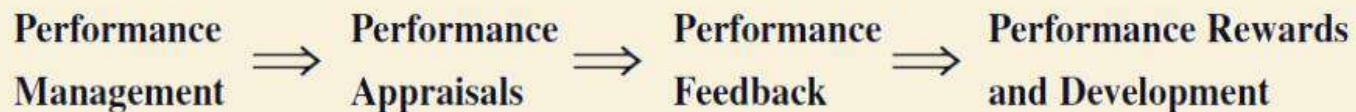


# PERFORMANCE APPRAISAL VERSUS PERFORMANCE MANAGEMENT

# Difference Between Performance Management and Performance Appraisals

- **Performance Management**
  - Processes used to identify, encourage, measure, evaluate, improve, and reward employee performance.
- **Performance Appraisal**
  - The process of evaluating how well employees perform their jobs and then communicating that information to the employees.



# Differences and Alignment





<b>Characteristics</b>	<b>Performance appraisal</b>	<b>Performance Management</b>
System	Usually tailor made	Tailor made
Application	Applied to all staff	Applied to all staff
Type of objectives	Individual objectives may be included	Emphasis on integrating corporate, team and individual objectives
Performance measures	Mostly qualitative	Competence requirements often included as well as quantified measures
Frequency	Annual appraisal	Continuous review with one of more formal reviews
Rating system	Top-down system, with ratings	Joint process, ratings less common
Link to reward	Often linked to pay	May not be a direct link to pay
Adaptability	Monolithic system	Flexible process
Paper work	Complex paper work	Documentation often minimised
Ownership	Owned by HR department	Owned by line management

Comparison of Performance Management with performance appraisal (Adapted from Armstrong and Baron: 1998)

<b>BASIS FOR COMPARISON</b>	<b>PERFORMANCE APPRAISAL</b>	<b>PERFORMANCE MANAGEMENT</b>
Meaning	Performance Appraisal, means the analysis of an employee's performance and their caliber for future growth and development.	Performance Management is the management of human resources in an organization.
What is it?	It is a system.	It is a process.
Nature	Rigid	Supple
Type of tool	Operational Tool	Strategic Tool
Owned by	Human Resource Department	Managers
Conducted	Annually	Continuously
Approach	Individualistic	Holistic
Focused on	Quantitative Aspects	Qualitative Aspects
Corrections	Retrospective	Prospective