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SUBJECT: HUMAN RESOURCES MANAGEMENT (H.R.M.)


TOPIC: PERFORMANCE APPRAISAL

DEFINITION


According to Edwin B Flippo,

“Performance appraisal is a systematic, periodic and so far as humanly possible, an impartial rating of an employee’s excellence in matters pertaining to his present job and to his potentialities for a better job.”


OBJECTIVES OF APPRAISAL



- To determine the effectiveness of employees on their present jobs so as to decide their benefits.



- To identify the shortcomings of employees so as to overcome them through systematic guidance and training.



- To find out their potential for promotion and advancement.

CONCEPT OF PERFORMANCE APPRAISAL



Appraisal should be in writing and carried at least once a year.



The performance appraisal information should be shared with the employee.



Employee should have the opportunity to respond in writing to the appraisal.



Employees should have a mechanism to appeal the results of the performance appraisal.



Manager should have adequate opportunity to observe the employees

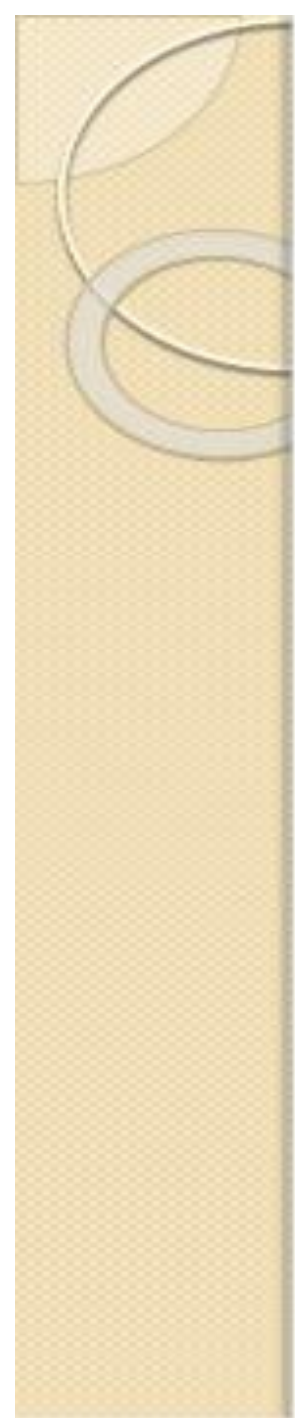


Anecdotal notes on the employee's performance should be kept during the entire evaluation period.



PRINCIPLES OF PERFORMANCE APPRAISAL

- ❖ Single employee is rated by two raters.
- ❖ Continuous and personal observation of an employee is essential to make effective performance appraisal.
- ❖ The rating should be done by an immediate superior of any subordinate in an organization.
- ❖ A separate department may be created for effective performance appraisal.

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- ❖ The rating is conveyed to the concerned employee.
 - ❖ The plus points of an employee should be recognised. At the same time, the minus points should not be highlighted too much.
 - ❖ The management should create confidence in the minds of employees.
 - ❖ The standard for each job should be determined by the management.
 - ❖ Separate printed forms should be used for performance appraisal to each job according to the nature of the job.

	Unsatisfactory	Fair	Satisfactory	Good	Outstanding
Quantity of work: Volume of work under normal working conditions					
Quality of work: Neatness, thoroughness and accuracy of work Knowledge of job					
Knowledge: A clear understanding of the factors connected with the job					
Attitude: Exhibits enthusiasm and cooperativeness on the job					
Dependability: Conscientious, thorough, reliable, accurate, with respect to attendance, reliefs, lunch breaks, etc.					
Cooperation: Willingness and ability to work with others to produce desired goals.					

*Forced Choice
Performance
Evaluation Form*

Employee: _____ **Department:** _____

Supervisor: _____ **Date:** _____

*Performance
Factors*

Performance Rating

	Low	Below Average	Average	Above Average	High
Understands department functions	Poorly informed about depart- ment functions	Has fair knowledge of the department functions	Can answer most questions about the department	Understands all phases of the department.	Has complete mastery of all phases of the department.
Follows directions and company policy without supervision	Requires constant supervision	Requires occasional follow-up	Can usually be counted on	Requires very little supervision	Requires absolute minimum supervision
Accuracy, skill, completeness, and quality of work performed	Seldom meets the requirements and is almost always unsatisfactory	Work is often unsatisfactory and often does not meet requirements	Work is consistently satisfactory and usually meets requirements	Work is sometimes superior and rarely contains mistakes	Work is consistently superior and never contains mistakes



PSYCHOLOGICAL APPRAISALS

These appraisals are more directed to assess employee's potential for future performance rather than the past one. It is done in the form of in-depth interviews, psychological tests, and discussion with supervisors and review of other evaluations. It is more focused on employees emotional, intellectual, and motivational and other personal characteristics affecting his performance.

HUMAN RESOURCE ACCOUNTING METHOD

- Human resources are valuable assets for every organization. Human resource accounting method tries to find the relative worth of these assets in the terms of money.
- In this method the Performance appraisal of the employees is judged in terms of cost and contribution of the employees.
- The cost of employees include all the expenses incurred on them like their compensation, recruitment and selection costs, induction and training costs etc whereas their contribution includes the total value added (in monetary terms).
- The difference between the cost and the contribution will be the performance of the employees.

PERFORMANCE APPRAISAL-PROCESS

- Establishing Performance Standards
- Communicating the standards
- Measuring the actual Performance
- Comparing the Actual with the Desired Performance
- Discussing Results
- Decision Making

LIMITATIONS OF PERFORMANCE APPRAISAL

- ❖ The performance appraisal methods are unreliable.
- ❖ If an employee is well known to an employer, the performance appraisal may not be correct.
- ❖ The inability of supervision to appraise an employee does not bring out the accurate performance appraisal.
- ❖ Some qualities of an employee can not be easily appraised through any performance appraisal method.
- ❖ A supervisor may appraise an employee to be good to avoid incurring his displeasure.
- ❖ Uniform standards are not followed by the supervisors in the performance appraisal.

The principal obstacles to effective performance appraisal are:

- Lack of support from top management.

Resistance on the part of evaluators because:

- Performance appraisal demands too much of supervisors efforts in terms of time, paperwork, and periodic observation of subordinates performance.
- Supervisors are reluctant to play god by judging others.
- Supervisors do not fully understand the purpose and procedures of performance appraisal.
- Supervisors lack skills in appraisal techniques.
- Performance appraisal is not perceived as being productive.
- Evaluation biases and rating errors, which result in unreliable and invalid ratings.
- Lack of clear, objective standards of performance.
- Failure to communicate purposes and results of performance appraisal to employees.
- Lack of a suitable appraisal tool.
- Failure to police the appraisal procedure effectively.

THANK
YOU