



Performance Appraisal

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ABSTRACT:

In this competitive era, when success of every organization depends upon the efficiency of its management, it is an important task for the organization to evaluate the efficiency as well as performance of its employees time to time and for this purpose; performance appraisal portrays an important role in every organization. Performance appraisal is the process of measuring quantitatively and qualitatively an employees' past or present performance against the background of his expected role performance, the background of his work environment, and about his future potential for an organization. There are various methods for this like grading system, straight ranking method and 360 degree feedback etc but these all methods are based on past performance. In this paper discussion is made about Performance appraisal, its issues and some recommendations to improve it and make its implementation easily.

KEYWORDS: Performance; Evaluation; Leniency; Review; Appraisal; Feed forward.

INTRODUCTION:

In today's scenario, human resources are to be considered as a very important asset of the company and the importance of human resources is very well known to the organization. The organization should know that the power of human resources is more important than the technical and infrastructure knowhow of the company. The competitors can have a competitive edge by having the command on performance appraisal and management system. It can be said that the viewpoint of organization is to achieve the established goal of the organization and the work force have to compete in this environment. Usually when an employee is selected and trained for a particular job then his performance is observed by the management. This observation is helpful in evaluation of performance of employees and in assessing the hiring and training methods opted by organization. Employees are hired/ recruited with some objectives in mind, and it is the duty of management to check whether

those objectives have been achieved or not. So, Performance appraisal (PA) also referred to as a Performance Review, Performance Evaluation, is a method by which the job performance of an employee is documented and evaluated. Performance appraisal is a part of career development and consists of regular reviews of employee's performance with organization. Evaluation of each employee is done by his immediate superior or some other persons trained in the techniques of merit rating.

LITERATURE REVIEW:

Randall S. Schuler found out that "Performance appraisal is a format, structured system of measuring and evaluating an employee's job related behaviour and outcomes to discover how and why the employee is presently performing on the job and how the employee can perform more effectively in the future so that the employees, organization and society will benefit."

C. Heigal propounded performance appraisal as "The process of evaluating the performance and

qualifications of the employees in the terms of requirements of the job for which he is employed for purposes of administration including placement, selection for promotion, providing financial rewards and other actions which require differential treatment among the members of a group as distinguished from actions affecting all members equally.”

NEED OF THE STUDY:

Employees play a significant role in the fulfilment of organization’s objectives. If their performance is best or according to their expectations then organization may be able to achieve its objectives but what if their performance is not up to expectation? Then the firm may not be able to achieve its objectives as desired. Hence evaluation of performance is the key agenda of all the organizations. It facilitates Human resource planning, career planning and succession planning and gives employees an incentive to better their performance in a bid to improve their rating over others. Management has to adopt various training programmes for their employees training and it is possible only after the evaluation and appraisal of employees that which methods should be selected. In this paper attempt has been made to study the need for performance appraisal, issues related to them and how that issues can be overcome.

OBJECTIVES:

- To study the organization awareness regarding Performance Appraisal.
- To study various methods for evaluation of performance.
- To discuss the need of Performance appraisal from different perspectives.
- To study initiative taken by organization to encourage it.

360 DEGREE FEEDBACK AND 360 FEED FORWARD:

360 Degree feedback system provides feedback on a manager’s performance collected from a

variety of people with whom he interacts regularly. Sources of feedback include manager’s direct supervisors, peers, customers, vendors. The results are more reliable in it. But, MARSHALL GOLDSMITH finds a fundamental problem with all types of feedback i.e. it focuses only on the past and on what has already occurred – not on the infinite variety of opportunities that can happen in future. As such, feedback can be limited and static, as opposed to expansive and dynamic. He gave following reasons to prove it more useful as a fundamental tool.

- We can change the future.
- It can be more productive to help people learn to be “right” than prove they were “wrong”.
- It can reinforce the possibility of change.
- It tends to be much faster and most efficient than feedback.
- People tend to listen more attentively to feed forward than feedback.

POINT OF TENSION/LIMITATIONS:

Performance appraisal may not yield the desired results because of the following elements:

1. Bias of Appraiser:

The presence of ‘Halo Effect’ in evaluation of employees is the biggest weakness of this method. A high rate is given to favoured employees whereas unfriendly employees are rated low.

2. Ambiguity in Standards:

If the standards are not clear, the supervisors may follow different standards for different employees.

3. Insufficient Evidence:

An employee who can impress the boss may get a positive evaluation though his impression in his own department may be very poor. In such cases, the performance appraisal will be superfluous.

4. Several Qualities Remain Without Appraisal:

Through performance appraisal, only few qualities of employees can be measured. All

individuals differ from each other in terms of background, values and behaviour.

5. Leniency or Strictness Tenancy:

Every evaluator has its own valuation procedure which is regarded as his own standards for evaluation. For example, some teachers are strict in evaluation of answer books where as others are lenient. Lenient tendency is known as 'Positive Leniency Error' whereas strict tendency is called as 'Negative Leniency Error'. The rating may be high or low depending upon the nature of evaluators.

6. Similarity Error:

The evaluator tries to look those qualities in subordinates which he himself possesses. Those who show the similar characteristics are rated high.

RECOMMENDATIONS:

1. Training Appraisers:

Training appraisers are essential for achieving better results with performance appraisal. The training should be designed to improve appraiser's capabilities to: observe, conduct constructive feedback, listen, support, counsel, set objectives and ask appropriate questions. Some benefits that can be achieved by using appraiser training are as follows:

- i) Improve understanding of the system, the forms and terminology to be applied.
- ii) Increase accuracy and reduce common judgment errors.
- iii) Enhance appraiser's self confidence about his rating skills and improve the skill through practice and feedback.

2. Developing a positive culture:

Changing culture requires leaders to understand the learning process dynamics and how the learning and unlearning of assumptions and beliefs can be manipulated to modify behaviour. Cultural aspects could be one of the areas of

training. An organization's leadership has the responsibility to develop a positive culture to facilitate the acceptance of performance appraisal among managers and their employees.

3. Providing performance feedback:

Employees naturally like to know how they are performing relative to what is expected from them. Performance feedback lets employees know how well they have performed in comparison with the performance standards. Having day-to-day employee-manager interaction, through which the appraiser is provided with constructive feedback.

4. Avoiding unequal performance standards:

Effective performance appraisal requires equal standards against which employees are assessed. In the absence of equal standards, employees are assessed with subjectivity, which may destroy the process of appraisal and leave it as a body without soul. Therefore, the problem of unequal standards can be minimized by ensuring that the appraisal criteria are job-oriented, communicating performance expectations to the employees before the appraisal review.

5. Avoiding multi-purpose programme:

One performance appraisal programme should not be designed to serve a myriad of purposes, administrative and developmental, as it can be vague and is difficult & results into failure. The solution is to separate assessment from development in appraising employees.

And lastly I would like to suggest all the organizations that to evaluate their employee's performance **360 degree feedback—forward** should be used so that the harm or losses that a firm can suffer due to inefficiency of employees may get diminished before the happening of them.

CONCLUSION:

After studying all the issues involved in Performance appraisal, I can say that it is helpful for organization as well as employees only if fairness is adopted in the evaluation of performance because fairness is connected to the acceptance of this system and eventually the performance of employees and organization. The understanding and perceptions of performance appraisal purpose have been connected to employee satisfaction with both appraisal and supervisor. Therefore, the purpose of performance appraisal may affect all dimensions of employee's perception and reactions toward performance appraisal. Finally, this will directly affect the organisation as the performance of a company is the performance of its employees.

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