



Performance Appraisal

Performance appraisal

- An exercise undertaken by organizations typically annually to map actual performance with goals decided previously (Cascio, 2003)
- Psychological principles of Performance Appraisal (Kersley et al, 2006, in Hall, 2009):
 - Adequate feedback as to how they are performing (knowledge of their output)
 - Clear attainable objectives
 - Involvement in the setting of tasks and objectives

Aims of appraisal (Hall, in Gilmore & Williams, 2009)

■ Communication

- To provide an opportunity for open two – way dialogue (feedback) about all aspects of individual performance
- To discuss & clarify expectations, roles, aspirations, & any issues affecting performance

■ Development

- To identify opportunities for professional development linked to the employee's role and career aspirations
- To provide training, learning, and development opportunities to enable employees to contribute to the performance of their organization and to enhance their career opportunities

■ Motivation

- To influence motivation positively by providing feedback, recognition & praise
- To identify and provide opportunities for development, including appropriate learning & training
- To empower people by encouraging them to commit & take responsibility for tasks and objectives.

STEPS IN APPRAISAL

Step-1: Establish performance standards:



Step-2: Communicate performance expectation to employees:



Step-3: Measure actual performance:



Step-4: Compare actual performance with standards:



Step-5: Discuss the appraisal with the employee:



Step-6: Initiate corrective action, if necessary:

- **1. Establish Performance Standards:**
- The appraisal process begins with the establishment of performance standards. The managers must determine what outputs, accomplishments and skills will be evaluated. These standards should have evolved out of job analysis and job descriptions.
- These performance standards should also be clear and objective to be understood and measured. Standards should not be expressed in an articulated or vague manner such as “a good job” or “a full day’s work” as these vague phrases tells nothing.
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- **2. Communicate Performance Expectations to Employees:**
- Once the performance standards are established, this need to be communicated to the respective employees so that they come to know what is expected of them.
 - Assign specific goals
 - Assign measurable goals
 - Assign challenging but doable goals
 - Encourage participation
 - **Make the goals:**
 - S: Specific,
 - M: Measurable,
 - A: Attainable,
 - R: Realistic,
 - T: Time based.

- **3. Measure Actual Performance:**
- This is the third step involved in the appraisal process. In this stage, the actual performance of the employee is measured on the basis of information available from various sources such as personal observation, statistical reports, oral reports, and written reports.

- **4. Compare Actual Performance with Standards:**
- In this stage, the actual performance is compared with the predetermined standards. Such a comparison may reveal the deviation between standard performance and actual performance and will enable the evaluator to proceed to the fifth step in the process, i.e., the discussion of the appraisal with the concerned employees.

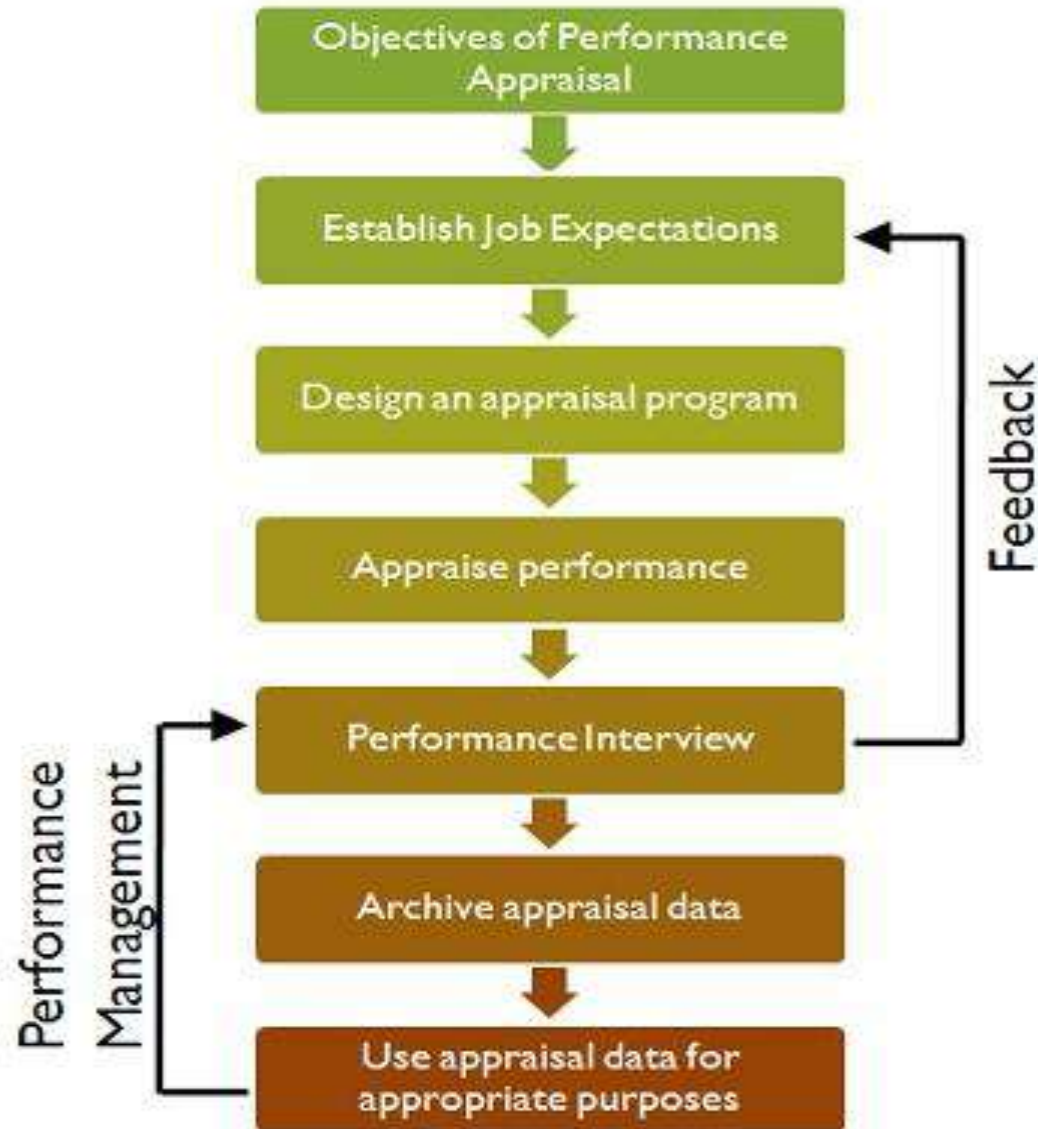
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- **.5.Discuss the Appraisal with the Employee:**
- The fifth step in the appraisal process is to communicate to and discuss with the employees the results of the appraisal. This is, in fact, one of the most challenging tasks the manager's face to present an accurate appraisal to the employees and then make them accept the appraisal in a constructive manner.
- A discussion on appraisal enables employees to know their strengths and weaknesses. This has, in turn, impact on their future performance. Yes, the impact may be positive or negative depending upon how the appraisal is presented and discussed with the employees.
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6. Initiate Corrective Action:

- The final step in the appraisal process is the initiation of corrective action when it is necessary. The areas needing improvement are identified and then, the measures to correct or improve the performance are identified and initiated.

Performance Appraisal Process



Performance Appraisal and HRD RELATIONSHIP



BENEFITS OF HRD

