



PERFORMANCE APPRAISAL

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INTRODUCTION

- A periodic and systematic assessment of employees in terms of performance, aptitude, capabilities etc which are necessary for successfully carrying out the jobs.
- Systematic description of employees job related strengths and weaknesses.



INTRODUCTION

- A method of management to make fair and impartial analysis of the value of employees to the organisation.



OBJECTIVES

- Provide adequate feedback to the employee
- Provide data to managers to judge future job assignments
- To decide whether to confirm an employee or not
- To decide quantum of punishment in case of disciplinary action

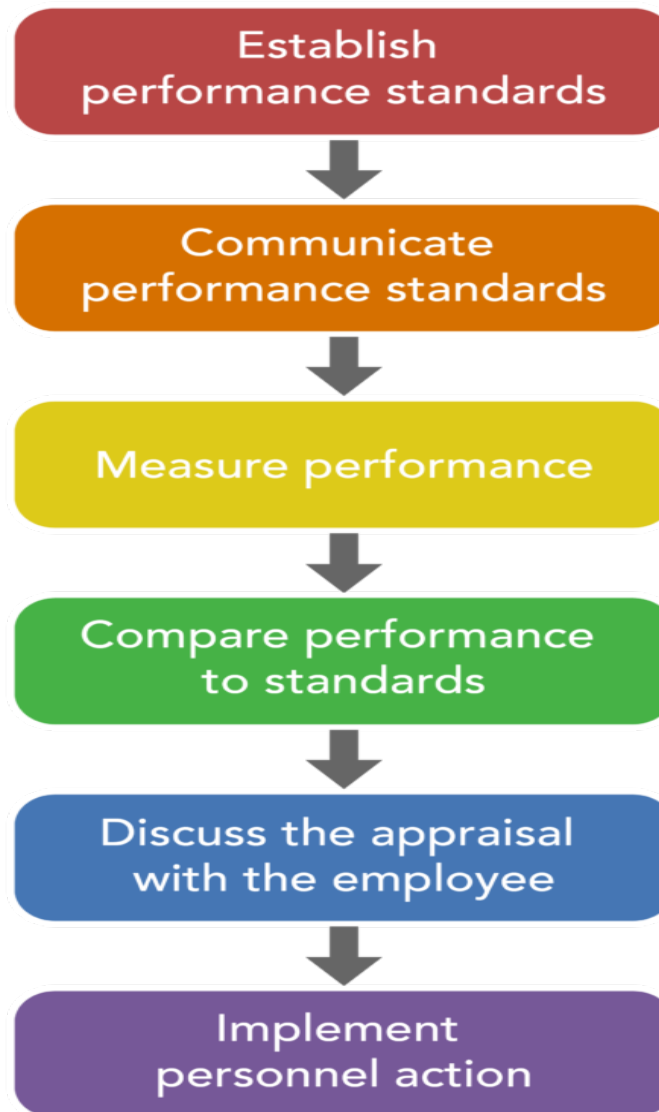


OBJECTIVES

- To identify the strengths and weaknesses
- Provide necessary inputs to the systems of rewards, salary administration, retirement, termination etc.
- Help to increase the analytical ability of the supervisor



PROCESS OF PERFORMANCE APPRAISAL



PROCESS OF PA

- Establishment of performance standards
- Communication of the standards
- Measurement of the actual performance
- Comparison of actual performance with standard
- Discussion of the appraisal with the appraisee
- Taking corrective action



360 DEGREE APPRAISAL

- Who should be evaluated or appraised?
- When should the appraisal take place?
- Who should be entrusted the task of PA?



WHO SHOULD BE EVALUATED OR APPRAISED?

- Everyone in the organisation at least once.
- Newly appointed
- Employees having questionable work records
- Employees with long service, good past records may not be appraised often.



WHEN SHOULD THE APPRAISAL TAKE PLACE?

- At least once or twice a year
- Newly appointed, lethargical, not having good job records should be appraised more often
- Matters relating to promotion, transfer, retirement, etc.



WHO SHOULD BE ENTRUSTED THE TASK OF PA?


- Immediate superior
- Supervisor
- Peers or colleagues
- Subordinates
- Self appraisals
- Panel of appraisal
- Consultants
- Top management




Advantages of Performance Appraisal



ADVANTAGES OF PERFORMANCE APPRAISAL

- **Promotion:** Performance Appraisal helps the supervisors to chalk out the promotion programmes for efficient employees. In this regards, inefficient workers can be dismissed or demoted in case.
 - **Compensation:** Performance Appraisal helps in chalking out compensation packages for employees. Merit rating is possible through performance appraisal. It tries to give worth to a performance. Compensation packages which includes bonus, high salary rates, extra benefits, allowances and pre-requisites are dependent on performance appraisal. The criteria should be merit rather than seniority.
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ADVANTAGES OF PERFORMANCE APPRAISAL

- **Employees Development:** The systematic procedure of performance appraisal helps the supervisors to frame training policies and programmes. It helps to analyse strengths and weaknesses of employees so that new jobs can be designed for efficient employees. It also helps in framing future development programmes.
 - **Selection Validation:** Performance Appraisal 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.
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ADVANTAGES OF PERFORMANCE APPRAISAL

- **Communication:** Effective communication between employees and employers is very important. Through performance appraisal, communication can be sought in the following ways:
 - employers can understand and accept skills of subordinates.
 - The subordinates can also understand and create a trust and confidence in superiors.
 - It also helps in maintaining cordial and congenial labour management relationship.
 - It develops the spirit of work and boosts the morale of employees.



ADVANTAGES OF PERFORMANCE APPRAISAL

Motivation:

- Performance appraisal 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.



Errors in Performance Appraisal



ERRORS IN PERFORMANCE APPRAISAL

- **First Impression (primacy effect):** Raters form an overall impression about the ratee on the basis of some particular characteristics of the ratee identified by them. The identified qualities and features may not provide adequate base for appraisal.
- **Horn Effect:** The individual's performance is completely appraised on the basis of a negative quality or feature perceived. This results in an overall lower rating than may be warranted. "He is not formally dressed up in the office. He may be casual at work too!".



ERRORS IN PERFORMANCE APPRAISAL

Halo Effect:

- The individual's performance is completely appraised on the basis of a perceived positive quality, feature or trait. In other words this is the tendency to rate a man uniformly high or low in other traits if he is extra-ordinarily high or low in one particular trait. If a worker has few absences, his supervisor might give him a high rating in all other areas of work.



ERRORS IN PERFORMANCE APPRAISAL

- **Excessive Stiffness or Lenience:**
- Depending upon the raters own standards, values and physical and mental makeup at the time of appraisal, ratees may be rated very strictly or leniently.
- Some of the managers are likely to take the line of least resistance and rate people high, whereas others, by nature, believe in the tyranny of exact assessment, considering more particularly the drawbacks of the individual and thus making the assessment excessively severe.
- The leniency error can render a system ineffective. If everyone is to be rated high, the system has not done anything to differentiate among the employees.



ERRORS IN PERFORMANCE APPRAISAL

- **Central Tendency:**
- Appraisers rate all employees as average performers. That is, it is an attitude to rate people as neither high nor low and follow the middle path.
- For example, a professor, with a view to play it safe, might give a class grade near the equal to B, regardless of the differences in individual performances.



ERRORS IN PERFORMANCE APPRAISAL

○ **Personal Biases:**

- The way a supervisor feels about each of the individuals working under him - whether he likes or dislikes them - as a tremendous effect on the rating of their performances.
- Personal Bias can stem from various sources as a result of information obtained from colleagues, considerations of faith and thinking, social and family background and so on.



ERRORS IN PERFORMANCE APPRAISAL

- **Spillover Effect:** The present performance is evaluated much on the basis of past performance. “The person who was a good performer in distant past is assured to be okay at present also”.
- **Recency Effect:** Rating is influenced by the most recent behaviour ignoring the commonly demonstrated behaviours during the entire appraisal period.



METHODS OF PERFORMANCE APPRAISAL

Traditional Method	Modern Method
Straight Ranking Method	Assessment Centre
Man to man Comparison Methods	Management By Objectives
Grading	Human Asset Accounting
Graphic Rating Scales	Behaviorally Anchored Rating Scales
Forced Choice Description method	
Check list	
Free from Essay method	
Group Appraisal	
Field Review method	



Thank You

