



**PERFORMANCE
APPRAISAL**

WBBWISWT



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DEFINITIONS

According to Newstrom, “It is the process of evaluating the performance of employees, sharing that information with them and searching for ways to improve their performance”.



MEANING

Performance appraisal is the step where the management finds out how effective it has been at hiring and placing employees .

A “Performance appraisal” is a process of evaluating an employee’s performance of a job in terms of its requirements.





Purpose



Empowerment



Relationship



Flexibility



Optimal
Performance



Recognition and
Rewards



Morale

OBJECTIVES OF PERFORMANCE APPRAISAL

According to:

Employee

- ❑ concrete and tangible particulars about their work
- ❑ assessment of performance

Organization

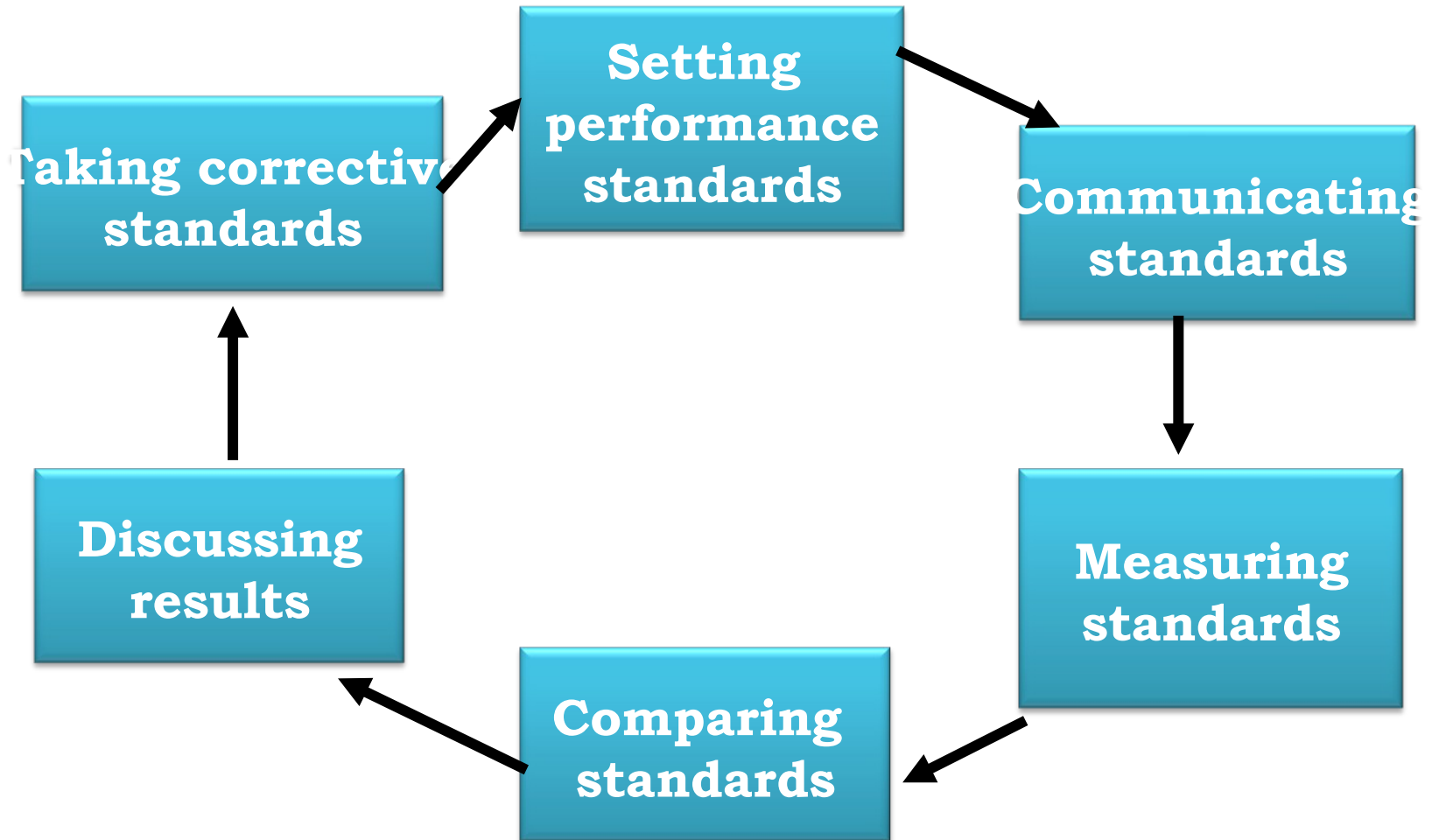
- ❑ measuring the efficiency
- ❑ maintaining organizational control.

Aims at:

- ❑ Personal development
- ❑ work satisfaction
- ❑ involvement in the organization.

- ❑ mutual goals of the employees & the organization.
- ❑ growth & development
- ❑ increase harmony & enhance effectiveness

PROCESS



METHODS OF PERFORMANCE APPRAISAL

Traditional Methods

1. Paired comparison
2. Graphic Rating scales
3. Forced choice Description method
4. Forced Distribution Method
5. Checks lists
6. Free essay method
7. Critical Incidents
8. Group Appraisal
9. Field Review Method
10. Confidential Report
11. Ranking

Modern Methods

1. Assessment Center
2. Appraisal by Results or Management by Objectives
3. Human Asset Accounting
4. Behaviorally Anchored Rating scales

RANKING EMPLOYEES BY PAIRED COMPARISON METHOD

For the Trait “Quality of work”

Person rated

As compared to	A	B	C
A	+	-	+
B	-	+	-
C	+	-	+

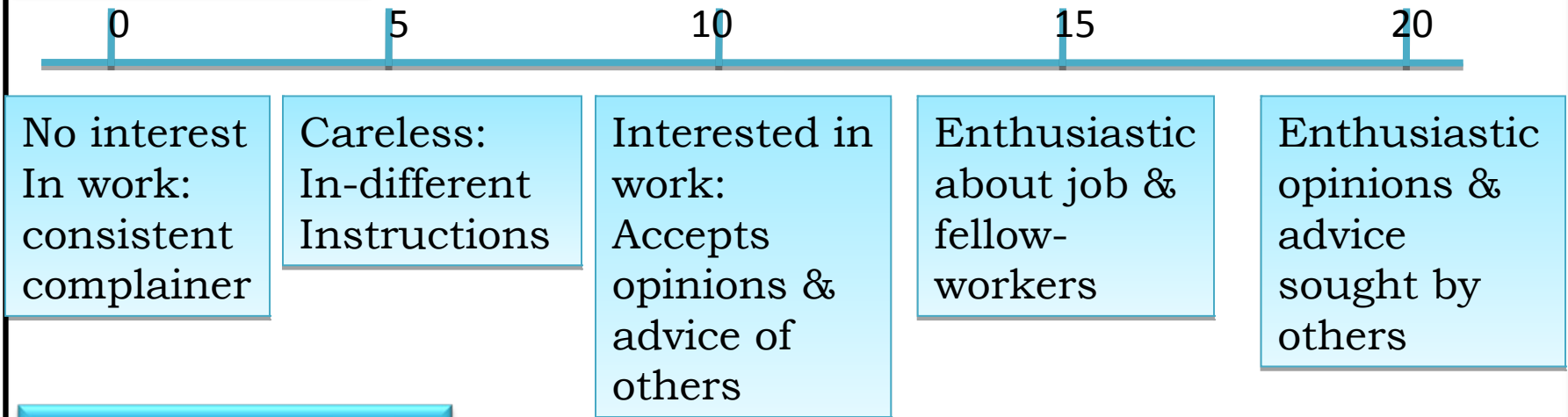
For the Trait “Creativity”

Person rated

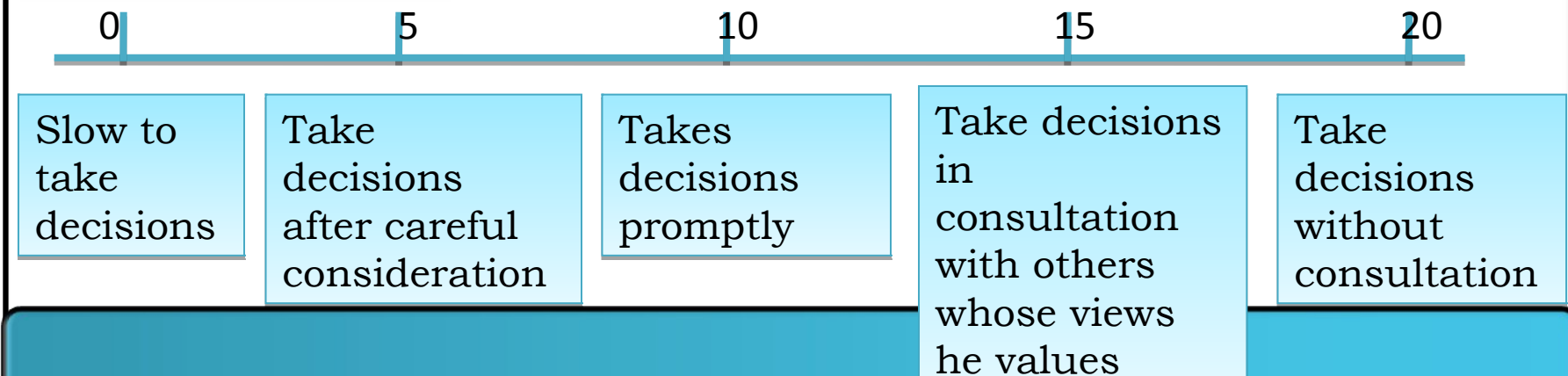
As compared to	A	B	C
A	+	-	+
B	-	+	-
C	+	-	-

GRAPHIC OR LINEAR RATING SCALES

ATTITUDE



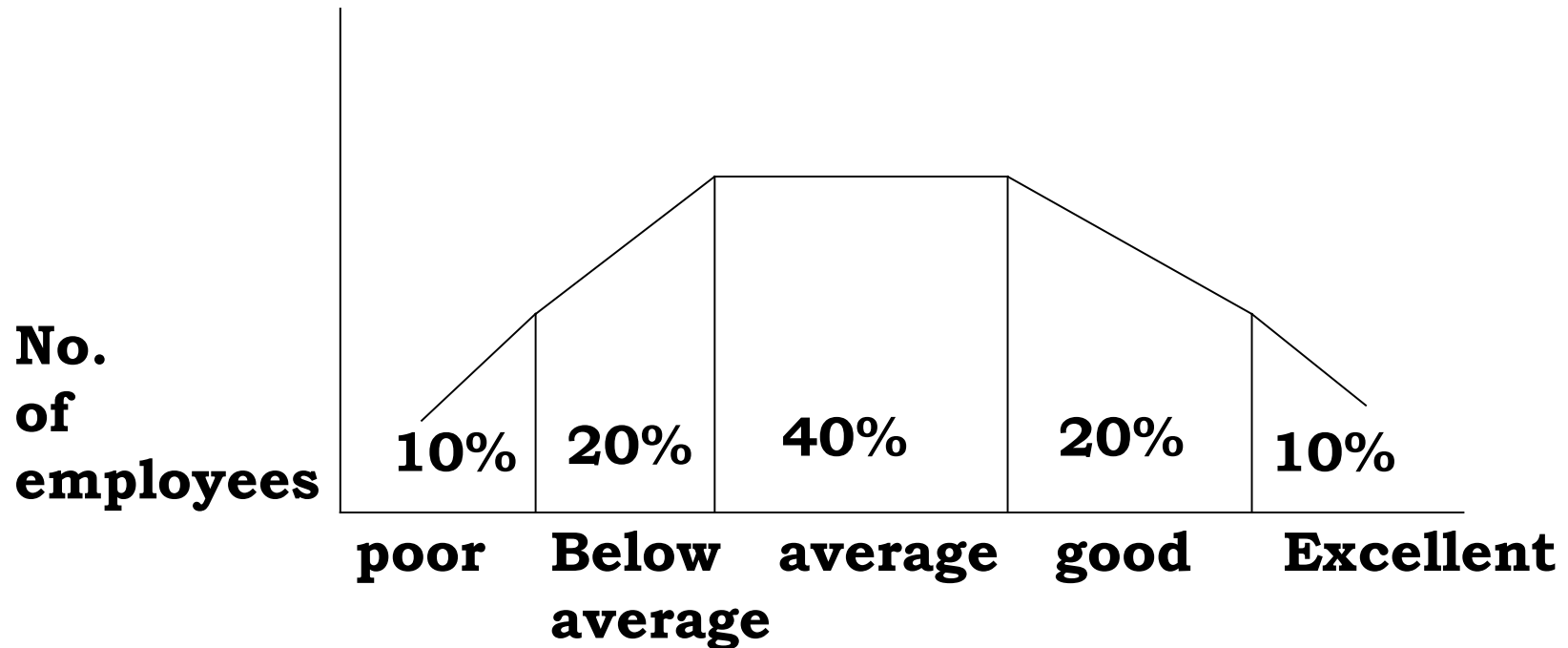
DECISIVENESS



FORCED CHOICE METHOD

Criteria	Rating	
1. Regularity on the job	Most	Least
<ul style="list-style-type: none">• Always regular• Inform in advance for delay• Never regular• Remain absent• Neither regular nor irregular		

FORCED DISTRIBUTION METHOD



Force distribution curve

SPECIMEN OF STAFF ASSESSMENT FORM [DESCRIPTIVE ESSAY TYPE]

Staff Appraisal

Name Job Title
Department Date of Review
Age Years in present job

Section I Appraisal Of Performance

Note to Appraiser

- 1.Appraisal must cover the period of the preceding 12 months
- 2.Consideration to every function & responsibility of the job
- 3.An objective factual assessment of an employee's improvement or deterioration

Section II Promotability & Potential

Promotability

- 1.Promotion now
- 2.Within 2 years
- 3.Within 5 years
- 4.Unlikely to qualify for promotion

Section III Career Development

Section IV Notes on Interview with employee

Section V Comments on & Endorsement by Reviewing Authority

CRITICAL INCIDENT METHOD

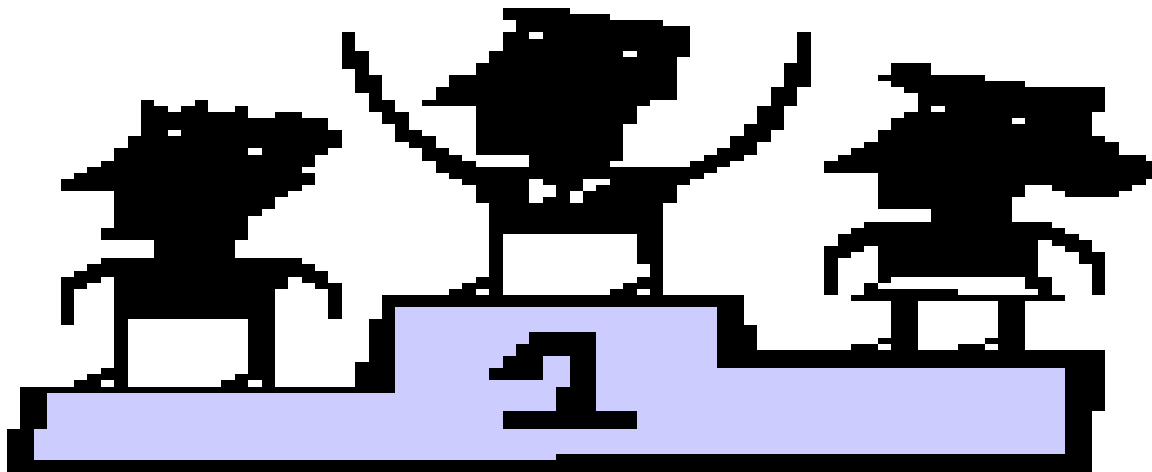
Ex: A fire, sudden breakdown, accident

Workers	Reaction	scale
A	Informed the supervisor immediately	5
B	Become anxious on loss of output	4
C	Tried to repair the machine	3
D	Complained for poor maintenance	2
E	Was happy to forced test	1

FIELD REVIEW METHOD

Performance Dimension	subordinate	peers	superior	customer
Leadership	^			^
Communication	^	^		
Interpersonal skills	^	^		
Decision making		^	^	^
Technical skills		^	^	^
Motivation		^	^	^

GROUP APPRAISAL METHOD



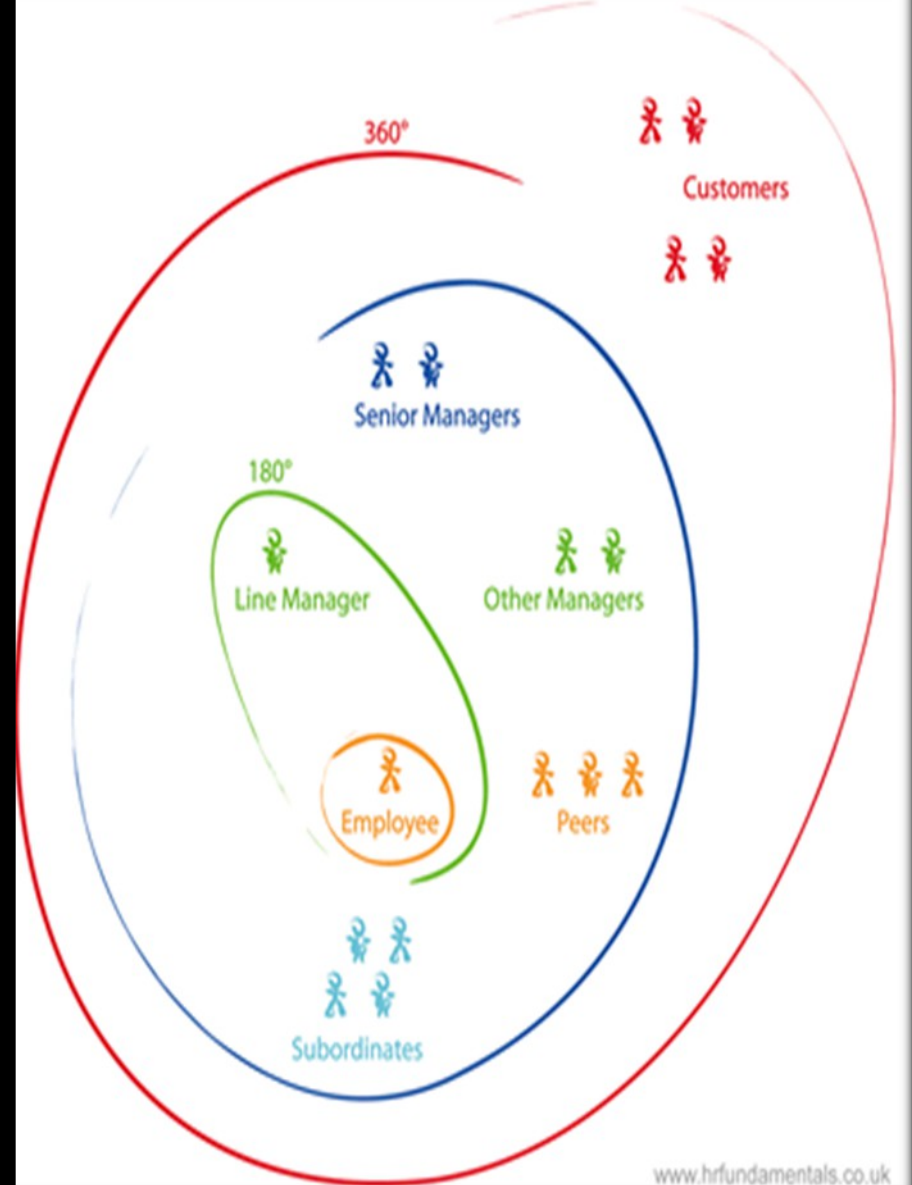
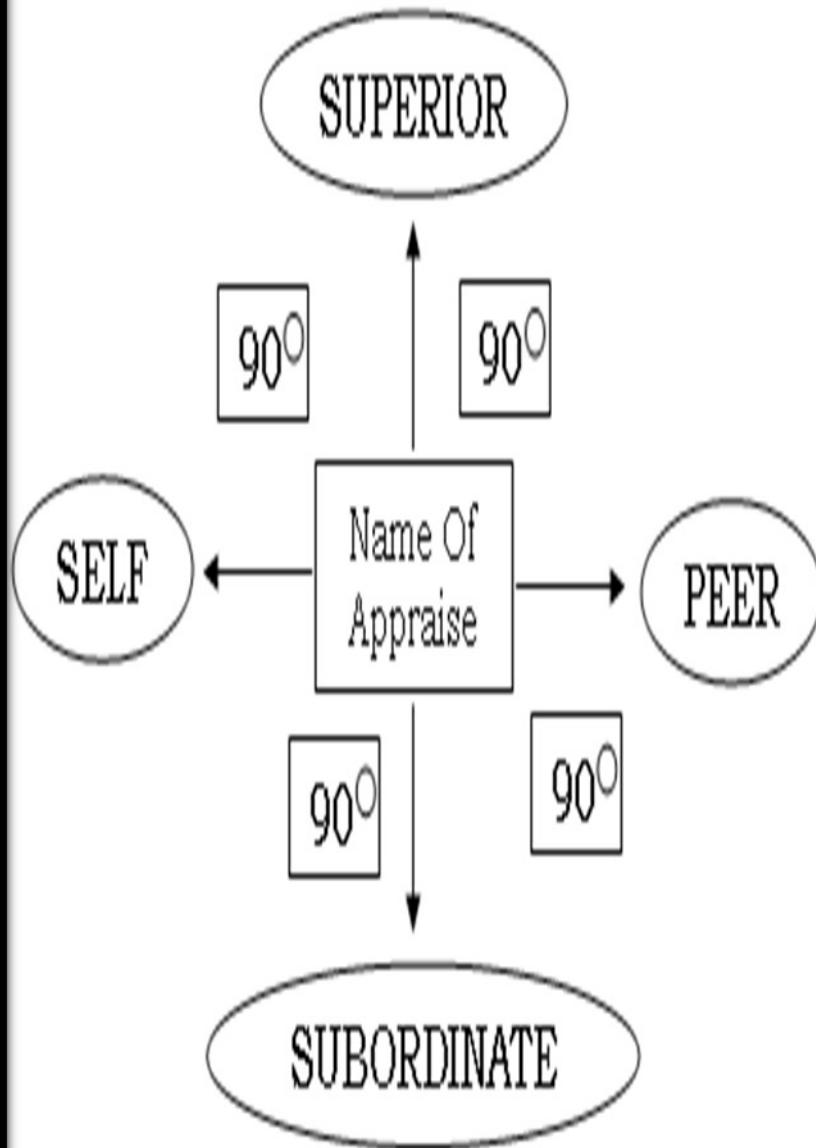
MBO PROCESS

- Set organizational goals
- Defining performance target
- Performance review
- feedback

BEHAVIORAL ANCHORED RATING SCALES

Performance	Points	Behavior
Extremely good	7	Can expect trainee to make valuable suggestions for increased sales and to have positive relationships with customers all over the country.
Good	6	Can expect to initiate creative ideas for improved sales.
Above average	5	Can expect to keep in touch with the customers throughout the year.
Average	4	Can manage, with difficulty, to deliver the goods in time.
Below average	3	Can expect to unload the trucks when asked by the supervisor.
Poor	2	Can expect to inform only a part of the customers.
Extremely poor	1	Can expect to take extended coffee breaks & roam around purposelessly.

360 DEGREE PERFORMANCE APPRAISAL



EXAMPLES OF 360 DEGREE PERFORMANCE APPRAISAL METHOD

These companies are using 360 Degree Performance Appraisal Method

- Wipro
- Infosys
- Reliance Industries
- Maruti Udyog
- HCL Technologies
- Wyeth Consumer Health (WCH)

ISSUES IN APPRAISAL SYSTEM

Formal and informal

What methods?

Whose performance?

When to evaluate?

**APPRAISAL
DESIGN**

Who are the raters?

What to evaluate?

What problems?

How to solve?



ADVANTAGES

provide a record of performance over a period of time.

Can be motivational with the support of a good reward and compensation

provide an opportunity for a manager to meet & discuss performance

Provide an opportunity for an employee to discuss issues and to clarify expectations

Provide the employee with feedback about their performance

DISADVANTAGES

If not done appropriately, can be a negative experience.

very time consuming, especially for a manager

subject to rater errors & biases.

If not done right can be a complete waste of time.

Can be stressful for all involved

THANK



you