

The Effectiveness of Performance Management System in Enhancing Organizational Performance: A Case Study of MECON Ltd., Ranchi (JH)

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Abstract- MECON Limited, formerly known as Metallurgical & Engineering Consultants (India) Limited is a central public sector undertaking. It is under the ownership of Ministry of Steel, Government of India. It began in 1959 as the Central Engineering and Designing Bureau (CEDB) of the Hindustan Steel Limited (HSL), the first public sector steel company. With a focus on MECON Limited, an Indian public sector engineering consulting firm, this study examines how well performance management systems may improve organizational performance. MECON aimed to increase productivity, employee engagement, and overall organizational efficiency by establishing a complete performance management system that included goal setting, constant feedback, performance evaluations, and growth plans. Although difficulties like change resistance and the requirement for continual training were mentioned, the results show that the performance management system had a major impact on these gains.

Key Words: CEDB, HSL), MECON Limited, engineering consulting firm, management, continual training

INTRODUCTION

The purpose of performance management systems is to improve overall performance by coordinating individual performance with the strategic goals of an organization. The case study investigates the implementation of performance management system, its results, and potential areas of improvement. A well-known engineering consulting firm in India, MECON Limited, is the subject of this study's analysis of the system's effects^[1]. This case study examines how the performance management system was implemented, what happened, and how it may be improved.

Implementation of performance management system

in MECON

MECON's performance management system was designed to deal with low staff morale, inefficiencies, and a lack of responsibility. The system had a number of essential parts:

1. **Balanced Scorecard Approach:** This technique was employed to connect specific performance indicators with broader organizational goals.
2. **360-Degree evaluation:** A variety of sources, including peers, subordinates, and supervisors, provided performance evaluation.
3. **Performance Appraisal Software:** The appraisal process was made more efficient and uniform by utilizing technology^[2].
4. **Training and Development Programmes:** To improve staff performance and skillsets, chances for continuous training were offered.

OBJECTIVES OF THE STUDY

The objectives of the study are:

01. To evaluate the extent to which MECON Limited's performance management system has improved organizational performance.
02. To evaluate how the performance management system improves productivity, employee engagement, and
03. To study the operational effectiveness in general by coordinating individual employee goals with the organization's strategic goals^[3].

HYPOTHESES

Null Hypothesis (H₀): There are no significant differences in organizational performance across different departments or employee groups.

Alternative Hypothesis (H₁): There are significant differences in organizational performance across different departments or employee groups.

METHODOLOGY

Research Type

A mixed-method research design was used in this study through which quantitative and qualitative research methods were combined.

Sampling Method

Representatives from various departments and hierarchical levels were sampled using convenience sampling. Respondents in the sample are included, merely on account of their availability.

Data Collection

Semi-structured interviews with managers and employees, as well as an examination of internal documents and performance indicators, were used to gather data. The information was examined for patterns pertaining to the performance management systems' execution and results^[4].

Population samples

The population for this study consists of employees and management personnel of MECON Ltd., Ranchi.

Sampling size - A representative sample of 100-200 was selected.

Sampling frame - Sampling frame includes different departments, levels of employees, and management positions to ensure a diverse sample.

Data collection tool

A structured questionnaire was developed, consisting of Likert-scale questions and multiple-choice questions. The survey was distributed digitally^[5].

Data analysis

Data from surveys was analyzed using statistical software like SPSS. ANOVA test was employed to assess whether variations in the effectiveness of the performance management system lead to differences in organizational performance across various departments within MECON Ltd.

RESULTS

The productivity, employee engagement, skill development, and overall organizational success of MECON were among the key performance measures used to assess the efficacy of the performance management system.

1. Enhanced Productivity – Based on project completion rates and output quality, the performance management system increased staff productivity. Employees were able to operate more effectively and understand their tasks better with the support of frequent feedback and clear performance measures.

^[6]

2. Improved Employee Engagement - Internal surveys revealed a rise in staff engagement. The implementation of a 360-degree feedback system fostered an environment of transparency and responsibility, boosting employee perceptions of value and their involvement in decision-making.

3. Career Growth and Skill Development - A workforce with higher skill levels was the outcome of increased involvement in training and development programmes. Employees expressed more work satisfaction and a better knowledge of their future career prospects.

4. Performance of the Organization Reduced project delays and increased client satisfaction impacted MECON's overall organizational performance. By ensuring that individual efforts were in line with organizational goals, the balanced scorecard technique improved project management and resource utilization.

DISCUSSION

Based on the results of the study, MECON's performance management system successfully increased organizational performance by improving skill levels, productivity, and engagement. Even so, there were implementation issues:

1. Resistance to Change: Initially, some of the employees opposed the new performance management system and favored the older methods of evaluation. Further training and communication efforts were required to get beyond this resistance.

2. Needs for Continued Training - Continued training was necessary to ensure that both managers and employees could make the most of the

performance management system tools. This was very important to keep the system flexible and functional^[7].

3. Frequent Updates - The performance management system must be updated often to reflect changes in industry standards and organizational goals. This suggested that ongoing system modifications and monitoring were required.

CONCLUSION

The MECON Limited case study shows how a well designed and executed performance management system can greatly improve organizational performance. MECON saw substantial improvements in results, employee engagement, and overall efficiency by coordinating individual performance with organizational objectives, encouraging continuous evaluation, and supporting skill development. Ongoing training and overcoming reluctance to change, however, are essential for maintaining these advantages.

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