

DESIGN OF STUDY

OBJECTIVES

To study the history of Tata Consultancy Services.

To understand the organizational development of TCS.

To know the TCS's recruitment & selection process

To know the performance appraisal criteria at TCS.

METHODOLOGY

Research is a systematic quest for knowledge. That means, techniques and frames of reference by which a researcher approaches and carries out enquiry is known as “methodology”. Data is an input for my project; likewise the data has been collected from the following sources.

The inputs of the project were mainly accumulated through the primary research and the secondary information.

The primary information was gathered through interactions and discussions with the employees of the TCS Company. The sources of secondary information were various books, magazines, articles, and web.

Once the information was gathered, it was properly evaluated. Then inferences were carefully drawn on the basis of pf the primary data collected after going through series of deliberations. The output was thus produced.

The goal of fulfillment of the objective of the project was thus achieved.

Chapter 1

ABOUT TATA CONSULTANCY SERVICE COMPANY

Tata Consultancy Services Limited (TCS) is Software services consulting company headquartered in Mumbai, India. TCS is the largest provider of information technology and business process outsourcing services in Asia. TCS has offices in 42 countries with more than 142 branches across the globe. The company is listed on the National Stock Exchange and Bombay Stock Exchange of India.

TCS is one of the operative subsidiaries of one of India's largest and oldest conglomerate company, the Tata Group or Tata Sons Limited, which has interests in areas such as energy, telecommunications, financial services, manufacturing, chemicals, engineering, materials, government and healthcare.

HISTORY

It began as the "Tata Computer Centre", for the company Tata Group whose main business was to provide computer services to other group companies. F C Kohli was the first general manager. JRD Tata was the first chairman, followed by Nani Palkhivala.

One of TCS' first assignments was to provide punched card services to a sister concern, Tata Steel (then TISCO). It later bagged the country's first software project, the Inter-Branch Reconciliation System (IBRS) for the Central Bank of India. It also provided bureau services to Unit Trust of India, thus becoming one of the first companies to offer BPO services.

In the early 1970s, Tata Consultancy Services started exporting its services. The company pioneered the global delivery model for IT services with its first offshore client in 1974. TCS's first international order came from Burroughs, one of the first business computer

manufacturers. TCS was assigned to write code for the Burroughs machines for several US-based clients. This experience also helped TCS bag its first onsite project - the Institutional Group & Information Company (IGIC), a data centre for ten banks, which catered to two million customers in the US, assigned TCS the task of maintaining and upgrading its computer systems.

In 1981, TCS set up India's first software research and development centre, the Tata Research Development and Design Center (TRDDC). The first client-dedicated offshore development center was set up for Compaq (then Tandem) in 1985.

In 1989, TCS delivered an electronic depository and trading system called SECOM for SIS SegInterSettle, Switzerland. It was by far the most complex project undertaken by an Indian IT company. TCS followed this up with System X for the Canadian Depository System and also automated the Johannesburg Stock Exchange (JSE). TCS associated with a Swiss partner, TKS Teknosoft, which it later acquired.

In the early 1990s, the Indian IT outsourcing industry grew tremendously due to the Y2K bug and the launch of a unified European currency, Euro. TCS pioneered the factory model for Y2K conversion and developed software tools which automated the conversion process and enabled third-party developers and clients to make use of it.

In 1999, TCS saw outsourcing opportunity in E-Commerce and related solutions and set up its E-Business division with ten people. By 2004, E-Business was contributing half a billion dollars (US) to TCS.

On 9 August 2004, TCS became a publicly listed company, much later than its rivals, Infosys, Wipro and Mahindra Satyam.

During 2005, TCS ventured into a new area for an Indian IT services company - Bioinformatics

In 2008, the company went through an internal restructuring exercise that executives claim would bring about agility to the organization.

INDIAN BRANCHES

TCS has development centres and/or regional offices in the following Indian cities: Ahmedabad, Baroda, Bangalore, Bhubaneswar, kochi, Kolkata, Lucknow, Mumbai, Noida, Pune, Thiruvananthapuram, Patna, Haldia

GLOBAL UNITS

Africa: South Africa, Morocco

Asia (Outside India): Bahrain, Beijing, Hong Kong, Hangzhou, Shanghai, Indonesia, Israel, Japan, Malaysia, Saudi Arabia, Singapore, South Korea, Taiwan, Thailand, UAE(dubai)

Australia: Australia

Europe: Belgium, Denmark, Finland, France, Germany, Hungary, Iceland, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom

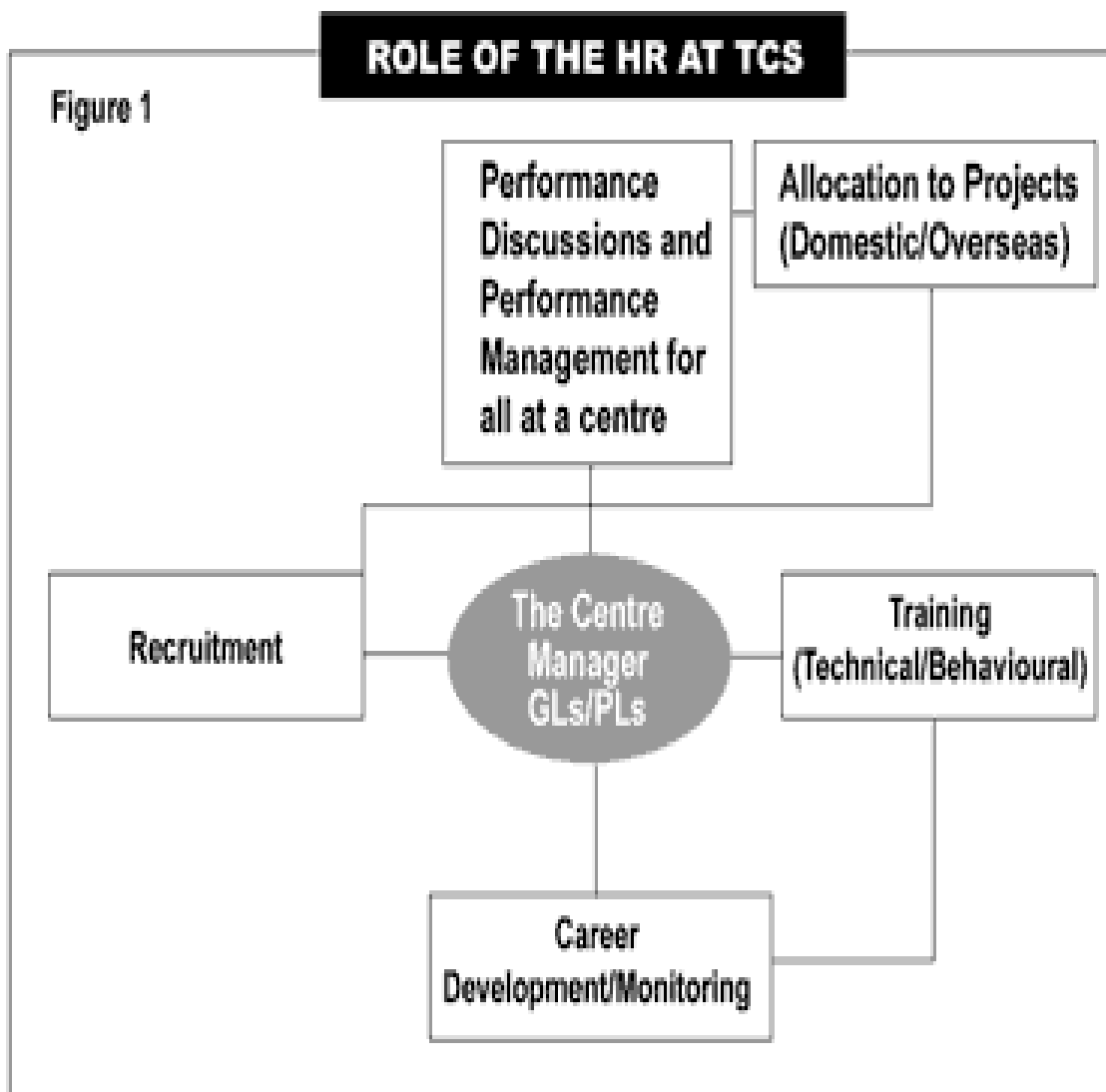
North America: Canada, Mexico, USA

South America: Argentina, Brazil, Chile, Colombia, Ecuador, Uruguay, Peru

EMPLOYEES

TCS is one of the largest private sector employers in India with core strength in excess of 186,914 individuals. TCS has one of the lowest attrition rates in the Indian IT industry. In the

past TCS has been criticized by its employees in Public forums on its Appraisal and Promotion policies.



Chapter 2

ORGANISATIONAL DEVELOPMENT

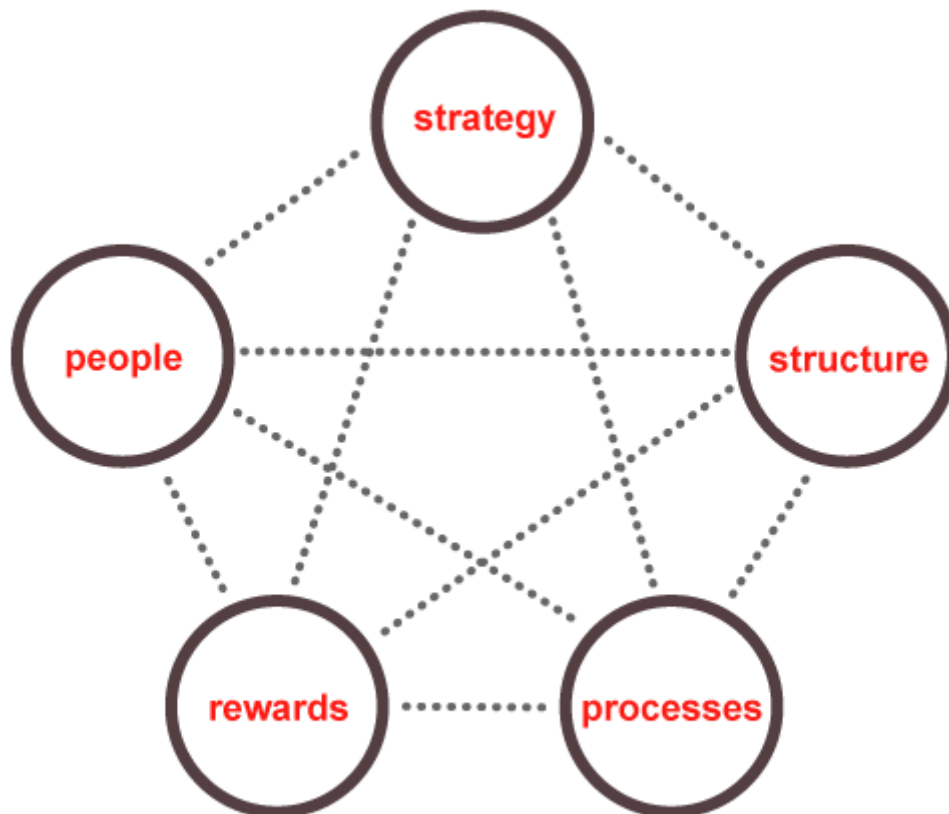
At TCS, OD has contributed immensely towards redefining the organization's relationship to its markets, key stake holders and environment.

In the years 1998-99, despite the fact that TCS had emerged as the largest Indian software company it still suffered on its operational side.

- The expertise was diffused and in order to meet the needs the employees were rotated across domains and skills. A lot of emphasis was paid to the Voice of the Customer, in comparison to the Voice of employee
- Managers mainly focused on short-term projects instead of concentrating on long term ones. They followed a reactive approach and hence lacked a proactive approach.
- Lack of focus on innovation and experimentation.
- Absence of a formal system **where in the knowledge could be shared** for ease of replication across projects.
- **Absence of team** based rewards as focus was on individual performance .
- **Absence of endeavors towards** Image building which lead to greater difficulty in attracting quality talent.

Chapter 3

STAR MODEL OF ORGANIZATION DESIGN FRAMEWORK



DESIGN ELEMENTS

STRATEGY:

The Company's strategy specifies the goals and objectives to be achieved as well as the values and missions to be pursued. It sets out the basic direction of the company. TCS follows a cost leader strategy. The focus for TCS is to attain competitive advantage is to

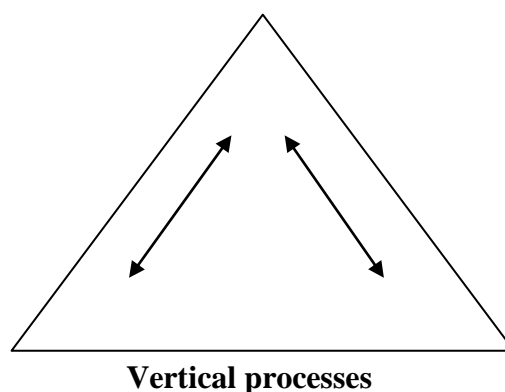
reduce the per employee cost and attain economies of scale. This is the reason TCS doesn't lay much importance to R&D.

STRUCTURE:

The structure of the organization determines the placement of power and authority in the organization. TCS has a mechanistic structure wherein there is a formal structure and control is imposed on employees. Rules, procedures and a hierarchy of authority help in getting work done in time and with minimum cost. TCS has a matrix structure where departments exist based on specialization. Decision making is centralized.

PROCESSES:

TCS has vertical processes. The needs of different departments are centrally collected, and priorities are decided for the budgeting and allocation of the resources to capital, research and development, training, and so on. Communication tends to follow formal channels and employees are given specific job descriptions delineating their roles and responsibilities. Coordination is maintained through the chain of command.



PEOPLE:

People in star model depict the human resource policies of recruiting, selection, rotation, training, and development. Human resource policies when in the appropriate combination produce the talent required by the strategy and structure of the organization, generating the skills and mind-sets necessary to implement the chosen strategy. The employees in a service organization are the biggest source of competitive advantage. There is continuous investment in learning, and an active sharing of knowledge with the aim to convert learning into action.

REWARDS:

The purpose of the reward system is to align the goals of the employee with the goals of the organization. It provides motivation and incentive for the completion of the strategic direction. The organization's reward system defines policies regulating salaries, promotions, bonuses, profit sharing, stock options, and so forth. Reward structure at TCS is primarily focused on individual performances. Team rewards is not a part of the compensation.

Chapter 4

ABOUT RECRUITMENT & SELECTION

Recruitment refers to the process of attracting, screening, and selecting qualified people for a job at an organization or firm. For some components of the recruitment process, mid- and large-size organizations often retain professional recruiters or outsource some of the process to recruitment agencies.

The recruitment industry has five main types of agencies: employment agencies, recruitment websites and job search engines, "headhunters" for executive and professional recruitment, niche agencies which specialize in a particular area of staffing, or employer branding strategy and in-house recruitment. The stages in recruitment include sourcing candidates by advertising or other methods, and screening and selecting potential candidates using tests or interviews.

IN-HOUSE RECRUITMENT

Under pressure to reduce costs, both large- and medium-sized employers tend to undertake their own in-house recruitment, using their human resources department, front-line hiring managers and recruitment personnel who handle targeted functions and populations. In addition to coordinating with the agencies mentioned above, in-house recruiters may advertise job vacancies on their own websites, coordinate internal employee referrals, work with external associations, trade groups and/or focus on campus graduate recruitment. Some large employers choose to outsource all or some of their recruitment process (recruitment process outsourcing) however a much more common approach is for employers to introduce referral schemes where employees are encouraged to source new staff from within their own network.

PROCESS

1) Job analysis

The proper start to a recruitment effort is to perform a job analysis, to document the actual or intended requirement of the job to be performed. This information is captured in a job description and provides the recruitment effort with the boundaries and objectives of the search. Oftentimes a company will have job descriptions that represent a historical collection of tasks performed in the past. These job descriptions need to be reviewed or updated prior to a recruitment effort to reflect present day requirements. Starting recruitment with an accurate job analysis and job description ensures the recruitment effort starts off on a proper track for success.

Job analysis defines the duties and human requirements of the company's jobs. The next step is to recruit and select employees. We can envision the recruitment and selection process as a series of steps

- 1) Decide the positions to fill, through personnel planning and forecasting.
- 2) Build a pool of candidates for these jobs, by recruiting internal or external candidates.
- 3) Have candidates complete application forms and perhaps undergo initial screening interviews.
- 4) Use selection tools like tests, background investigations, and physical exams to identify viable candidates.
- 5) Decide who to make an offer to, by having the supervisor and perhaps others interview the candidates.

2) Sourcing

Sourcing involves

- Advertising, a common part of the recruiting process, often encompassing multiple media, such as the Internet, general newspapers, job ad newspapers, professional publications, window advertisements, job centers, and campus graduate recruitment programs; and
- Recruiting research, which is the proactive identification of relevant talent who may not respond to job postings and other recruitment advertising methods done in #1. This initial research for so-called passive prospects, also called name-generation, results in a list of prospects who can then be contacted to solicit interest, obtain a resume/CV, and be screened (see below).

3) Screening and selection

Suitability for a job is typically assessed by looking for skills, e.g. communication, typing, and computer skills. Qualifications may be shown through résumés, job applications, interviews, educational or professional experience, the testimony of references, or in-house testing, such as for software knowledge, typing skills, numeracy, and literacy, through psychological tests or employment testing. Other resume screening criteria may include length of service, job titles and length of time at a job. In some countries, employers are legally mandated to provide equal opportunity in hiring. Business management software is used by many recruitment agencies to automate the testing process. Many recruiters and agencies are using an applicant tracking system to perform many of the filtering tasks, along with software tools for psychometric testing.

4. Onboarding

"Onboarding" is a term which describes the process of helping new employees become productive members of an organization. A well-planned introduction helps new employees become fully operational quickly and is often integrated with a new company and environment. Onboarding is included in the recruitment process for retention purposes. Many companies have Onboarding campaigns in hopes to retain top talent that is new to the company; campaigns may last anywhere from 1 week to 6 months.

5. Internet recruitment and websites

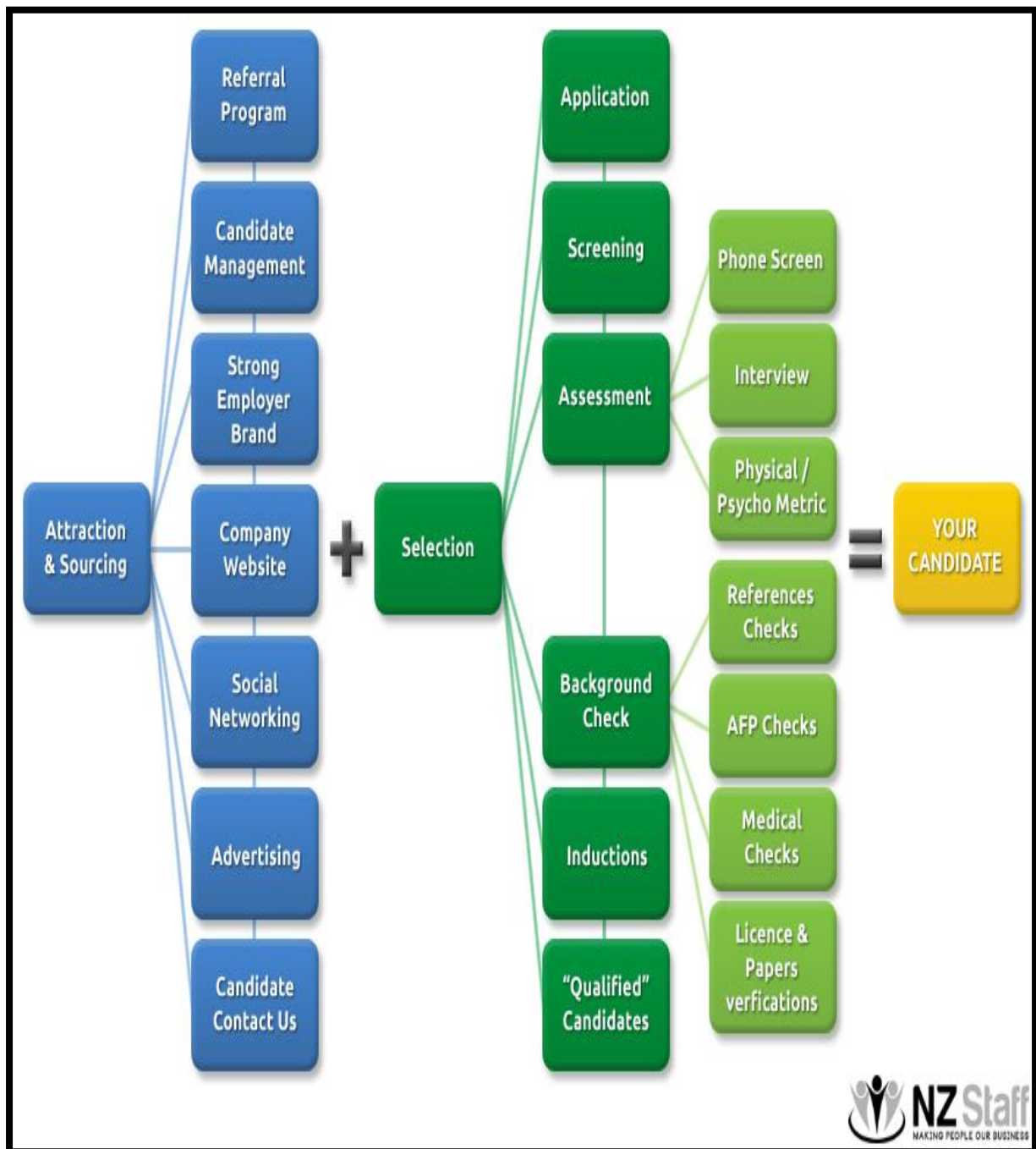
Such sites have two main features: job boards and a résumé/curriculum vitae (CV) database. Job boards allow member companies to post job vacancies. Alternatively, candidates can upload a résumé to be included in searches by member companies. Fees are charged for job postings and access to search resumes. Since the late 1990s, the recruitment website has evolved to encompass end-to-end recruitment. Websites capture candidate details and then pool them in client accessed candidate management interfaces (also online).

6. Planning and forecasting:

Employment personnel planning: The process of deciding what positions the firm will have to fill, and how to fill them.

The recruitment and selection process starts with employment or personnel planning. This is the process of deciding what positions the firm will have to fill, and how to fill them. Personnel planning embrace all future positions, from maintenance clerk to CEO. However, most firms call the process of deciding how to fill executive jobs succession planning.

Employment planning should flow from the firm's strategic plans. Plans to enter new business build new plants or reduce costs all influence the types of positions the firm will need to fill (or eliminate).



Chapter 5

ABOUT TCS'S RECRUITMENT & SELECTION PROCESS

Recruitment at TCS take place at all levels – i.e. entry and various experience levels.

The hiring of experienced professionals take place through the year, while campus offers for fresher's joining next year are conducted according to placement seasons at colleges.

Off-campus recruitments for fresher are conducted periodically for any additional requirements. For this, TCS undertakes recruitment drives through walk-in interviews, announcements for which are made in the media.

The Selection Procedure consists of a written test and those who clear written test will face technical and HR Interview. The written test usually consists of four sections - Verbal, Quantitative Aptitude, and Comprehension and Psychometric test.

Written Test

Verbal Section consists of 15 questions and is to be attempted in 6 minutes. These are usually based on English words and their synonyms.

Quantitative section consists of basic mathematics questions based on percentages, multiplication, and simple algebra. It consists of 15 questions and the time allotted is 10 minutes. Comprehension Section consists of 60 questions with 50 minutes.

Psychometric test contains 150 questions with 30 minutes. These are general personality based questions and are yes/no based. Among other, these questions test candidate's ability to answer consistently.

Interview

The written test is followed by interviews- technical and HR. The technical interview is based on subjects candidates have already studied in their curriculum. Candidate need to select their favorite subjects out of what they have studied.

The HR Interview is very general to test candidate's temperament. General questions based on current affairs, general awareness, trends in IT etc. may be asked.

TCS also employs a lot of fresh graduates. To help identify new talent, they are engaged with more than 300 academic institutions globally. They have built robust holistic programs, which includes faculty development programs, workshops and annual conclaves for the professors and teachers. Through their work with these institutes, they identify with and cultivate new talent. This helps them to groom freshers at the entry level itself.

Qualifications:

It depends on the position and role recruited. For example, at the entry level, TCS recruit engineering graduates and postgraduates in computer science, engineering.

Experienced professionals or laterals (professionals with work experience) may be engineering graduates or postgraduates if recruited for technical roles, or management postgraduates if recruited for business or sales roles.

TCS also recruit functional experts for specific practices; for example, the health care practice recruits doctors as functional experts, or the financial services practice hires bankers and other finance professionals for their domain knowledge.

TCS periodically advertises in the newspapers for the positions and roles available. Within TCS, the intranet will have announcements about the various positions and requirements. The TCS web site also lists the jobs. One can also upload one's resume there.

Age limit:

Being an equal opportunities employer, the suitability of candidates is judged on competency. TCS understand competency as critical knowledge and skills producing key outputs in performance, according to S Padmanabhan, executive vice president and head, global HR, TCS.

Selection process:

For trainees and persons with less than two years of experience, TCS conduct written tests, technical and management interviews.

For laterals, TCS do not have written tests. The process includes short listing based on certain eligibility criteria pertaining to the students' academic track record and domain/specializations, aptitude test and a two-tier competency-based interview. In management institutes, TCS replace the aptitude tests with group discussions.

The attributes TCS typically look at include technical excellence, professionalism, good communication skills, and willingness to work beyond boundaries and the inclination to teamwork, according to Padmanabhan.

Application for the job:

Interested applicants can apply through TCS recruitment portal. TCS also advertise available positions on their Web site, on job boards such as Monster, Naukri and newspapers and, for niche positions, in technical magazines.

Interview:

According to S Padmanabhan, executive vice president and head, global HR, TCS, It is important to maintain consistent academic records while developing strong technical/functional skills. The ability to adapt and innovate, willingness to learn and ability to collaborate are important attributes that TCS looks for, along with a mindset to be mobile.

Post-interview:

TCS has a process of background checks undertaken by professional agencies. As part of this process, we check for authenticity, educational background and work experience. Typically, background checks are completed prior to joining. On joining, the employee is given a letter of appointment. All terms and conditions of service are enumerated in the letter of offer made once the candidate is successful in the management interview.

All candidates, including those who have been rejected, are intimated about their status. Candidates also have the option to call our office and get an update on the progress and status of their application. Although TCS normally recruit for a role, if alternatives are available and the candidate is deemed suitable, HR pursues the application for the same.

Postings:

As a global company, TCS has about 169 offices in 35 countries with operations across India, North America, APAC, Latin America, Europe, Middle East and Africa.

Growth prospects:

TCS offer careers across five streams i.e. sales, delivery, practice, technology, corporate roles and specialists in nearly 4 areas -- Engineering and Manufacturing, Infrastructure Services, BPO, IT Services and Global Consulting.

TCS value proposition to employees is for an aspiration-based career across project management, technology, domain and sales streams. This is enabled by ongoing competency development, differentiated compensation and various work-life balance initiatives, as well as the chance to work in different markets and geographies in our network of 169 offices in 35 countries. This is what has helped TCS attract and retain employees at all levels.

Remuneration:

TCS offer remuneration based on the number of years of experience and the nature of the experience in terms of skills, technology, etc. The compensation is benchmarked regularly with the industry.

Add-ons:

In addition to remuneration, some of the add-ons include canteen facilities with subsidised meals, health insurance for self and family at subsidised rates, subsidised transport at some of their locations, gymnasiums and recreational facilities at some of their locations.

TCS also has other add-ons such as leave without pay for pursuing higher studies, joining spouse overseas, part-time/ work from home facility, holiday homes across the country, welfare trust facilitation for higher education, membership in Tata Sons Welfare Trust, Consultancy Employees Welfare Trust, etc.

Also, as employees of Tata Group, TCS associates get discounts on products and services from other group companies -- for example, Westside, Titan, Tata Consultancy Services and the Taj Group of Hotels.

Global Exposure

Global exposure at TCS extends beyond geographical boundaries. Employees get the opportunity to work on world-class projects on a global scale, interact with people having diverse cultural backgrounds and organizational functions and explore cutting-edge technologies fresh out of the world-renowned research labs.

Focus on Freedom

TCS have established an environment that focuses on individual aptitude, talent and interests. As a proven practice, TCS promote cross-domain experience that allows an employee to function across different industry verticals, service practices, and functional domains as well as varied technology platforms. At the same time, TCS continuously present employees with the opportunity to explore the domain where they believe they would fit the

best. These factors not just help hone employee's skills across platforms, it also provides their customers a talent pool with expertise that exceeds their industry benchmarks.

TCS Graduate Program at Australia- Initial Learning Programme (ILP)

Selected graduates will travel to their world-renowned Initial Learning Program (ILP) in India for two months.

The ILP consist of two phases:

In the first phase the candidates will learn the concepts of program design and development, process models and next generation technologies such as Cloud Computing, Green IT and Web 2.0.

The second phase is specifically tailored to candidate and their project requirements. Depending on candidates skill sets and the projects that they will be working on, a curriculum will be structured for them.

Following two-month training, they will work at their Australian customers' offshore center for 2-4 months. Here they will understand how TCS' offshore center works and build their competencies before they return to Australia and work onsite for their client.

Recruitment Process

Identify vacancy



Prepare job description and person specification



Advertising the vacancy



Managing the response



Short-listing



Arrange interviews



Conducting interview and decision making

Chapter 6

METHODS OF PERFORMANCE APPRAISAL

Numerous methods have been devised to measure the quantity and quality of performance appraisals. Each of the methods is effective for some purposes for some organizations only. None should be dismissed or accepted as appropriate except as they relate to the particular needs of the organization or an employee.

Broadly all methods of appraisals can be divided into two different categories.

- Past Oriented Methods
- Future Oriented Methods

Past Oriented Methods

1. **Rating Scales:** Rating scales consists of several numerical scales representing job related performance criterions such as dependability, initiative, output, attendance, attitude etc. Each scales ranges from excellent to poor. The total numerical scores are computed and final conclusions are derived. Advantages – Adaptability, easy to use, low cost, every type of job can be evaluated, large number of employees covered, no formal training required.

Disadvantages – Rater's biases

2. **Checklist:** Under this method, checklist of statements of traits of employee in the form of Yes or No based questions is prepared. Here the rater only does the reporting or checking and HR department does the actual evaluation. Advantages – economy, ease of administration, limited training required, standardization. Disadvantages – Raters biases, use of improper weighs by HR, does not allow rater to give relative ratings

3. **Forced Choice Method:** The series of statements arranged in the blocks of two or more are given and the rater indicates which statement is true or false. The rater is forced to make a

choice. HR department does actual assessment. Advantages – Absence of personal biases because of forced choice. Disadvantages – Statements may be wrongly framed.

4. **Forced Distribution Method:** here employees are clustered around a high point on a rating scale. Rater is compelled to distribute the employees on all points on the scale. It is assumed that the performance is conformed to normal distribution. Advantages – Eliminates Disadvantages – Assumption of normal distribution, unrealistic, errors of central tendency.

5. **Critical Incidents Method:** The approach is focused on certain critical behaviors of employee that makes all the difference in the performance. Supervisors as and when they occur record such incidents. Advantages – Evaluations are based on actual job behaviors, ratings are supported by descriptions, feedback is easy, reduces recency biases, chances of subordinate improvement are high. Disadvantages – Negative incidents can be prioritized, forgetting incidents, overly close supervision; feedback may be too much and may appear to be punishment.

6. **Behaviorally Anchored Rating Scales:** statements of effective and ineffective behaviors determine the points. They are said to be behaviorally anchored. The rater is supposed to say, which behavior describes the employee performance. Advantages – helps overcome rating errors. Disadvantages – Suffers from distortions inherent in most rating techniques.

7. **Field Review Method:** This is an appraisal done by someone outside employees' own department usually from corporate or HR department. Advantages – Useful for managerial level promotions, when comparable information is needed, Disadvantages – Outsider is generally not familiar with employees work environment, Observation of actual behaviors not possible.

8. **Performance Tests & Observations:** This is based on the test of knowledge or skills. The tests may be written or an actual presentation of skills. Tests must be reliable and

validated to be useful. Advantage – Tests may be apt to measure potential more than actual performance. Disadvantages – Tests may suffer if costs of test development or administration are high.

9. **Confidential Records:** Mostly used by government departments, however its application in industry is not ruled out. Here the report is given in the form of Annual Confidentiality Report (ACR) and may record ratings with respect to following items; attendance, self expression, team work, leadership, initiative, technical ability, reasoning ability, originality and resourcefulness etc. The system is highly secretive and confidential. Feedback to the assessee is given only in case of an adverse entry. Disadvantage is that it is highly subjective and ratings can be manipulated because the evaluations are linked to HR actions like promotions etc.

10. **Essay Method:** In this method the rater writes down the employee description in detail within a number of broad categories like, overall impression of performance, promoteability of employee, existing capabilities and qualifications of performing jobs, strengths and weaknesses and training needs of the employee. Advantage – It is extremely useful in filling information gaps about the employees that often occur in a better-structured checklist. Disadvantages – It is highly dependent upon the writing skills of rater and most of them are not good writers. They may get confused success depends on the memory power of raters.

11. **Cost Accounting Method:** Here performance is evaluated from the monetary returns yields to his or her organization. Cost to keep employee, and benefit the organization derives is ascertained. Hence it is more dependent upon cost and benefit analysis.

12. **Comparative Evaluation Method (Ranking & Paired Comparisons):** These are collection of different methods that compare performance with that of other co-workers. The usual techniques used may be ranking methods and paired comparison method.

- **Ranking Methods:** Superior ranks his worker based on merit, from best to worst. However how best and why best are not elaborated in this method. It is easy to administer and explanation.
- **Paired Comparison Methods:** In this method each employee is rated with another employee in the form of pairs. The number of comparisons may be calculated with the help of a formula as under.

$$N \times (N-1) / 2$$

Future Oriented Methods

1. **Management By Objectives:** It means management by objectives and the performance is rated against the achievement of objectives stated by the management. MBO process goes as under.

- Establish goals and desired outcomes for each subordinate
- Setting performance standards
- Comparison of actual goals with goals attained by the employee
- Establish new goals and new strategies for goals not achieved in previous year.

Advantage – It is more useful for managerial positions.

Disadvantages – Not applicable to all jobs, allocation of merit pay may result in setting short-term goals rather than important and long-term goals etc.

2. **Psychological Appraisals:** These appraisals are more directed to assess employees potential for future performance rather than the past one. It is done in the form of in-depth interviews, psychological tests, and discussion with supervisors and review of other evaluations. It is more focused on employees emotional, intellectual, and motivational and other personal characteristics affecting his performance. This approach is slow and costly and

may be useful for bright young members who may have considerable potential. However quality of these appraisals largely depend upon the skills of psychologists who perform the evaluation.

3. **Assessment Centers:** This technique was first developed in USA and UK in 1943. An assessment center is a central location where managers may come together to have their participation in job related exercises evaluated by trained observers. It is more focused on observation of behaviors across a series of select exercises or work samples. Assesseees are requested to participate in in-basket exercises, work groups, computer simulations, role playing and other similar activities which require same attributes for successful performance in actual job. The characteristics assessed in assessment center can be assertiveness, persuasive ability, communicating ability, planning and organizational ability, self confidence, resistance to stress, energy level, decision making, sensitivity to feelings, administrative ability, creativity and mental alertness etc. Disadvantages – Costs of employees traveling and lodging, psychologists, ratings strongly influenced by assessee's inter-personal skills. Solid performers may feel suffocated in simulated situations. Those who are not selected for this also may get affected.

Advantages – well-conducted assessment center can achieve better forecasts of future performance and progress than other methods of appraisals. Also reliability, content validity and predictive ability are said to be high in assessment centers. The tests also make sure that the wrong people are not hired or promoted. Finally it clearly defines the criteria for selection and promotion.

4. **360-Degree Feedback:** It is a technique which is systematic collection of performance data on an individual group, derived from a number of stakeholders like immediate

supervisors, team members, customers, peers and self. In fact anyone who has useful information on how an employee does a job may be one of the appraisers. This technique is highly useful in terms of broader perspective, greater self-development and multi-source feedback is useful. 360-degree appraisals are useful to measure inter-personal skills, customer satisfaction and team building skills. However on the negative side, receiving feedback from multiple sources can be intimidating, threatening etc. Multiple raters may be less adept at providing balanced and objective feedback.

Chapter 7

PERFORMANCE APPRAISAL ADVANTAGES AND DISADVANTAGES

Advantages Of Performance Appraisal

- It helps the supervisors to chalk out the promotion programs for efficient employees. In this regards, inefficient workers can be dismissed or demoted in case.
- It helps in chalking out compensation packages for employees. Merit rating is possible through performance appraisal. PA tries to give worth to a performance. Compensation packages which include bonus, high salary rates, extra benefits, allowances and pre-requisites are dependent on performance appraisal. The criteria should be merit rather than seniority.
- The systematic procedure of PA helps the supervisors to frame training policies and programs. It helps to analyze strengths and weaknesses of employees so that new jobs can be designed for efficient employees. It also helps in framing future development programs.
- It helps the supervisors to understand the validity and importance of the selection procedure. The supervisors come to know the validity and thereby the strengths and weaknesses of selection procedure. Future changes in selection methods can be made in this regard.
- For an organization, effective communication between employees and employers is very important.

- It serves as a motivation tool. Through evaluating performance of employees, a person's efficiency can be determined if the targets are achieved. This very well motivates a person for better job and helps him to improve his performance in the future.

Disadvantages of Performance Appraisal

- If not done right, they can create a negative experience.
- Performance appraisals are very time consuming and can be overwhelming to managers with many employees.
- They are based on human assessment and are subject to rater errors and biases.
- Can be a waste of time if not done appropriately.
- They can create a very stressful environment for everyone involved.

Chapter 8

PERFORMANCE APPRAISAL CRITERIA AT TCS

OBJECTIVES

Data relating to performance assessment of employees are recorded, stored, and used for seven purposes. The main purposes of employee assessment are:

1. To effect promotions based on competence and performance.
2. To confirm the services of probationary employees upon their completing the probationary period satisfactorily.
3. To assess the training and development needs of employees.
4. To decide upon a pay raise where (as in the unorganized sector) regular pay scales have not been fixed.
5. To let the employees know where they stand insofar as their performance is concerned and to assist them with constructive criticism and guidance for the purpose of their development.
6. To improve communication. Performance appraisal provides a format for dialogue between the superior and the subordinate, and improves understanding of personal goals and concerns. This can also have the effect of increasing the trust between the rater and the ratee.
7. Finally, performance appraisal can be used to determine whether HR programmes such as selection, training, and transfers have been effective or not.

Broadly, performance appraisal serves four objectives-

- (i) developmental uses,
- (ii) administrative uses/decisions,
- (iii) organizational maintenance/objectives, and Documentation purpose



Chapter 9

TCS IDEOLOGIES

PURPOSE

To continually strive to achieve excellence - both on and off the job.

VISION STATEMENT

"TCS will be recognized and respected as professional, innovative, profitable information, and knowledge based logistics/services enterprise. TCS embeds internet based technologies into its internal operating structures and as business solutions for customers; with customer, employee and shareholder interests at the core of its operations; demonstrating a clear concern for ethical conduct and good corporate citizenship; with the objective of growing into a regional and global player, with emphasis on the Middle East, Europe and North America".

MISSION STATEMENT

The annual report 2012-13 states the mission of the company as follows-

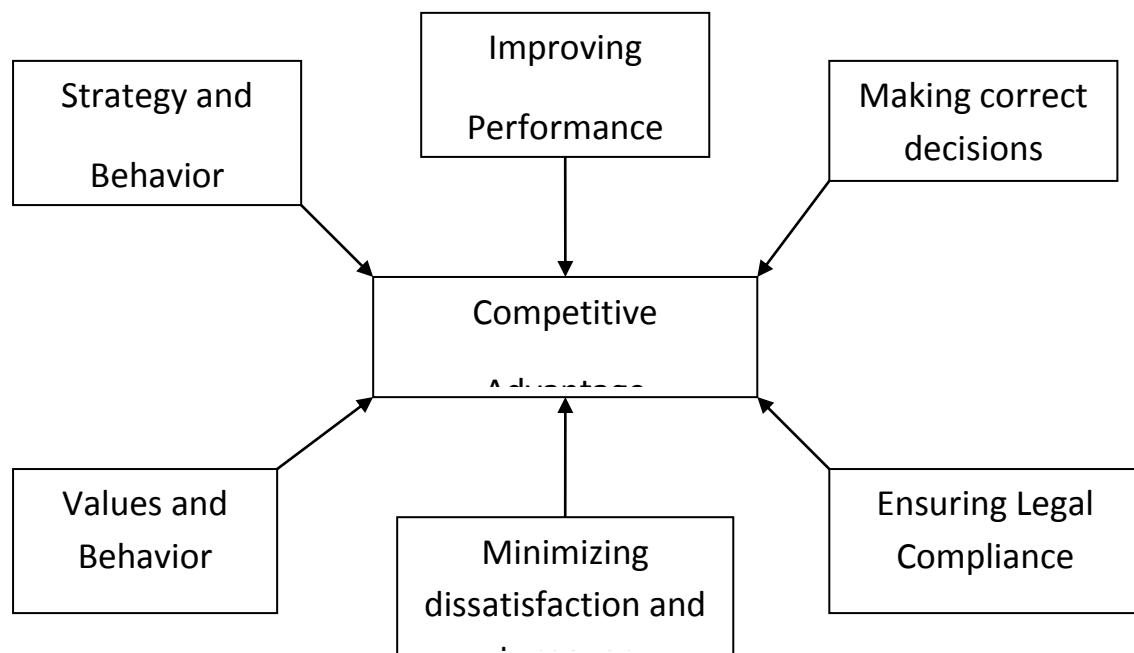
"TCS has built a global reputation for its ability to help customers achieve their business objectives – by providing innovative, best-in-class consulting, IT and IT-enabled solutions and services. TCS' core set of values underpin all activities in the Company and these include leadership with trust, integrity, excellence, respect for the individual and learning/sharing. The Company plans to further strengthen and consolidate its position in the global IT industry as an integrated full services player with a global footprint in terms of innovation, operations and service delivery.

Chapter 10

PERFORMANCE APPRAISAL AND COMPETITIVE

ADVANTAGE IN TCS

The objectives of performance appraisal, point out the purpose which such an exercise seeks to meet. What needs emphasis is that performance evaluation contributes to TCS's competitive strength. Besides encouraging high levels of performance, the evaluation system helps identify employees with potential, reward performance equitably and determine employee's need for training. Specifically, performance appraisal has helped the TCS gain competitive edge in the following ways :



TCS conducts two appraisals:

1. At the end of the year
2. At the end of a project.

Appraisals are based on Balanced Scorecard, which tracks the achievement of employees on the basis of targets at four levels —

- ✓ financial
- ✓ customer
- ✓ internal
- ✓ learning and growth

The **financial perspective** quantifies the employee's contribution in terms of revenue growth, cost reduction, improved asset utilization and so on;

The **customer perspective** looks at the differentiating value proposition offered by the employee; the **internal perspective** refers to the employee's contribution in creating and sustaining value; the **learning and growth** are self-explanatory.

The weight age given to each attribute is based on the function the employee performs.

Based on their individual achievements, employees are rated on a scale of one to five (five = "superstar"). If employees get a low rating (less than two) in two consecutive appraisals, the warning flags go up. "If the poor performer continues getting low scores then the exit option may be considered"

Over the years TCS has found the pattern that leads to the maximum decline in performance — boredom. If employees work for more than two years on the same project, typically either their performance dips or they leave the organization.

To avoid that, TCS shuffles its employees between projects every 18 months or so.

“Performance drops if motivation drops”

At the heart of an employee's satisfaction lies the fact that his performance is being appreciated and recognized. TCS's performance management system has metamorphosed into one that emphasizes objectivity and a system that mandates performance evaluation against pre-determined criteria.

What deserves special mention is the active participation of the senior management in the determination of guidelines for the performance appraisal process. The process ensure buy in of the employees since the guidelines for the rating system and its conversion into money terms is not unilaterally decided by HR but is a consensus of a cross functional team with representation from all levels.

TCS's performance appraisal system is supported by an online system called the Human Resource Management System- an Oracle Developer 2000 based tool. The system individual right from his biographical details to his projects performance. An employee's performance history at the click of a button and this accurately maintained for 14000 employees! Right from his entry, an employee in TCS get formal performance feedback once every two months till such time that he is confirmed after which the performance feedback is provided twice

every year on a formal basis. TCS however widely encourages informal feedback discussions between Project Leaders and Team Members and this concept has found an overwhelming appeal among the people.

Chapter 11

CONCLUSION

After having analyzed the data, it was observed that there was appraisal in the organization. It is an effective tool, since it is on continuous basis. Performance appraisals in Tata Consultancy Services are satisfactory for its effective management and evaluation of staff. Appraisals here are helping individuals to develop, improve organizational performance, and feed into business planning. Performance appraisals enable management in monitoring of standards, agreeing expectations and objectives, and delegation of responsibilities and tasks. Staff performance appraisals also establish individual training needs and enable organizational training needs analysis and planning. 90degrees appraisal system or review is being followed in Tata Consultancy Services i.e. feedback that comes from members of an employee's immediate work circle most often, 360-degree feedback will include direct feedback from an employee's subordinates, peers, and supervisor(s), as well as a self-evaluation. It can also include, in some cases, feedback from external sources, such as customers and suppliers or other interested stakeholders. The appraisal process is continuous here and encourages employee productivity with positive feedbacks.

Findings-

1. The very concept of performance appraisal is marketed throughout the organization; people have accepted it and understood its importance to the organization.
2. To market such a concept, it should not start at bottom; instead it should be started by the initiative of the top management. This would help in percolating down the concept to the advantage of all, which includes the top management as well as those below them. This

means that the top management has to take a welcoming and positive approach towards the change that is intended to be brought.

3. Further, at the time of confirmation also, the appraisal form should not lead to duplication of any information. Instead, detailed appraisal of the employee's work must be done – which must incorporate both the work related as well as the other personal attributes that are important for work performance.
4. It should be noted that the appraisal form for each job position should be different as each job has different knowledge and skill requirements. There should not be a common appraisal form for every job position in the organization.
5. The job and role expected from the employees should be decided well in advance and that too with the consensus with them.
6. A neutral panel of people should do the appraisal and to avoid subjectivity to a marked extent, objective methods should be employed having quantifiable data.
7. The time period for conducting the appraisal should be revised, so that the exercise becomes a continuous phenomenon.
8. Transparency into the system should be ensured through the discussion about the employee's performance with the employee concerned and trying to find out the grey areas so that training can be implemented to improve on that.
9. The feedback doesn't come from multiple sources. It should to increase the efficiency.
10. Lack of Truth about Organization culture is conveyed through 90 degree of appraisal system. It should be overcome.
11. Superiors response tends to be bias, which makes employees unsatisfied. Thus, a better system can be installed.

12. Linking, Findings to the rewards can prove to be unfair. Transparency should be brought in appraisal system.
- 13...Assesses denies the truth of negative feedback, as it's done by one person. More parties should be involved.
14. System can be used to humiliate people, if Employer and employee relations are not good.
15. Ignores performance in terms of reaching goals, which can be disastrous for the organization.

Ideally in the present day scenario, appraisal should be done, taking the views of all the concerned parties who have some bearing on the employee. But, since a change in the system is required, it cannot be a drastic one. It ought to be gradual and a change in the mindset of both the employees and the head is required.

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