

## A New Approach for Evaluating Of Performance Appraisal

Sk.Irshad<sup>1</sup>, T. Priyanka<sup>2</sup>

<sup>1</sup>Associate Professor, Guntur Engineering College, Guntur.

<sup>2</sup>Assistant Professor, Guntur Engineering College, Guntur.

**INTRODUCTION**— Appraisal of performance is wide used in the society. Parents their children, teacher evaluate their student and employers evaluate their employee. However, formal evaluation of employees is believed to have been adopted for the first time during First World Ward. At the inlands of Walter Dill Scott the US army man to man rating system for evaluating military personal. Once the employees has been selected, trained the motivated, he is then apprised for his performance. Performance appraisal is the step where the management finds out how effective it has been at hiring and placing employees if any problems are identified, steps are taken to communicated to employee and to remedy them. A performance appraisal is a process of evaluating the performance appraisal is a process of evaluating the performance and qualification of employee according to job and its requirement. It is also known as the process of estimating and judging the value, excellence. Qualities of status of some object person or things. Individually and collectively, it is the part of the other staffing process, like recruitment, selection, placement, etc.

\*\*\*\*\*

### Definition

Performance evaluation of performance appraisal is the process of assessing the performance and progress of an employee or of a group of employees on a given job and his potential for future development.

### Formal Definition:

“it is the systematic evaluation of the individual with respect to his / her performance on the job and his / her potential for development”.

### According to Flippo

“Performance Appraisal is the systematic, periodic and an impartial rating of an employee’s excellence in matters pertaining to this present job and his potential for a better job”.

		appraisal
Purpose	Determine wage increase, promotion, transfer, lay off.	Development of the individual, improved job performance
Application	Fort rank and file workers	For managerial and technical personnel
Factors rated	Personal traits	Performance result or accomplishment
Techniques	Rating scales with emphasis upon	Mutual goal-setting.

### CONCEPT OF PERFORMANCE APPRAISAL

Performance evaluation or performance appraisal is the process of assessing performance and progress of employee or of a group of employee on a given job and his potential for future development. In concept of all formal procedure used working

### TRENDS IN PERFORMANCE APPRAISAL

Item	Former Emphasis	Present Focus
Terminology	Merit-rating	Performance

organization to evaluate personality, contribution and potential of employees.

**The main characteristic of performance appraisal is as follows:**

- a) Performance appraisal is the process consisting of series of steps.
- b) It is the systematic examination of employee's strengths and weakness in terms of jobs.
- c) Performance appraisal is the scientific or objective study. Formal procedure is used in the study the same approach is adopted for all jobs holders for that result is comparable.

**Purposes of performance appraisal:**

The main purposes of performance appraisal are as follows:

- To provide a valid data base for personnel decision concerning placements, pay, promotion, transfer, punishment etc.
- To diagnosis the strength and weakness of individuals so as to identify further training needs.

**Characteristics:**

- It is process of consisting of series of steps
- It is the systematic examination of an employee's strengths and weaknesses in terms of his job.
- It is a scientific and objective study. Formal procedures are used in this study.

**Objectives:**

- To provide feedback to employees so that they come to know where they stand and can improve their job performance.
- To provide a valid data base for personnel decision concerning placements, pay promotions, transfers, punishments, etc.
- To diagnose the strengths and weakness of individuals so as to identify further training needs.
- Thus, performance appraisal aims at both judgmental and development efforts.

**Uses:**

- It provides valuable information for personnel decisions such as pay increase, promotion etc.
- It helps to judge the effectiveness of recruitment, selection placement and orientation system of the organization.
- It is useful in analyzing and development needs.

**Process of Performance Appraisal:**

- Establishing performance standards – the appraisal process begins with the setting up of criteria to be used for appraising the performance of employees. The criteria are specified with the help of job analysis, which reveals the contents of job. This criteria should be clear, objective and in writing.
- Communicating the standards – the standards are conveyed to the employees and the evaluators. A feedback regarding the standards should be obtained from the evaluators and the employees for revision or modification.
- Measuring performance – this require choosing the right technique of measurement, identifying the internal and external factors influencing performance and collecting information on results achieved.

**METHODS OF PERFORMANCE APPRAISAL**

Several methods and techniques are used for evaluating employee performance. These may be classified into Traditional and modern methods.

**Traditional Methods:**

- **Ranking Method:** is technique, evaluator assigns relative ranks to all employee performance. These may be classified into Traditional and Modern methods.
- **Man-to-man comparison methods:** In this method, certain factors are selected for the purpose of analysis and the rater for each factor designs a scale.
- **Paired comparison method** – This is a modified form of man to man ranking. Herein, each employee is compared with all others in pairs on at a time.

- **Forced distribution method** – In these techniques the rater appraises an employee according to a pre-determined distribution scale.
- **Graphic rating scales methods** – It is a numerical scale indicating different degrees of a particular trait. The rater is given a printed form for each employee to be rated.
- **Critical incident method** – In this method the superior keeps a written record of critical (either good or bad) events and how different employees behaved during such events.
- **Group appraisal method** – Under this method, a group of evaluators assess employee. This group consists of the immediate supervisors of the employee, other supervisors having close contact with the employer's work, head of the department and a personnel expert.
- **Grading method** – Under this method, the rater considers certain factors, and marks them accordingly to a scale. The selected factor may be analytical ability, co-operation, dependability self-expression, job knowledge.

#### Modern Methods:

- Assessments center method** - An assessment center is a group employee drawn from different work units. These employees work together on assignments similar to the one they would be handling when promoted.
- **Human resource accounting method** – Human resource are a valuable asset for any organization. This asset can be valued in terms of money.
  - **Behavioral Anchored Rating Scales (BARS)** - This method combines graphics rating with critical incidents method. BARS are descriptions of various degrees of behavior relating to specific performance dimensions.
- 1) **Identify critical incidents** – Persons with knowledge of the identify job to be appraised describe specific examples of both effective and ineffective job behaviors.
  - 2) **Select performance dimensions** - The persons then cluster the behavioral incidents **into** a smaller set (usually 5-10) of performance dimensions.

- 3) **Retranslate the incidents** – Another group of knowledgeable persons assign each incident to the dimension that it best describes. **Incidents** for which there is less than 75% agreement with the first group are not retranslated.
- 4) **Assign Scales to incidents** - The second group rates each incident on a 7 or 9 point scale. Rating is done on the basis of how well the behavior described in the incident represents the performance on the appropriate dimensions.
- 5) **Develop final instrument** – A subset of the incidents that meet both the retranslation and standard deviation criteria is **used** a behavioral anchor for the final performance dimensions.
- 6) **360 degrees performance appraisal** - This is a new concept in performance appraisal, **where** the feedback is collected from all around – the employee, the superiors, the subordinates, the peer group, and the customers.

#### Appraisal by result or MBO (Management by Objectives)

The concept of management by objectives was developed by Peter Drucker in 1954. Since the MBO has become an effective and operational technique of performance appraisal and a powerful philosophy of managing.

#### **FACTOR TO BE INCLUDED INTO THE PRESENT CRITERIA FOR PERFORMANCE EVALUATION:**

- Quality assignment of the work done
- Disciplinary / administrative lapses.
- Extraordinary occurrences
- Problem solving skills
- Productivity of work-output
- Attitude towards work
- Behavior and health
- Efficiency
- Capability to take up higher responsibility

#### Format vs. informal appraisal:

**Formal appraisal:** In is usually occurs at specified time periods once or twice a year. It is required by the organization for the purpose of employees evaluation.

**Informal appraisal:** It occurs whenever the supervisor feels the need for communications.

**Reasons why performance appraisal does not form a proper basis for decisions regarding promotions:**

- Biased evaluation is not a proper indication of an employee's performance standards.
- Reliance on seniority rather than on performance for performance standards.
- Manipulation, impression, ides and deludes scan damage the credibility of the appraisal.

**360 degree Performance Appraisal System as the best forms of evaluation one's performances:**

This is a new concept in performance appraisal, where the feedback is collected form all around – the employee, the superiors, the subordinates, the peer group, and the customers.

**SUPERIOR:** - Evaluations by superiors are the most traditional source of employee feedback. This form of evaluation includes both the ratings of individuals by supervisors on elements in an employee's performance plan and the evaluation of programs and teams by senior managers.

**SELF ASSESSMENT:** - This form of performance information is actually quite common but usually used only as an informal part of the supervisor-employee appraisal feedback session..

**PEERS:** - With downsizing and reduced hierarchies in organizations, as well as the increasing use of teams and group accountability, peers are often the most relevant evaluators of their colleagues' performance.

**SUBORDINATES:-** An upward-appraisal process or feedback survey. A formalized subordinate feedback program will give supervisors a more comprehensive picture of employee issues and needs.

**CUSTOMER** - The value of customer service feedback is most appropriate for evaluating team or organizational output and outcomes. This feedback can then be used as part of the appraisal for each member of the team.

**This system has the following advantages:**

- a) 360 degree feedback determines relationship between strategic plan/vision
- b) of institute & performance expectations.
- c) It increases focus on customer service & reinforce TQM & continuous
- d) process improvement programs.
- e) Team based culture can be a catalyst for attaining organizational objectives.
- f) Staff members become more inclined to consider factors beyond HOD's
- g) expectations when exhibiting behaviors & striving for results.
- h) It detects barriers to success. Following lacunas come out:-
- i) Inflexibility

**ADVANTAGES:**

- Ratings are likely to be accurate because these are done by experts.
- The method is more reliable and valid as it is job specific and identified observable and measurable behavior.

**LIMITATIONS:**

- It is very consuming and expensive to develop BARS for every job.
- Behaviors used are more activity oriented than results oriented

**SHORT COMINGS OF PERFORMANCE APPRAISAL:**

The ideas approach to performance evaluation is that in which the evaluator is free from personal biases, prejudices, and idiosyncrasies. This is because when an evaluation is objective, it minimizes the dysfunctional behavioral of the evaluator, which may be detrimental to the achievement of organizational goals. The factors which impede objective evaluations are:

- a. **The halo effect** – The halo effect is a “tendency to let the assessment of an individual one trait influence the evaluation of that person on other specific traits”.
- b. **Similarity Error** - This type of error occurs when the evaluator rates other people in the same way he perceives himself. This error also

- washes out if the some evaluator appraises all the people in the organization.
- c. **Miscellaneous Biases** – Bias against employees on ground of sex, race religion or position is also a common error in rating. For example, a higher rating may be given to a senior employee. The rater may also be influenced by organizational influence and give higher rating to those holding higher positions.
- d. **Social differentiation – Rating** is sometimes impeded by the evaluator's style of behavior. Pious has classified raters as 'high differentiation' – that is using most of the scale; or 'low differentiators' – that is, using a limited range of the scale. "Low differentiators tend to ignore or suppress differences, perceiving the universe as more uniform than it really is.
- e. High differentiators, on the hand, tend to utilize all available information to the utmost extent and thus are better able to perceptually deny anomalies and contradictions than low differentiators" – social differentiation makes evaluations using 'trait' criteria unreliable.

- f. **Spill Over Effect** – This type of error occurs when past performance rating influences the current rating.

#### REFERENCES:

- [1] C.B. Mamoria, "Personnel Management"
- [2] P. Subbarao, "Essentials Of Humanresource Management&Industrial Relations"
- [3] L.M. Prasad, "Principles And Practice Of Management"
- [4] Gary Dessler, "Human Resource Management"

#### About the Authors:

1. SK.IRSHAD MBA, M.Com, (PhD) working as Associate Professor & HOD Department of Management studies at Guntur Engineering college, Guntur, Andhra Pradesh, India.
2. T.PRIYANKA MBA, (PhD) working as Assistant Professor Department of Management Studies Guntur Engineering college, Guntur, Andhra Pradesh, India.