

Performance Appraisal

By: Asst. Prof. Agrawal R.M

B.com; MMM; MeBA; PGDFS; M.com ; Bed



Meaning

Performance appraisal is a **systematic evaluation of the employee's present job capabilities and also his potential for growth** and development by his superiors.

- It can be either informal or formal.

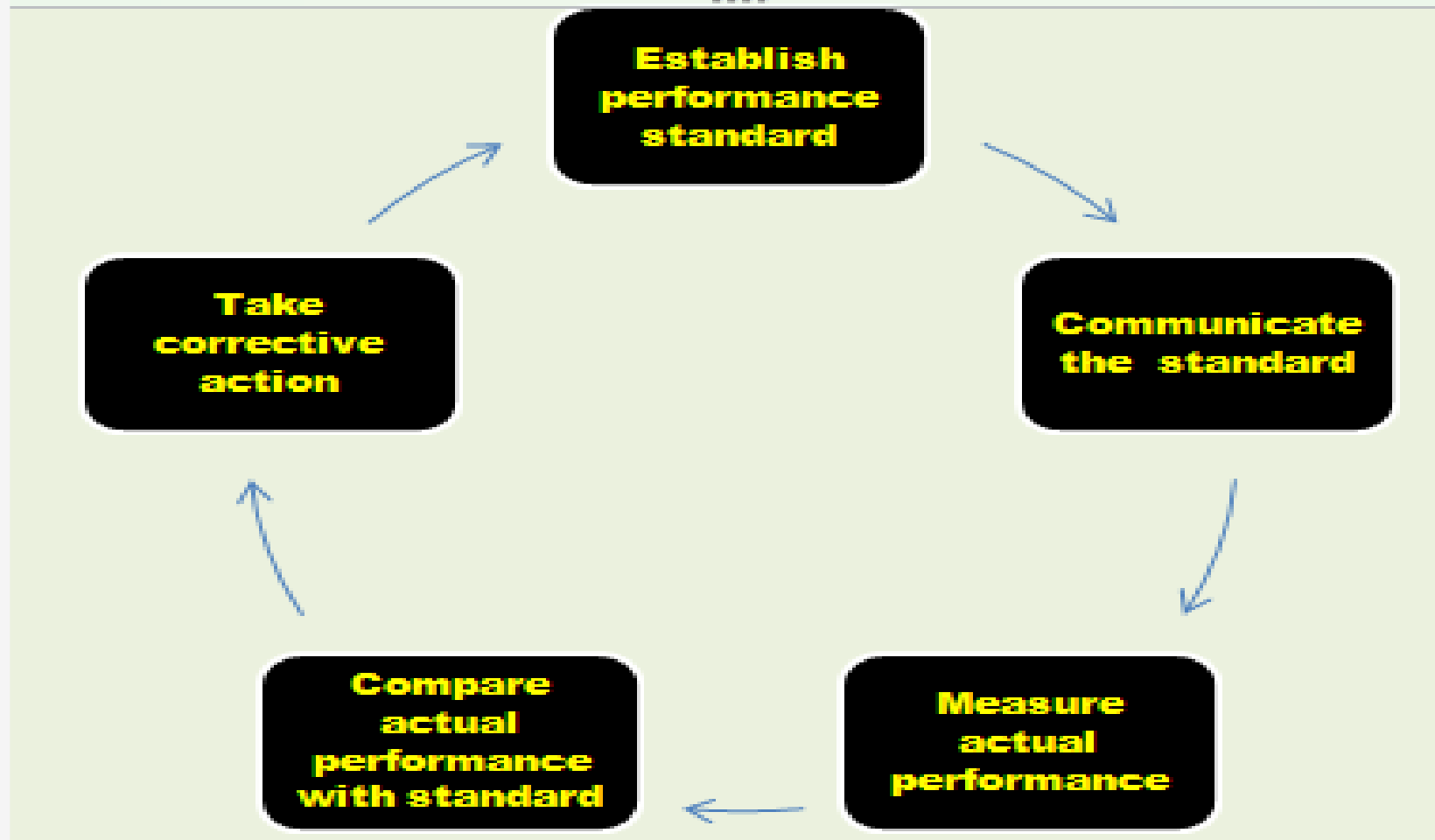
- In this system there may be two type of persons involved:

- ❑ **Appraisee** – The person whose performance is going to be appraised by other person

- ❑ **Appraiser** – The person who is going to evaluate the performance of appraise. The appraiser may be a superior, subordinate, peers, self-appraisal, and group.

- The main objective of performance appraisal is **to analyze the weakness and strength of employees, training needs and to identify future potential of an employee**

Process



Methods

1 Simple Ranking Method: In this method all the employees are rated on **the same set of factors** and ranks as given to them on the basis of their performance in relation to others in the group.

- They are all rated **from the first to the last** in order of their performance.
- This method is suffered from **various limitations** like if there are more number of employees then it is quite difficult to assign ranks to all employees and also there is a changing behavior among employees.

Paired Comparison Method

2 Paired Comparison Method: In this method **all the employees' performances are compared with other employees** but comparison is made with **only one member at a time.**

- The number of times **each member is preferred over the other is recorded.**
- These numbers determine the ranks of members and obviously **the top performers will be those with highest ranks for more number of times.**
- The numbers of pairs is to be calculated by the following formula $N(N-1)/2$
- The major disadvantage of this method is that it can't be useful when large numbers of employees are being compared.

Forced Distribution Method

Forced Distribution Method:

- It is a method to evaluate employee performance **according to a predetermined distribution scale.**
- Generally the organizations use **five grade scales where one end of the scale represents the best job performance and the other represents the poorest job performance.**
- All the employees are rated **somewhere on the scale according to their level of performance in comparison to other employees.** It is also called **stacked ranking**, or **bell-curve rating**.

Forced-Choice Method:

- The forced-choice method is developed **by J. P. Guilford**.
- It contains a **series of groups of statements, and rater rates how effectively a statement describes each individual being evaluated.**
- Common method of forced-choice method contains two statements, **both positive and negative.**
- Each statement carries a **score or weight**, which is not made known to the rater.
- The final rating is done on the basis of all sets of statements.

Graphic Rating Scale Method:

Graphic rating scale method **identifies specific desired traits, behaviour factors or performance criteria, such as, quality and quantity of work**

- In this method, **the printed appraisal form is used to appraise each employee.**
- The form **lists traits (such as quality and reliability)** and a range of job performance characteristics (from unsatisfactory to outstanding) for each trait.
- The rating for each factor will be done on the basis of numbers (1, 2, 3, 4, and 5)
- The total of the points obtained by an employee on all the **rating factors constitutes the overall ratings score** of that employee in comparison to other employees in the organisation.

Critical Incidents Method:

Under this method **the immediate supervisor tries to make a continuous record of all the good or bad incidents of a person's** work-related behaviour. Whenever employees are found doing something good or positive it is recorded as their positive contribution.

- At the same time whenever they commit a mistake, a blunder or an error it adds to their negative contributions.
- At the end of the rating period, **these recorded critical incidents whether positive or negative are used in the evaluation of the employee's performance.**

Checklist Method:

- In this method the employer starts **with a list of factors in their checklist, such as, does the employee cooperate with other co-workers, do they keep their work place neat and clean**, do they follow their supervisors instructions closely, do they reach on their workplace in time, and are they able to achieve the work targets assigned to them properly
- **Each factor or item receives a numerical value** based on its perceived importance to successful job performance. **Those items that are deemed more important are assigned higher values.** The actual performance of all the employees on the job is measured and is compared against the checklist. Their scores on the appraisal are determined by **summing the scores** of the factors checked by the rater.

Essay Method:

Under this method a **manager may write a detailed write-up on the job knowledge and potential of the employee; employees understanding of the company's programs, policies, and objectives;** employees promotability; overall appraisal of the employees performance; and employees relation with their co-workers and superiors; and so forth.

- Essay method **provides detailed information about the employee's performance** by the managers who have seen them closely on the job.

Management by Objectives Method:

Management by objectives (MBO) is a comprehensive management approach which is used for conducting performance appraisal. It is considered as one of the **most scientific and objective method** as a set procedure is followed. The primary focus in this method is on **developing a set of objectives which are to be realised by the employees.**

- These objectives are later **used as criteria for measuring the performance of the employees, or in other words the extent to which these objectives have been achieved by the employees.**
- At the time of performance appraisal, a supervisor will measure the actual performance of the employee on the job and the realisation of objectives by them

360°Feedback Appraisal:

The term 360°feedback appraisal is also known as **multi-rater feedback, multisource feedback, full circle appraisal and group performance review**. This concept was developed in the US in the year 1998. **This concept involves a process of collecting information about a person's behaviour from the people around him –his boss (es), colleagues, fellow members in the team, suppliers, as well as customers.**

- The basic assumption underlying this approach is that a person who works closely with an employee sees his or her behaviour in various settings and circumstances that a supervisor might not be able to see. Thus, the term 360°implies that everyone around is involved in evaluating the performance.

Assessment Center:

An assessment centre **is a central location** where managers come together to participate in well-designed simulated exercises.

- They are assessed by **senior managers supplemented by the psychologists and the HR specialists for 2-3 days.**
- Assessee is asked to participate in **in-basket exercises, work groups, simulations, and role playing which are essential for successful performance of actual job.**
- Having recorded the assessee's behaviour the raters meet to discuss their pooled information and observations and, based on it, they give their assessment about the assessee.
- At the end of the process, **feedback in terms of strengths and weaknesses is also provided to the assessee.**

Behaviorally Anchored Rating Scales

It is also known as BARS, are a type of **performance management scale that use behavior “statements” as a reference point.**

- It focused on both **qualitative and quantitative** information to the appraisal process
- The BARS method of **performance appraisal measures an employee's performance against specific** examples of behavior that are given a number rating for the purpose of collecting data.
- The major disadvantage of this method is that it is time consuming and also costlier in comparison with other methods.

THANK You