



## PERFORMANCE APPRAISAL

Daisy Raj

Junior Research Fellow (Ph.D), Faculty of Management Studies, University of Delhi, Delhi -110007

## ABSTRACT

Performance appraisal is a formal, structure system of measuring and evaluating as an employee's job related behaviors and outcomes to discover how and why the employee can performed more effectively in the future. The performance is measured against such factors as job knowledge, quality and quantity of output, initiative, leadership abilities, supervision, dependability, co-operation, judgment, versatility and health.

## KEYWORDS :

## INTRODUCTION:

Performance Appraisal is considered to be very important activity for the individual as well as Organizational growth.

Performance appraisal is a process of summarizing assessing and developing work performance an employee. In order to be effective and constructive the performance manager should make every effort to obtain as much objective information about employee's performance as possible.

Performance appraisal is a review and discussion of an employee's performance of assigned duties responsibilities based on results obtain by the employee in their job, not on the employee's personality, scharacteristics. Personality should be consider only when if the related to performance assigned duties and responsibilities.

## 2.2 Performance Appraisal

Performance can be defined as

"What is expected to be delivered by an individual or a set of individuals within a timeframe. What is expected to be delivered could be stated in terms of results or efforts, tasks and quality, with specification of conditions under which it is to be delivered" (Kumari & Malhotra, 2012, p.78).

Armstrong (2006) defined Performance Appraisal as the formal assessment and rating of individuals by their managers at, usually, an annual review meeting. While The Chartered Institute of Professional Development (CIPD) have a more comprehensive and in-depth definition which argues that

'Performance Appraisal is an opportunity for individual employees and those concerned with their performance, typically line managers, to engage in a dialogue about their performance and development, as well as the support required from the manager' (CIPD, 2013).

Performance appraisal is not just about rating employees, Meenakshi (2012) identified that organisations carry out Performance Appraisal as a basis for administrative decisions such as promotion, allocation of financial rewards, employee development and identification of training needs. 'Appraisal is preceded by establishing general objectives or a description for the job, identifying specific job expectations, providing feedback and, when necessary, coaching' (Hillman, Schwandt & Bartz, 1990, p.20). 2.3.2 360° Appraisal

360 degree appraisal is an approach to performance appraisal that involves gathering performance information from people on all sides of the manager – above, beside, below and so forth (De Nisi & Griffen, 2008). This approach allows management to match the strengths and weaknesses from each perspective and gain a more accurate, rounded view of a person's true performance (Conway, 1996).

Rees and Porter (2003, p.83) define 360 degree appraisal as a process that involves the key people in a person's network of working relationships making assessments of a person's performance. They

subordinate being appraised is then given structured feedback; this may involve feedback from subordinates and any key outside parties, if it is practicable.

## 4. THE APPRAISAL PROCESS

- a) ESTABLISH PERFORMANCE STANDARDS: Firstly, all the standards developing from the strategy of the company should be fixed.
- b) MUTUALLY SET MEASUREABLE GOALS: The pre-fixed goals should be in such a manner that they are clear to everyone could be easily understood and measured. After the establishment of standards, they expectations should be made clear to everybody so that the employees need not to guess that what is being expected from them.
- c) MEASUREMENT OF ACTUAL PERFORMANCE: After the job has been done, it steps up to the judgment of job done.
- d) COMPARE ACTUAL PERFORMANCE WITH STANDARDS: This step involves the noticing of difference between the standard performance expected and the actual work done.
- e) DISCUSS THE APPRAISAL WITH THE EMPLOYEES: Discussing the appraisal with the employees is also very important. The feedback which they get for their appraisal is very important to them for their self-confidence plus enthusiasm. That is why it is very significant to talk about the act appraisal with the employees.
- f) IF NECESSARY, TAKE CORRECTIVE ACTION: The final step in the evaluation process is to take the corrective action wherever it is required. The corrective action helps to reduce the difference between the actual standards and actual work done.

## 2.5 Benefits of Performance Appraisal

An effective performance appraisal system will bring benefits to the staff member being appraised, the manager completing the appraisal and the organisation as a whole.

For the Organisation, benefits include (Fisher, 1995):

- Improved Performance due to effective communication, increased sense of cohesiveness and better management-staff relationships
- Training and Development needs identified more clearly
- A culture of kaizen – continuous improvement
- Competitive Advantage in the Market place
- Employee Satisfaction as a sense that employees are valued is spread

For the staff being appraised, the benefits include (Fisher, 1995; Sudin, 2011; CIPD, 2012):

- Enhanced relationships with line managers
- Increased job satisfaction
- A better understanding of expectations
- Greater knowledge of strengths and weaknesses

For the Manager carrying out the appraisal, the benefits include (Fisher, 1995; CIPD, 2012):

- Better relationship with employees – trust.
- Stronger knowledge of what is going on in the organisation
- Better knowledge of employees – knowing their individual strengths and weaknesses

- Facilitate management in decisions including pay rises, promotions, redundancies etc.

## 2.6 Critics of Performance Appraisal

Both researchers and management have worked for many years to try to find better ways to improve performance in organisations, however managing and evaluating performance is still a major challenge for the majority of managers today (Armstrong, 1994).

Throughout the literature, there are many authors who feel that Performance Appraisal is a waste of time. Grint (1993, P.64) stated that 'Rarely in the history of business can such a system have promised so much and delivered so little'.

According to Redman and Wilkinson (2009) the critics of Performance Appraisal believe it is an expensive process, that it can cause conflict between the appraiser and appraisee, is not hugely valuable and might also be debilitating the development of employee performance. Carroll and Schneier's (1982) research established that Performance Appraisal ranks as the most unpopular managerial activity.

One thing that is common with the critics of Performance Appraisal is that they do not have a suggestion as to what should replace it, what can be introduced as an alternative.

## Conclusion

It is revealed that according to the employees, Performance Appraisal is effective. The system is a worthwhile tool; it motivates staff and improves their performance. The organisations appraisal also includes the vast majority of effective performance appraisal objectives. While the system has its flaws and needs a lot of improving to get it to where it needs to be, it is going in the right direction and has some positive results.

## References

1. Arminio, J., & Creamer, D.G. (2001). What quality supervisors say about quality supervision. *College student Affairs Journal*, 21(1), 35-44
2. Amie Ferrell (2013): an investigation into performance appraisal effectiveness from the perception of employees in an Irish consumer services co.,
3. (Armstrong, 1994). Performance management
4. Barr, M., J., and Associates (1993). The handbook of student affairs administration, San Francisco: Jossey-Bass Publishers.
5. Brown, R.D. (1988); Performance appraisal as a tool for staff development. *New Directions for student services* no 43. San Francisco: Jossey-Bass.
6. Carroll and Schneier's (1982) research established that Performance Appraisal ranks as the most unpopular managerial activity, performance management.
7. (Cleveland et al. 1989; Multiple uses of performance appraisal vol.74, *Journal of Applied psychology*.
8. De Cenzo and Robbins (2007): *Fundamentals of Human Resource Management*, 8th edition
9. (De Nisi and Griffen, 2007, Prowse and Prowse, 2009). *Human resource management, Business & economics*, edition 3
10. (De Nisi & Griffen, 2008): *Human Resource Management*, edition 3, illustrated