

Performance Appraisal

Wanna Rock in your office ? Perform Better.
But, how is your performance appraised?

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PERFORMANCE APPRAISAL

PERFORMANCE APPRAISAL : THE CONCEPT

“Performance Appraisal is the process of evaluating the performance and qualifications of employees in terms of the requirements of the job for which he is employed, for the purpose of administration including placements, selection for promotions, providing financial rewards and other actions which require different treatment among the members of the group as, distinguished from actions affecting members equally”

Objectives of Performance Appraisal

- Compensation Decisions
 - Serves as a basis for pay raise
- Promotion Decisions
 - Serves as a useful basis for job change or promotion
- Training and Development Programs
 - Serves as a guide for formulating a suitable training and development program
- Feed back
 - Enables the employees to know how well he is doing the job
- Personal development
 - It helps in individual development

Purpose of Performance Appraisal

- Setting the work standards
- Assessing employee's actual performance relative to these standards
- It allows a manager to let subordinates know how well they are doing and how they can do better in the future
- It provides an effective basis for distributing rewards such as pay raises and promotions
- It helps the organization monitor its employee selection, training, and development activities
- Offering feedback to the employees so that he can eliminate deficiencies and improve performance in course of time

What is to be Appraised?

- Productivity
 - Increase in production
- Attitude
 - Personal behavior of the employees
- Quality
 - Grade of work done

Who will Appraise?

- Supervisors
- Peers
- Subordinates
- Self-appraisal

Performance Appraisal Process

- Establish performance standards
- Communicate the standards
- Measure the actual performance
- Compare actual performance with standards and discuss the appraisal
- Taking corrective actions if necessary

Types of Performance Appraisal

- 360 Degree Feedback System
- Paired comparison method
- Ranking Method
- Graphic Rating Scale
- Forced Distribution Method

360 Degree Feedback System

- 360" refers to the 360 degrees in a circle
- It is also known as 'multi-rater feedback', 'multisource feedback', or 'multisource assessment'
- It comes from all around the employee
- Feedback comes from subordinates, peers, and managers in the organizational hierarchy, as well as self-assessment
- It is often used to plan the training and development program
- It is for making promotional or pay decisions

Paired Comparison Method

- It compares each employee to all other employees on how well they perform each trait
- A comparison is made of how well one employee performs relative to each of the other employees
- This gives concrete evidence as to how well an employee does compared to all other employees in the office

Ranking Method

- The appraiser ranks the employees from the best to the poorest on the basis of their overall performance
- It may also be done by ranking a person on his job performance against another member of the competitive group
- Evaluators pick the top and bottom employees first and then select the next highest and next lowest and move towards the average employees

Graphic Rating Scale

- This method is performed by assigning a rating for an employee for each of several different traits
- The supervisor simply decides how well each employee performs relative to each trait, and assigns a rating
- It takes very little time so the supervisor can do many reviews in a relatively short period of time

Graphic Rating Scale

Employee Name		Job Title.....			
Department.....		Rate.....			
Data					
Attributes	Unsatisfactory	Fair	Satisfactory	Good	Outstanding
Quantity of work					
Quality of Work					
Knowledge of Job					
Attitude					
Dependability					
Cooperation					

Forced Distribution Method

- It is a very controversial way of appraising performance
- All employees are rated, using a graphic rating scale or similar methods, and the ratings are added together to come up with an overall rating
- The employees are placed into categories like high performers, high-average performers, average performers, low-average performers and low performers

Benefits

- Individuals get a broader perspective of how they are perceived by others
- Encouraging more open feedback — new insights
- Provides a clearer picture to senior management of individual's real worth
- Identifying key development areas for the individual, a department and the organization as a whole
- Identifying strengths that can be used to the best advantage of the business.

- A rounded view of the individual's/ team's/ organization's performance and what the strengths and weaknesses are
- Supporting a climate of continuous improvement
- Perception of feedback as more valid and objective, leading to acceptance of results and actions required
- Gaps are identified in one's self-perception versus the perception of the manager, peer or direct reports

Thank You!!!