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Topic: PERFORMANCE APPRAISAL

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PERFORMANCE APPRAISAL

Performance appraisal is a regular review of an employee's job performance and overall contribution to a company.

Company use performance appraisal to give employees big picture feedback on their work and to justify pay increases and bonuses as well as termination decision.

Performance appraisal also help employee and their managers to create a plan for employee development through additional training and increased responsibilities, as well as to identify shortcomings the employees could work to resolve.



By focusing the attention on performance appraisal goes to the heart of personnel management and reflects the management's interest in the progress of th employees.

Evaluation of employees periodically is very important to find out their effeciency. From the organizational point of view performance appraisal is very important to improve the quality of work force.

OBJECTIVES OF PERFORMANCE APPRAISAL

- Performance appraisal motivates the employees of the company which leads to better performance and also the quality of work.
- It produces the feeling of competition in the employees.
- Quality of work is to be achieved.
- It helps to identify the real strength of the employees.
- It works as a tool for enhancing the mutual understanding between the employer and employee.

DIFFERENCES BETWEEN PERFORMANCE MANAGEMENT AND PERFORMANCE APPRAISAL

Performance management includes the performance appraisal process which in turn helps identifying the training needs and provides a direction for career and succession planning.

Performance appraisal is a systematic process of reviewing and assessing the performance of an employee during a given period of time.

These are the following differences between performance management and performance appraisal:

1. Performance appraisal focuses on year end rating by managers. And performance management is a ongoing process.
2. Performance appraisal conducted by HR department along with managers. Multiple stakeholders are involved in performance management.
3. performance appraisal is a inflexible process. Performance management is completely flexible.
4. Performance appraisal considered as an operational tool to improve the effeciency of employees. Performance management is a strategic tool.
5. Performance appraisal focuses on activities, behaviour and personality. But performance management focuses on business unit performance plans.

CHARACTERISTICS OF PERFORMANCE APPRAISAL

1. Forward looking process
2. Focus on development than evaluation
3. Improvement in performance behaviour
4. Employee centered
5. Mutual learning concept
6. Data based decision making
7. Meaningful for both the employees and supervisors

8. Focus on future performance

ESSENTIAL ELEMENTS FOR SUCCESSFUL PERFORMANCE APPRAISAL

- 1. Documentation-** It helps the evaluators to give a proof and the basis of their ratings.
- 2. Standards-** The standards should be clear, easy to understand, achievable, motivating, time bound and measurable.
- 3. Practicle and simple format-** The format should be simple, clear, fair and objective.
- 4. Evaluation technique-** The crieteria for evaluation should be based on observable and measurable characteristics of the behaviour of the employees.
- 5. Communication-** Open communication system motivates the employees to actively participate in the appraisal process.
- 6. Feedback-** Feedback should be developmental rather than judgemental.
- 7. Personal bias-** Evaluators should be trained to carry out the processes of appaisals without personal bias and effectively.

PROCESS OF PERFORMANCE APPRAISAL

- 1. Establish performance standars**
- 2. Communicate performance expectations to employees**
- 3. Measure actual performance**
- 4. Compare actual with standards**

5. Discuss appraisal with employees

6. Corrective measures

CHALLENGES RELATED TO PERFORMANCE APPRAISAL

- **Create a culture of excellence that inspire employees to improve and lend himself or herself to be assessed.**
- **Align organizational objectives to individual aspirations.**
- **Clear growth paths for talented individuals.**
- **Provide new challenges to rejuvenate careers that have reached the plateau stage.**
- **Empower the employees to make decisions without fear of failing.**
- **Embed teamwork in all operational processes.**
- **Debureaucratise the organization structure for ease of flow of information.**

