

# UNIT 1

## INTRODUCTION

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A Performance Appraisal that is conducted effectively leads to greater employee morale, higher productivity, creating a positive culture and improved overall performance and effectiveness of an organization.

- Kumar Parakala

# 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.”

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**According to Scott, Clothier and Spriegal,** “Performance appraisal is a record of progress for apprentices and regular employees, as a guide in making promotions, transfer or demotions, as a guide in making lists for bonus distribution, for seniority consideration and for rates of pay, as an instrument for discovering hidden genius, and as a source of information that makes conferences with employees helpful”.

# OBJECTIVES OF APPRAISAL



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

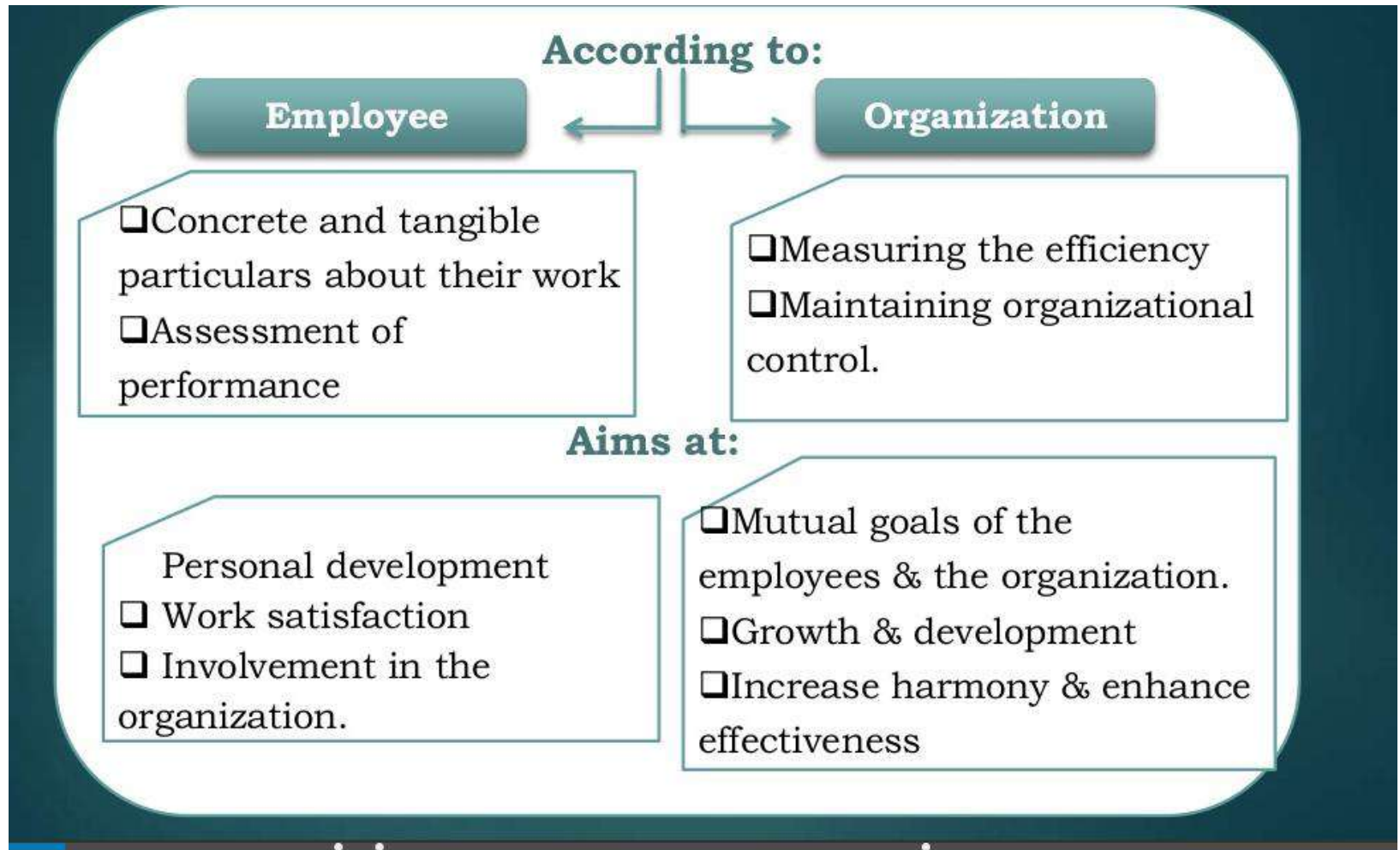


- To identify the shortcomings of employees so as to overcome them through systematic guidance and training.



- To find out their potential for promotion and advancement.

# OBJECTIVES OF PA



## Administrative

1. Decision on Promotion
2. Transfer/ Discharge
3. Pay Increase
4. Organizational Planning

## Motivational

1. Appraisal Interviews & counselling
2. Participation in Goal Setting and Work Planning
3. Self Appraisal

## Objectives of Performance Appraisal

## Developmental

1. Counselling
2. Training and Development
3. Communication

## Performance Development

1. MBO
2. Other Goal Setting and Work Planning Processes

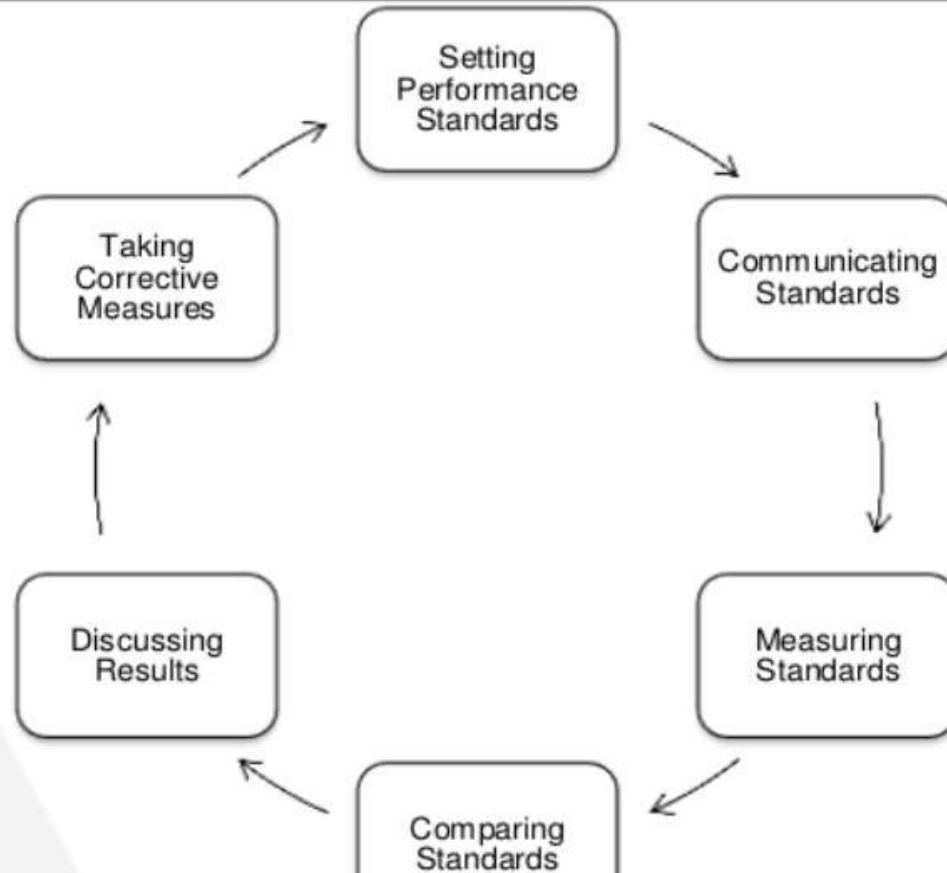
## **PERFORMANCE APPRAISAL-PROCESS**

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





# Process



# ADVANTAGES/BENEFITS OF USING PERFORMANCE APPRAISAL

## Benefit for the Individual

- Gaining a better understanding of their role
- Understanding more clearly how and where they fit in within the wider picture
- A better understanding of how performance is assessed and monitored
- Getting an insight
- Improving understanding of their strengths and weaknesses and developmental needs
- Identifying ways in which they can improve performance
- Providing an opportunity to discuss and clarify developmental and training needs
- Understanding and agreeing their objectives for the next year
- An opportunity to discuss career direction and prospects.

## Benefit to Team Leader / Manager

- hear and exchange views and opinions away from the normal pressure of work
- to identify any potential difficulties or weaknesses
- An improved understanding of the resources available
- to plan for and set objectives for the next period
- to think about and clarify their own role
- to plan for achieving improved performance
- to plan for further delegation and coaching
- to motivate members of the team

## Benefit to Organisation

- A structured means of identifying and assessing potential
- Up-to-date information regarding the expectations and aspirations of employees
- Information on which to base decisions about promotions and motivation
- An opportunity to review succession planning
- Information about training needs which can act as a basis for developing training plans
- Updating of employee records (achievements, new competencies, etc)
- Career counselling
- Communication of information