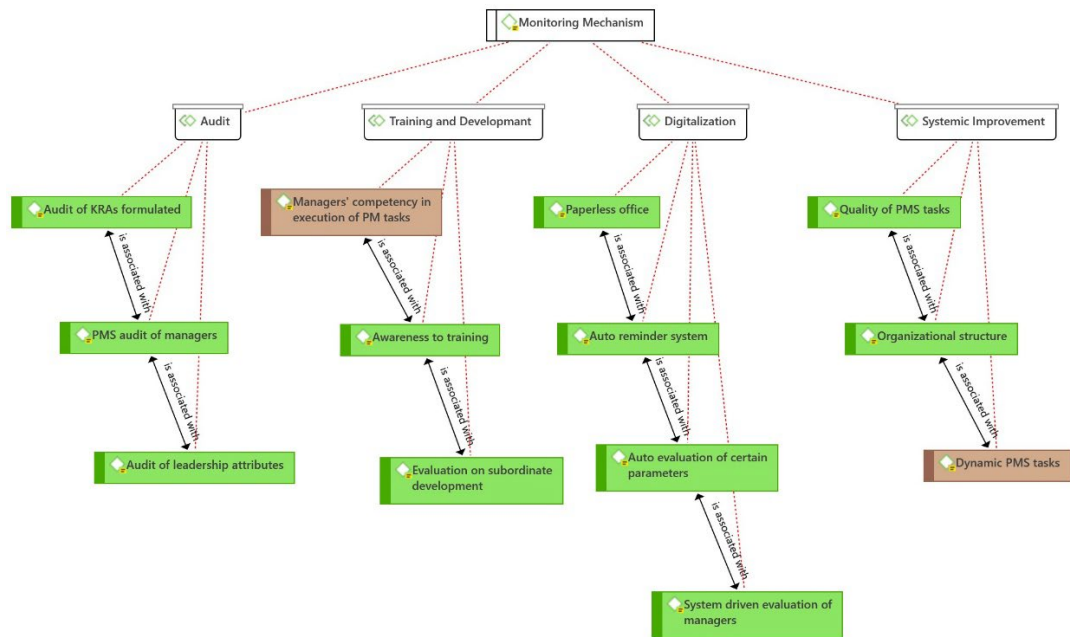


Figure 4.12. QAN for Monitoring mechanism

In conclusion, the factors impacting the subconstructs of the initial conceptual construct of monitoring mechanism have been evaluated and any public sector organization addressing these factors adequately may outperform with complete control on their performance management systems.

4.4. Practices adopted by NTPC as coping strategy

The Phase II of conceptual analysis comprises of identification of coping strategy adopted by the organization to overcome the challenges faced in effective implementation of performance management systems. The practices adopted or proposed by this large Indian Maharatna public sector organization for coping the challenges faced have been identified on the basis of data collected from the responses of participants during the semi-structured interview.

These practices are combined into categories/ concepts based on the detailed data analysis coupled with literature review, for processes related to execution of performance management tasks.

This study analysed the interview data to identify the coping strategy practices adopted by the organization. The relevant extracts analysed for identifying the coping strategy practices adopted by the organization for each subconstruct are provided as under:

"...we have a (Key Performance Area) KPA directory, but the KPA directory is not sacrosanct. From year-to-year people may be having certain other KPAs also, which are not there in KPA directory, which subsequently become a part of library of KPA directory, for that particular role, that particular function..." – Head-Performance Management.

"...for various departments like this, we have the strategy and how the strategy is to be implemented, who is going to implement it, all that is decided and then it percolates from the top down. In fact, when the internal MOU is formed then it is both top down and bottom up, because various departments also come up with what they have in plan, what is to be achieved and then that is discussed in the internal committee which finalises the internal MOU..." – Head Performance Management

"...the quality of the planning which is done, the quality which we intend to audit also, that whether what kind of planning you are doing and what kind of planning the RO is accepting so that it becomes more effective since that you are achieving the objectives and you are planning properly so that the organizational objectives are achieved and at the same time RO is also supporting you with whatever resources you have so that conversations are happening..." – GM Performance Management

"...We have introduced something called the Weekly Planner, which I do not think will be there in any PSU. So, now what we have done is that we have created more of a continuous performance management, continuous check-ins. What we do is that we have a system, it is all online, the weekly planner is to be filled at the start of the week..." – Ch. Manager Performance Management

"...We also had a training session wherein we covered almost all executives who had 3 or 4 subordinates reporting to them, through a specialised programme where we focused on quality of giving feedback and what kind of conversations are there, how people should be conversing, how ratings have to be given, what feedback is to be given how developmental feedback should be given, and all that..." – DGM Performance Management

"...Motivational programs are done by our training infrastructure. What happens is the training need analysis for the training calendar. The input comes from the PMS also that when they are filling the IDP, they will also put in what kind of training they require or in which area, because IDP also provides what kind of books they should read or what

kind of training etc they will refer to, what kind of professional associations, what kind of things they will do..." – Head Performance Management

"...RO also has to ensure that the subordinates' development is happening and marks are there for the RO whether development of subordinates is happening, whether he is giving proper feedback etc. In fact, the reporting officer of RO can see the system as to whether the RO has given feedback or not, whether the RO has given monthly assessment, whether he is complying with or supporting the subordinate or the team in the weekly planner system..." – Head Performance Management

"...efforts are being made but of course we are nowhere near being perfect. It is an ongoing process, we are trying to improve on a gradual basis..." – Head Performance Management

"...When we do the HR audit or we do the PMS audit, we can also audit as to what kind of planners have been prepared, whether they are strategic. What we have done is, when you see the weekly planner, you also have a view of whatever KPAs you have filled in, whatever IDPs you have filled in, so that is also there..." – Head Performance Management

"...What I was talking about is the 2nd phase, which we have planned, which we are not exactly doing right now, that is the quality of planning in the weekly planner and the quality of the feedback being given by the reporting officer, what kind of feedback is given and whether it is appropriate or not, how he is handling etc. we are trying to develop in online system on what kind of coding can be done so that various reports can be generated, so that we can see as to how things are happening..." – Head Performance Management

The findings from case data related to the practices at the organization for coping strategy adopted are detailed in Table 4.13.

It is observed from the table below that the case study organization has implemented practices as coping mechanisms for mitigating the challenges faced in view of some of the factors contributing to the effective implementation of performance management systems not addressed by the organization adequately.

Table 4.13. Practices adopted by NTPC as coping strategy

Initial Conceptual Construct	Sub-construct	Category from data	Focused codes from data	Data Analysis observation	Coping practices adopted
KRA- Business Strategy Fit	KRA formulation	Implement business strategy	Comprehen sive action plan	New KRAs defined after manager's approval added to directory	Dynamic KRA directory through Periodic update
	Strategy alignment		Cascading business strategy	Internal MOU signed for KRAs of each vertical/ department	Annual Executive Committee meetings with each vertical/ department
	Role of Manager		Evaluation of action plan	Performance of Manager is evaluated on quality of KRA	Review of manager's acceptance of selected KRAs
Manager's responsibility	Evaluation of subordinate s	Ensure execution of performanc e managemen t tasks	Fair and unbiased evaluation of subordinate s	Manager evaluates performance on weekly basis	Continuous performance management thru weekly planners
	Performanc e feedback		Timely, true and constructiv e feedback	Training of managers on evaluation and feedback	Competency enhancement of managers
	Subordinat e motivation		Motivation al initiatives	Managers to encourage subordinates for IDPs	Support to develop and implement IDPs
Monitoring mechanism	Training and developme nt	Monitor execution of tasks by manager	Competenc y developme nt	Manager of manager evaluates his actions	Continuous monitoring of Managers' responsibility

	Digitalization		Automatic and system driven initiatives	Processes streamlined leveraging technology	Ongoing system enhancement
	Audit		Audit of processes, quality of tasks and output achieved	HR and PMS Audit is necessary	Robust system of PMS audit
	Systemic improvement		Future development	System enabling audit of PMS tasks	Systemic control to ensure Quality of PMS tasks

Towards the first initial conceptual construct of KRA-Business Strategy Fit, the organization has established the practices for dynamic updation of KRA directory and has instituted a process of reviewing the managers whether they are accepting the right KRAs of subordinates.

For the second initial conceptual construct of Manager's Responsibility, the organization has initiated continuous performance management through weekly planners and simultaneously keeping a focus on the competency enhancement of managers and providing support to develop and implement IDPs of all employees.

The third initial conceptual construct of Monitoring Mechanism is addressed through systemic control to ensure Quality of PMS tasks in addition to implementing a robust system of PMS audit.

A Qualitative Associative Network (QAN) has been created using ATLAS.ti for better visualization of coping practices adopted by this Maharatna public sector organization as derived from the interview extracts of the participants i.e., the executives of performance management department of the organization.

The QAN related to coping strategy practices adopted is depicted in Figure 4.13 below:

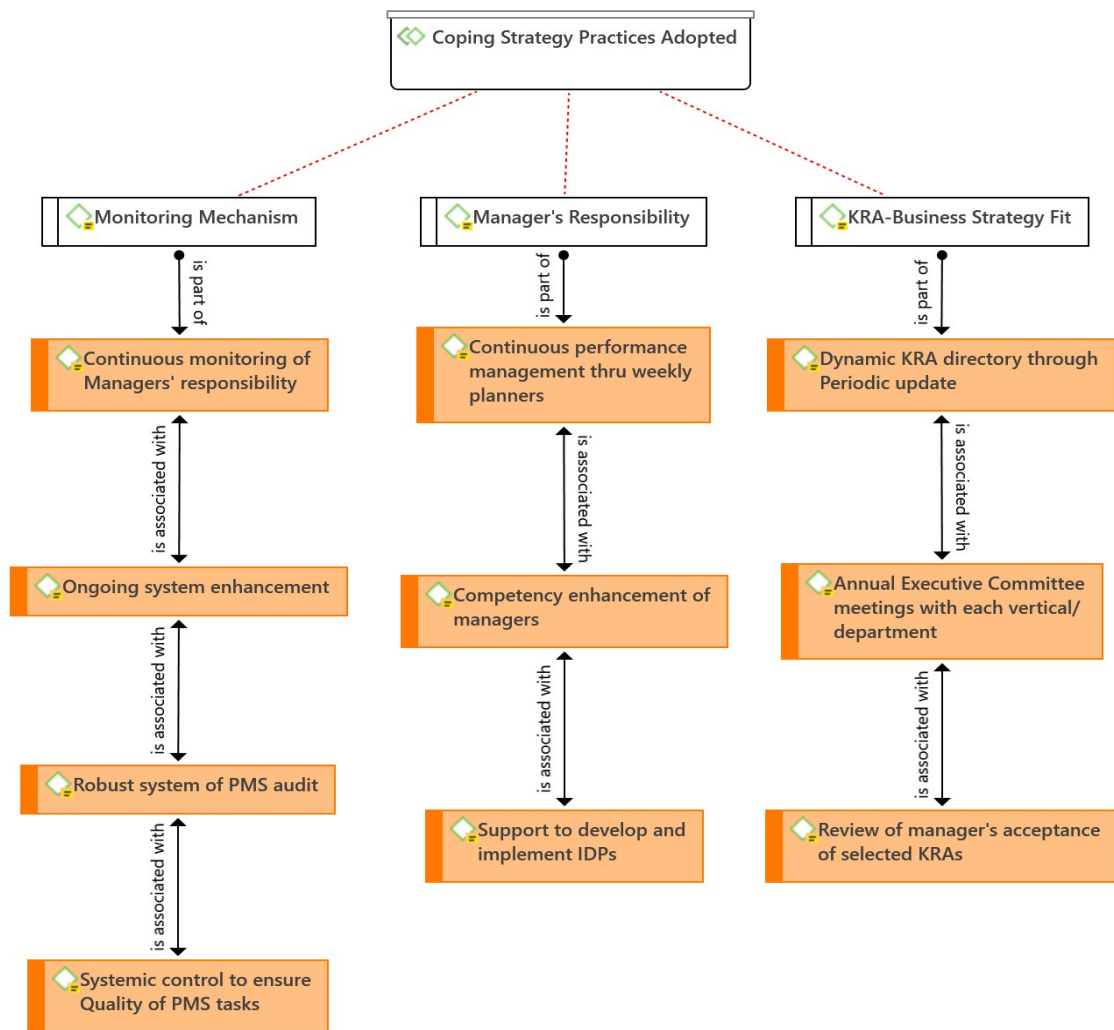


Figure 4.13. QAN for coping strategy practices adopted

4.5. Relationship between Contributing Factors and Coping Practices adopted

In Phase III of the conceptual analysis, the relationship between factors contributing to effective implementation of performance management systems and practices of coping strategy adopted by this large Maharatna public sector organization has been analysed.

As presented in Figure 4.14 below, the practices of coping strategy adopted for effective implementation of performance management systems in Indian Maharatna public sector organizations depend upon the factors contributing towards effectiveness.

The key findings regarding relationship between contributing factors and practices of coping strategy adopted for effective implementation of performance management systems are detailed hereunder.

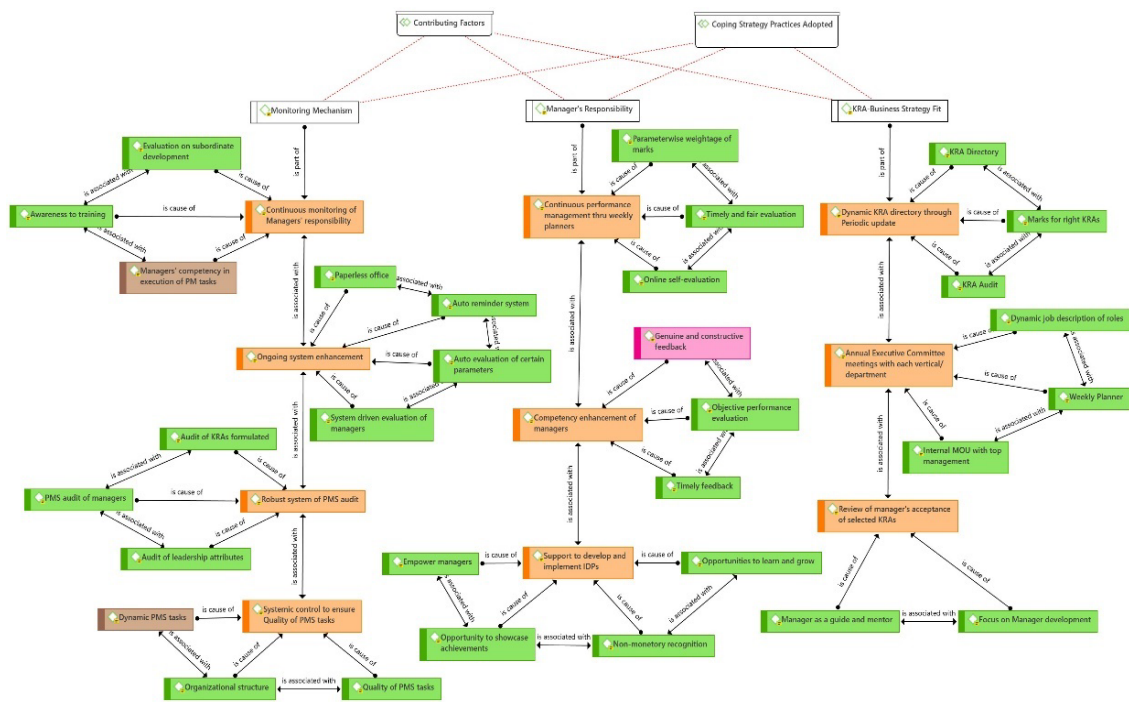


Figure 4.14. Relationship between Contributing Factors and Coping Practices

The organization is facing challenge in fully implementing Goal Setting Theory in spite of instituting several initiatives and adopting coping strategy practices. Two factors impacting KRA-Business strategy fit, namely, Strategy alignment and role of manager are not fully addressed as employees are selecting their own KRAs, not necessary aligned to strategy and not all managers are performing their role in KRA selection process as the organization has so far not implemented the coping strategy practice of review of managers in ensuring formulation of proper KRAs. However, an innovative practice of allotting marks for proper KRA selection is mitigating the challenge to a large extent.

Further, the organization has adopted almost all coping practices for the construct of manager's responsibility with introduction of a unique coping practice of weekly planner and continuous monitoring. This new tactic has emerged out from this study, which is addressing factors related to the subconstructs of evaluation of subordinates and performance feedback, by necessarily conducting weekly evaluation and providing feedback for improved performance next week.

Moreover, for monitoring mechanism construct, practices of training and development as well as digitalization are available as per statutory as well as organizational requirements, the challenge is for addressing factors like audit of performance management practices and implementing systemic improvements. The coping practices

identified for tackling these factors, namely, periodic PMS audit and systemic controls are under implementation as the organization has embarked on the journey of digital transformation and these coping practices have been identified for implementation. So, these coping practices are ensuring effective implementation of performance management tasks. Currently the organization is delegating this task to managers/ departments for adopting these coping practices to mitigate the challenges. Documentation of these practices as a policy will greatly enhance the effectiveness of performance management systems.

4.6. Findings and Discussions

The important factors for effective implementation of performance management tasks at a large Indian Maharatna public sector organization and practices for coping strategy adopted are detailed in this section.

4.6.1. Coping Strategy Practices adopted by NTPC

The outcome of data analysis detailed above has resulted in identification of categories that contribute to coping strategy and performance management practices adopted:

- i) Dynamic KRA directory through Periodic update
- ii) Annual Executive Committee meetings with each vertical/ department
- iii) Review of manager's acceptance of selected KRAs
- iv) Continuous performance management thru weekly planners
- v) Competency enhancement of managers
- vi) Support to develop and implement IDPs
- vii) Continuous monitoring of Managers' responsibility
- viii) Ongoing system enhancement
- ix) Robust system of PMS audit
- x) Systemic control to ensure Quality of PMS tasks

The careful analysis on abovenamed categories reveals that this case study has identified a new category of continuous performance management thru weekly planners. Other categories have mostly been covered in the earlier literature but this category provides a new insight for enhancing the effectiveness of implementation of performance management systems in public sector organizations.

Analysis of response of participants and literature on performance management have identified the factors impacting the implementation of performance management tasks using subconstructs, which are detailed as under:

- i) KRA directory, Marks for right KRAs, KRA audit
- ii) Internal MOU, Weekly planner, Dynamic job description
- iii) Manager as a guide and mentor, Focus on manager development
- iv) Parameter-wise weightage, Timely and fair evaluation, Online self-evaluation
- v) Genuine and constructive feedback, Objective evaluation, Timely feedback
- vi) Opportunities to learn, non-monetary recognition, Achievements, Empower
- vii) Managers' competency, awareness to training, subordinate development
- viii) Paperless office, Auto reminders, System driven evaluation of managers
- ix) Audit of KRAs, PMS audit of managers, Audit of leadership attributes
- x) Quality of PMS tasks, Organizational Structure, Dynamic PMS tasks

The subconstructs of initial conceptual constructs are addressed by the organization except audit of performance management tasks. Though, implementation of performance management tasks is very crucial, no evidence is found from interview data that the same are currently being audited, i.e., performance management department is not finding value in focusing on this factor.

The interview excerpts of participants depict that all public sector organizations enter into MoU (Memorandum of Understanding) with concerned ministry of Government of India and the performance expectations are derived from there. The organization is not measuring or auditing the implementation of performance management tasks and KRAs are mostly on business parameters. The audit of performance management tasks in NTPC shall be conducted once online system is in place, which is under development.

Further, systems are being developed by the organization for monitoring the quality of continuous performance management thru weekly planners, by capturing the

quality of activities included in weekly planners and quality of review and feedback being provided by managers.

The study participants have informed that the elements of performance management systems are adequately implemented in this organization. Further, interaction during interviews indicate that the organization has a clear focus on training infrastructure and development of employees in building competencies of managers to ensure that they execute performance management tasks, to ensure effective implementation of performance management systems.

4.6.2. Case Study Findings with regard to Research Questions

The interview data collected from performance management team of the large Maharatna public sector organization in India has validated the constructs and sub-constructs initially recognised. Previous sections of the case study have covered the collection of data, observations, analysis and findings. Contributing factors and coping strategy practices identified have been examined to arrive at the relationships among the factors and coping strategy. The visual representation of findings through development of Qualitative Associative Network has provided further insights. Following section summarises the findings related to the research questions:

Findings related to RQ1: What is the process of setting-up the KRAs in alignment to the strategy of the organization?

- In order to achieve strategic objectives, performance management department develops framework for KRA formulation for each job role. They have centrally created list of possible KRAs and the directory is available to employees to select respective KRAs based on their roles.
- KRAs based on certain imperatives are finalised at top management level and are included for employees in respective roles in order to address the latest competitive environment and other stakeholder aspirations.
- The organization is facing challenges in formulating KRAs of employees using the directory which is fast becoming obsolete in view of new business and dynamic ecosystem.

- The organization has introduced a system of evaluation of quality of KRAs formulated by employees through allocating marks for the activity. This is one way by which they are attempting to overcome the challenge of wrong formulation of KRAs for employees. However, the limitation is that it is only for those employees who are due for promotion.
- The improvement proposed but not yet implemented by the organization is to set up a process of auditing the quality of KRAs being formulated for each job role as a regular exercise during PMS periodic audits.
- All public sector organizations in India sign an MOU with the Government to decide their strategic objectives. This Maharatna organization has devised a unique method to cascade strategy to each vertical and department through stringent internal MOUs with top management and accordingly align the KRAs with strategy to ensure ultimately meeting these objectives.
- Another innovative process introduced by this Maharatna public sector organization to ensure effective alignment of KRAs to strategy is the introduction of weekly planner which has resulted in continuous performance review and course correction if required.

Findings related to RQ2: What factors are considered by managers while accomplishing the performance management system tasks required to meet KRAs?

- An important factor is the weightage of marks for different parameters like timely submission, quality of KRAs, achieving development plans and performance output.
- The evaluation of performance, whether weekly, half yearly or at least annually, is very critical for identification of pitfalls and making timely corrections for enhanced performance.
- The organization has implemented a systemic control through online self-evaluation with subsequent review and evaluation by manager on display of various attributes.

- The organization is focused on managers providing quality feedback for performance and employee development. Manager is entrusted with the responsibility of providing true and constructive feedback.
- The challenge faced by the organization is the lack of genuine feedback, resulting in acceptance of poor performance by majority of managers.
- Performance feedback is the most critical factor in the entire process and the organization is mainly focusing on this important parameter. Though they might have not achieved proficiency, the steps are taken to clearly highlight the importance and recommending the correct process of giving timely and constructive feedback.
- In a unique initiative to motivate subordinates, managers provide them opportunities to learn and grow. Individual development plans (IDPs) are made to develop their personal and professional skills and leadership qualities, which help them to grow within or even outside the organization.
- Government does not permit Indian public sector organizations to offer any monetary reward to the employees, not even performance-based incentives. This is an important factor wherein managers have to be innovative to coin non-monetary reward schemes to create competition amongst subordinates for better performance.
- Manager's responsibility includes subordinate motivation and it is essential to develop and empower managers so that they may keep their subordinates motivated.

Findings related to RQ3: What monitoring mechanisms are adopted by public sector organizations to ensure that the managers execute the performance management system tasks as intended?

- The organization is investing on the training and development of managers to develop their competencies in handling difficult conversations, providing quality feedback and so on, for improving the effectiveness of performance management tasks' implementation.

- Another factor for setting up monitoring mechanism for the subconstruct of training and development is the evaluation of manager on the basis of subordinate development. This will ensure that the manager performs the intended task of training and development of subordinates.
- The factor positively impacting performance evaluation in the organization is auto evaluation of certain parameters in award of marks which do not require human intervention as everything is recorded in the system with digital footprint.
- The organization is implementing a unique system of evaluating managers on execution of performance management tasks, which is an important factor contributing to the effective implementation of performance management tasks.
- The organization has identified PMS audit of managers as an important factor in effective implementation of tasks by managers.
- the organization intends to improve the quality of execution of performance management tasks by implementing systemic improvement and coding of reports for online monitoring.
- Another important factor is the organizational structure of performance management team, since decentralization and providing support at field locations is facilitating organization in mitigating the challenges faced during execution of PMS tasks at field level.

4.7. Concluding Remarks

The case study on effective implementation of performance management systems at a large Maharatna public sector organization in India has been dealt with in detail and the discussions, analysis and results have been presented. Categories of factors contributing to effective implementation of performance management systems and practices adopted for coping strategy have been presented and discussed.

One new type of category emerged while analysing factors contributing to practices of coping strategy adopted, which is continuous performance management thru weekly planners. Also, one new factor impacting the implementation of performance

management tasks based on the analysis using subconstructs emerged out of the data, which is the audit of performance management tasks.

The relationship between contributing factors and coping practices adopted by the organization illustrate that the participants considered categories such as dynamic KRA directory through periodic update, annual executive committee meetings with each vertical/ department, review of manager's acceptance of selected KRAs, continuous performance management thru weekly planners, competency enhancement of managers, support to develop and implement IDPs, continuous monitoring of managers' responsibility, ongoing system enhancement, robust system of PMS audit, and systemic control to ensure quality of PMS tasks are important in deciding on practices adopted for coping strategy as important coping strategy practice to be adopted for effective performance management systems.

Further, participants indicated that an innovative and futuristic factor of effective performance management is dynamic PMS, which means the system attributes shall keep changing based on the environmental dynamics and agile requirements to demonstrate exemplary performance in all situations or ecosystems.

Thus, these are several new learnings from the case study of NTPC. These learnings have been compared with the learnings of the case studies of other two Indian Maharatna public sector organizations. Further, a cross-case analysis of all the three cases has been undertaken to arrive at the combined learnings towards effective implementation of performance management systems in these three organizations. These learnings replicated in other public sector organizations shall contribute towards increased effectiveness of PMS.

Chapter 5

Case Study II -

Implementation of PMS

at HPCL

5.1. Introduction

Hindustan Petroleum Corporation Limited is a leading petroleum refining and marketing Maharatna central public sector organization in India playing a pivotal role in meeting the nation's energy requirements. The case study on Implementation of Performance Management Systems at HPCL, India's leading energy conglomerate and a dominant petroleum major is detailed in this section.

Established in 1974, HPCL has evolved into a diverse and dynamic entity, impacting various facets of the energy sector, including exploration, refining, marketing, and distribution. The details of data collection pertaining to this Case Study II (HPCL) are discussed in next section. The findings from analysis of interview data are detailed in subsequent sections on factors contributing to effective implementation of performance management systems, coping strategy adopted for overcoming the challenges faced, and relationship between contributing factors and practices adopted by organization for coping the challenges in this large Maharatna public sector organization of petroleum sector in India. Last section elaborates the discussions on case findings. Concluding remarks summarised the outcomes of case study findings. Current research shall first discuss about the dominant petroleum major in India and implementation of its performance management systems across the organization.

5.1.1. A dominant petroleum major in India

HPCL's journey began with its inception as a public sector organization in 1974. Since then, the company has consistently demonstrated its commitment to excellence in the energy sector. HPCL has achieved several significant milestones. HPCL has consistently expanded its refining capacity, with refineries located in Mumbai and Visakhapatnam. These refineries have played a crucial role in ensuring India's energy security by producing a wide range of petroleum products. The organization has expanded its marketing presence by establishing a large network of retail outlets across India, making high-quality fuels and lubricants accessible to consumers throughout the country. HPCL has ventured into exploration and production of oil and natural gas, contributing to India's energy self-reliance. It has acquired stakes in various oil and gas exploration projects worldwide.

HPCL has embraced sustainability and environmental responsibility by investing in technologies that reduce emissions, promote energy efficiency, and support the development of cleaner fuels. HPCL has played a crucial role in ensuring a steady supply of petroleum products, including petrol, diesel, LPG, and aviation fuel, to meet the energy needs of India's growing population and economy. The company has invested in developing and maintaining a robust infrastructure of refineries, pipelines, and distribution networks that span the entire country. HPCL has dedicated research and development centres focused on creating cleaner and more efficient fuels, as well as exploring new technologies for the energy sector. HPCL's contributions to India's energy security are immeasurable. Its refineries and distribution network are key components of the nation's energy infrastructure.

HPCL's strengths are deeply rooted in its technological expertise, commitment to innovation, and unwavering dedication to quality and safety. The company's core competencies include refining expertise. HPCL's state-of-the-art refineries are known for their efficiency and consistent production of high-quality petroleum products. HPCL boasts an extensive retail network, making its products accessible to consumers across urban and rural areas. The company has invested in eco-friendly practices, including the production of cleaner fuels and the reduction of its carbon footprint. HPCL has extended its reach globally through strategic investments in overseas exploration and production activities, securing its presence in international markets.

HPCL is poised for continued growth and success as India's energy needs evolve. The organization's future prospects are shaped by its commitment to sustainability, renewable energy solutions, and digital innovation. As India pursues a green energy transition, HPCL is well-positioned to play a vital role in promoting cleaner fuels, renewable energy, and sustainable practices. The company's focus on expanding its exploration and production activities will further enhance India's energy security.

Hindustan Petroleum Corporation Limited (HPCL) is a vital contributor to India's energy landscape. With its rich history, technological prowess, and commitment to sustainability, HPCL remains at the forefront of India's energy sector. As the nation continues its journey toward energy security and environmental responsibility,

HPCL's role will only become more prominent in shaping the future of the Indian energy sector.

5.1.2. Performance management systems at HPCL

Hindustan Petroleum Corporation Limited (HPCL) is a leading player in India's energy sector, and its sustained success is attributed not only to its commitment to innovation but also to a robust Performance Management System (PMS).

HPCL's PMS is designed to align employees' performance with the company's strategic goals, foster professional growth, and ensure that the organization remains at the forefront of the industry. This section delves into the key components and practices of HPCL's Performance Management System.

Key Components of HPCL's Performance Management System: At the core of HPCL's PMS is the process of setting clear and SMART (Specific, Measurable, Achievable, Relevant, Time-bound) performance goals. These goals are directly linked to the company's strategic objectives, ensuring that employees understand what is expected of them and have a roadmap for their professional development. HPCL conducts regular performance appraisals, typically on an annual or semi-annual basis. These evaluations serve as a critical mechanism for providing feedback, recognizing achievements, and identifying areas for improvement. They facilitate transparent communication between employees and their supervisors, promoting a culture of continuous improvement.

HPCL places a strong emphasis on enhancing employees' competencies. The PMS includes a competency framework that outlines the essential skills and attributes required for various roles within the organization. HPCL supports employees' continuous development and skill enhancement through training and development programs. HPCL fosters a culture of regular feedback and coaching. Supervisors are encouraged to provide timely and constructive feedback to their team members, helping them understand their strengths and areas for improvement. Coaching and mentoring are integral to employee growth and development. HPCL's PMS includes a rewards and recognition system designed to acknowledge outstanding performance. Recognitions can take the form of non-monetary incentives,

promotions, or other forms of acknowledgment. The organization believes in appreciating and motivating high-performing employees.

The PMS at HPCL is not solely about current performance but also about future growth. It involves the creation of individual development plans that map an employee's career progression within the organization. Career planning helps employees set long-term goals and equips them with the skills and knowledge needed to achieve them.

Best Practices in HPCL's Performance Management System: HPCL encourages a culture of ongoing feedback, which ensures that employees receive timely input to make course corrections and improvements throughout the year. This approach goes beyond the traditional once-a-year appraisal and is more aligned with the pace of modern business.

The PMS at HPCL is designed to be participatory. Employees are encouraged to actively participate in goal-setting, self-assessment, and the identification of development needs. This approach fosters a sense of ownership and engagement.

HPCL invests significantly in training and development programs to equip its employees with the skills and knowledge needed to excel in their roles. The organization recognizes that a well-trained workforce is key to its success. The PMS is not static but evolves with the changing needs of the organization and industry. HPCL regularly updates its performance management processes and tools to stay aligned with its strategic objectives.

Challenges and Future Considerations: While HPCL's PMS is robust, it is not without its challenges. These include ensuring a fair and unbiased appraisal process, keeping up with rapidly changing industry standards, and balancing individual and organizational goals. In the future, HPCL may need to adapt its PMS to address the changing nature of work, incorporate more digital tools, and consider alternative performance measurement metrics in response to evolving market dynamics.

HPCL's Performance Management System is an essential element of the organization's success. It not only sets clear performance expectations but also nurtures employee development and fosters a culture of excellence. With a focus on continuous improvement, adaptability, and commitment to align individual and

organizational goals, HPCL's PMS plays a pivotal role in maintaining its position as a leading force in India's energy sector.

5.2. Data Collection

Case study protocol has been used to conduct semi-structured interviews of the following human resource and other personnel of the organization detailed in Table 5.14, responsible for performance management system implementation and monitoring.

Table 5.14. List of participants of Case Study II (HPCL)

Level of Analysis	Designation	Date of Interview
Level 1 - Corporate	Head - HR	June 10, 2023
Level 2 - Corporate	Head - PMS	July 16, 2023
Level 3 - Corporate	GM - PMS	June 11, 2023
Level 3 - Marketing	GM - PMS Mktg.	July 1, 2023
Level 3 - Corporate	DGM - PMS	June 11, 2023
Level 3 - Marketing	DGM - PMS Mktg.	July 1, 2023

Note: The names of participants are not disclosed due to agreed confidentiality.

The data has been collected from multiple sources: (i) semi-structured interviews of HR and PMS heads and managers of performance management department at corporate headquarters, (ii) online search of website, intranet, and documents related to performance management, and (iii) informal discussions with leaders and managers responsible for implementing performance management tasks. The data collection activity was completed within three months.

Researcher developed contacts and prepared for data collection activities in the month of May, 2023. Participants have been requested for interviews during Jun-Jul, 2023 in the order of their availability. Interview responses are transcribed, clarifications and additional information sought in some cases, and suggestions and feedback from the leaders are incorporated. This study is conducted for within case data analysis based on the participants' responses, considering the research questions and the analysis is detailed in subsequent sections.

5.3. Factors contributing to effective implementation of PMS at HPCL

This study analysed the collected data in line with the data analysis strategy described earlier. Phase I of the conceptual analysis describes the factors contributing to the effective execution of performance management tasks at HPCL. The outcomes of the

analysis with reference to the initial conceptual construct of KRA-Business Strategy Fit and its subconstructs i.e., KRA Formulation, Manager's Responsibility and Monitoring Mechanism is presented below:

5.3.1. KRA-Business Strategy Fit

The interview data analysis indicates that this construct and its sub-constructs i.e., KRA formulation, Strategy alignment and Role of Managers are largely practiced in the case study organization.

KRA formulation: A few of the representative quotations on the first sub-construct i.e., KRA formulation, from the interview excerpts are:

"...we have to have a very strong PMS process, like creating culture of enabling performance or supporting in identifying critical KPIs or setting SMART goals for our employees, what we say specific, measurable, achievable, relevant and time bound..." – Head-Human Resources.

"...we are trying to standardise KPIs, so to a very large extent we have been successful. For some of the departments, templates are not there, but for most of the departments, we sat with the concerned business and we formulated template for each role, we have set some templates which are very much relevant and very helpful. Today when an officer goes for his goal setting in the online system, he finds a template which is relevant to him...." – Head-Performance Management.

In order to achieve strategic objectives, performance management department develops templates for KRA formulation for critical job roles. They have centrally created KRA templates for critical job roles of several departments and verticals and the templates are available to employees online while finalizing KRAs based on their roles. It provides guidance to employees and managers in formulating KRAs.

"... in the templates there are certain things which we are unable to capture. Sometimes it happens that there is a job role which is very specialised role or responsibility, it is actually not brought into the template property. This is one challenge which we are facing, because it is virtually impossible that you define the roles and responsibilities for each of the type of job. There has to be some flexibility which needs to be given.

So, we have now come up with a solution, also in the system itself in the template. Number one, we have given an option that the officer can actually select a template or he can also be free of the template, this option we have given to his supervisor, or to the concerned business coordinator..." – Head Human Resources

It indicates that the organization is facing challenge in centrally developing templates for each job role. Their coping strategy is to allow the employees to modify the template or choose their own targets completely template free.

"...we have also made an option that you can select or deselect some of the KPIs. Then we have made something called team targets, like some of the targets which are forced upon to every department that it has to be taken by default..." – Head Performance Management

Another coping strategy this organization has introduced is the team targets, to compel the team leaders, i.e., managers to review and ensure that the employees are selecting appropriate KRAs.

"...we have got H1 and H2 reviews, basically 6 monthly review is there, this is also online system only, where we have kept a 3-pointer scale for each of the KPI. We are following a balance scorecard, the reporting officer, i.e., the manager, has to mention on a 3-pointer scale: below target, meeting target, or exceeding target. Like that he puts it and then once that is submitted by him along with some other feedback then system also calculates a score and suggests a rating band: outstanding, excellent, good, poor. So, system will also select suggested rating band, beyond that the manager will also have to look into so many other things before assigning final rating..." – GM Performance Management

It is understood that the organization has introduced evaluation based on balanced score card and managers allocate scores, which leads to final rating of the employee. This is another way by which they are attempting to overcome the challenge in KRAs formulation.

Strategy alignment: The second sub-construct of Strategy alignment is reviewed through the representative quotations on KRA alignment to Strategy and the interview excerpts are as under:

"...Business Strategy is a top driven activity. Like if I go and ask some employees what is the purpose why HPCL has been formed, so he should be in a position to clearly answer. As per the usual practise, it is a top-down approach wherein leadership decides and they are accountable and it is driven by the top leadership team..." – Head Human Resources

"...HPCL has always believed in defining a common sense of purpose and shared vision to achieve aspirational targets. We always focused our attention on co-creating our vision and through participation of the stakeholders and at every juncture of defining long term vision and future aspirations HPCL leadership has focused on developing a vision with shared purpose by involving different stakeholders..." – Head Performance Management

It is evident from above excerpt that this organization like others also has top-down approach for cascading strategy. However, inputs from employees are being incorporated through participation of the stakeholders at every juncture.

"...each SBU team to understand the business needs and employee aspirations and formalise the strategy document for each vertical after the incorporation of research and insights from different domains and the strategy document will be communicated to each employee that is what we target..." – DGM Performance Management Marketing

"...organizational strategy is cascaded after strategies are translated into executable action plan. It defines accountability, the milestones, etc., so all the officers are associated with this process of evolving comprehensive action plan, to instil ownership and commitment..." – DGM Performance Management Marketing

It is clear that the organization is ensuring alignment of KRAs to strategy through formalisation of strategy document and incorporating executable action plan, defining accountability, milestones etc. before communicating to each employee.

"...If we do not align the strategy to KPIs, then we will not be able to achieve the strategy. The very purpose of performance management department is to help each officer achieve the highest performance that he or she can. If my corporate purpose is not broken into bits and pieces and the respective employees do not achieve the

desired level of performance then the overall goals of HPCL will also not be met..."

– Head Human Resources

"...alignment is definitely paramount and it will enhance productivity and efficiency, it will improve employee engagement, better decision making or say even long-term sustainability. So, clarity regarding goals and targets and expectations from each employee are to be very clearly known. Definitely I will say for alignment of employee performance with business strategy is definitely very much needed and that is a very prime objective of PM Department..." – Head Performance Management

It is evident that alignment of KRAs to strategy is very critical for overall organizational objectives. It improves employee engagement, provides better decision making and ensures sustainability.

"...Once we feel that the things which managers have to do are not happening then we send them back to basics, I mean we send them back to training and development, or we tend to resolve those specific issues. Sometimes some very specific issues will be told to us or informed to us by the managers or by the business, so we look into those things and we try to solve. Basically, through regular communications only, we try to ensure this. Mainly there is a communication channel with them..." – DGM Performance Management

"...In fact, very soon we are also going to come up with an IT tool wherein continuous feedback will be available for the appraisee by the manager. Anyway, when that tool is ready, maybe it may take about six months or one year time, but even today we are having this system of creating feedback loop or giving additional feedback and doing positive reinforcement. These things managers are actually doing, they provide support whenever required and we insist that continuous communication is there..." – GM Performance Management

The organization is proposing to implement an IT based intervention for providing timely and constructive feedback and continuous communication, which will help them overcome the challenge of alignment of KRAs to strategy.

Role of Manager: The analysis of third and final sub-construct of this construct i.e., Role of Manager based on the representative quotes from the interview excerpts is as under:

"...Roles of managers are very important in this entire performance management. First, if you start with planning, so clear expectation setting. This is a role which a manager primarily has to deliver that clarity has to be there..." – Head Performance Management

"...Sometimes it happens that there is a job role which is very specialised role or responsibility, it is actually not brought into the template property. This is one challenge which we are facing, because it is virtually impossible that you define the roles and responsibilities for each of the type of job. There has to be some flexibility which needs to be given..." – Head Human Resources

It is clear that the role of manager is very important in ensuring that the subordinates are formulating KRAs aligned to strategy as manager is mainly responsible for delivering the performance through his subordinates.

"...there are challenges that many times we have team KPIs, so sometimes, although we give team targets to all the employees, but as people say, if it becomes everybody's baby then it is nobody's baby. This is one difficulty with some teams and some locations. We find that the team targets are actually not achieved or officers find it difficult giving more focus to team targets..." – DGM Performance Management Marketing

It indicates that the organization is facing challenge because of team targets. In case the manager is able to translate the team targets to individual KRAs of subordinates, properly aligned to strategy, this challenge may get mitigated to a large extent.

The input provided by the key personnel of this Maharatna public sector organization is that the role of manager is very important in ensuring KRA-strategy fit towards formulating KRAs and ensuring that they are aligned to the strategy. The participants have also shared the benefits of these for improved performance. An organization that focuses on manager development can definitely outperform others. The outcome of the analysis of case data for the sub-constructs of KRA-Business Strategy Fit construct are shown in Table 5.15 below.

Table 5.15. Findings for sub-constructs of KRA-Business Strategy Fit

Initial Conceptual Construct	Sub-construct	Category from data	Focused codes from data	Data Analysis observation	Contributing factors
KRA-Business Strategy Fit	KRA formulation	Implement business strategy	Comprehensive action plan	performance management department develops KRA templates	Online KRA templates, Team targets, Balanced scorecard
	Strategy alignment		Cascading business strategy	Top-down approach for cascading strategy with inputs from employees	Stakeholder participation, Executable action plan, Continuous communication
	Role of Manager		Evaluation of action plan	Manager is mainly responsible for performance of his team	Performance through subordinates, Translate team targets to KRA

The organization has adopted certain practices, namely, online templates, evaluation through balanced scorecard approach, stakeholder participation, cascading executable action plan, and translating team targets to KRAs. Additionally, organization is proposing to implement an IT based intervention for providing timely and constructive feedback and continuous communication with employees and managers, which will help them mitigate the challenge of alignment of KRAs to strategy.

The qualitative associative network (QAN) related to the initial conceptual construct 'KRA-Business Strategy Fit' is also depicted in Figure 5.15 below.

The current practice of the organization for the construct of KRA-Business Strategy Fit is addressed through centrally developing KRA templates for critical roles by performance management department and employees selecting respective KRAs from template based on their job roles and manager modifying KRA selection if required.

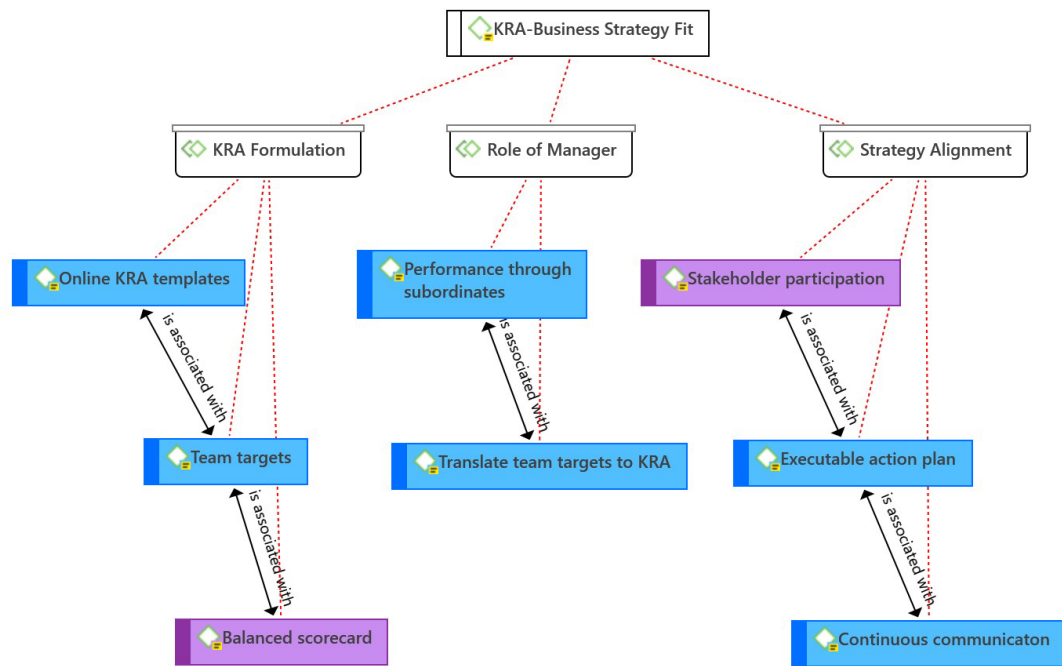


Figure 5.15. QAN for KRA-Business Strategy Fit

Thus, in conclusion, the alignment is achieved using top-down approach for cascading strategy and inputs from employees are incorporated through participation of the stakeholders. The organization also assigns team targets, though which is a challenge due to lack of focus by individuals, but in case the manager is able to effectively translate team targets to individual KRAs of subordinates, it may result in enhanced performance of his team.

The factors of the first initial conceptual construct, contributing to the effective implementation of performance management systems in HPCL, a large Indian Maharatna public sector organization, have been identified along with their associations as detailed above.

5.3.2. Manager's Responsibility

Participants indicated that managers have the key responsibility in implementing performance management tasks. Starting with planning, i.e., clear expectation setting, then performance monitoring and providing feedback for mentoring and coaching. Related to this is motivating the team and recognising good or excellent performance. Sometimes there could be conflicts in the team, so conflict management is one very important responsibility of manager. Allocation of resources, task or project is also manager's responsibility. The sub-constructs

identified from literature for performance management tasks and part of this construct are Evaluation of subordinates, Performance feedback, and Subordinate motivation.

Evaluation of subordinates: The representative interview excerpts on the first sub-construct i.e., Evaluation of subordinates shared by the participants are:

"...We have a system of reviews, we have developed checking by the managers with the subordinates, he can track performance and provide inputs. One important thing is training need identification. It is normally done both ways, managers do this and many a times subordinate also does find training gaps..." – DGM Performance Management

It is inferred that the review or evaluation is done by the manager with a view to suggest any course correction. Unique to this organization, if manager during performance review finds skill gaps, relevant trainings are identified and recommended to be imparted.

"...We have H1 and H2 reviews, basically 6 monthly review, this is also online system only, where we have kept a 3-pointer scale for each KPI. We are following a balance scorecard, the appraiser fills that this was assigned to me and this is how much I have achieved, so against that the reporting officer, i.e., the manager, has to mention on a 3-pointer scale: below target, meeting target, or exceeding target. Like that he puts it and then once that is submitted by him along with some other feedback then system also calculates a score and suggests a rating band: outstanding, excellent, good, poor. The manager will look into so many other things before assigning final rating..." – GM Performance Management

It is evident that six monthly review and evaluation is done. Manager provides evaluation against each KRA and based on the score calculated by system, a rating is suggested by the system, which is reviewed by manager and final rating is awarded.

"...there is a feedback mechanism, so the manager after giving 3-pointer rating, writes comments about achievements of the subordinate, namely, what was the contribution, what are the reasons if target not achieved and what the manager feels about it. The manager fills that section, and with these comments, the appraisal flows

back to the appraisee for acknowledgement. The date of discussion has to be mentioned on which the physical interaction took place, which is mandatory..." – GM Performance Management Marketing

It is clear that this organization encourages the managers to provide online written feedback to the subordinates including reasoning for below par performance, if any. It is transparent in sharing all comments of manager to subordinate. Evaluation of performance is very critical to identify of pitfalls and timely corrections for enhanced performance.

"...We have a mentoring system through structure review process, the manager provides mentoring to his appraisee, so a creative feedback loop is generally created, so we insist on having a continuous feedback mechanism. In fact, very soon we are also going to come up with an IT tool wherein continuous feedback will be available for the appraisee by the manager..." – Head Performance Management

The organization has implemented a system of mentoring of subordinates by manager and is in the process of creating a continuous feedback mechanism through development of IT systems for the same.

Performance feedback: The second sub-construct of the initial conceptual construct of manager's responsibility is Performance feedback, which is analysed through the representative quotations from the interview excerpts of participants as under:

"...one very important thing we have done, all of those objectives are actually measurable, unless it is measurable it is not put in the template, and we conduct H1/H2 reviews. All the employees are trained on how to engage in effective performance dialogue and provide real time meaningful feedback to and from managers, peers, direct reports, and others, so with this we are bringing in the measurability..." – Head Performance Management

It is inferred from above interview excerpt that the organization is connecting feedback to measurability since managers are trained to provide feedback at the time of performance review.

"...We train the managers on how to give feedback. Normally, in general parlance, we confuse between feedback, judgement and praise. But if we see, in HR connotation, these three are totally different and they have different meaning. What

exactly is the feedback that is told to us by very experienced and learned faculty of IIM. They have trained us and we in turn have trained our managers. This is a continuous process which we undertake to impart training to the managers..." – DGM Performance Management

It is understood that the organization places due importance to training the managers on providing feedback. They have engaged professional educational institutes for imparting training through very experienced and learned faculty on a continuous basis.

"...In the online system itself, there is a feedback mechanism so the reporting officer like the manager writes his own comments about achievements of this officer. We have different columns, what was the contribution of that particular officer and there is also a column where he could not meet the targets and what are the reasons provided by the appraisee and what the manager feels about it. ..." – GM Performance Management Marketing

It is evident that the organization is using online system to provide and receive feedback, which is also available for review by the top leadership at a later date or in case of grievance resolution etc.

Subordinate motivation: The analysis of third and final sub-construct 'Subordinate motivation' of this construct Manager's Responsibility conducted through the corresponding interview excerpts is as under:

"...Mentoring and coaching is also prime responsibility of the manager. Related with this of course is motivation, so motivating the team and recognising a good performance or an excellent performance..." – DGM Performance Management Marketing

This organization is mainly making the manager responsible for mentoring and coaching and thereby for motivation. They have linked the performance with motivation, as suggested by the Goal Setting Theory.

"...we have got very good reward and recognition schemes. For example, we have got a platform called outstanding achiever award for officers in certain grades from junior management to mid management. So best hundred people among say 3000 people are awarded. Out of those hundred, again 15 or 20 best of best are selected

and all Directors and C&MD felicitate them. This is one motivation through outstanding achievement award for junior to middle management..." – GM Performance Management

In line with Government restrictions, this organization has introduced recognition scheme for motivating employees by offering non-monetary rewards to the employees

"...generally, the Bell Curve is the main difficulty they encounter as they find difficulty in the assessment of performance in a relative manner. Sometimes some of the managers find it difficult, how to motivate people. If the manager himself is not a self-starter or himself not motivated, he finds it very difficult to motivate his team down the line..." – DGM Performance Management

It is evident that the organization is facing challenge in keeping the employees motivated under some managers, who themselves are not motivated.

The factor identified by the organization is the implementation of Bell Curve, which has a limitation in providing excellent performance rating beyond a certain percentage of employees including managers.

If the manager is not satisfied with the review of performance by the manager's manager, he will normally tend not to design/ employ interventions directed to encouragement or motivation of the subordinates.

"...We have two broad kinds of trainings: functional trainings and behavioural trainings. We ensure that every employee goes into some behavioural training. Today we have good number of motivational programmes, we hire very expert faculty from outside, so very good motivators come to our institute and they train us..." – GM Performance Management Marketing

The organization has identified training as a factor to mitigate the challenge of demotivated employees and is imparting motivational trainings to the employees through professional faculties.

The outcome of analysis of interview data for each sub-construct is presented in Table 5.16.

Table 5.16. Findings for sub-constructs of Manager's responsibility

Initial Conceptual Construct	Sub-construct	Category from data	Focused codes from data	Data Analysis observation	Contributing factors
Manager's responsibility	Evaluation of subordinates	Ensure execution of performance management tasks	Fair and unbiased evaluation of subordinates	Manager identifies skill gaps in subordinates and suggests actions for improvement	Relevant training for subordinates, Transparency, and Leveraging IT for mentoring
	Performance feedback		Timely, true and constructive feedback	Meaningful feedback through competent managers using online systems	Measurability, Managers' competency development, and Online systemic control
	Subordinate motivation		Motivational initiatives	Manager is responsible for coaching & mentoring subordinates including training and development	Mentoring and coaching, Alternate to Bell Curve, and Motivational training of subordinates

Thus, in conclusion, for the initial conceptual construct of Manager's Responsibility, the organization has implemented coping strategy practices. Factors addressing the subconstruct evaluation of subordinates are relevant training for subordinates, transparency, and leveraging IT for mentoring.

Analysis has revealed that the second subconstruct of performance feedback has factors influencing it as measurability, managers' competency development, and online systemic control. It is very challenging in Indian public sector organizations to address the third subconstruct of subordinate motivation in view of restriction on monetary rewards. Still, organization has devised some innovative initiatives for subordinate motivation and main factors are providing them mentoring and coaching, identify alternate to Bell Curve, and motivational training of subordinates.

Additionally, performance management team has to implement mechanisms to monitor that the managers perform the intended tasks.

The qualitative associative network (QAN) related to the initial conceptual construct 'Manager's Responsibility' is also shown in Figure 5.16 below.

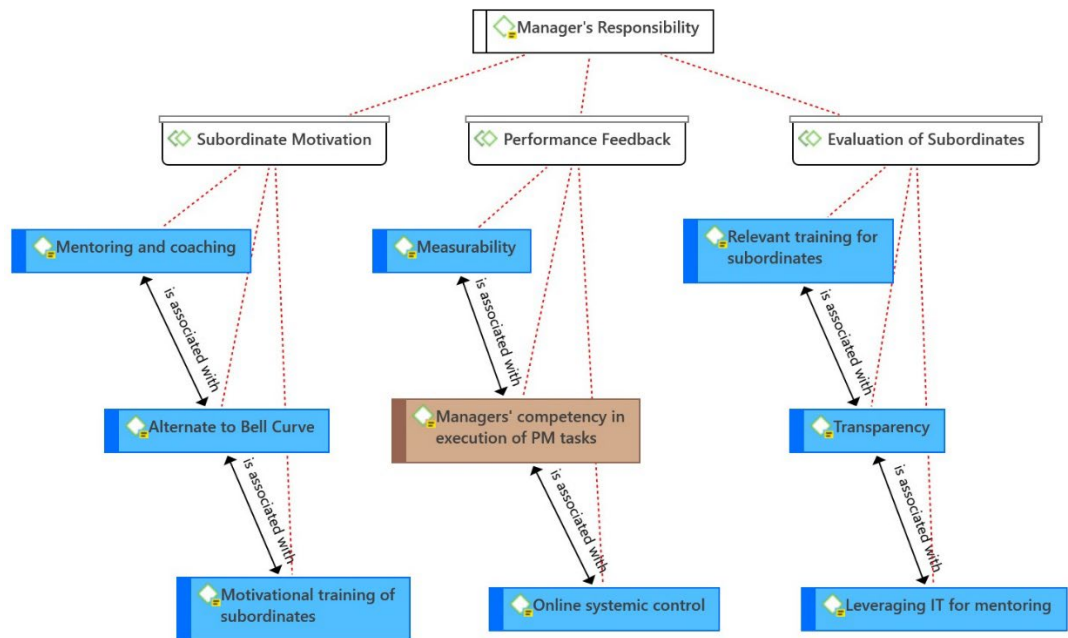


Figure 5.16. QAN for Manager's Responsibility

5.3.3. Monitoring Mechanism

The third initial conceptual construct relating to mechanisms to be implemented by performance management department for monitoring performance of managers in ensuring intended performance management PM tasks of subordinates is a crucial factor for effectiveness of systems. The sub-constructs of initial conceptual construct monitoring mechanism identified from literature and participants' interview responses are Training and development of managers, Digitalization for ensuring controls, Audit of performance management processes, and systemic improvements implemented or proposed by the organization.

Training and development: The representative interview excerpts on the first sub-construct informed by the participants are:

"...Once we feel that the things which managers have to do are not happening then we send them back to basics, I mean we send them back to training and development, or we tend to resolve those specific issues..." – DGM Performance Management

"...We train the managers on how to give feedback. Normally, in general parlance, we confuse between feedback, judgement and praise. But if we see, in HR connotation, these three are totally different and they have different meaning. What exactly is the feedback that is told to us by very experienced and learned faculty of IIM. They have trained us and we in turn have trained our managers. This is a continuous process which we undertake to impart training to the managers. For the first-time managers we are definitely imparting effective performance dialogue training..." – DGM Performance Management

It is evident that the organization is investing on the training and development of managers to develop their competencies in handling difficult conversations, providing quality feedback and so on, for improving the effectiveness of performance management tasks' implementation.

"...We have a system of reviews, we have developed checking by the managers with the subordinates, he can track performance and provide inputs. One important thing is training need identification. It is normally done both ways, managers do this and many a times subordinate also does find training gaps. Both the things are available in the online system which we are following. Training need identification is also done there itself and accordingly the training calendar is available..." – DGM Performance Management

It is very logical that training need identification is done during performance evaluation and the organization has developed a unique system of online integration of training calendar with performance evaluation. Another important factor is the joint identification of training needs with mutual agreement between manager and subordinate.

Digitalization: The second sub-construct of the initial conceptual construct of monitoring mechanism is Digitalization, which is analysed in terms of providing systemic controls through the representative quotations from the interview excerpts of participants as under:

"...This entire performance management system is online for us. As such if you ask what tools we use for breaking down, so those are the HR practises which we are using and there is no specific app or any tool as such. The entire system is a very

robust online system which is taking care of the entire performance management..."
– Head Human Resources

It is evident that the performance management systems of this organization are completely online with performance management processes also digitalized.

"...very recently we have upgraded our ID system and we have transitioned to SAP, earlier we were using JD Edwards. Of course, whenever such mega changes happen in a company, lot of things change. We brought out a new improvement. We decided that there will be a position ID for each position and again that we will map a person in the system. This was earlier not being enforced 100 percent when we were in JD Edwards era, but when we have gone to SAP, we are strictly going by the org structure or you can say the approach. But when we enforced this, we found some resistance, because by practise in the field people have changed their reporting structure for their convenience or maybe for business convenience. people look for flexibility and performance management look for going by the rule book. This is one conflict which we need to continuously address ..." – Head Performance Management

Digitalization has helped the organization in maintaining strict control of reporting relationships in the system. However, challenge is to incorporate flexibility which field desires for business requirements.

"...Today we have good number of motivational programmes, we hire very expert faculty from outside, so very good motivators come to our institute and they train us. We also conduct lot of online training courses, so that officers have not to be brought out physically and online trainings modules are there that we take help of..." – GM Performance Management

It indicates that the digitalization has helped the organization in creating ease of doing business. Online training courses, live online as well as self-paced offline, have provided convenience of imparting training to large number of employees with minimal travel requirements, thereby saving cost and time.

"...we have got H1 and H2 reviews, basically 6 monthly review is there, this is also online system only, the manager, has to mention on a 3-pointer scale: below target, meeting target, or exceeding target. Like that he puts it and then once that is

submitted by him along with some other feedback then system also calculates a score and suggests a rating band: outstanding, excellent, good, poor. So, system will also select suggested rating band, beyond that the manager will also have to look into so many other things before assigning final rating..." – GM Performance Management

The digitalization has helped the managers to get an indication of the system-based evaluation of performance objectively for all his subordinates. Still, he has the flexibility to modify it based on other factors, if required. Thus, it is inferred that the digitalization has helped the managers in providing guidance in their performing the evaluation task in a fair and unbiased manner.

Audit: The third sub-construct of the initial conceptual construct of monitoring mechanism is Audit, which is analysed in terms of monitoring and control of performance management tasks. Through there is no specific activity of audit proposed by the organization, the actions taken by them to circumvent audit analysed from representative quotations of the interview excerpts of participants are under:

"...Normally we are interacting through internal portals, or workflows or circulars, process manuals or even personal interactions. These are the modes how we interact with our managers and we are sending them goal setting templates or information on process flow or SOPs. These are the things on which we communicate with them, normally online and some personal interaction at local level..." – Head Performance Management

It appears that this organization has neither implemented nor is planning to implement a formal audit system of performance management task implementation by managers. It is more of interactions of performance management team with managers and the issues are addressed or tasks are implemented only through communication between them.

"...Once we feel that the things which managers have to do are not happening then we send them back to basics, I mean we send them back to training and development, or we tend to resolve those specific issues. Sometimes some very specific issues will be told to us or informed to us by the managers or by the business, so we look into those things and we try to solve. Basically, through regular communications only, we try to ensure this. Mainly there is a communication channel with them..." – DGM Performance Management

It is evident that the organization reviews the performance of managers and in case of shortfall in their performance, resorts to their trainings and competency development. Performance management teams also addresses specific issues on case-to-case basis.

Systemic improvements: The fourth and last sub-construct of the initial conceptual construct of monitoring mechanism is Systemic improvements, which are analysed for challenges faced by the organization, through the representative quotations from the interview excerpts of participants as under:

"...one change we would like to bring in is to try and give some kind of weightage to the rating assigned by the immediate supervisor. The other changes like continuous monitoring system because when we talk about setting an annual KRA in today's context when the things are changing so dynamically and so rapidly and many things can come in between during the year. Though we have a 'change goals and targets' provision for changing KRAs mid-term in the performance management system, but still, we are wanting to incorporate this continuous evaluation system so that will be throughout the year. Whenever any specific task is being assigned or is being performed by the employee then that can be recorded and it will become a part of our annual performance system..." – Head Human Resources

It is clear that the organization intends to improve the quality of execution of performance management tasks by implementing systemic improvement and introducing continuous monitoring and evaluation system. An innovative and futuristic factor of effective performance management is dynamic PMS, which means the system attributes shall keep changing based on the environmental dynamics and agile requirements to demonstrate exemplary performance in all situations or ecosystems.

"...we have a very robust online idea management portal. Ideation we have now made mandatory, though it may look little bit ridiculous, but we are forcing every employee to get out of his routine work for some time and give some time for thinking process, because so many creative brains are there with us, so to utilise that, we encourage them to think and ideate. Our higher management feels that any ideation which can be internally coming will be of much more value or the context will be very high, it will be very relevant for our business. So, we have made it kind of

mandatory that every officer will have to generate a fixed number of ideas say at least one idea, but we are receiving much more than that. As you know, it is said that if you ideate, it is a pyramid, so possibly if we get one million ideas then maybe one or two will be the million-dollar idea. We need to get those million ideas, so we have made it mandatory..." – Head Performance Management

It is inferred that the organization is soliciting innovative ideas for improving the performance management systems through crowd sourcing of ideas from the employees and stakeholders. This is one way of getting the systemic improvements incorporated by getting suggestions on any improvements or modifications desired by the employees.

"...Second is the MOU target, we have got MOU with the government as well as within the departments with higher management, which are the team targets..." – GM Performance Management

The organization is getting into the systemic improvement of signing internal MOUs with departments for getting their commitment in effective implementation of performance management tasks. Thus, initial conceptual construct of monitoring mechanism reveals the factors responsible for imposing controls on managers to perform in accordance with the intended execution of performance management tasks.

Analysis of participants' interview excerpts of this organization reveal that coping strategy has been developed for addressing the initial conceptual construct of monitoring mechanism and its subconstructs. The factors identified for first subconstruct, training and development, are managers' competency in execution of performance management tasks, training need identification of subordinates, and Integrated performance evaluation and training calendar.

The influencing factors of second subconstruct, digitalization, are online PM tasks, flexibility within structure on reporting relationships, online training, and system driven evaluation of subordinates. The third subconstruct of audit does not seem to be proposed in this organization. The factors considered for not implementing audit are identified as communication to and from managers and review and training need identification of managers. The factors identified through analysis for fourth and final subconstruct of systemic improvement are dynamic PMS, idea generation for

innovative systems, and Internal MOU. The outcome of analysis of interview data for each sub-construct of monitoring mechanism construct is detailed in Table 5.17.

Table 5.17. Findings for sub-constructs of Monitoring mechanism

Initial Conceptual Construct	Sub-construct	Category from data	Focused codes from data	Data Analysis observation	Contributing factors
Monitoring mechanism	Training and development	Monitor execution of tasks by manager	Competency development	Competent Manager conducts effective performance evaluation of subordinates	Managers' competency in execution of PM tasks, Training need identification of subordinates, and Integrated performance evaluation and training calendar
	Digitalization		Automatic and system driven initiatives	Digitalization of PM processes enables transparency, monitoring and control	Online PM tasks, Flexibility within structure, Online training, and System driven evaluation of subordinates
	Audit		Audit of processes, quality of tasks and output achieved	Monitoring and control of performance management tasks	Communication to and from managers, Review and training need of managers
	Systemic improvement		Future development	Monitoring can be achieved through system-based controls	Dynamic PMS, Idea generation for innovative systems, and Internal MOU

The qualitative associative network (QAN) related to the initial conceptual construct of monitoring mechanism is also depicted in Figure 5.17.

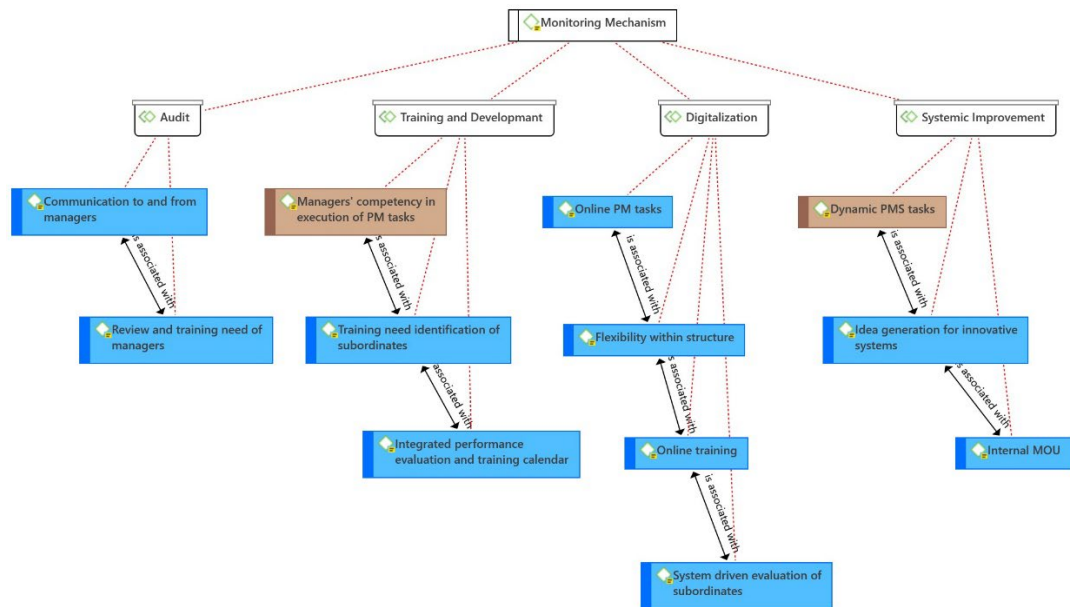


Figure 5.17. QAN for Monitoring mechanism

In conclusion, For the initial conceptual construct of Monitoring Mechanism, the case organization has proposed to implement coping strategy practices, which are both enabling the managers through trainings and competency development in execution of performance management tasks and supporting them through display of objective automated evaluation by leveraging IT for guided and informed decision making.

The factors impacting the subconstructs of the initial conceptual construct of monitoring mechanism have been evaluated and any public sector organization addressing these factors adequately may outperform with complete control on their performance management systems.

5.4. Practices adopted by HPCL as coping strategy

The Phase II of conceptual analysis comprises of identification of coping strategy adopted by the organization to overcome the challenges faced in effective implementation of performance management systems. The practices adopted or proposed by this large Indian Maharatna public sector organization for coping the challenges faced have been identified on the basis of data collected from the responses of participants during the semi-structured interview. These practices are combined into categories/ concepts based on the detailed data analysis coupled with literature review, for processes related to execution of performance management tasks.

The interview data has been analysed to identify the coping strategy practices adopted by the organization. The relevant extracts analysed for identifying the coping strategy practices adopted by the organization for each subconstruct are provided as under:

"...we have also made an option that you can select or deselect some of the KPIs. Then we have made something called team targets, like some of the targets which are forced upon to every department that it has to be taken by default..." – Head Performance Management

"...each SBU team to understand the business needs and employee aspirations and formalise the strategy document for each vertical after the incorporation of research and insights from different domains and the strategy document will be communicated to each employee that is what we target..." – DGM Performance Management Marketing

"...organizational strategy is cascaded after strategies are translated into executable action plan. It defines accountability, the milestones, etc., so all the officers are associated with this process of evolving comprehensive action plan, to instil ownership and commitment..." – DGM Performance Management

"...Roles of managers are very important in this entire performance management. First, if you start with planning, so clear expectation setting. This is a role which a manager primarily has to deliver that clarity has to be there..." – Head Performance Management

"...We have a mentoring system through structure review process, the manager provides mentoring to his appraisee, so a creative feedback loop is generally created, so we insist on having a continuous feedback mechanism. In fact, very soon we are also going to come up with an IT tool wherein continuous feedback will be available for the appraisee by the manager..." – Head Performance Management

"...We train the managers on how to give feedback. Normally, in general parlance, we confuse between feedback, judgement and praise. But if we see, in HR connotation, these three are totally different and they have different meaning. What exactly is the feedback that is told to us by very experienced and learned faculty of IIM. They have trained us and we in turn have trained our managers. This is a continuous process which we undertake to impart training to the managers..." – DGM Performance Management

"...We have two broad kinds of trainings: functional trainings and behavioural trainings. We ensure that every employee goes into some behavioural training. Today we have good

number of motivational programmes, we hire very expert faculty from outside, so very good motivators come to our institute and they train us..." – GM Performance Management Marketing

"...We have a system of reviews, we have developed checking by the managers with the subordinates, he can track performance and provide inputs. One important thing is training need identification. It is normally done both ways, managers do this and many a times subordinate also does find training gaps. Both the things are available in the online system which we are following. Training need identification is also done there itself and accordingly the training calendar is available..." – DGM Performance Management

"...the reporting officer of RO can see the system. efforts are being made but of course we are nowhere near being perfect. It is an ongoing process, we are trying to improve on a gradual basis..." – Head Performance Management

"...we have got H1 and H2 reviews, basically 6 monthly review is there, this is also online system only, the manager, has to mention on a 3-pointer scale: below target, meeting target, or exceeding target. Like that he puts it and then once that is submitted by him along with some other feedback then system also calculates a score and suggests a rating band: outstanding, excellent, good, poor. So, system will also select suggested rating band, beyond that the manager will also have to look into so many other things before assigning final rating..." – GM Performance Management

"...Normally we are interacting through internal portals, or workflows or circulars, process manuals or even personal interactions. These are the modes how we interact with our managers and we are sending them goal setting templates or information on process flow or SOPs. These are the things on which we communicate with them, normally online and some personal interaction at local level..." – Head Performance Management

"...changes like continuous monitoring system because when we talk about setting an annual KRA in today's context when the things are changing so dynamically and so rapidly and many things can come in between during the year. Though we have a 'change goals and targets' provision for changing KRAs mid-term in the performance management system, but still, we are wanting to incorporate this continuous evaluation system so that will be throughout the year. Whenever any specific task is being assigned

or is being performed by the employee then that can be recorded and it will become a part of our annual performance system..." – Head Human Resources

The outcome from the analysis of case data pertaining to practices adopted at the organization as coping strategy are detailed in Table 5.18.

Table 5.18. Practices adopted by HPCL as coping strategy

Initial Conceptual Construct	Sub-construct	Category from data	Focused codes from data	Data Analysis observation	Coping practices adopted
KRA-Business Strategy Fit	KRA formulation	Implement business strategy	Comprehensive action plan	Managers compelled to review and ensure employees' appropriate KRA selection	Managers have been made accountable to achieve team targets
	Strategy alignment		Cascading business strategy	Incorporating executable action plan, by defining accountability, milestones etc. in strategy document	Cascading executable action plan along with strategy
	Role of Manager		Evaluation of action plan	manager is mainly responsible for delivering performance through his subordinates	Managers to set clear expectations in selecting KRAs
Manager's responsibility	Evaluation of subordinates	Ensure execution of performance management tasks	Fair and unbiased evaluation of subordinates	Mentoring of subordinates by manager through continuous feedback mechanism via IT system development	IT systems for continuous feedback mechanism
	Performance feedback		Timely, true and constructive feedback	Training the managers on providing feedback by engaging professional educational institutes	Imparting training to managers on performance dialogues through professional faculty

	Subordinate motivation		Motivational initiatives	Training as a factor to mitigate the challenge of demotivated employees	Imparting motivational trainings to employees through professional faculty
Monitoring mechanism	Training and development	Monitor execution of tasks by manager	Competency development	Training needs with mutual agreement between manager and subordinate	Joint training need identification with mutual agreement
	Digitalization		Automatic and system driven initiatives	managers in provided guidance in performing the evaluation task in a fair and unbiased manner	System-based objective performance evaluation of subordinates
	Audit		Audit of processes, quality of tasks and output achieved	Interaction of performance management team with managers	Issues are addressed or tasks are implemented only through communication
	Systemic improvement		Future development	PMS attributes changing based on the environmental dynamics and agile requirements of situations or ecosystems	Introduction of dynamic performance management systems

A Qualitative Associative Network (QAN) has been created using ATLAS.ti for better visualization of coping practices adopted by this Maharatna public sector organization as derived from the interview extracts of the participants i.e., the executives of performance management department of the organization.

The QAN related to the coping strategy practices adopted is depicted in Figure 5.18:



Figure 5.18. QAN for coping strategy practices adopted

5.5. Relationship between Contributing Factors and Coping Practices adopted

In Phase III of the conceptual analysis, the relationship between factors contributing to effective implementation of performance management systems and practices of coping strategy adopted by this large Maharatna public sector organization has been analysed.

A Qualitative Associative Network (QAN) has been developed combining the factors contributing to effective implementation of performance management systems in Indian Maharatna public sector organization and coping strategy practices. Figure 5.19 below presents the relationship between contributing factors and coping practices adopted by the case study organization.

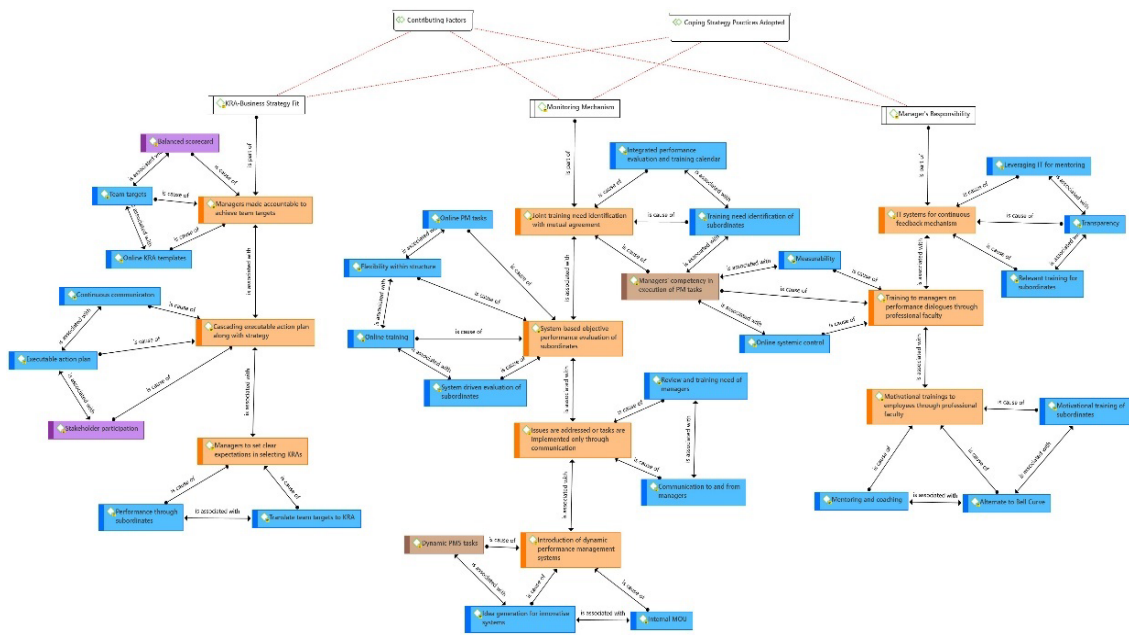


Figure 5.19. Relationship between Contributing Factors and Coping Practices

The practices of coping strategy for effective implementation of performance management systems depend upon its contributing factors. The key findings regarding relationship between contributing factors and practices of coping strategy adopted for effective implementation of performance management systems are detailed as under.

The organization is facing challenge of keeping the employees and managers motivated in view of forced evaluation because of Bell Curve implementation and monitoring of managers in their executing the performance tasks as intended. Thus, the organization is facing challenges in spite of several initiatives in relation to the factors contributing to performance and adopting practices for coping strategy. The subconstruct of Audit is not at all addressed by the organization as they rather feel that instead of auditing, if the managers are trained, their competencies in carrying out the PM tasks are enhanced and they are motivated to perform through regular two-way communication with management, the results will be commensurate to auditing. The factors impacting KRA-Business strategy fit are related to the coping strategy of cascading team targets coupled with executable action plan and making managers accountable for achievement of team targets. The organization is implementing coping strategy of training and development of competencies of managers through premium institutes, continuous channel of communication with them by leveraging IT to enhance their motivation that are related to the factors impacting the subconstructs of managers' responsibility. Additionally, the organization has also introduced an intervention of motivational trainings to employees through faculties from premiere educational institutions. are related to the coping strategy

Moreover, for monitoring mechanism construct, related coping practices of system driven objective performance evaluation and introduction of dynamic performance management systems are being implemented as per organizational requirements. The systems are being strengthened as the organization has embarked on the journey of digital transformation and above coping strategy practices have been identified for implementation.

So, these coping practices are ensuring effective implementation of performance management tasks. Currently the organization is delegating this task to managers/ departments for adopting these coping practices to mitigate the challenges. Documentation of these practices as a policy will greatly enhance the effectiveness of performance management systems.

5.6. Findings and Discussions

The important factors for effective implementation of performance management tasks at a large Indian Maharatna public sector organization and practices for coping strategy adopted are detailed in this section.

5.6.1. Coping Strategy Practices adopted by HPCL

The outcome of data analysis detailed above has resulted in identification of categories that contribute to coping strategy and performance management practices adopted:

- i) Managers have been made accountable to achieve team targets
- ii) Cascading executable action plan along with strategy
- iii) Managers to set clear expectations in selecting KRAs
- iv) IT systems for continuous feedback mechanism
- v) Imparting training to managers on performance dialogues through professional faculty
- vi) Imparting motivational trainings to employees through professional faculty
- vii) Joint training need identification with mutual agreement
- viii) System-based objective performance evaluation of subordinates
- ix) Issues are addressed or tasks are implemented only through communication
- x) Introduction of dynamic performance management systems

The careful analysis of abovenamed categories reveals that this case study has identified a new category of introduction of dynamic performance management systems. Other categories have mostly been covered in the earlier literature but this category provides a new insight for enhancing the effectiveness of implementation of performance management systems in public sector organizations.

Analysis of response of participants and literature on performance management have identified the factors impacting the implementation of performance management tasks using subconstructs, which are detailed as under:

- i) Online KRA templates, Team targets, Balanced scorecard
- ii) Stakeholder participation, Executable action plan, Continuous communication
- iii) Performance through subordinates, Translate team targets to KRA

- iv) Relevant training for subordinates, Transparency, and Leveraging IT for mentoring
- v) Measurability, Managers' competency development, and Online systemic control
- vi) Mentoring and coaching, Alternate to Bell Curve, and Motivational training of subordinates
- vii) Managers' competency in execution of PM tasks, Training need identification of subordinates, and Integrated performance evaluation and training calendar
- viii) Online PM tasks, Flexibility within structure, Online training, and System driven evaluation of subordinates
- ix) Communication to and from managers, Review and training need of managers
- x) Dynamic PMS, Idea generation for innovative systems, and Internal MOU

From the data analysis, there is evidence of all subconstructs being addressed by the organization except related to the subconstruct 'audit of performance management tasks.' Though, implementation of performance management tasks is very crucial, no evidence is found from interview data that the same are currently being audited, i.e., performance management department is rarely using this parameter.

It is observed from the responses of the participants that the key result areas and other performance parameters are based on MoU (Memorandum of Understanding) with the petroleum ministry. These parameters are mostly operational targets and do not measure or audit the effectiveness of performance management tasks. As per interview data analysis, instead of audit of performance management tasks in HPCL, they believe in creating the competent and motivated managers, who in turn shall on their own get the performance management tasks executed effectively.

Further, systems are being developed by the organization for monitoring the quality of continuous performance management thru two-way communication channel with top management. This would ensure even the resolution of challenges faced by managers in properly reviewing and providing constructive feedback etc.

Evidences are found for all other elements of performance management systems from interview data excerpts as detailed above. Further, interaction during interviews indicates that the organization has well-structured training systems. These systems

are facilitating in building competencies of the managers in conducting performance management tasks, to ensure effective implementation of performance management systems.

5.6.2. Case Study Findings with regard to Research Questions

The interview data collected from performance management team of the large Maharatna public sector organization in India has validated the constructs and sub-constructs initially recognised. Previous sections of the case study have covered the collection of data, observations, analysis and findings. Contributing factors and coping strategy practices identified have been examined to arrive at the relationships among the factors and coping strategy. The visual representation of findings through development of Qualitative Associative Network has provided further insights. Following section summarises the findings related to the research questions:

Findings related to RQ1: What is the process of setting-up the KRAs in alignment to the strategy of the organization?

- To achieve strategic objectives, performance management department develops templates for KRA formulation for critical job roles. They have centrally created KRA templates for critical job roles of several departments and verticals and the templates are available to employees online while finalizing KRAs based on their roles.
- The organization is facing challenge in centrally developing templates for each job role. Their coping strategy is to allow the employees to modify the template or choose their own targets completely template free.
- Another coping strategy this organization has introduced is the team targets, to compel the team leaders, i.e., managers to review and ensure that the employees are selecting appropriate KRAs.
- The organization has introduced evaluation based on balanced score card and managers allocate scores, which leads to final rating of the employee. This is another way by which they are attempting to overcome the challenge in KRAs formulation.
- The organization has top-down approach for cascading strategy. However, inputs from employees are being incorporated through participation of the stakeholders at every juncture.

- The organization is ensuring alignment of KRAs to strategy through formalisation of strategy document and incorporating executable action plan, defining accountability, milestones etc. before communicating to each employee.
- The alignment of KRAs to strategy is very critical for overall organizational objectives. It improves employee engagement, provides better decision making and ensures sustainability.
- The organization is proposing to implement an IT based intervention for providing timely and constructive feedback and continuous communication, which will help them overcome the challenge of alignment of KRAs to strategy.

Findings related to RQ2: What factors are considered by managers while accomplishing the performance management system tasks required to meet KRAs?

- The review or evaluation is done by the manager with a view to suggest any course correction. Unique to this organization, if manager during performance review finds skill gaps, relevant trainings are identified and recommended to be imparted.
- Six monthly review and evaluation is done. Manager provides evaluation against each KRA and based on the score calculated by system, a rating is suggested by the system, which is reviewed by manager and final rating is awarded.
- The organization encourages the managers to provide online written feedback to the subordinates including reasoning for below par performance, if any. The organization is transparent in sharing all comments of manager to subordinate. Evaluation of performance is very critical to identify of pitfalls and timely corrections for enhanced performance.
- The organization has implemented a system of mentoring of subordinates by manager and is in the process of creating a continuous feedback mechanism through development of IT systems for the same.
- The organization is connecting feedback to measurability since managers are trained to provide feedback at the time of performance review.
- The organization places due importance to training the managers on providing feedback. They have engaged professional educational institutes for imparting training through very experienced and learned faculty on a continuous basis.

- The organization is using online system to provide and receive feedback, which is also available for review by the top leadership at a later date or in case of grievance resolution etc.
- The organization is mainly making the manager responsible for mentoring and coaching and thereby for motivation. They have linked the performance with motivation, as suggested by the Goal Setting Theory.
- The organization is facing challenge in keeping the employees motivated under some managers, who themselves are not motivated. The factor identified by the organization is the implementation of Bell Curve, which has a limitation in providing excellent performance rating beyond a certain percentage of employees.
- The organization has identified training as a factor to mitigate the challenge of demotivated employees and is imparting motivational trainings to the employees through professional faculties from premiere institutes.

Findings related to RQ3: What monitoring mechanisms are adopted by public sector organizations to ensure that the managers execute the performance management system tasks as intended?

- The organization is investing on the training and development of managers to develop their competencies in handling difficult conversations, providing quality feedback and so on, for improving the effectiveness of performance management tasks' implementation.
- Training need identification is done during performance evaluation and the organization has developed a unique system of online integration of training calendar with performance evaluation. Another important factor is the joint identification of training needs with mutual agreement between manager and subordinate.
- The performance management systems of this organization are completely online with performance management processes also digitalized.
- Digitalization has helped the organization in maintaining strict control of reporting relationships in the system. However, challenge is to incorporate flexibility which field desires for business requirements.
- The digitalization has helped the organization in creating ease of doing business. Online training courses, live online as well as self-paced offline, have provided

convenience of imparting training to large number of employees with minimal travel requirements, thereby saving cost and time.

- The digitalization has helped the managers to get an indication of the system-based evaluation of performance objectively for all his subordinates. Still, he has the flexibility to modify it based on other factors, if required. Thus, it is inferred that the digitalization has helped the managers in providing guidance in their performing the evaluation task in a fair and unbiased manner.
- The organization has neither implemented nor is planning to implement a formal audit system of performance management task implementation by managers. It is more of interactions of performance management team with managers and the issues are addressed or tasks are implemented only through communication between them.
- The organization reviews the performance of managers and in case of shortfall in their performance, resorts to their trainings and competency development. Performance management teams also addresses specific issues on case-to-case basis.
- An innovative and futuristic factor of effective performance management is dynamic PMS, which means the system attributes shall keep changing based on the environmental dynamics and agile requirements to demonstrate exemplary performance in all situations or ecosystems.
- The organization is soliciting innovative ideas for improving the performance management systems through crowd sourcing of ideas from the employees and stakeholders. This is one way of getting the systemic improvements incorporated by getting suggestions on any improvements or modifications desired by the employees.

5.7. Concluding Remarks

The case study on effective implementation of performance management systems at a large Maharatna public sector organization in India has been dealt with in detail and the discussions, analysis and results have been presented. Categories of factors contributing to contributing to effective implementation of performance management systems and practices adopted for coping strategy have been presented and discussed.

One new type of category emerged while analysing factors contributing to coping strategy practices adopted, which is the dynamic performance management systems. This means the system attributes shall keep changing based on the environmental dynamics and agile requirements to demonstrate exemplary performance in all situations or ecosystems.

Also, one innovative coping strategy adopted by the organization is the solicitation of innovative ideas from employees for improving the performance management systems. The systemic improvements incorporated through suggestions on any improvements or modifications desired by the employees will not only delight the employees but shall also result in improvement of their ownership and commitment to the entire process.

The relationship between contributing factors and coping practices adopted by the organization indicate that the participants consider the categories such as, managers made accountable to achieve team targets, cascading executable action plan along with strategy, managers to set clear expectations in selecting KRAs, IT systems for continuous feedback mechanism, imparting training to managers on performance dialogues through renowned faculty from premiere professional educational institutions, imparting motivational trainings to employees through professional faculty, joint training need identification with mutual agreement, system-based objective performance evaluation of subordinates, issues addressed or tasks implemented only through communication and introduction of dynamic performance management systems, that are important for deciding on coping strategy practices to be adopted.

Chapter 6

Case Study III -

Implementation of PMS

at BHEL

6.1. Introduction

Bharat Heavy Electricals Limited (BHEL) is one of the largest engineering and manufacturing companies of its kind in India engaged in design, engineering, construction, testing, commissioning and servicing of a wide range of products and services with over 180 product offerings to meet the ever-growing needs of the core sectors of economy.

This section presents the case study in detail, conducted on Implementation of Performance Management Systems at BHEL, India's largest engineering & manufacturing enterprise of its kind. BHEL is one of the largest employers in the Indian Capital Goods industry with 197 GW power generating capacity installed in India and abroad till date. BHEL's share in country's total installed thermal generation capacity is 55% with pan India presence, having 16 manufacturing units, 8 service centres and has a human capital base of more than 29,000 employees.

The details of data collection pertaining to this Case Study III (BHEL) are discussed in next section. The data analysis findings are reported in detail in the subsequent sections on factors contributing to effective implementation of performance management systems, coping strategy adopted for overcoming the challenges faced, and relationship between contributing factors and practices adopted by organization for coping the challenges in the large Maharatna public sector organization of heavy engineering sector in India. Further, detailed case findings are discussed and outcomes are summarised in concluding remarks. Current research shall first discuss about the leading engineering major in India (BHEL) and implementation of its performance management systems across the organization.

6.1.1. A leading engineering major in India

BHEL is a pioneering and prestigious public sector organization that has played a pivotal role in shaping India's industrial landscape. BHEL is a renowned engineering company instrumental in India's infrastructure and industrial development. With a rich history spanning over half a century, BHEL has consistently demonstrated its expertise and commitment to engineering excellence and innovation. The following section delves into the multifaceted aspects of BHEL, highlighting its history, contributions to the Indian industrial sector, core competencies, and future prospects.

Company Overview:

History and Milestones: BHEL's journey began in 1964, with the vision to be a force in the power and industrial equipment industry. Since its inception, the company has successfully delivered projects in various sectors, including power generation, transmission, and transportation. BHEL has been instrumental in development of thermal and nuclear power plants, making it a vital contributor to India's energy self-reliance.

Over the years, BHEL has achieved several remarkable milestones. One of its most iconic projects was the fabrication of the first indigenous nuclear steam generator for the Tarapur Atomic Power Station. The organization also developed India's first 36 MW geothermal power plant in Manikaran, Himachal Pradesh, showcasing its commitment to harnessing renewable energy sources.

Key Contributions to India's Industrial Growth: BHEL has been a cornerstone in India's power generation sector. The company's cutting-edge technology and engineering prowess have enabled the development of thermal, nuclear, and hydroelectric power plants. BHEL's generators and turbines have been crucial in ensuring a stable and reliable power supply across the country.

With a growing focus on renewable energy sources, BHEL has diversified its portfolio to include wind, solar, and geothermal power solutions. The organization has played a vital role in reducing India's carbon footprint by manufacturing equipment for renewable energy projects.

BHEL has ventured into the transportation sector by manufacturing electric and diesel locomotives. The company's expertise in manufacturing critical components, such as traction motors and control systems, has been pivotal in enhancing India's rail transportation infrastructure.

BHEL is recognized for its world-class manufacturing capabilities. The organization has consistently improved its processes, resulting in high-quality products that meet global standards.

Core Competencies: BHEL's strengths are deeply rooted in its technical expertise, innovation, and its commitment to research and development. The company's core competencies can be summarized as follows:

Engineering Excellence: BHEL's reputation as an engineering giant is underpinned by its ability to design and manufacture complex equipment for a range of sectors, including power generation and transportation.

Research and Development: BHEL has invested significantly in research and development, continually innovating to stay ahead in the technological curve. The company's R&D centres have contributed to the development of advanced technologies and sustainable solutions.

Global Presence: BHEL has a global footprint with a presence in over 82 countries. This international reach underscores its ability to compete in the global market and provide its products and services worldwide.

Quality Assurance: The organization's commitment to quality is evident in its ISO 9001 certification and numerous quality awards, which highlight its dedication to delivering the best products to its customers.

Future Prospects: BHEL remains a vital player in India's industrial development. The organization's future prospects are shaped by its commitment to sustainable and renewable energy solutions, its capacity to adapt to changing technological landscapes, and its potential for contributing to the 'Make in India' initiative. As India continues to invest in green energy, BHEL is well-positioned to play a pivotal role in this transition.

BHEL is not just a corporate entity, it is an integral part of India's industrial and infrastructural growth. With its rich history, engineering prowess, and commitment to quality and innovation, BHEL has left an indelible mark on the nation's landscape. As India moves forward into a future characterized by sustainable and renewable energy, BHEL's contributions are bound to be even more critical in ensuring the country's self-reliance and growth on the global stage.

6.1.2. Performance management systems at BHEL

An integral part of BHEL's success is its robust and comprehensive Performance Management System (PMS). This system plays a critical role in aligning employee performance with organizational goals, fostering growth and development, and ensuring that BHEL remains at the forefront of its industry.

Key Components of BHEL's Performance Management System:

Goal Setting: At the heart of BHEL's PMS is the process of setting clear and SMART (Specific, Measurable, Achievable, Relevant, Time-bound) performance goals. These goals are designed to align individual efforts with the organization's strategic objectives. They help employees understand what is expected of them and provide a roadmap for their professional development.

Performance Appraisals: BHEL conducts regular performance appraisals to evaluate the achievements of its employees. These evaluations are typically done on an annual or semi-annual basis, and they serve as a crucial mechanism for providing feedback, recognizing achievements, and identifying areas for improvement. The appraisal process encourages open and constructive communication between employees and their supervisors.

Competency Development: BHEL places a strong emphasis on enhancing the competencies of its employees. The performance management system includes a competency framework that outlines the key skills and attributes required for different roles within the organization. Employees are encouraged to continually develop and enhance their competencies through training and development programs.

Feedback and Coaching: BHEL fosters a culture of regular feedback and coaching. Supervisors are encouraged to provide timely and constructive feedback to their team members, helping them understand their strengths and areas for improvement. Coaching and mentoring are integral to employee growth and development.

Rewards and Recognition: BHEL's PMS includes a rewards and recognition system designed to acknowledge outstanding performance. This can take the form of monetary incentives, promotions, or other forms of recognition. The organization believes in appreciating and motivating high-performing employees.

Career Planning and Development: The PMS at BHEL is not just about current performance but also about future growth. It involves the creation of individual development plans that map an employee's career progression within the organization. Career planning helps employees set long-term goals and equips them with the skills and knowledge needed to achieve them.

Best Practices in BHEL's Performance Management System:

Continuous Feedback: BHEL encourages a culture of ongoing feedback, rather than relying solely on the annual reviews. This approach ensures that the employees receive timely input to make course corrections and improvements throughout the year.

Employee Involvement: The PMS is not just a top-down process at BHEL. Employees are encouraged to actively participate in goal-setting, self-assessment, and the identification of development needs, making it a more inclusive and participatory system.

Training and Development: BHEL invests significantly in training and development programs to equip its employees with the skills and knowledge needed to excel in their roles. The organization recognizes that a well-trained workforce is key to its success.

Regular Updates: The PMS is not static but evolves with the changing needs of the organization and industry. BHEL regularly updates its performance management processes and tools to stay aligned with its strategic objectives.

Challenges and Future Considerations:

While BHEL's PMS is robust, it is not without its challenges. These include ensuring a fair and unbiased appraisal process, keeping up with rapidly changing industry standards, and balancing individual and organizational goals.

In future, BHEL is planning to adapt its PMS to address the changing nature of work, incorporate more digital tools, and consider alternative performance measurement metrics in response to evolving market dynamics.

BHEL's Performance Management System is an essential element of the organization's success. It not only sets clear performance expectations but also nurtures employee development and fosters a culture of excellence.

With a focus on continuous improvement, adaptability, and a commitment to aligning individual and organizational goals, BHEL's PMS plays a pivotal role in maintaining its position as a leading force in India's engineering and manufacturing landscape.

6.2. Data Collection

Case study protocol has been used to conduct semi-structured interviews of the following human resource and other personnel of the organization detailed in Table 6.19, responsible for performance management system implementation and monitoring.

Table 6.19. List of participants of Case Study III (BHEL)

Level of Analysis	Designation	Date of Interview
Level 1 - Corporate	Head - HR	July 15, 2023
Level 2 - Corporate	Head - PMS	July 22, 2023
Level 2 - Plant	GM - PMS	June 18, 2023

Note: The names of participants are not disclosed due to agreed confidentiality.

The data has been collected from multiple sources: (i) semi-structured interviews of HR and PMS heads and managers of performance management department at corporate headquarters and plants, (ii) online search of website, intranet, and documents related to performance management, and (iii) informal discussions with leaders and managers responsible for implementing performance management tasks. The data collection activity has been completed within three months.

Researcher developed contacts and prepared for data collection activities in the month of May, 2023. Participants have been requested for interviews during Jun-Jul, 2023 in the order of their availability. Interview responses are transcribed, clarifications and additional information sought in some cases, and suggestions and feedback from the leaders is incorporated.

This study is conducted within case data analysis based on the participants' responses, considering the research questions and the analysis is detailed in subsequent sections.

6.3. Factors contributing to effective implementation of PMS at BHEL

Current research analysed the collected data in line with the data analysis strategy described earlier. The phase I of the conceptual analysis describes the factors contributing to the effective implementation of performance management systems at BHEL.

The outcomes of the analysis with reference to the initial conceptual construct of KRA-Business Strategy Fit and its subconstructs i.e., KRA Formulation, Manager's Responsibility and Monitoring Mechanism is presented below:

6.3.1. KRA-Business Strategy Fit

The interview data analysis indicates that this construct and its sub-constructs i.e., KRA formulation, Strategy alignment and Role of Managers are practiced only partially in the case study organization.

KRA formulation: A few of the representative quotations on the first sub-construct i.e., KRA formulation, from the interview excerpts are:

"...The performance management team takes care of all these activities. they design key performance indicators or key result areas, we call it KPI. Key performance indicators for each group and for each function are defined. For example, there is an engineering function, which is related with the design and engineering aspect of the product, then there is manufacturing, likewise there are so many functions in the organization..." – Head Human Resources

It is evident that in order to achieve strategic objectives, performance management department defines KRA formulation for each group and function. They have centrally defined KRAs for each group and for each function.

"...for each function we have enumerated, with the help of experts, several key performance indicators which one has to fulfil. You can say, there are separate templates for each unit or function. One thing is that, mostly our organization is not project type, it is more of a product type, although we are trying to place the executives linked in the name of the project but it is mostly product type. May be project we execute during commissioning but mostly we are product type. So, templates are there you have to adopt KPIs from there..." – Head Performance Management

It is understood that the organization takes the help of experts to centrally define KRA templates for each unit or function and the templates are available to employees who have to adopt KRAs from there while finalizing KRAs based on their roles.

"...We follow balanced score card philosophy only, based on four parameters. Executives take KPIs based on balanced score card. There is some awareness within the employees to select the KPIs and targets. System of different KPIs, as already mentioned that some KPIs are innovative type, some are routine type, some are

mandatory also, if you are in some particular function say in engineering then you have to take some research oriented KPIs, that is all defined in BHEL..." – GM Performance Management

It is clear that the organization has introduced evaluation based on balanced score card. Further, KRAs based on certain imperatives are finalised and included for employees in respective roles in order to address the requirements of their particular function.

Strategy alignment: The second sub-construct of Strategy alignment is reviewed through the representative quotations on KRA alignment to Strategy and the interview excerpts are as under:

"...Mostly our business strategies are formulated at the corporate level. They have the mechanism wherein they interact with employees, they interact with units also, because corporate is nothing but the conglomerate of all the units from the country. They have the orders in hand, then some of the order anticipations. Now particularly, in this period BHEL is actually struggling and vigorously finding these different sectors also because at present they are in the thermal power business but now as per government restrictions after 2022 there will be no new power plant..." – Head Human Resources

"...we have the director responsible for formulating the strategy but with the help of performance management team only they interact with the people, they collect the data. Ultimately whatever they formulate the business strategy that has to be implemented, to get the turnover of the company. For that, they decide the budget first based on the projected turnover of a particular year. The budgeting is for five years and you have the budget for every year and you have to allocate the turnover to different units..." – Head Performance Management

It is evident from above excerpts that this Maharatna organization formulates the strategy at corporate level after getting inputs from employees through performance management and turnover targets. It is implemented by allocating the respective turnover targets to the units.

"...There are some financial functions, different product groups like in Haridwar will have steam turbine, heat exchanger, turbo-generator, in Bhopal we have

transformers, switch gears, traction motors etc. So, the turnover of a particular year is percolated down group wise and then from that group, from GM level to the executive level it is percolated down...." – GM Performance Management

The organization percolates the strategy to each unit and employee as they formulate KRAs for each group and for each function and align the KRAs with strategy to implement and achieve desired turnover.

"...The business strategy percolates down to the executive level, to the last rung of the ladder. The performance management team takes care of all these activities and all those things are planned accordingly..." – Head Performance Management

It is clear that the responsibility of percolating down the strategy is with performance management department. The organization percolates the strategy to each unit and employee as they formulate KRAs in alignment to strategy.

"...For example, Bhopal, Hyderabad, Trichy and Haridwar, these are four major units, and there are so many other small units. Ultimately performance comes only when our turnover is accomplished in the units and all other functions are supporting that, because crux is that for any manufacturing organization like BHEL, major chunk is for the manufacturing. We have the product profile of units, so based on that and based upon the business strategy, it percolates down to the executive level..." – GM Performance Management

The organization is mainly into manufacturing and since executives have product profile, technical parameters are also percolated down to each employee of all the units responsible for achieving the targeted turnover.

Role of Manager: The analysis of third and final sub-construct of this construct i.e., Role of Manager based on the representative quotes from the interview excerpts is as under:

"...Executives select the KPIs and targets. They have some pressure because once they have defined the targets, which basically are not very clear, they have to achieve all of them..." – Head Performance Management

It is clear that the role of manager is very important in formulating KRAs as manager is can only ensure that the targets are stretched as suggested by goal setting theory, which will put some pressure on his subordinates to achieve them.

"...Of course, for turnover target is very much clear, but even for engineering, some targets are not very clear. Suppose we take a target that we have to submit this much of patents, number of patents in one year, so then because you have to define it and suppose you have defined 3 and you have done only 2 then you will not get full marks. That is why people take the targets and performance seriously and because of that some pressure is there..." – Head Performance Management

It is evident that the manager has to bring clarity in alignment of KRAs to strategy and manager also evaluates the performance against these KRAs and awards marks.

"...reporting officer has the role in selecting the KRAs because the reporting officer is the person who knows the nitty-gritty of the job related to their particular person. GM level person does not know exactly the details of each and every person, scope of their role and all those things. That is why it is very important that employee and reporting officer sit together and decide whatever KPIs should be taken and accordingly those are distributed to all employees..." – Head Human Resources

The input provided by key personnel of this Maharatna public sector organization is that the manager is an important factor in ensuring KRA-strategy fit towards formulating KRAs and ensuring their alignment to strategy, and has to finalize KRAs together with subordinates.

The outcome of the case data analysis for KRA-Business Strategy Fit is shown in Table 6.20.

Table 6.20. Findings for sub-constructs of KRA-Business Strategy Fit

Initial Conceptual Construct	Sub-construct	Category from data	Focused codes from data	Data Analysis observation	Contributing factors
KRA-Business Strategy Fit	KRA formulation	Implement business strategy	Comprehensive action plan	PM dept. defines KRA formulation for each group and function	Centrally defined KRAs, Templates with expert help, Balanced scorecard

	Strategy alignment		Cascading business strategy	Organization formulates the strategy with inputs from employees and percolates to each unit and employee	Stakeholder participation, Align each group and function, Turnover target
	Role of Manager		Evaluation of action plan	Manager knows the nitty-gritty of the job related to subordinate	Stretched targets, Finalize KRAs together

The qualitative associative network (QAN) related to the initial conceptual construct 'KRA-Business Strategy Fit' is also shown in Figure 6.20.

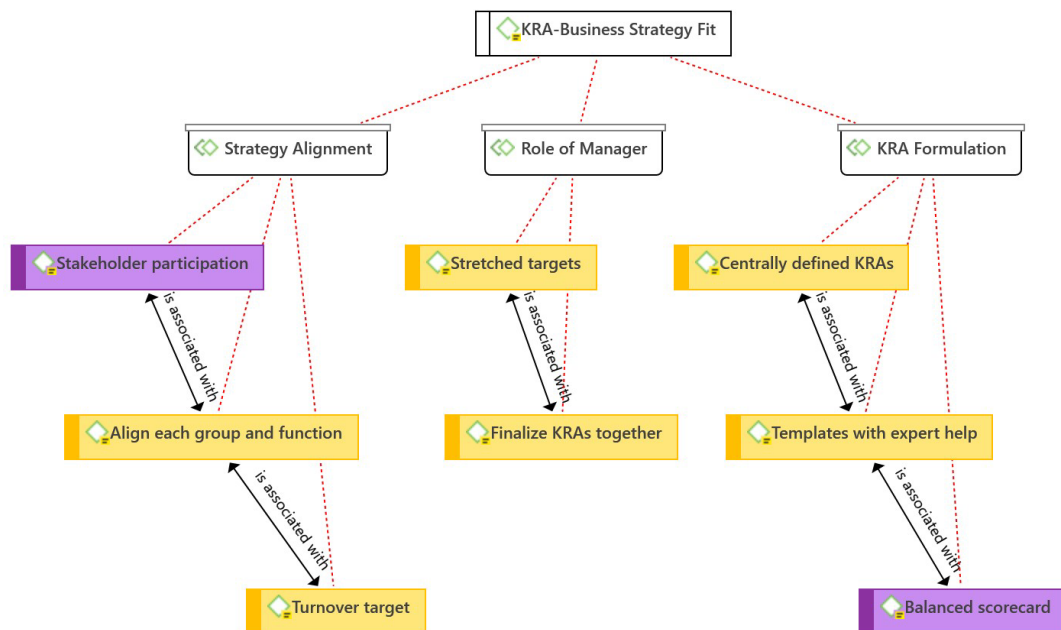


Figure 6.20. QAN for KRA-Business Strategy Fit

Thus, in conclusion, the current practice of the organization for the construct of KRA-Business Strategy Fit is that the performance management department formulates KRA templates with the help of experts for each group and function aligned to strategy centrally, from where employees have to select appropriate KRAs in consultation with their respective manager, who has to ensure stretched targets and also awards marks after evaluation of performance.

However, the organization is facing challenges in terms of employees not selecting the right KRAs and taking easy and attainable targets instead of stretched targets, not necessarily aligned to strategy, and managers are accepting these without any guidance or intervention. The organization has adopted a practice of allocating marks to KRAs, which shall provide an advantage in bringing pressure on employees who will bring more alignment of KRAs to strategy for achievement of strategic objectives.

The factors of the first initial conceptual construct, contributing to the effective implementation of performance management systems in BHEL, a large Indian Maharatna public sector organization, have been identified along with their associations as detailed above.

6.3.2. Manager's Responsibility

Participants indicated that the second initial conceptual construct relating to the manager's monitoring of performance management tasks of subordinates has a significant impact on their performance and thus is a major contributing factor. The sub-constructs identified from literature for performance management tasks and part of this construct are Evaluation of subordinates, Performance feedback, and Subordinate motivation.

Evaluation of subordinates: The representative interview excerpts on the first sub-construct i.e., Evaluation of subordinates suggested by the participants are:

"...for turnover target is very much clear, but even for engineering, some targets are not very clear. Suppose we take a target that we have to submit this much of patents, number of patents in one year, so then because you have to define it and suppose you have defined 3 and you have done only 2 then you will not get full marks. That is why people take the targets and performance seriously and because of that some pressure is there..." – Head Performance Management

It indicates that review and evaluation is being done in this organization and the marks are awarded to the employees based on the evaluation of performance of subordinates by the manager.

"...Whatever performance on which they give the marking to team members is communicated to them. It is all transparent and this is a form of feedback only, so

there is no separate formal one to one meeting of the manager means the reporting officer with the officer. The officers are rated annually and they compete with each other for better rating..." – GM Performance Management

The organization is communicating the rating of employees transparently and it is assumed that just transparently communicating the evaluation rating to the employees will instil competition. However, the author feels that some additional interventions like effective performance dialogue or motivational trainings coupled with this transparent sharing of ratings would bring better results in performance.

"...for promotions at certain levels, in addition to ratings, we also have performance interview, like from AGM to GM level. So, for certain cadres' interview is there, otherwise they are based on departmental promotion committee (DPC) which evaluates based on the marks and of course suitability. They see the suitability based on ratings of last 3 years. Suitability plays a role as there are certain criteria, like a person expert in one area may not be expert in the other area..." – Head Human Resources

The organization has a unique process of evaluation through interview at the time of promotion above certain levels. For other levels, another unique factor considered by this organization is suitability. However, no evidence could be found on how suitability is calculated or arrived at. It appears, the departmental promotion committee looks at the historical performance and identifies expertise area and accordingly decides further.

Performance feedback: The second sub-construct of the initial conceptual construct of manager's responsibility is Performance feedback, which is analysed through the representative quotations from the interview excerpts of participants as under:

"...Whatever performance on which they give the marking to team members is communicated to them. It is all transparent and this is a form of feedback only, so there is no separate formal one to one meeting of the manager means the reporting officer with the officer. The officers are rated annually and they compete with each other for better rating..." – GM Performance Management

It is evident that this organization has not implemented any formal feedback mechanism. The communication of rating of employees transparently is itself treated

as feedback. However, it may be inferred that in view of missing the process on an important factor of constructive feedback is adversely affecting the performance of the organization.

"...As regards training on how to interact with the subordinate, and things like that, are actually not there. I think and I also feel that there has to be some structured training given to appraiser and appraisee. It is not there in the system, I do not think, but yes, I think that part of training could be given for more awareness and that will improve the process. There should be some more thrust, I agree that these things have become very mechanical. I think that there could be some more thrust in that area for spreading awareness. We do the things mechanically and we feel that what we are doing is okay. But suppose if you interact after taking some training that you have to give on feedback regularly, or something like that, then it may become even better..." – GM Performance Management

It is evident that another important factor missing in this organization is trainings on performance management tasks. Even the performance management team feels that the training intervention shall improve the process. So, spreading awareness is identified as an important factor impacting performance management.

"...one thing that can be done for improving performance is to bring more awareness, means the system should be taken even more seriously. It is now become the part of the routine and people are not taking it seriously. Still, what I say, there is a letter and a spirit, so the letter is there but spirit is missing. It has become more of a routine rather than actually an activity or a project. People are doing performance management activities, people are taking projects, people are doing all those things but without any seriousness..." – Head Performance Management

It is inferred that the organization is facing a major challenge of employees not taking the performance management systems seriously. Though the systems and processes are there, and as a routine being followed but they have not been effectively implemented in right spirit.

Subordinate motivation: The analysis of third and final sub-construct 'Subordinate motivation' of this construct Manager's Responsibility conducted through the corresponding interview excerpts is as under:

"...Training for performance management system is imparted particularly to new persons who are not exposed to this system. However, no other activity is done by the managers for motivation of the employees to improve their performance. It depends on person to person actually, because there is no structured system or tools for the same. Individually sometimes some managers may do but it is not formally designed or done. Certain things which I think are in all public sector organizations like the scheme of performance related pay..." – Head Performance Management

It is evident that there is no structured system of motivating the subordinates, not even training. It is left to the discretion of managers and is completely unstructured. The organization is relying only the scheme introduced by government of differential pay or incentive based on individual performance. However, performance related pay is applicable only if organization as a whole is in profit, which is not the case for this organization.

"...Something has to be done to bring that spirit into the system. That spirit is needed actually so that by implementing the same system you can achieve better results. Intention should be there to implement these systems with whole heartedness, because there is always a scope for improvement..." – GM Performance Management

It is quite clear that the organization suffering from poor performance and is facing lot of challenges in view of lack of proper implementation of performance management systems and some of the factors completely missing from the designed systems.

"...Employees working under same manager have competition. Competition is natural, people find this competition because say there are 10 candidates with a reporting officer and he will have to promote 4, 5 or maximum 6 of them, depending upon the cadre. What you will do when you know in particular group the person to whom they are reporting his responsibilities are definitely to differentiate who is number 1, 2 or 3. If some reporting officer has only one person under him, he will promote him but his reviewing officer will be having other four persons in the same cadre, so the reviewing officer will see and will decide to moderate the rating of that employee..." – Head Performance Management

The system of this organization does not appear to be robust as the rating is largely dependent on the arbitrary decision of the manager and another arbitrariness is introduced by the reviewing officer of moderation committee, who change or moderate the rating and reduce it even if it is excellent based on performance, only to rate relatively without any objective evaluation.

The outcome of analysis of interview data for each sub-construct is presented in Table 6.21.

Table 6.21. Findings for sub-constructs of Manager's responsibility

Initial Conceptual Construct	Sub-construct	Category from data	Focused codes from data	Data Analysis observation	Contributing factors
Manager's responsibility	Evaluation of subordinates	Ensure execution of performance management tasks	Fair and unbiased evaluation of subordinates	It is essential to evaluate appropriately without demotivation	Award of marks, Transparency in sharing rating, Interview and suitability
	Performance feedback		Timely, true and constructive feedback	Constructive feedback will improve effectiveness of systems' performance	Constructive feedback, Training for spreading awareness, Effective implementation
	Subordinate motivation		Motivational initiatives	Motivated employee delivers enhanced performance.	Structured system of motivation, Robust system design, Moderation of performance ratings

It is evident that manager's responsibility includes subordinate motivation and it is essential to develop and empower managers so that they may keep their subordinates motivated.

For this initial conceptual construct, the organization has implemented some initiatives but they have not addressed some key factors affecting performance management for manager's responsibility and its subconstructs. According to this case study, the factors impacting performance related to evaluation of subordinates are award of marks by manager, transparency in sharing rating, interview and suitability, constructive feedback, training for spreading awareness, effective implementation, structured system of motivation, robust system design, and moderation of performance ratings.

The qualitative associative network (QAN) related to the initial conceptual construct 'Manager's Responsibility' is also shown in Figure 6.21.

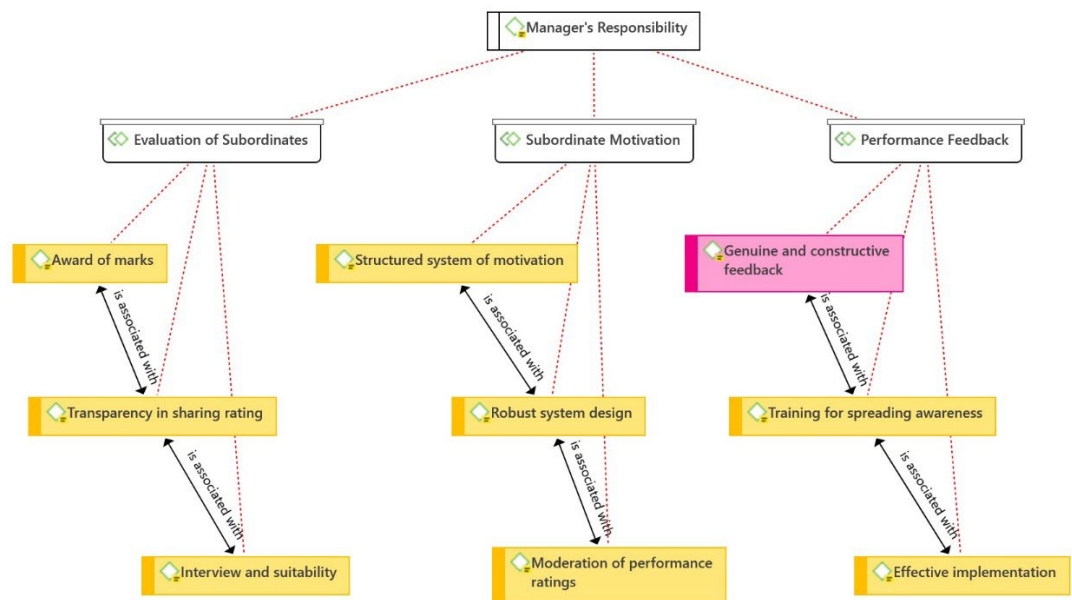


Figure 6.21. QAN for Manager's Responsibility

Thus, in conclusion, the organization has devised a unique evaluation methodology of performance interview by a committee at the time of promotion above certain level. They are also evaluating suitability based on past performance and experience, though the exact formula is not known.

Additionally, performance management team has to implement mechanisms to monitor that the managers perform the intended tasks. The factors detailed above and their associations have been identified for the second initial conceptual construct of manager's Responsibility in effective implementation of performance management tasks through analysis of participant interview responses as detailed above.

6.3.3. Monitoring Mechanism

The third initial conceptual construct relating to mechanisms to be implemented by performance management department for monitoring performance of managers in ensuring intended performance management tasks of subordinates is a crucial factor for effectiveness of systems. The sub-constructs identified from literature and participants' interview responses are Training and development of managers, Digitalization for ensuring controls, Audit of performance management processes, and systemic improvements implemented or proposed by the organization.

Training and development: The representative interview excerpts on the first sub-construct informed by the participants are:

"...As regards training on how to interact with the subordinate, and things like that, are actually not there. I think and I also feel that there has to be some structured training given to appraiser and appraisee. It is not there in the system, I do not think, but yes, I think that part of training could be given for more awareness and that will improve the process. There should be some more thrust, I agree that these things have become very mechanical. I think that there could be some more thrust in that area for spreading awareness. We do the things mechanically and we feel that what we are doing is okay. But suppose if you interact after taking some training that you have to give on feedback regularly, or something like that, then it may become even better..." – GM Performance Management

It is evident that the organization is not investing on training and development of managers to develop their competencies in handling difficult conversations, providing quality feedback and so on, for improving the effectiveness of performance management tasks' implementation. They also feel that more thrust in that area for spreading awareness will result in enhanced performance

"...BHEL has a very systematic grievance redressal system. Once the appraisee and appraiser tasks and all those things are completed then some time is given to all persons, appraisee or appraiser anybody, who want to record their grievance either online or in writing, they have the right and they can do that. So, when they submit the grievance then committee sits and examines the case and resolves it. The system is perfect and I think it may be with every government office. The only thing is that

there may be something which can be improved because everywhere you cannot be perfect and there is always a scope of improvement..." – Head Human Resources

The organization appears to be having an effective grievance redressal system and documentary evidences are maintained in each case for future reference.

"...Training for performance management system is imparted particularly to new persons who are not exposed to this system. However, no other activity is done by the managers for motivation of the employees to improve their performance. It depends on person to person actually, because there is no structured system or tools for the same. Individually sometimes some managers may do but it is not formally designed or done..." – Head Performance Management

It is understood that there is no structured system for setting up monitoring mechanism for the subconstruct of training and development and it is an informal and unstructured activity by the respective manager for subordinate development.

Digitalization: The second sub-construct of the initial conceptual construct of monitoring mechanism is Digitalization, which is analysed in terms of providing systemic controls through the representative quotations from the interview excerpts of participants as under:

"...Systems are perfect, these are particularly from the developed countries and have come from large corporates, but still, I think the more important thing is the enforcement or implementation of the system, that how sincerely and effectively we can implement the system that is more important..." – Head Human Resources

It is evident that the organization has implemented online systems for managing performance management tasks. However, implementation of tasks still remains a challenge.

"...one thing that can be done for improving performance is to bring more awareness, means the system should be taken even more seriously. It is now become the part of the routine and people are not taking it seriously..." – Head Performance Management

It is evident that digitalization has not helped the organization in as much as it could have, mainly because there is lack of awareness in using the systems effectively.

"...Now of course people are getting used to the systems and processes. First year you will need more time to implement all those things, while in following years you will find it comparatively easier and more comfortable..." – Head Human Resources

The factor positively impacting performance evaluation in the organization is that with time, people are becoming aware of the systems on their own and have started using the system more effectively.

Audit: The third sub-construct of the initial conceptual construct of monitoring mechanism is Audit, which is analysed in terms of monitoring and control of performance management tasks through the representative quotations from the interview excerpts of participants as under:

"...Performance management has introduced a new thing because of which I will say that actually the things are now very much streamlined. What they have introduced about a few years back, because before that they were facing trouble, they have introduced a penalty. Now they give the deadline, and if you don't abide by that deadline, then the marked will be deducted. Very clearly, they deduct this much of marks, so that is the thing that everybody wants to complete it, maybe in the last day rush, but because of that from that year onwards we have not faced any issue regarding people not submitting appraisal in time..." – Head Performance Management

A unique method adopted by the organization in place of auditing the system is to introduce penalty for the defaulters. Though punishment may not be a very positive control mechanism, the organization is able to achieve completion of activities in time, while effectiveness is still doubtful.

"...Another thing is, because this is the policy now, the policy is mostly more rotation, now they have made it compulsory. Actually, in BHEL, when we joined, at that time most people who joined in one unit continued with the same unit, but now it is not the case. I do not say that it is the fault of BHEL but there should be some deliberation on this aspect. Although they are thinking in that direction also on what refinements can be done. But this is one challenge that we are facing, the proper utilization of manpower, particularly as we shift people from one expertise area to another area in which employee does not have expertise..." – Head Performance Management

It is evident that the organization has identified rotation of posting of employees as a factor for better utilization of manpower skilled in all departments and functions instead of becoming only the experts in one field.

Systemic improvements: The fourth and last sub-construct of the initial conceptual construct of monitoring mechanism is Systemic improvements, which is analysed through the representative quotations from the interview excerpts of participants as under:

"...Whatever performance on which they give the marking to team members is communicated to them. It is all transparent and this is a form of feedback only, so there is no separate formal one to one meeting of the manager means the reporting officer with the officer. The officers are rated annually and they compete with each other for better rating..." – GM Performance Management

It is clear that the organization intends to improve the quality of execution of performance management tasks by implementing transparency and considers employees to be self-competing because of benefit of promotion subsequent to good rating.

"... they have their share percentage in appraisee, appraiser, reviewer and then they have the normalising committee..." – Head Performance Management

Another important factor is the organizational structure of performance management team, since the rating of manager is not final to eliminate individual biases. It is reviewed at various levels before final rating is awarded.

Thus, initial conceptual construct of monitoring mechanism reveals the factors responsible for imposing controls on managers to perform in accordance with the intended execution of PM tasks.

The organization has implemented unique systems for monitoring mechanism and its subconstructs and has also proposed to implement few additional coping practices.

The outcome of analysis of interview data for each sub-construct is presented in Table 6.22.

Table 6.22. Findings for sub-constructs of Monitoring mechanism

Initial Conceptual Construct	Sub-construct	Category from data	Focused codes from data	Data Analysis observation	Contributing factors
Monitoring mechanism	Training and development	Monitor execution of tasks by manager	Competency development	Employees may raise grievance in case of issues and no motivation required	Spreading awareness, Grievance redressal system, Structured motivational activity
	Digitalization		Automatic and system driven initiatives	Leveraging technology can streamline processes but employees need to know how to use it	Effective use of digitalization, Awareness on effective usage, Time to learn new systems
	Audit		Audit of processes, quality of tasks and output achieved	Audit may not be necessary if penalty imposed and exposure of different areas	Penalty to defaulters, Job rotation
	Systemic improvement		Future development	Employees are mainly responsible for their own performance	Competition amongst employees, Rating review mechanism

The qualitative associative network (QAN) related to the initial conceptual construct of monitoring mechanism is also depicted in Figure 6.22.

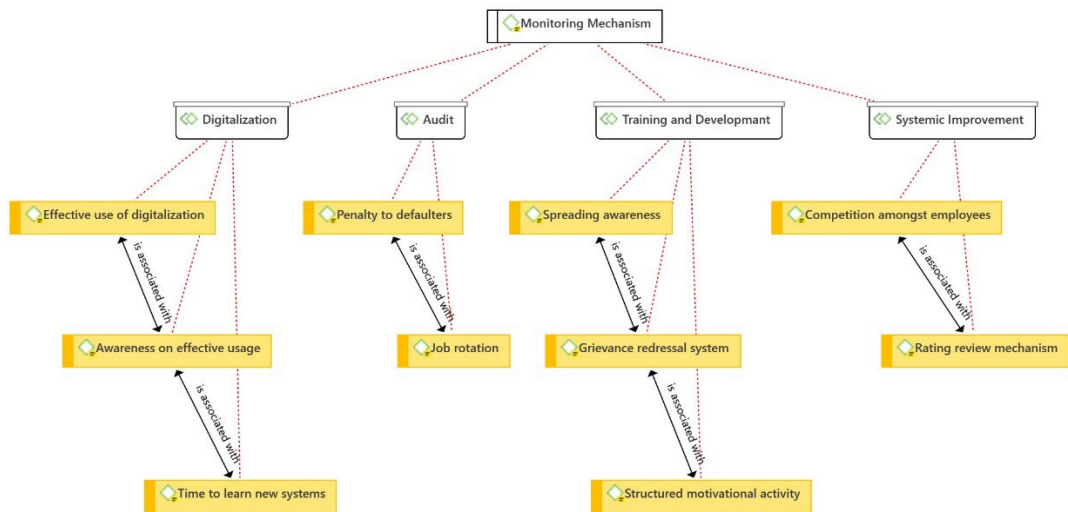


Figure 6.22. QAN for Monitoring mechanism

The factors identified through analysis of participants' interview excerpts for the initial conceptual construct of monitoring mechanism and its subconstructs are spreading awareness, grievance redressal system, structured motivational activity, effective use of digitalization, awareness on effective usage, time to learn new systems, penalty to defaulters, job rotation, competition amongst employees, and rating review mechanism.

6.4. Practices adopted by BHEL as coping strategy

The Phase II of conceptual analysis comprises of identification of coping strategy adopted by the organization to overcome the challenges faced in effective implementation of performance management systems. The practices adopted or proposed by this large Indian Maharatna public sector organization for coping the challenges faced have been identified on the basis of data collected from the responses of participants during the semi-structured interview. These practices are combined into categories/ concepts based on the detailed data analysis coupled with literature review, for processes related to execution of performance management tasks.

The interview data has been analysed to identify the coping strategy practices adopted by the organization. The relevant extracts analysed for identifying the coping strategy practices adopted by the organization for each subconstruct are provided as under:

"...for each function we have enumerated, with the help of experts, several key performance indicators which one has to fulfil. You can say, there are separate templates for each unit or function. One thing is that, mostly our organization is not project type,

it is more of a product type, although we are trying to place the executives linked in the name of the project but it is mostly product type. May be project we execute during commissioning but mostly we are product type. So, templates are there you have to adopt KPIs from there..." – Head Performance Management

"...Mostly we have the director responsible for formulating the strategy but with the help of performance management team only they interact with the people, they collect the data. Ultimately whatever they formulate the business strategy that has to be implemented, to get the turnover of the company. For that, they decide the budget first based on the projected turnover of a particular year. The budgeting is for five years and you have the budget for every year and you have to allocate the turnover to different units..." – Head Performance Management

"...reporting officer has the role in selecting the KRAs because the reporting officer is the person who knows the nitty-gritty of the job related to their particular person. GM level person does not know exactly the details of each and every person, scope of their role and all those things. That is why it is very important that employee and reporting officer sit together and decide whatever KPIs should be taken and accordingly those are distributed to all employees..." – Head Human Resources

"...for promotions at certain levels, in addition to ratings, we also have performance interview, like from AGM to GM level. So, for certain cadres' interview is there, otherwise they are based on departmental promotion committee (DPC) which evaluates based on the marks and of course suitability. They see the suitability based on ratings of last 3 years. Suitability plays a role as there are certain criteria, like a person expert in one area may not be expert in the other area..." – Head Human Resources

"...As regards training on how to interact with the subordinate, and things like that, are actually not there. I think and I also feel that there has to be some structured training given to appraiser and appraisee. It is not there in the system, I do not think, but yes, I think that part of training could be given for more awareness and that will improve the process. There should be some more thrust, I agree that these things have become very mechanical. I think that there could be some more thrust in that area for spreading awareness. We do the things mechanically and we feel that what we are doing is okay. But suppose if you interact after taking some training that you have to give on feedback

regularly, or something like that, then it may become even better..." – GM Performance Management

"...Training for performance management system is imparted particularly to new persons who are not exposed to this system. However, no other activity is done by the managers for motivation of the employees to improve their performance. It depends on person to person actually, because there is no structured system or tools for the same. Individually sometimes some managers may do but it is not formally designed or done. Certain things which I think are in all public sector organizations like the scheme of performance related pay..." – Head Performance Management

"...Something has to be done to bring that spirit into the system. That spirit is needed actually so that by implementing the same system you can achieve better results. Intention should be there to implement these systems with whole heartedness, because there is always a scope for improvement..." – GM Performance Management

"...BHEL has a very systematic grievance redressal system. Once the appraisee and appraiser tasks and all those things are completed then some time is given to all persons, appraisee or appraiser anybody, who want to record their grievance either online or in writing, they have the right and they can do that. So, when they submit the grievance then committee sits and examines the case and resolves it. The system is perfect and I think it may be with every government office. The only thing is that there may be something which can be improved because everywhere you cannot be perfect and there is always a scope of improvement..." – Head Human Resources

"...one thing that can be done for improving performance is to bring more awareness, means the system should be taken even more seriously. It is now become the part of the routine and people are not taking it seriously..." – Head Performance Management

"...Now of course people are getting used to the systems and processes. First year you will need more time to implement all those things, while in following years you will find it comparatively easier and more comfortable..." – Head Human Resources

"...Performance management has introduced a new thing because of which I will say that actually the things are now very much streamlined. What they have introduced about a few years back, because before that they were facing trouble, they have introduced a penalty. Now they give the deadline, and if you don't abide by that deadline, then the

marked will be deducted. Very clearly, they deduct this much of marks, so that is the thing that everybody wants to complete it, maybe in the last day rush, but because of that from that year onwards we have not faced any issue regarding people not submitting appraisal in time..." – Head Performance Management

"...Another thing is, because this is the policy now, the policy is mostly more rotation, now they have made it compulsory. Actually, in BHEL, when we joined, at that time most people who joined in one unit continued with the same unit, but now it is not the case. I do not say that it is the fault of BHEL but there should be some deliberation on this aspect. This is one challenge that we are facing, the proper utilization of manpower, particularly as we shift people from one expertise area to another area in which employee does not have expertise..." – GM Performance Management

"... they have their share percentage in appraisee, appraiser, reviewer and then they have the normalising committee..." – Head Performance Management

The findings from case data related to practices at organization for coping strategy adopted have been analysed and are detailed in Table 6.23 for each initial conceptual construct.

Table 6.23. Practices adopted by BHEL as coping strategy

Initial Conceptual Construct	Sub-construct	Category from data	Focused codes from data	Data Analysis observation	Coping practices adopted
KRA-Business Strategy Fit	KRA formulation	Implement business strategy	Comprehensive action plan	KRA templates are formulated centrally taking help of experts	PM department designs KPA templates with expert help
	Strategy alignment		Cascading business strategy	Turnover targets included in KRAs of each group and function	Employee inputs in KRA aligned to strategy with turnover targets
	Role of Manager		Evaluation of action plan	Manager with employee to finalise KRAs	KRAs with stretched targets along with manager

Manager's responsibility	Evaluation of subordinates	Ensure execution of performance management tasks	Fair and unbiased evaluation of subordinates	Employees compete for promotion as incentive	Promotion policy of interview and suitability
	Performance feedback		Timely, true and constructive feedback	Training of managers on evaluation and feedback	Competency enhancement of managers on feedback
	Subordinate motivation		Motivational initiatives	Unbiased Managers to encourage subordinates	Robust PMS design and execution
Monitoring mechanism	Training and development	Monitor execution of tasks by manager	Competency development	Introduce structured motivational activity	Implement awareness and grievance redressal mechanism
	Digitalization		Automatic and system driven initiatives	Processes streamlined leveraging technology	Awareness for effective digital initiatives utilization
	Audit		Audit of processes, quality of tasks and output achieved	Penalty in place of audit with exposure to other areas	Impose penalty and job rotation
	Systemic improvement		Future development	Provision in system to eliminate individual bias	Systemic control to moderate rating bias

A Qualitative Associative Network (QAN) has been created using ATLAS.ti for better visualization of coping practices adopted by this Maharatna public sector organization as derived from the interview extracts of the participants i.e., the executives of performance management department of the organization.

The Qualitative Associative Network for the coping strategy practices are shown in Figure 6.23 below.

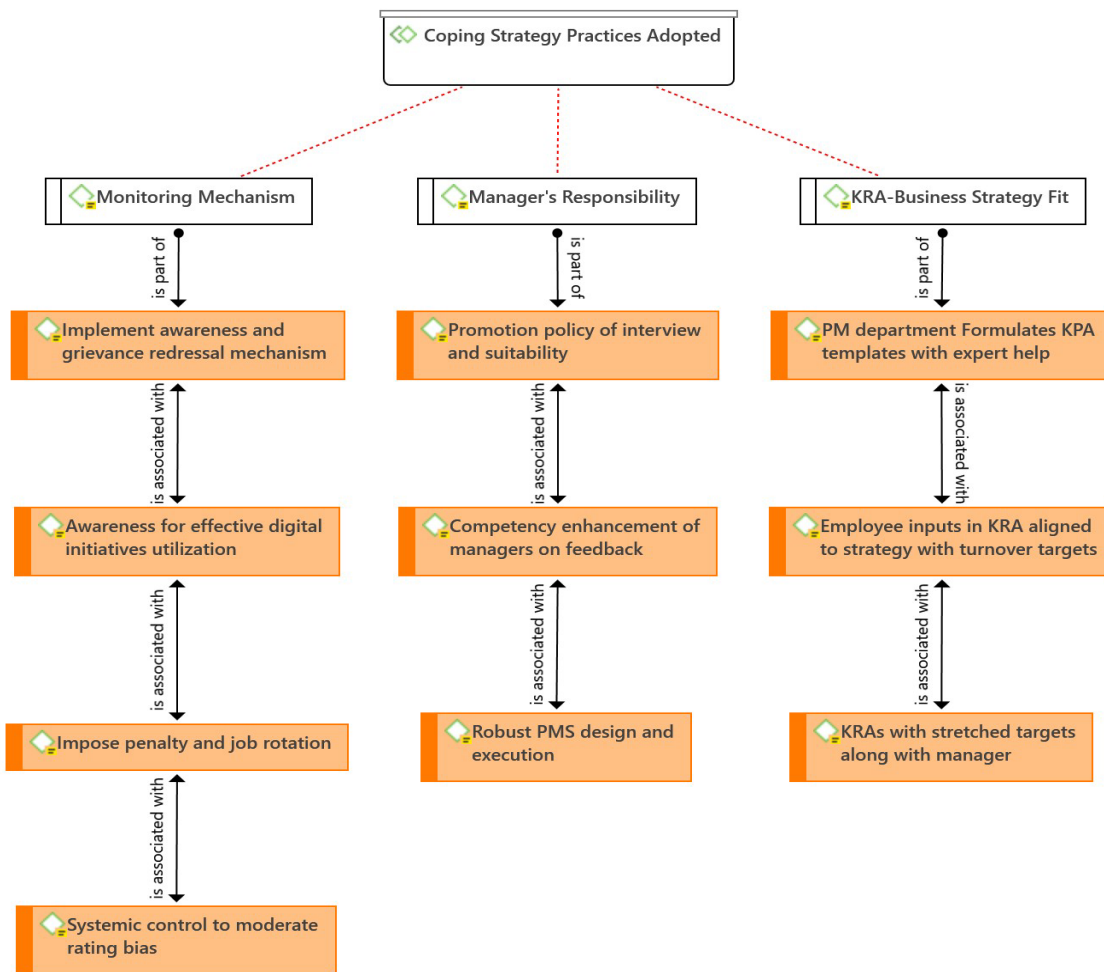


Figure 6.23. QAN for coping strategy practices adopted

6.5. Relationship between Contributing Factors and Coping Practices adopted

In Phase III of the conceptual analysis, the relationship between factors contributing to effective implementation of performance management systems and practices of coping strategy adopted at this large Indian Maharatna public sector organization has been analysed.

As shown in Figure 6.24 below, the practices of coping strategy adopted for effective implementation of performance management systems depend upon its contributing factors. The key findings regarding relationship between contributing factors and practices of coping strategy adopted for effective implementation of performance management systems are detailed hereunder.

Qualitative Associative Network for relationship between contributing factors and coping strategy practices are shown in Figure 6.24.

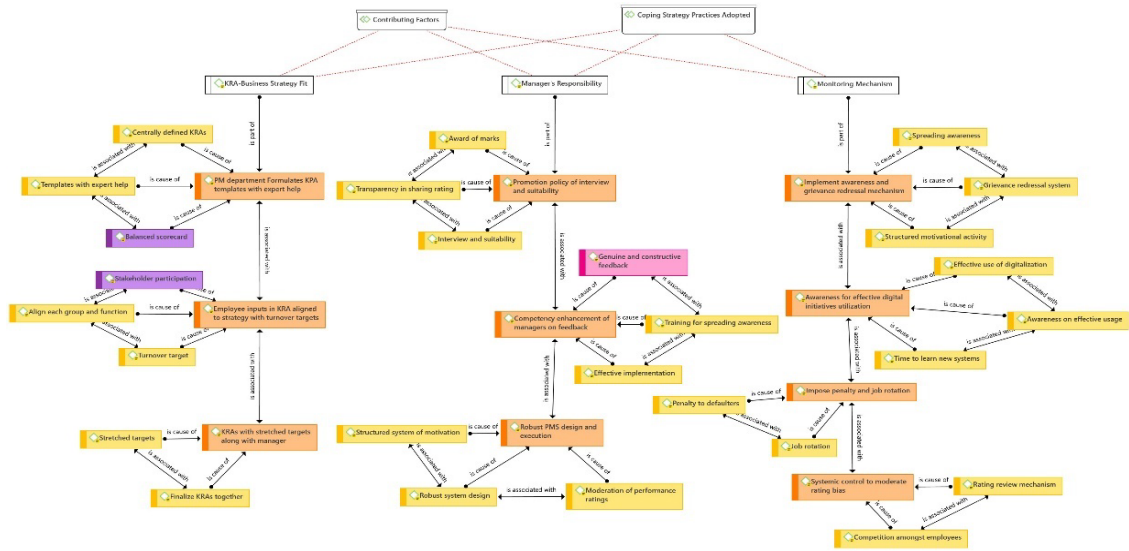


Figure 6.24. Relationship between Contributing Factors and Coping Practices

The organization is facing challenge in fully implementing Goal Setting Theory in spite of instituting several initiatives and adopting practices for coping strategy. Two factors impacting KRA-Business strategy fit, namely, Strategy alignment and role of manager are not fully addressed as employees are selecting their own KRAs, not necessary aligned to strategy and not all managers are performing their role in KRA selection process as the organization has so far not implemented the coping strategy practice of review of managers in ensuring formulation of proper KRAs. However, an innovative practice of allotting marks for proper KRA selection is mitigating the challenge to some extent.

Further, the organization has not addressed the subconstructs of performance feedback and subordinate motivation of the construct manager's responsibility. The organization is relying on the assumption that sharing of rating and incentive of promotion are enough to keep the employees motivated and no structured training or motivational intervention is required.

This is definitely impacting the performance of employees and in turn of the organization as a whole as for past few years, the organization has not been able its objectives. The coping practice adopted by the organization for this is the introduction of performance interviews at the time of promotion, which has to some extent addressed the challenge of subconstruct of evaluation of employees.

Moreover, for monitoring mechanism construct, practices of training and development as well as audit are not practiced in the organization. The coping practice identified for addressing these factors is the imposition of penalty in evaluation. This factor may play some role in effective implementation of performance management tasks, still the organization is likely to not perform to its full capacity.

Currently the organization is delegating this task to managers/ departments for adopting these coping practices to mitigate the challenges. Documentation of these practices as a policy will greatly enhance the effectiveness of performance management systems.

6.6. Findings and Discussions

The important factors for effective implementation of performance management tasks at a large Indian Maharatna public sector organization and practices for coping strategy adopted are detailed in this section.

6.6.1. Coping Strategy Practices adopted by BHEL

The outcome of data analysis detailed above has resulted in identification of categories that contribute to coping strategy and performance management practices adopted:

- i) PM department Formulates KPA templates with expert help
- ii) Employee inputs in KRA aligned to strategy with turnover targets
- iii) KRAs with stretched targets along with manager
- iv) Promotion policy of interview and suitability
- v) Competency enhancement of managers on feedback
- vi) Robust PMS design and execution
- vii) Implement awareness and grievance redressal mechanism
- viii) Awareness for effective digital initiatives utilization
- ix) Impose penalty and job rotation
- x) Systemic control to moderate rating bias

The careful study of abovenamed categories reveals that this case study has identified two new categories of imposing penalty on non-accomplishment of performance management tasks and introduction of performance interview and suitability as factors at the time of promotion. Other categories have mostly been covered in the earlier literature but this category provides a new insight for enhancing the effectiveness of implementation of performance management systems in public sector organizations.

Analysis of response of participants and literature on performance management have identified the factors impacting the implementation of performance management tasks using subconstructs, which are detailed as under:

- i) Centrally defined KRAs, Templates with expert help, Balanced scorecard
- ii) Employee inputs, Align each group and function, Turnover target
- iii) Stretched targets, Finalize KRAs together
- iv) Award of marks, Transparency in sharing rating, Interview and suitability
- v) Constructive feedback, Training for spreading awareness, Effective implementation
- vi) Structured system of motivation, Robust system design, Moderation of performance ratings

- vii) Spreading awareness, Grievance redressal system, Structured motivational activity
- viii) Effective use of digitalization, Awareness on effective usage, Time to learn new systems
- ix) Penalty to defaulters, Job rotation
- x) Competition amongst employees, Rating review mechanism

The data analysis reveals that these subconstructs are being addressed by the organization except trainings on and audit of performance management tasks. Though, implementation of performance management tasks is very crucial, no evidence is found from interview data that the same are currently being audited, i.e., performance management department is practically not using this measure. Similarly, trainings for effectively implementing the performance management tasks both by employees and managers are not being imparted.

Evidences are found for all other elements of performance management systems from interview data excerpts as detailed above. Further, interaction during interviews indicate that the training systems are not at all structured in the organization, as indicated by participants. This might be adversely impacting the effective implementation of performance management systems.

6.6.2. Case Study Findings with regard to Research Questions

The interview data collected from performance management team of the large Maharatna public sector organization in India has validated the constructs and sub-constructs initially recognised. Previous sections of the case study have covered the collection of data, observations, analysis and findings. Contributing factors and coping strategy practices identified have been examined to arrive at the relationships among the factors and coping strategy. The visual representation of findings through development of Qualitative Associative Network has provided further insights. Following section summarises the findings related to the research questions:

Findings related to RQ1: What is the process of setting-up the KRAs in alignment to the strategy of the organization?

- In order to achieve strategic objectives, performance management department defines KRA formulation for each group and function. They have centrally defined KRAs for each group and for each function.

- The organization takes the help of experts to centrally define KRA templates for each unit or function and the templates are available to employees who have to adopt KRAs from there while finalizing KRAs based on their roles.
- The organization has introduced evaluation based on balanced score card. Further, KRAs based on certain imperatives are finalised and included for employees in respective roles in order to address the requirements of their particular function.
- This Maharatna organization formulates the strategy at corporate level after getting inputs from employees through performance management and turnover targets. It is implemented by allocating the respective turnover targets to the units.
- The organization percolates the strategy to each unit and employee as they formulate KRAs for each group and for each function and align the KRAs with strategy to implement and achieve desired turnover.
- The responsibility of percolating down the strategy is with performance management department. The organization percolates the strategy to each unit and employee as they formulate KRAs in alignment to strategy.
- The role of manager is very important in formulating KRAs as manager can only ensure that the targets are stretched as suggested by goal setting theory, which will put some pressure on his subordinates to achieve them.
- The manager has to bring clarity in alignment of KRAs to strategy and manager also evaluates the performance against these KRAs and awards marks.
- The manager is an important factor in ensuring KRA-strategy fit towards formulating KRAs and ensuring that they are aligned to the strategy, manager and subordinate have to finalize KRAs together.

Findings related to RQ2: What factors are considered by managers while accomplishing the performance management system tasks required to meet KRAs?

- The review and evaluation is being done in this organization and the marks are awarded to the employees based on the evaluation of performance of subordinates by the manager.
- The organization is communicating the rating of employees transparently and it is assumed that just transparently communicating the evaluation rating to the employees will instil competition.

- However, the author feels that some additional interventions like effective performance dialogue or motivational trainings coupled with this transparent sharing of ratings would bring better results in performance.
- The organization has a unique process of evaluation through interview at the time of promotion above certain levels. For other levels, another unique factor considered by this organization is suitability.
- However, no evidence could be found on how suitability is calculated or arrived at. It appears, the departmental promotion committee looks at the historical performance and identifies expertise area and accordingly decides further.
- The organization has not implemented any formal feedback mechanism. The communication of rating of employees transparently is itself treated as feedback. However, it may be inferred that in view of missing the process on an important factor of constructive feedback is adversely affecting the performance of the organization.
- Another important factor missing in this organization is trainings on performance management tasks. Even the performance management team feels that the training intervention shall improve the process. So, spreading awareness is identified as an important factor impacting performance management.
- The organization is facing a major challenge of employees not taking the performance management systems seriously. Though the systems and processes are there, and as a routine being followed but they have not been effectively implemented in right spirit.
- There is no structured system of motivating the subordinates, not even training. It is left to the discretion of managers and is completely unstructured. The organization is relying only the scheme introduced by government of differential pay or incentive based on individual performance. However, this performance related pay is applicable only if the organization as a whole is in profit, which is not the case for this organization.
- The organization suffering from poor performance and is facing lot of challenges in view of lack of proper implementation of performance management systems and some of the factors completely missing from the designed systems.
- The system of this organization does not appear to be robust as the rating is largely dependent on the arbitrary decision of the manager and another

arbitrariness is introduced by the reviewing officer of moderation committee, who change or moderate the rating and reduce it even if it is excellent based on performance, only to rate relatively without any objective evaluation.

Findings related to RQ3: What monitoring mechanisms are adopted by public sector organizations to ensure that the managers execute the performance management system tasks as intended?

- The organization is not investing on training and development of managers to develop their competencies in handling difficult conversations, providing quality feedback and so on, for improving the effectiveness of performance management tasks' implementation. They also feel that more thrust in that area for spreading awareness will result in enhanced performance.
- The organization appears to be having an effective grievance redressal system and documentary evidences are maintained in each case for future reference.
- There is no structured system for setting up monitoring mechanism for the subconstruct of training and development and it is an informal and unstructured activity by the respective manager for subordinate development.
- The organization has implemented online systems for managing performance management tasks. However, implementation of tasks still remains a challenge.
- The digitalization has not helped the organization in as much as it could have, mainly because there is lack of awareness in using the systems effectively.
- The factor positively impacting performance evaluation in the organization is that with time, people are becoming aware of the systems on their own and have started using the system more effectively.
- A unique method adopted by the organization in place of auditing the system is to introduce penalty for the defaulters. Though punishment may not be a very positive control mechanism, the organization is able to achieve completion of activities in time, while effectiveness is still doubtful.
- The organization has identified rotation of posting of employees as a factor for better utilization of manpower skilled in all departments and functions instead of becoming only the experts in one field.
- The organization intends to improve the quality of execution of performance management tasks by implementing transparency and considers employees to be self-competing because of benefit of promotion subsequent to good rating.

6.7. Concluding Remarks

The case study on effective implementation of performance management systems at a large Maharatna public sector organization in India has been dealt with in detail and the discussions, analysis and results have been presented. Categories of factors contributing to contributing to effective implementation of performance management systems and practices adopted as coping strategy have been presented and discussed. One new type of category emerged while analysing factors contributing to coping strategy practices adopted, which is continuous performance management thru weekly planners. Also, one new factor impacting the implementation of performance management tasks based on the analysis using subconstructs emerged out of the data, which is the audit of performance management tasks.

The findings of relationship between contributing factors and coping practices adopted by the organization indicate that participants considered the categories such as, dynamic KRA directory through periodic update, annual executive committee meetings with each vertical/ department, review of manager's acceptance of selected KRAs, continuous performance management thru weekly planners, competency enhancement of managers, support to develop and implement IDPs, continuous monitoring of managers' responsibility, ongoing system enhancement, robust system of PMS audit, and systemic control to ensure quality of PMS tasks, that are important in deciding on practices adopted as coping strategy at this public sector organization for effective execution of performance management tasks.

Further, participants indicated that an innovative and futuristic factor of effective performance management is dynamic PMS, which means the system attributes shall keep changing based on the environmental dynamics and agile requirements to demonstrate exemplary performance in all situations or ecosystems.

Chapter 7

Cross-Case Analysis

and

Findings

7.1. Introduction

Current research has included the cross-case analysis of implementation of Performance Management Systems at the three large Indian Maharatna public sector organizations and discussed the findings. In first section similarities and dissimilarities between the three case studies are presented along with summary of major observations. Then findings of these three case studies are compared for factors contributing to effective performance management, coping strategy practices adopted, and relationship between contributing factors and coping strategy practices.

7.2. Similarities and Dissimilarities between Case Studies

A brief comparison of the business the three Indian Maharatna public sector organizations, viz., NTPC, HPCL and BHEL is presented in Table 7.24.

Table 7.24. Comparison of three Indian Maharatna public sector organizations

Parameters	PMS in NTPC (Case Study I)	PMS in HPCL (Case Study II)	PMS in BHEL (Case Study III)
Established	1975	1974	1964
Nature of Business	Power generation and utility	Petroleum refining and marketing	Engineering & manufacturing
Turnover 2022-23	Rs.1,77,609 crores	Rs.4,64,684 crores	Rs.23,365 crores
Existing network*	55 power stations with 65,000 MW installed capacity	2 refineries and pan India marketing presence	16 manufacturing units, 8 service centres, pan India
Focus Areas	Innovation, sustainability, and excellence	Renewable energy solutions, and digital innovation	Sustainability and renewable energy solutions
No. of Employees*	22000	10000	29000
HQO Location	Delhi	Mumbai	Delhi

**Note: Data as on 31st March 2023*

In this cross-case analysis of the study, data has been analysed across the three cases (NTPC, HPCL and BHEL) to identify similarities and dissimilarities in the factors contributing to effective implementation of performance management systems and coping strategy practices. By identifying similarities and dissimilarities, researcher got further insights into issues concerning the implementation of performance management systems in public sector organizations. The contributing factors and coping strategy identified in the study shall improve effectiveness of other public sector organizations

through generalization of the case study results. The similarities and dissimilarities are detailed in Table 7.25 below.

Table 7.25. Similarities & Dissimilarities amongst Case Study I, II and III

Case Study:		I - NTPC	II - HPCL	III - BHEL	
Category from data	Focused codes from data	Data Analysis observation	Data Analysis observation	Data Analysis observation	Cross-Case Analysis observation
Implement business strategy	Comprehensive action plan	PM department develops framework for setting up KRAs for each job role	Performance management department develops KRA templates	PM department defines KRA formulation for each group and function	Common to all cases, PM department formulates KRAs, either as directory in NTPC or as templates for critical job roles in HPCL & BHEL
	Cascading business strategy	Organization has devised a unique method to cascade strategy to each vertical and department	Top-down approach for cascading strategy with inputs from employees	Organization formulates the strategy with inputs from employees and percolates to each unit and employee	Common to all cases, the strategy is finalised with inputs from employees and cascaded to all units for alignment with KRAs
	Evaluation of action plan	Manager is mainly responsible for performance of his team	Manager is mainly responsible for performance of his team	Manager knows the nitty-gritty of the job related to subordinate	Common to all cases, Manager is mainly responsible for performance of his team
Ensure execution of performance management tasks	Fair and unbiased evaluation of subordinates	It is essential to overcome major challenge of appropriate evaluation without demotivation	Manager identifies skill gaps in subordinates and suggests actions for improvement	It is essential to evaluate appropriately without demotivation	Fair and unbiased evaluation is considered essential in all cases. However, implementation is a challenge in case study III - BHEL

	Timely, true and constructive feedback	Timely and genuine feedback will provide opportunity to make course correction	Meaningful feedback through competent managers using online systems	Constructive feedback will improve effectiveness of systems' performance	All cases indicate that constructive feedback improves PM effectiveness. However, implementation is a challenge in case study III - BHEL
	Motivational initiatives	Motivated employee delivers enhanced performance. Restriction on monetary benefits compels devising innovative schemes	Manager is responsible for coaching & mentoring subordinates including training and development	Motivated employee delivers enhanced performance.	Different in all cases NTPC focuses on individual development plans, HPCL imparts motivational trainings to employees and BHEL does not focus on this activity, considering competition amongst employees for promotions as a motivator
Monitor execution of tasks by manager	Competency development	Manager is responsible for subordinate development and resulting performance	Competent Manager conducts effective performance evaluation of subordinates	Employees may raise grievance in case of issues and no motivation required	All cases have different approaches for competency development of manager. NTPC implemented evaluation of managers' performance in PM task execution through his supervisors, HPCL is investing in competency development of managers. BHEL is not undertaking any of these activities

	Automatic and system driven initiatives	Leveraging technology can streamline processes, reduce efforts and handle voluminous data in a structured format	Digitalization of PM processes enables transparency, monitoring and control	Leveraging technology can streamline processes but employees need to know how to use it	Common to all cases, the PM tasks are digitally managed by leveraging technology to streamline processes
	Audit of processes, quality of tasks and output achieved	Audit is necessary to monitor performance and ensure effective execution	Monitoring and control of performance management tasks	Audit may not be necessary if penalty imposed and exposure of different areas	Audit of PM tasks is implemented only in case I - NTPC. There is no process or proposal for implementing audit in other two cases
	Future development	Manager is mainly responsible for performance of his team	Monitoring can be achieved through system-based controls	Employees are mainly responsible for their own performance	Different in all cases. NTPC is proposing further control on managers, HPCL is working on system-based controls while BHEL is penalising employees in promotions

From the above Table 7.25, the critical observations are summarised as detailed hereunder:

The Public Sector Organizations implement business strategy through cascading it to lowest level by formulating KRAs aligned to strategy. NTPC has created a comprehensive KRA directory which HPCL & BHEL have developed templates for critical job roles. HPCL is additionally defining team targets. The percolation of strategy, targets and alignment of KRAs are similar in all three organizations. However, an additional activity by NTPC is signing of internal MOU with each vertical for better commitment. Role of managers is same in all three organizations of close supervision in formulating KRAs.

As regards execution of PM tasks, both NTPC and HPCL are advocating continuous PM while BHEL still wants to continue with annual system with introduction of interview and suitability for promotions above senior management level. Fair and unbiased evaluation is considered essential by all organizations. Also, all organizations concur that constructive feedback improves PM effectiveness. However, for both these factors, implementation is a challenge in case study III – BHEL. All these organizations advocate requirement of competency enhancement of managers, though BHEL has yet to implement the process.

The organizations have different approaches in keeping the employees motivated. NTPC is focusing on individual development plans, while HPCL believes that implementing motivational trainings to employees is sufficient and BHEL does not focus on this activity at all considering competition amongst employees for promotions in itself as a motivator.

The three organizations have different coping strategy practices for monitoring the execution of intended tasks by manager. NTPC has clearly defined process of evaluation of managers' performance management task performance by his supervisors, Control through IT systems, periodic audit of manager's performance management task implementation and weekly planner review by leveraging IT.

HPCL on the contrary does not intend to monitor and control the manager rather is investing heavily in competency and motivational development of managers. They provide several interventions and have created a mechanism for managers to approach the performance management team in case they face any difficulty or challenge in implementing performance management tasks.

BHEL is not taking any of these activities but has imposed penalty in award of marks as a deterrent for the employees who do not implement performance management tasks effectively. It is noted that BHEL is facing lots of challenges in getting their performance management tasks implemented in spite of penalty.

The organizations have realised the importance if leveraging technology and performance management tasks are digitally managed by all three of them to streamline processes. Audit of performance management tasks is implemented only in NTPC. There is no process or proposal for implementing audit in other two organizations. As regards future development, NTPC is proposing further control on managers, HPCL is working

on system-based controls while BHEL is suggesting further penalising employees in award of promotions.

The participants have expressed that though the 'letter' is there in PMS at BHEL, the 'spirit' is completely missing for effective implementation. Now BHEL is also studying to identify the coping strategy practices to be adopted for improving implementation of performance management tasks.

7.3. Factors contributing to effective implementation of PMS – Cross Case findings

The analysis of cross case strategy indicates that the initial conceptual constructs, viz., KRA – Business Strategy Fit, Manager's Responsibility, and Monitoring Mechanism and their respective subconstructs identified through literature review on implementation of performance management practices are evident in all the three Indian Maharatna public sector organizations with either implemented or proposed to be implemented stage. This study has found evidences for all the constructs as empirical data categories in the cases on implementation of performance management systems.

Factors have emerged out of this study in the cross-case analysis that provide new insights, viz., Audit of processes, quality of tasks and output achieved. These factors have been demonstrated in case study I by NTPC while there is no evidence of their presence in other two cases.

Table 7.26 below depicts the cross-case comparison of categories present or absent in case study organizations during the implementation of performance management systems in respective Indian Maharatna public sector organizations.

The presence of a particular category in case study organization is denoted as '1' in the respective column, where the absence is denoted as '0'. Shaded cells show the difference between the cases. It is observed that there are several similarities amongst the cases and the careful examination of dissimilarities reveals that the differences are mainly due to either different organizational philosophies or the organizations have either adopted different coping strategies or are in the process of implementing the coping strategy.

All the three case studies found evidences for all the subcategories for the factors of first initial conceptual construct of KRA-Business Strategy Fit, in the category of implementing business strategy, viz., Comprehensive action plan, Cascading business strategy and Evaluation of action plan. The activities related to implementing business

strategy are managed by performance management department in all the organizations and strategy is finalised with inputs from employees, cascaded to all units for alignment with KRAs. Since KRA-Business Strategy Fit is crucial to public sector organizations, the careful formulation of KRAs is more relevant to public sector organizations.

Table 7.26. Cross Case Comparison of Case Study I, II and III

Categories from empirical data	Sub-categories from empirical data	NTPC (Case Study I)	HPCL (Case Study II)	BHEL (Case Study III)
Implement business strategy through KRA alignment	Comprehensive action plan	1	1	1
	Cascading business strategy	1	1	1
	Evaluation of action plan	1	1	1
Ensure execution of performance management tasks	Fair and unbiased evaluation of subordinates	1	1	0
	Timely, true and constructive feedback	1	1	0
	Motivational initiatives	1	1	0
Monitor execution of tasks by manager	Competency development	1	1	0
	Automatic and system driven initiatives	1	1	1
	Audit of processes, quality of tasks and output achieved	1	0	0
	Future development	0	1	0

The qualitative associative network related to the first initial conceptual construct of KRA-Business Strategy Fit is developed for all three Indian Maharatna public sector organizations together and the links between the common factors amongst the organizations have been provided as shown in Figure 7.25.

The analysis of QAN in Figure 7.25 and above-mentioned inferences suggest a proposition for implementing business strategy through KRA-strategy alignment.

P1: Strengthening KRA directory or KRA templates for each job role results in better task performance in public sector organizations.

The qualitative associative network related to the second initial conceptual construct of manager's responsibility is developed for all three Indian Maharatna public sector organizations together and the links between the common factors amongst the organizations have been provided as shown in Figure 7.26.

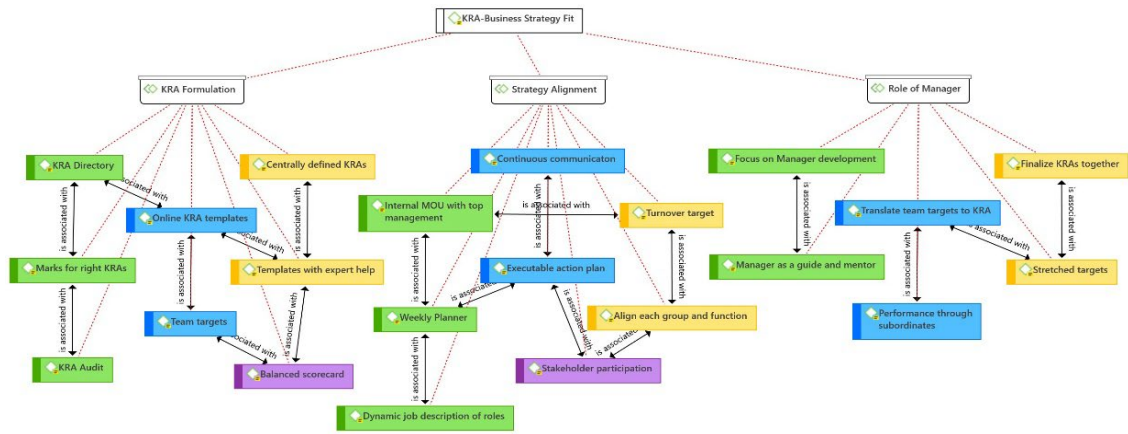


Figure 7.25. QAN for KRA-Business Strategy Fit – Cross Case Analysis

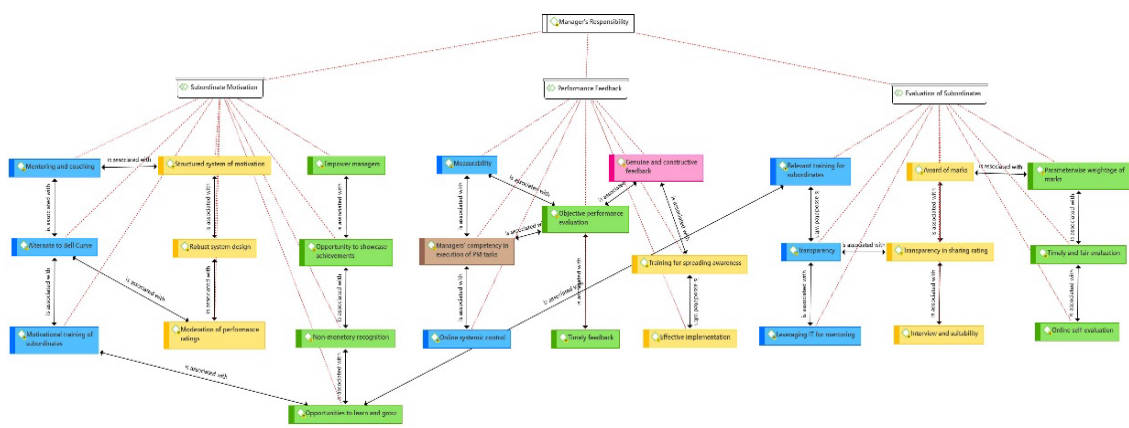


Figure 7.26. QAN for Manager's Responsibility – Cross Case Analysis

For the second initial conceptual construct of Manager's Responsibility, for all the subcategories identified, the evidence is found in case study I and II while in case study III no evidence of its presence or planned implementation is observed. BHEL has consented to the idea that Manager has to sit with subordinates to finalise KRAs and his competency development on providing constructive feedback shall improve the effectiveness of performance management systems, but they have so far not worked on this area.

Two new subcategories emerged out of this study for the category of ensuring execution of performance management tasks, viz., continuous monitoring through weekly planners and innovative motivational interventions in view of government restrictions on monetary rewards by public sector organizations. This inference suggests the following propositions for ensuring execution of performance management tasks under the initial conceptual construct of Manager's Responsibility.

P2(a): Regular feedback through weekly monitoring causes continuous performance management in public sector organizations.

P2(b): Competency development of employees and managers leads to employee motivation in public sector organizations.

The qualitative associative network related to the third initial conceptual construct of Monitoring Mechanism is developed for all three Indian Maharatna public sector organizations together and the links between the common factors amongst the organizations have been provided as shown in Figure 7.27.

Different approaches are observed for all the sub-categories in the category of execution of tasks by manager under the initial conceptual construct of monitoring mechanism in all three case studies. All cases have different approaches for competency development of managers. NTPC implemented evaluation of managers' performance in PM task execution through his supervisors, HPCL is investing in competency development of managers. BHEL is not undertaking any of these activities. Audit of PM tasks is implemented only in case I - NTPC. There is no process or proposal for implementing audit in other two cases. NTPC is proposing further control on managers, HPCL is working on system-based controls while BHEL is penalising employees in promotions.

This inference suggests the proposition for the construct of Monitoring Mechanism.

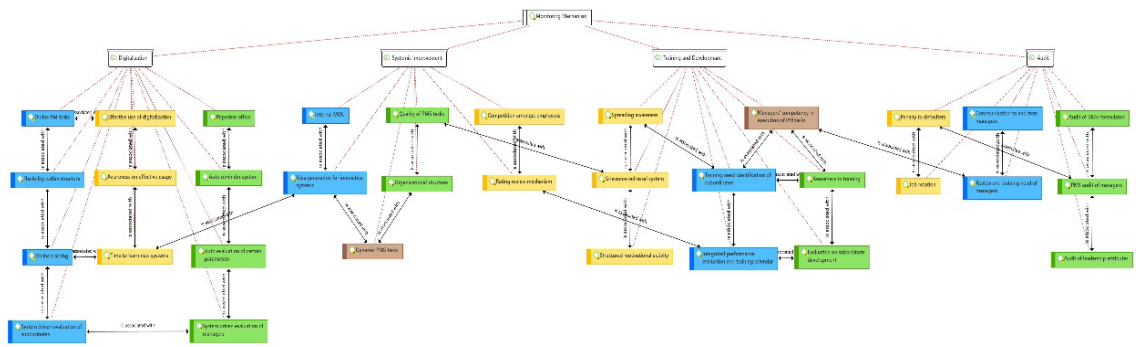


Figure 7.27. QAN for Monitoring Mechanism – Cross Case Analysis

P3: Monitoring public sector organization managers' execution of intended PMS tasks ensures alignment of KRAs to organizational strategy.

This completes the cross-case comparison of factors contributing to effective implementation of performance management systems in Maharatna public sector organizations. Next, section discusses the cross-case findings for coping strategy practices by all the three Indian Maharatna public sector organizations against each of the initial conceptual construct.

7.4. Coping strategy practices adopted - Cross Case Findings

It is evident from the analysis of participants' responses and categories identified from literature review that all the public sector organizations are facing challenges in at least some areas of implementation of performance management systems due to certain government policies limiting these organizations to introduce systems which are present in private sector organizations. Though, the organizations have been able to mitigate the challenges to a large extent by implementing coping strategy.

Public sector organizations have tried to circumvent these limitations by adopting some coping strategy practices with different categories in diverse public sector organizations. Based on these practices, cross-case comparison has been made as shown in Table 7.27 below to identify the best coping strategy practiced by large Indian Maharatna public sector organizations for effective implementation of performance management systems.

Table 7.27. Cross case findings - Coping strategy practices adopted

Case Study:		NTPC		HPCL		BHEL	
Category from data	Focused codes from data	Data Analysis observation	Coping strategies practiced	Data Analysis observation	Coping strategies practiced	Data Analysis observation	Coping strategies practiced
Implement business strategy	Comprehensive action plan	New KRAs defined after manager's approval added to directory	Dynamic KRA directory through Periodic update	Managers compelled to review and ensure employees' selecting appropriate KRAs	Managers have been made accountable to achieve team targets	KRA templates are formulated centrally taking help of experts	PM department Formulates KPA templates with expert help
	Cascading business strategy	Internal MOU signed for KRAs of each vertical/ department	Annual Executive Committee meetings with each vertical/ department	Incorporating executable action plan, by defining accountability , milestones etc. in strategy document	Cascading executable action plan along with strategy	Turnover targets included in KRAs of each group and function	Employee inputs in KRA aligned to strategy with turnover targets

	Evaluation of action plan	Performance of Manager is evaluated on quality of KRA	Review of manager's acceptance of selected KRAs	manager is mainly responsible for delivering performance through his subordinates	Managers to set clear expectations in selecting KRAs	Manager to sit with employee to finalise KRAs	KRAs with stretched targets along with manager
Ensure execution of performance management tasks	Fair and unbiased evaluation of subordinates	Manager evaluates performance on weekly basis	Continuous performance management through weekly planners	Mentoring of subordinates by manager through continuous feedback mechanism via IT system development	IT systems for continuous feedback mechanism	Employees compete for promotion as incentive	Promotion policy of interview and suitability
	Timely, true and constructive feedback	Training of managers on evaluation and feedback	Competency enhancement of managers	Training the managers on providing feedback by engaging professional educational institutes	Imparting training to managers on performance dialogues through professional faculty	Training of managers on evaluation and feedback	Competency enhancement of managers on feedback
	Motivational initiatives	Managers to encourage subordinates for IDPs	Support to develop and implement IDPs	Training as a factor to mitigate the challenge of demotivated employees	Imparting motivational trainings to employees through professional faculty	Unbiased Managers to encourage subordinates	Robust PMS design and execution
Monitor execution of tasks by manager	Competency development	Manager of manager evaluates his actions	Continuous monitoring of Managers' responsibility	Training needs with mutual agreement between manager and subordinate	Joint training need identification with mutual agreement	Introduce structured motivational activity	Implement awareness and grievance redressal mechanism
	Automatic and system driven initiatives	Processes streamlined leveraging technology	Ongoing system enhancement	managers in provided guidance in performing the evaluation task in a fair and unbiased manner	System-based objective performance evaluation of subordinates	Processes streamlined leveraging technology	Awareness for effective digital initiatives utilization
	Audit of processes, quality of tasks and output achieved	HR and PMS Audit is necessary	Robust system of PMS audit	Interaction of performance management team with managers	Issues are addressed or tasks are implemented through communication	Penalty in place of audit with exposure to other areas	Impose penalty and job rotation
	Future development	System should enable audit of PMS tasks	Systemic control to ensure Quality of PMS tasks	PMS attributes changing based on the environmental dynamics and agile requirements of situations or ecosystems	Introduction of dynamic performance management systems	System should eliminate individual bias	Systemic control to moderate rating bias

New categories of coping strategy practices have emerged out of this study in the cross-case analysis. In the subconstruct Evaluation of Subordinates under the construct Manager's Responsibility continuous performance management thru weekly planners has emerged as an important factor in both Case Study I and Case Study II. Similarly, in the subconstruct Systemic Improvement under the construct Monitoring Mechanism, introduction of dynamic performance management systems has emerged as a new category. The following propositions are formed based on these inferences with regard to coping strategy practices adopted in public sector organizations.

P4(a): Using different methodologies or varied coping strategy basis organization specific PMS challenges leads to similar results in execution of intended PMS tasks.

P4(b): Implementing Dynamic performance management system causes alignment with agile ecosystem.

As indicated by interview participants of the three public sector organizations and identified through cross-case analysis, coping strategy best practices adopted by organizations involve the following major activities

- i) Dynamic KRA directory through Periodic update with expert help, cascading team targets and executable action plan along with strategy formulated by top management including inputs from business verticals, and Managers to set clear expectations in selecting KRAs with stretched targets
- ii) Continuous performance management and regular feedback with performance interview of senior level officers at the time of promotion, competency development of managers on implementing performance management tasks, and non-monetary interventions viz., individual development plans, training and capability building etc. for recognition and motivation of employees, and
- iii) Continuous monitoring of managers' execution of PMS tasks, digital systems for better monitoring, audit of performance management activities with effective communication, and systemic control to ensure quality of PMS tasks.

QAN has been developed during cross case analysis to understand existing and proposed practices in this large Indian Maharatna public sector organization for the coping strategy adopted to ensure effective implementation of PMS. These coping strategy practices adopted are supported with the representative quotations as described by the human resources and performance management executives of the organization. QAN for coping strategy practices of cross case analysis are shown in Figure 7.28 below:

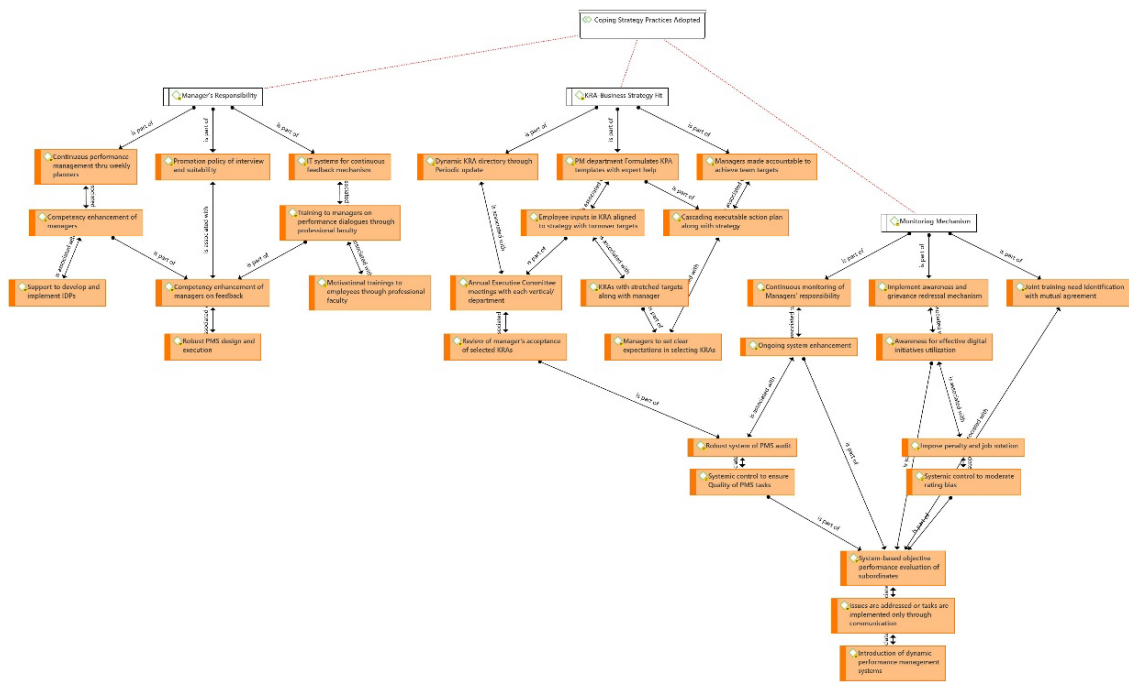


Figure 7.28. QAN for coping strategy practices adopted – Cross case analysis

7.5. Relationship between contributing factors and coping practices - Cross Case Findings

In Phase III of the conceptual analysis, the relationship between factors contributing to effective implementation of performance management systems and practices of coping strategy of three large Maharatna public sector organization has been analysed and the cross-case findings have been presented. Several interrelationships have been observed among the three public sector organizations.

As shown in Table 7.28 below, the practices of coping strategy adopted for effective implementation of performance management systems largely depends upon its contributing factors.

The Qualitative Associative Network (QAN) for relationship between contributing factors and coping strategy practices including the interrelationships between factors, coping strategies and intercompany are detailed in Figure 7.29 below.

Table 7.28. Relationship between contributing factors and coping practices

Category from data	Focused codes from data	Cross-Case Analysis observation on contributing factors	Cross-Case Analysis coping strategy practices
Implement business strategy	Comprehensive action plan	PM department formulates KRAs, either as directory or as templates for critical job roles.	Dynamic KRA directory through Periodic update with expert help.
	Cascading business strategy	The strategy is finalised with inputs from employees and cascaded to all units for alignment with KRAs.	Cascading team targets and executable action plan along with strategy formulated by top management including inputs from business verticals.
	Evaluation of action plan	Manager is mainly responsible for performance of his team.	Managers to set clear expectations in selecting KRAs with stretched targets.
Ensure execution of performance management tasks	Fair and unbiased evaluation of subordinates	Fair and unbiased evaluation is considered essential.	Continuous performance management and regular feedback with performance interview of senior level officers at the time of promotion.
	Timely, true and constructive feedback	Constructive feedback improves PM effectiveness.	Competency development of managers on implementing performance management tasks.
	Motivational initiatives	Focus on individual development plans, imparting motivational trainings to employees and competition amongst employees for promotions as a motivator.	Non-monetary interventions, viz., individual development plans, training and capability building etc. for recognition and motivation of employees.
Monitor execution of tasks by manager	Competency development	Competency development of manager through evaluation of managers' performance in PM task execution through his supervisors.	Continuous monitoring of managers' execution of performance management tasks.

	Automatic and system driven initiatives	PM tasks are digitally managed by leveraging technology to streamline processes.	Digital systems for better monitoring.
	Audit of processes, quality of tasks and output achieved	Audit of PM tasks.	Audit of activities related to performance management with effective communication.
	Future development	Further system-based control on managers and penalty to employees in promotions.	Systemic control to ensure quality of PMS tasks.

The key findings regarding relationship between contributing factors and practices of coping strategy for effective implementation of performance management systems are detailed hereunder.

The organization is facing challenge of keeping the employees and managers motivated in view of forced evaluation because of Bell Curve implementation and monitoring of managers in their executing the performance tasks as intended. Thus, effective implementation of performance management systems is not addressed fully in public sector organizations, in spite of several initiatives in relation to the factors contributing to performance management and adopting practices of coping strategy.

The practices of coping strategy for the initial conceptual construct of KRA-Business strategy fit related to the respective contributing factors identified through cross-case analysis and suggested for implementation are introduction of dynamic KRA directory or templates through periodic update with expert help, cascading executable action plan and team targets along with strategy formulated with inputs from business verticals by the top management, and clearly defining the role of managers to set clear expectations and stretched targets when subordinates are selecting KRAs.

The following proposition is formed through these inferences with reference to relationship between contributing factors and practices of coping strategy for the first initial conceptual construct of KRA-Business Strategy Fit.

P5: Making manager responsible for performance of subordinates culminates in better commitment to PMS tasks implementation in public sector organizations.

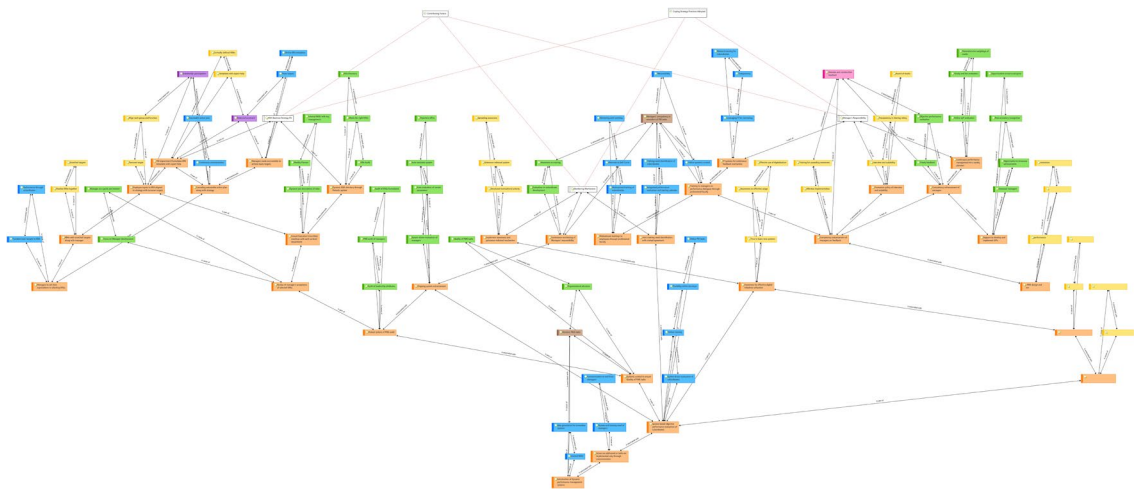


Figure 7.29. Relationship between Contributing Factors and Coping Practices

The public sector organizations practice coping strategy related to the factors contributing to the initial conceptual construct of managers' responsibility arrived at through cross-case analysis are: implementation of continuous performance management system with regular feedback and introduction of performance interview of senior level officers at the time of promotion, competency development of managers on implementing performance management tasks, and non-monetary interventions, viz., individual development plans, training and capability building etc. for recognition and motivation of employees. Public sector organizations may consider training and competency development of managers through premiere institutes and continuous channel of communication with them by leveraging IT to enhance their motivation. The following proposition is inferred from these suggestions, with reference to relationship between contributing factors and practices of coping strategy for the second initial conceptual construct of Manager's Responsibility.

P6: Integration of manager's expectations and employee development programs causes competent employees in public sector organizations.

Further, for monitoring mechanism construct, coping practices related to contributing factors as inferred basis cross-case analysis of participants' responses are continuous monitoring of managers' execution of performance management tasks, deploying digital systems for better monitoring, audit of activities related to performance management with effective and continuous communication, and systemic control to ensure quality of PMS tasks. It is noted that the systems in all three case study organizations are being strengthened as they all have embarked on the journey of digital transformation and above coping strategy practices have been identified for implementation. These practices will play crucial role in effective implementation of performance management tasks. Presently, these challenges are managed by individuals/ teams offline. The suggested inference contributes to following proposition on the relationship between contributing factors and coping strategy practices for the third initial conceptual construct of Monitoring Mechanism.

P7: e-performance management systems used by public sector organizations leads to better monitoring and control in effective PMS implementation.

Additionally, public sector organization are focusing on motivational and other trainings to all employees through renowned faculties from premiere educational institutions.

7.6. Cross-Case Study Findings with regard to Research Questions

The cross-case study findings are summarised in terms of research questions and presented as under:

Findings related to RQ1: What is the process of setting-up the KRAs in alignment to the strategy of the organization?

- To achieve strategic objectives, performance management department of public sector organizations design and dynamically update either KRA directory or templates for KRA formulation of critical job roles. They take the help of subject matter experts in formulating the KRAs.
- Public sector organizations have top-down approach for cascading the strategy. Inputs from employees are incorporated through participation of the stakeholders at every juncture.
- Public sector organizations ensure alignment of KRAs to strategy through formalisation of strategy document and incorporating executable action plan, defining accountability, milestones etc. before communicating to each employee. Additionally, organizations assign team targets cascaded to managers with their responsibility to achieve them.
- Managers of public sector organizations are responsible mainly for performance of their subordinates and their role is to set clear expectations in selecting KRAs with stretched targets by the subordinates.
- Performance Management department of public sector organizations adequately leverages technology for providing timely and constructive feedback and continuous communication, which helps them achieve alignment of KRAs to strategy.
- The alignment of KRAs to strategy is very critical to achieve overall organizational objectives. It improves employee engagement, provides better decision making and ensures sustainability.

Findings related to RQ2: What factors are considered by managers while accomplishing the performance management system tasks required to meet KRAs?

- Managers carry out fair and unbiased evaluation of subordinates on weekly basis for continuous performance management and provide continuous feedback with measurability, leveraging IT systems, for immediate course correction.

- Public sector organizations encourage the managers to provide online written feedback to the subordinates including reasoning for below par performance, if any and to share with it subordinates. Evaluation of performance is very critical to identify pitfalls and timely corrections for enhanced performance.
- If managers observe skill gaps, they identify and recommend relevant trainings to be imparted to subordinates and act as a mentor to them. The organizations place due importance to training and competency development of managers on executing performance management tasks. They engage professional educational institutes for imparting training through experienced and learned faculty on a continuous basis.
- Public sector organizations mainly make the manager responsible for mentoring and coaching of subordinates and thereby for motivation. Public sector organizations face challenge in keeping the employees motivated under some managers, who themselves are not motivated. The factor identified by the organizations is the implementation of Bell Curve, which has a limitation in providing 'excellent' performance rating beyond a certain percentage of employees.
- Public sector organizations impart training as a factor to mitigate the challenge of demotivated employees in imparting motivational and leadership trainings to the employees through professional faculties from premiere institutes in addition to institutionalising non-monetary recognition of exemplary performance of employee by top leadership.

Findings related to RQ3: What monitoring mechanisms are adopted by public sector organizations to ensure that the managers execute the performance management system tasks as intended?

- Public sector organizations invest in training and development of managers to develop their competencies in handling difficult conversations, providing quality feedback, carrying out fair and unbiased evaluation, and so on, for improving the effectiveness of performance management tasks' implementation by manager.
- Public sector organizations leverage technology for auto evaluation of certain parameters in award of marks without human intervention and everything is recorded in the system with digital footprint. The system also sends auto alerts to managers for conducting performance management tasks as a reminder whenever required.

- Public sector organizations consider evaluating managers on their effective execution of performance management tasks, and carry out performance management systems' audit of managers in efficient implementation of tasks.
- Organizations improve the quality of execution of performance management tasks by implementing systemic improvement and coding of reports for online monitoring.
- Another important factor is the organizational structure of performance management team, since decentralization and providing support at field locations facilitates public sector organizations in mitigating the challenges faced during execution of performance management tasks at field level.

7.7. Concluding Remarks

This section presented and discussed the cross-case analysis of all three case studies on effective implementation of performance management systems in Indian Maharatna public sector organizations. Similarities and dissimilarities between the three case studies are discussed in detail. The findings from the three case studies have been compared for factors contributing to effective implementation of performance management systems, coping strategy practices adopted and relationship between contributing factors and coping practices adopted.

The initial conceptual constructs related to effective implementation of performance management systems are present in all the three case studies, with some differences in implementation approaches. The subconstructs are also evident in all the three case studies at different stages of implementation. The cross-case comparison has provided insights on contributing factors and coping strategy practices adopted, which are studied in light of research questions and propositions are formed.

The following 7 propositions provide answers to the three research questions.

P1: Strengthening KRA directory or KRA templates for each job role results in better task performance in public sector organizations

P2(a): Regular feedback through weekly monitoring causes continuous performance management in public sector organizations

P2(b): Competency development of employees and managers leads to employee motivation in public sector organizations

P3: Monitoring public sector organization managers' execution of intended PMS tasks ensures alignment of KRAs to organizational strategy

P4(a): Using different methodologies or varied coping strategy basis organization specific PMS challenges leads to similar results in execution of intended PMS tasks

P4(b): Implementing Dynamic performance management system causes alignment with agile ecosystem

P5: Making manager responsible for performance of subordinates culminates in better commitment to PMS tasks implementation in public sector organizations

P6: Integration of manager's expectations and employee development programs causes competent employees in public sector organizations

P7: e-performance management systems used by public sector organizations leads to better monitoring and control in effective PMS implementation

The research findings have been summarised in next section and conclusions of this research study have been provided.

Chapter 8

Conclusions

8.1. Introduction

This section summarises the findings and results arrived at through detailed analysis of interview data for this research study. This research contributes to both theory and management practice.

This study has revisited the theoretical framework for effective implementation of performance management systems in Indian Maharatna public sector organizations and emergent categories of activities are described along with the details of how it contributes to the theory and management practice. The limitations of this research are discussed along with the identification of scope for future research.

8.2. Findings and Discussions

This research study is aimed to build on the extant research on effective implementation of performance management systems in public sector organizations by exploring the challenges that Indian Maharatna public sector organizations face and the coping strategy these organizations practice to mitigate these challenges (Callan, 1993). Researcher performed an inductive analysis of qualitative data collected through in-depth interviews of the Heads of Human Resources, Performance Management, and other team members of these departments using a case study protocol with open-ended questions (Falthzik & Carroll, 1971). The findings revealed that organizations faced different challenges simultaneously while executing performance management tasks.

This study extracted three initial conceptual constructs and total ten subconstructs based on goal setting theory and literature review for intended execution of performance management tasks. The findings of this research study indicate that there is no easy and explicit solution to respond to the challenges faced by public sector organizations for effective implementation and the organizations must learn how to cope with them (Lin & Lee, 2011). In particular, the study identified ten categories of coping strategy practices in relation to the contributing factors:

- i) Dynamic KRA directory through Periodic update with expert help
- ii) Cascading team targets and executable action plan along with business strategy
- iii) Review of Managers on setting clear expectations and KRAs with stretched targets
- iv) Continuous performance management and regular feedback thru weekly planners

- v) Managers' Competency development on execution of performance management tasks
- vi) Non-monetary interventions, viz., IDPs, Trainings etc. for recognition of employees
- vii) Continuous monitoring of Managers' execution of performance management tasks
- viii) Digital systems and enhancement for better monitoring
- ix) Audit of performance management activities with effective communication
- x) Systemic control to ensure quality of PMS tasks

This research study has expanded the existing knowledge on the complexities faced during the journey of executing performance management tasks at intra-organizational levels by identifying various challenges and subsequent coping strategy practices (Smith & Van Der Heijden, 2017). Current research employed Goal-setting theory to understand the challenges organizations face when transitioning from seniority-based to performance-based management (Klein, 1991).

Goal-setting theory, formulated inductively based on empirical research conducted over nearly four decades, is one of the most effective motivational theories. Its roots are based on the premise that conscious goals affect action, where goals are considered the object or aim or an action (Locke & Latham, 2002). While goal-setting theory is generally analysed at individual level, its principles are considered relevant at organizational level, too. Locke (2004) further suggests that goal-setting is effective for any task where people have control over their performance.

Current research explores goal-setting theory at both individual and organizational level. In organizational context, the alignment in the goals of individuals, team goals and the strategic objectives of the organization is essential for maximising performance.

The cross-case analysis of contributing factors and coping strategy practices indicates that the initial conceptual constructs identified through literature review and participants' responses, viz., KRA – Business Strategy Fit, Manager's Responsibility, and Monitoring Mechanism and their respective subconstructs on implementation of performance management practices are evident in all the three Indian Maharatna public sector organizations in different forms.

This study has found evidences for all the constructs as empirical data categories in the case on implementation of performance management systems. Some of the subconstructs are already implemented in all three organizations while some are proposed to be implemented in one or two organizations in future. Factors have emerged out of this study in the cross-case analysis that provide new insights, viz., Audit of processes and quality of tasks basis output achieved. The factor of audit has been demonstrated in case study I while there is no evidence of its presence in other two cases. Two new subcategories emerged out of this study for the category of ensuring execution of performance management tasks, viz., continuous monitoring through weekly planners and innovative motivational interventions in view of government restrictions on monetary rewards by public sector organizations.

Through this cross-case analysis, current research has identified the best coping strategy practices of large Indian Maharatna public sector organizations, which will be useful for other public sector organizations for replicating and mitigating the challenges faced in effective implementation of performance management systems. New categories of coping strategy practices have emerged out of this study in the cross-case analysis. Continuous performance management thru weekly planners has emerged as an important factor in the case study. One of the organizations has established the process of submitting weekly planners and reviews of actual versus planned performance by managers and continuous evaluation process, resulting in improved selection of KRAs and objective target setting in alignment with the strategy. Similarly, introduction of dynamic performance management systems has emerged as a new category.

The public sector organizations face a major challenge of keeping the employees and managers motivated in view of forced evaluation because of Bell Curve implementation and monitoring of managers in their execution of performance tasks as intended. Thus, effective implementation of performance management systems is not addressed fully in public sector organizations, in spite of several initiatives in relation to the factors contributing to performance management and adopting practices of coping strategy. This study has suggested that the way to mitigate the challenge of demotivated employees to a large extent is by improving the process of finalizing KRAs and setting SMART (specific, measurable, achievable, realistic, and time-bound) and challenging goals with stretched targets, as confirmed by the goal-setting theory that setting clear performance expectations and specific and challenging goals result in employee motivation.

The Indian Maharatna public sector organization in case study I (NTPC) has proposed that in order to increase the effectiveness of performance management systems, they shall institute a process by which the employees shall be evaluated against their demonstration of four attributes of empowerment, risk-taking, ownership, and speed & growth, in addition to the existing behavioural and functional or technical competencies.

Further, to get leadership conviction on change management, the organizations has established management and executive committees that evaluate and suggest all proposals, including new business development, in alignment with the dynamic ecosystem.

The public sector organizations have additionally introduced few initiatives, adopted by one or the other Indian Maharatna public sector organization, viz., performance interview of senior level officers at the time of promotion, motivational and other trainings to all employees, competency development of managers on implementing performance management tasks through renowned faculties from premiere professional education institutes and continuous channel of communication with them by leveraging IT for managers to remain motivated. Competency development combines knowledge, skills, and attitudes to develop a particular workplace behaviour or improve performance.

Moreover, in order to mitigate the challenge of casual approach of employees and managers towards execution of performance management tasks, two of the Indian Maharatna public sector organizations are deducting marks for delayed or non-submission of KRAs and weekly planners or non-completion of actions on individual development plan, while third organization is withholding benefits accrued to the employees on non-execution of tasks aligned with the strategy.

Though it is a slightly negative approach toward improvement, the study's participants provided insights that the imposition of penalties in one form or another has improved the execution of performance management tasks in alignment to the strategy.

Thus, in conclusion, the research study's overall findings reveal that challenges persist across public sector organizations (Hawke, 2012) and that resolving them requires instead continuous adoption of coping strategy practices and not the one-time solutions, by admitting and practicing coping strategy and employing new learnings (Azis et al., 2013).

8.3. Theoretical Contributions

Current research has described the theoretical framework developed for effective implementation of performance management systems in public sector organizations. It identified initial conceptual constructs and subconstructs for effective implementation of performance management systems based on the theory and literature review. This section presents the updated conceptual framework by incorporating the findings of the research.

This research study makes several contributions to the theory by building on the recent literature on performance management, as it attempts to unravel the issues that arise during execution of performance management tasks in public sector organizations across industries. It argues that the varied challenges illuminate the coping strategy practices organizations adopt in their performance management journey, which entails transitioning from seniority-based to performance-based management (Bae, 1997; Koda, 2022; Pudelko, 2006). Findings of this study align with the existing literature, which asserts that recognizing challenges is crucial for managing change (Boštjančič & Slana, 2018).

The theory underpinning the current research is the goal-setting theory, a very effective motivational theory. Goal-setting theory states that unambiguous, specific and challenging goals accompanied by a deadline for completion and appropriate feedback contribute to higher and better task performance. The salient features of goal-setting theory are self-efficiency and goal commitment.

However, goal-setting theory has certain limitations and this research has contributed to provide theoretical insights by demonstrating how a new variable significantly alters our understanding of the phenomena. This research has suggested the elements to be incorporated in the theoretical framework for addressing the limitations of the existing goal-setting theory by providing the factors or variables with specific details of what, how and why these factors contribute.

First limitation of goal-setting theory is that, at times, the organizational goals conflict with the managerial goals. Goal conflict has a detrimental effect on performance if it motivates incompatible action drift. The study of within case and cross-case analysis has identified two factors - continuous employee performance management and managers' performance monitoring to be implemented through weekly monitoring of employee performance via weekly planners and managers responsible to achieve cascaded team

targets ascertained via audits, in order to ensure alignment of managerial goals with the organizational goals and sustain employees' motivation.

Second limitation of goal-setting theory is that, challenging and complex goals stimulate riskier behaviour as employees are expected to attain something they are not capable of handling. If the employee is required to gain the skills and competencies to perform actions essential for the goal, goal-setting may succeed and maintain performance only after the necessary skills and competencies are acquired (Lunenburg, 2011). The variable addressing this limitation is the integration between manager's expectations and employee development programs. This factor gets implemented by identifying and imparting relevant trainings and competency development programs to employees through professional faculties from premiere institutes. It will result in making the employees competent to attain complex and challenging goals, mitigating the possibility of their resorting to riskier behaviour.

Another limitation of goal-setting theory is that it does not consider the fast-changing ecosystem in which organizations have to operate. Our research study contributes to the theory by suggesting variable of Dynamic performance management system to be incorporated by dynamically changing goals with ecosystem changes through adoption of e-PMS leveraging technology. This will enable the organization to keep pace with dynamic ecosystem changes and deliver high performance.

This research study relies on multiple case studies developed on data collected through in-depth semi-structured interviews by asking open-ended questions based on case study protocol. In this way, it departs from prior research, which has explored the applicability of performance expectation challenges primarily through archival data (Schaefer, 2007). The findings thus provide broad insights into various public sector contexts.

This study has proposed a conceptual framework with 7 propositions which illustrate the coping strategy practices that organizations are likely to adopt to manage challenges in the effective implementation of performance management systems at public sector organizations. While scholars consider the simultaneous manifestation of these propositions, organizations use coping strategy practices to navigate the perceived challenges specific to their organization. Notably, the emergence of challenges is dynamic, and challenges persist irrespective of coping strategy. This research study

strengthens the need for longitudinal research examining them during various stages of implementing performance management systems (Vigoda-Gadot & Angert, 1996).

8.4. Practical Contributions: Implication for Managers

This research study's findings empower managers of public sector organizations across industry to better understand the challenges likely to be faced by them in implementing performance management systems. In spite of the theorized benefits of effective performance management, organizations need to consider the variant relations between internal and external stakeholders. While meeting the needs of employees towards performance, organizations recognize impact of employees' interactions with external stakeholders. Thus, managers in public sector organizations develop the competencies of employees through coaching and mentoring initiatives to align their actions with the organizations' strategy (Al Hilali et al., 2020).

Setting performance expectations is profitable and coping strategy significantly manages the related challenges (Mayne, 2007). Managers can utilize the varied coping strategy practices that this study uncovered, such as competency development programs, regular feedback on performance management, executive committee meetings, continual updation of KRA directory or templates, continuous and dynamic performance management through weekly planner, and online systems for repeated audits of performance tasks. Specifically, digital technologies can provide strategic value to public sector organizations' transformations (Shao et al., 2022).

Moreover, those responsible for implementation of performance management systems inform that coping strategy practices do not completely eliminate the challenges irrespective of the efforts. Additionally, while implementing the coping strategy for certain issues, the impact of this action on certain other challenges needs to be evaluated. Both managers and employees play an essential role in managing performance and adopting coping strategy with the associated challenges (Pulakos & O'Leary, 2011). Even micro-level actions have large impact within organizations. Hence, it is essential to exercise autonomy and control to successfully mitigate the challenges faced by the organization.

Finally, the study's findings enlighten managers by highlighting the significance of goal-setting theory in understanding public sector organizations' challenges. Goal-setting

theory is also helpful in resolving the employee motivation required to cope with the challenges related to the effective implementation of performance management tasks.

8.5. Limitations and future research opportunities

The results of this study have provided several insights and their implementation in other public sector organizations will definitely add value, through there are certain limitations of this study. First, the challenges observed provide only a broad picture of contributing factors which may not be comprehensive and some public sector organizations may be facing certain other challenges. Future researchers may further explore using the grounded theory the existence of other potential challenges that smaller public sector organizations face.

Second, this study has sought to understand the contributing factors for effective implementation of performance management systems, which has been studied by only few authors, longitudinal quantitative studies that empirically validate these factors and coping strategy practices may be conducted during different stages of performance management systems' implementation. Lastly, current research relied on a sample of participants from Indian Maharatna public sector organizations. Thus, the sample represents large public sector organizations with pan India presence while operational managers in smaller public sector organizations may have different interpretations of challenges in different geographical areas. To address these concerns, there is a scope of future research to validate the findings of current research in other geographical contexts.

Irrespective of these limitations, this research study's critical findings regarding the acquaintance of diverse contributing factors and coping strategy practices are beneficial to both academicians and practitioners. Further, It is suggested that they implement a comprehensive approach, instead of piecemeal execution, to understand the contributing factors and coping strategy practices adopted by public sector organizations for effective implementation of performance management systems.

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LIST OF PUBLICATIONS

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APPENDIX A

Case Study Protocol

Case study protocol is a guideline for conducting in-depth interviews in order to gather primary data for current research study on, '*A Comparative Study on Implementation of Performance Management Systems of three Maharatna Public Sector Organizations in India*' guided through specified questions. The interviews of performance management teams of three companies have been conducted. The interviews have been conducted with the individuals till such time last two interviews have similar responses and no additional inputs are expected from further interviews in each organization. Evidences have been identified during interview and are recorded.

1. Description of the Case Study Organization:

This section details the organization and role of respondent related to the field of study.

1.1. General introduction.

1.2. Roles and responsibilities relevant to performance management tasks viz.; key result areas (KRA) formulation, performance measurement, evaluation, feedback etc.

2. Alignment of KRAs with Organizational Strategy:

This segment of interview covers the aspects related to the first research question which addresses the designing of KRAs aligned to the organizational strategy.

2.1. How a Maharatna public sector organization formulates its organizational strategy?

2.2. How the strategy is cascaded to different Business Verticals?

2.3. What is the mechanism to ensure that employees work towards achieving the strategy?

2.4. What is the process of setting up this mechanism?

3. Process of accomplishment of various performance management tasks by managers to achieve KRAs by their teams:

This section of interview focuses on the role of Managers in performing performance management tasks to supervise and monitor fulfilment of KRAs by their teams.

3.1. What is the role of Managers in getting the performance management tasks implemented?

3.2. How these tasks are monitored by Managers for implementation by their teams?

3.3. What process Managers adopt to ensure that employees work towards achieving their KRAs?

3.4. What are the factors influencing setting up of this process?

4. Organizational control mechanism to ensure tasks' accomplishment by managers:

This section explores the systems and processes established by the organization to affirm that Managers accomplish performance management tasks as intended.

- 4.1. What is the process of monitoring Managers in performing performance management tasks?
- 4.2. How does Performance Management Department encourage or support Managers in conducting performance management tasks?
- 4.3. What are the factors influencing performance management task implementation by Managers?
- 4.4. What are the systemic controls within organization for ensuring timely completion of performance management tasks?

Case Interview Guide:

General

- Company:
- Name:
- Designation:
- Location:
- Experience:
- Date:
- Roles and responsibilities towards performance management tasks:

Section-I

1. What is the process of formulating business strategy is in your organization?
2. How do you describe the role of performance management in influencing and formulating the business strategy?
3. How does performance management ensure that the organizational strategy is cascaded to different verticals / departments?
4. Is it required to align employee performance with business strategy? If yes, what are the benefits?
5. What is the process to ensure that the all the employees in your organization are aligned to business strategy?
6. How does performance management measure individual employee contribution towards business strategy realization?

7. Please describe any tools or techniques adopted by performance management to effectively measure employee performance.
8. What is the process of setting up KRAs of employees in each job role?
9. Any other information on setting up KRAs in alignment with business strategy and role of performance management?
10. What are the gaps and challenges in setting up individual KRAs and their alignment to strategy?

Section-II

1. What is the role of Managers in enabling the performance of their teams through performance management tasks?
2. How do Managers observe and integrate performance of individuals?
3. What is the process of measurement of performance and comparison with goals and targets?
4. How is the performance evaluated by Managers? How comparative evaluation of individuals is done?
5. What is the system of feedback and performance review by Managers?
6. How is coaching provided by Managers for improving performance of their team members?
7. What are the processes implemented by Managers to motivate their team members to achieve KRAs?
8. Do Managers inculcate competitive spirit within their teams and how?
9. What schemes do the Managers implement for rewards and recognition of their teams?
10. What challenges do Managers face in implementing performance management tasks?

Section-III

1. How performance management department interacts with Managers regarding implementation of performance management tasks and what kind of information do you share?
2. What is the role of performance management department in ensuring that the Managers are performing the performance management tasks as intended?
3. What interventions has performance management department established to get the performance management tasks implemented effectively?
4. How performance management department supports Managers in resolving issues in implementing performance management tasks?
5. What is the process of training the Managers in effectively managing their teams towards performance management tasks?

6. What are the difficulties are faced by Managers while implementing performance management tasks?
7. How does performance management department resolve the issues raised during performance management task implementation? What kind of grievance redressal mechanism is in place?
8. What are the gaps or challenges that performance management department faces in monitoring the performance management task implementation by Managers?
9. How is the systemic control built in the process of performing performance management tasks?
10. What is the level of automation in performing performance management tasks by Managers?

PMS Sandeep Roy

by Prakash Chandra Bahuguna

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**A COMPARATIVE STUDY ON IMPLEMENTATION OF
PERFORMANCE MANAGEMENT SYSTEMS OF THREE
MAHARATNA PUBLIC SECTOR ORGANIZATIONS IN INDIA**

145

A Thesis submitted to the
UPES, Dehradun

For the award of
Doctor of Philosophy
in Management

by
Sandeep Roy

JANUARY, 2024

Supervisors
Dr. P. C. Bahuguna
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Dr. Neeraj Rawat



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