

**E-contents for Mcom 2nd
semester
Vaniya Mahavidyalaya, Patna
University**

Subject: Human Resource Management

Paper code: COMCC-5

Unit:4

Topic: HUMAN RESOURCE APPRAISAL

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PERFORMANCE APPRAISAL

Performance appraisal is a systematic way of reviewing and assessing the performance of an employee during a given period of time and planning for his future.

It is a powerful tool to calibrate , refine and reward the performance of the employee. It helps to analyze his achievements and evaluate his contribution towards the achievements of the overall organizational goals.

Performance appraisal is a systematic process in which employee performance at work is evaluated in relation to the projects . It also helps in reviewing various factors which influence performance . Managers should plan performance development strategies in a structured manner for each employee. Performance appraisal is a multistage process in which communication plays a pivotal role.

PAS (Performance Appraisal System) is formulated to:

- Development area for improvement**
- Review job description and responsibilities**
- Clarify employee development interests and needs**
- List specific performance objectives and standards**
- To diagnose the strengths and weaknesses of the individuals so as to identify the training and development needs of the future.**
- Provide informations to assist in the other personal decision in the organization**
- To review the performance of the employees over a given period of time**

- **To judge the gap between the actual and the desired performance**
- **Provide clarity of expectation and responsibilities of the functions to be performed by the employee**
- **To help the management in exercising organizational control**
- **To provide feedback to employees regarding their past performance**
- **To provide opportunity to the employee for self-evaluation and goal setting**



CONCEPTS OF PERFORMANCE APPRAISAL

- 1. Performance appraisal is an objective assessment of an individual's performance against well defined benchmarks.**
- 2. Performance appraisal involves reviewing past performance, rewarding past performance, goal setting for future performance and employee development.**

- 3. Performance appraisal can be conducted by supervisors, customers, subordinates or the by the individual employee himself.**
- 4. Performance appraisal can be conducted once in three months, six months or once in a year depending on the organizational policy.**
- 5. It should focus on employee behaviour and results rather than on personal traits or characteristics.**
- 6. Evaluator should be trained to carry out the performance appraisal process.**
- 7. The manager should have adequate opportunity to observe the employees job performance during the course of the evaluation period.**

SIGNIFICANCE OF PERFORMANCE APPRAISAL

- Organization required to deal with performance related issues due to competition**
- Creating a "win-win" environment**
- Motivates employees to meet the self-esteem and self-actualization needs**
- Higher performance work culture**
- Promotes openness, trust, collaboration, proactiveness and empathy**
- Essential ingredients for leading people to maximize their performance**
- Balanced and constructive feedback to facilitate employee development**

- Focus maximizing contribution in current role

PERFORMANCE APPRAISAL METHODS

1. TRADITIONAL METHOD

2. MODERN METHOD

TRADITIONAL METHOD OF PERFORMANCE APPRAISAL

1. Graphic rating scale method: Scales consisting of a number of traits or behavior that the rater must judge based on where the employee falls on this dimension regarding expectations. For e.g

Employee Name

Department

Job Title

Performance Level Work Dimension	Poor	Fairly Poor	Fairly Good	Good	Excellent
Attendance			✓		
Behavior towards Subordinates			✓		
Sincerity				✓	
Dependability					✓

2. Checklist: The rater is given a checklist of the descriptions of the behaviour of the employees. A checklist is a set of objectives about the employees and his behaviour.

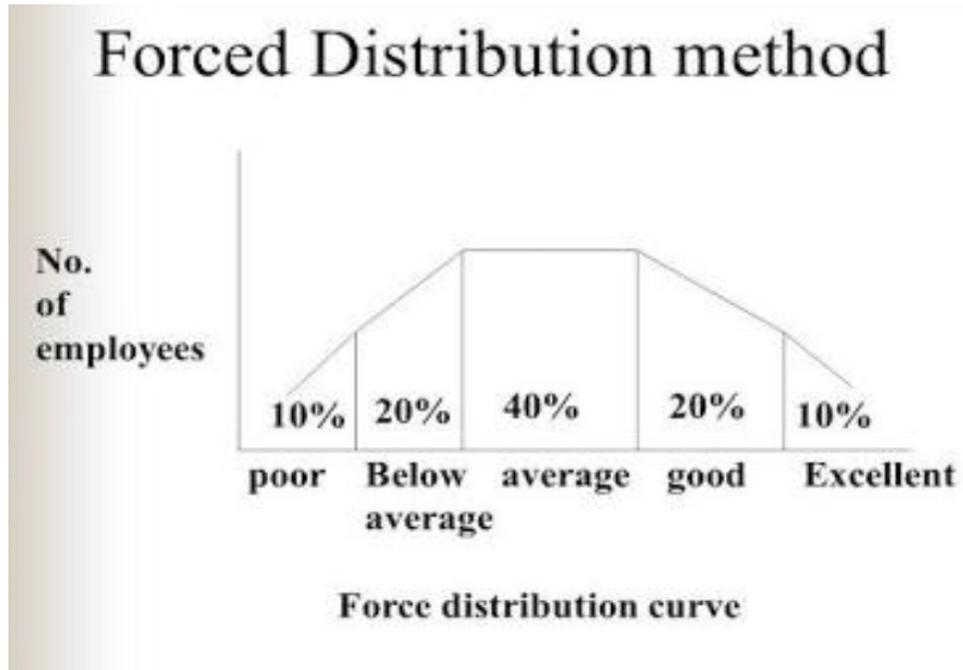
- Under weighted checklist value of each question may be weighted.
- Example:
- Is the employee really interested in the task assigned? yes/no
- Is he respected by his colleagues? yes/no

1. Is regular on the job?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
2. Does maintain discipline well?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
3. Shows consistent behaviour to all colleagues?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
4. Is interested in their job?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
5. Keeps making mistakes?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
6. Shows favouritism towards particular colleagues?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

3.FORCED CHOICE METHOD: This method uses several sets of paired phrases, two of which may be positive and two negative. Favourable qualities in plus credit and unfavourable earns the reverse.

Criteria	Rating	
1.Regularity on the job	Most	Least
<ul style="list-style-type: none"> •Always regular •Inform in advance for delay •Never regular •Remain absent •Neither regular nor irregular 		

4. FORCED DISTRIBUTION METHOD: The rater is asked to appraise the employee according to predetermined distribution scale.



5. BEHAVIOURALLY ANCHORED RATING SCALE: Generate critical incidents and place into performance dimensions like responsibility, initiative, safety and etc.

Behaviorally Anchored Rating Scales



6. ESSAY APPRAISAL METHOD: It involves a description of the performance of an employee by the superior.

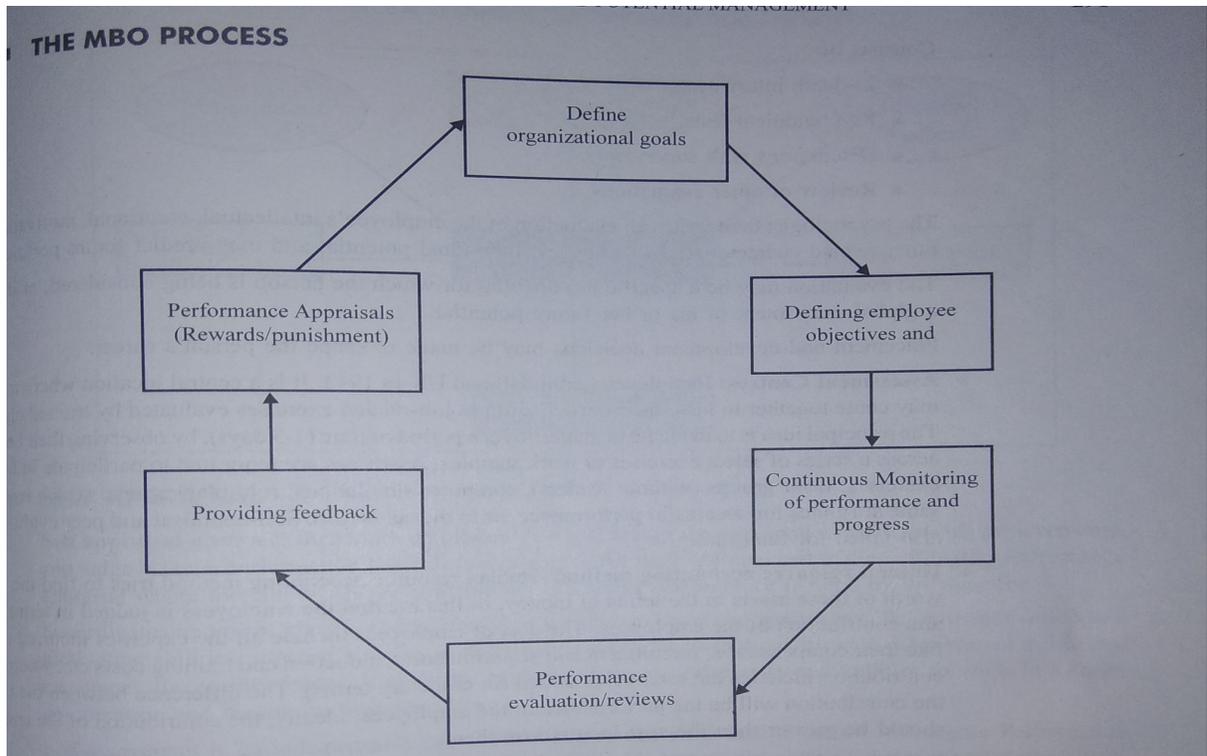
MODERN METHODS OF PERFORMANCE APPRAISAL

1. MANAGEMENT BY OBJECTIVES(MBO): It reflects the management philosophy which values and utilizes employee contributions.

Steps in MBO:

- Establish the goals each subordinate is to attain
- Setting the performance standards for the subordinates in specified time period.

- Actual level of goal attainment is compared with the goal agreed upon
- Establishing new goals and whole steps are repeated



2. PSYCHOLOGICAL APPRAISAL: Large organizations employ full time psychologists. It consists of:

- In-depth interview
- Psychological tests
- Discussion with supervisors
- Review of other evaluations

3. HUMAN RESOURCE ACCOUNTING METHOD: In this method the employees are judged in terms of cost and contribution of the employees. The difference between the cost and contribution will be the performance of the employees.

4. 360 DEGREE APPRAISAL: 360 degree respondents for an employee can be his peers, managers, subordinates, team members,

customers, suppliers anyone who comes into contact with the employees.



CRITERIA OF PERFORMANCE APPRAISAL

- **Production / deadlines**
- **Work sample tests**
- **Length of services**
- **Training**
- **Rating of supervisors**
- **Clear objectives**

- **Flexibility**
- **Predictability**
- **Communication skills**
- **Quality of work**
- **Teamwork**

SUMMARY

Performance appraisal is a powerful tool of employee development. It is the systematic, periodic and an impartial rating of an employee's excellence in the matters pertaining to his present job and his potential for a better job.