

PERFORMANCE APPRAISAL

- Performance appraisal is a systematic, periodic and an impartial rating of an employee's performance on his present job and to his potentialities for a future job.
- It is the process of measuring quantitatively and qualitatively an employees' past or present performance against the background of his expected role performance, the background of his work environment, and about his future potential for an organization.

ACCORDING TO BEACH : “performance appraisal is the systematic, periodic and an impartial rating of an employee's excellence in matters pertaining to his present job and his potential for a better job”.

CHARACTERISTICS OF PERFORMANCE APPRAISAL

Following are the characteristics of performance appraisal :

1. Performance appraisal is a systematic process consisting of a number of steps to be followed for evaluating an employee's strength and weakness.
2. It is a systematic and objective description of an employee's strengths and weaknesses in terms of the job
3. The appraisal is a ongoing and continuous process where the evaluations are arranged periodically according to a definite plan. It is not a one shot deal.
4. The performance appraisal seeks to secure information necessary for making objective and correct decisions on employees.
5. Performance appraisal may be formal or informal. The formal system is more fair and objective since it is carried out in a systematic manner using printed appraisal forms.

OBJECTIVES OF PERFORMANCE APPRAISAL

- A. WORK RELATED OBJECTIVES.
- B. CARRIER DEVELOPMENT OBJECTIVE .
- C. COMMUNICATION .
- D. ORGANIZATION OBJECTIVE .

WORK RELATED OBJECTIVES

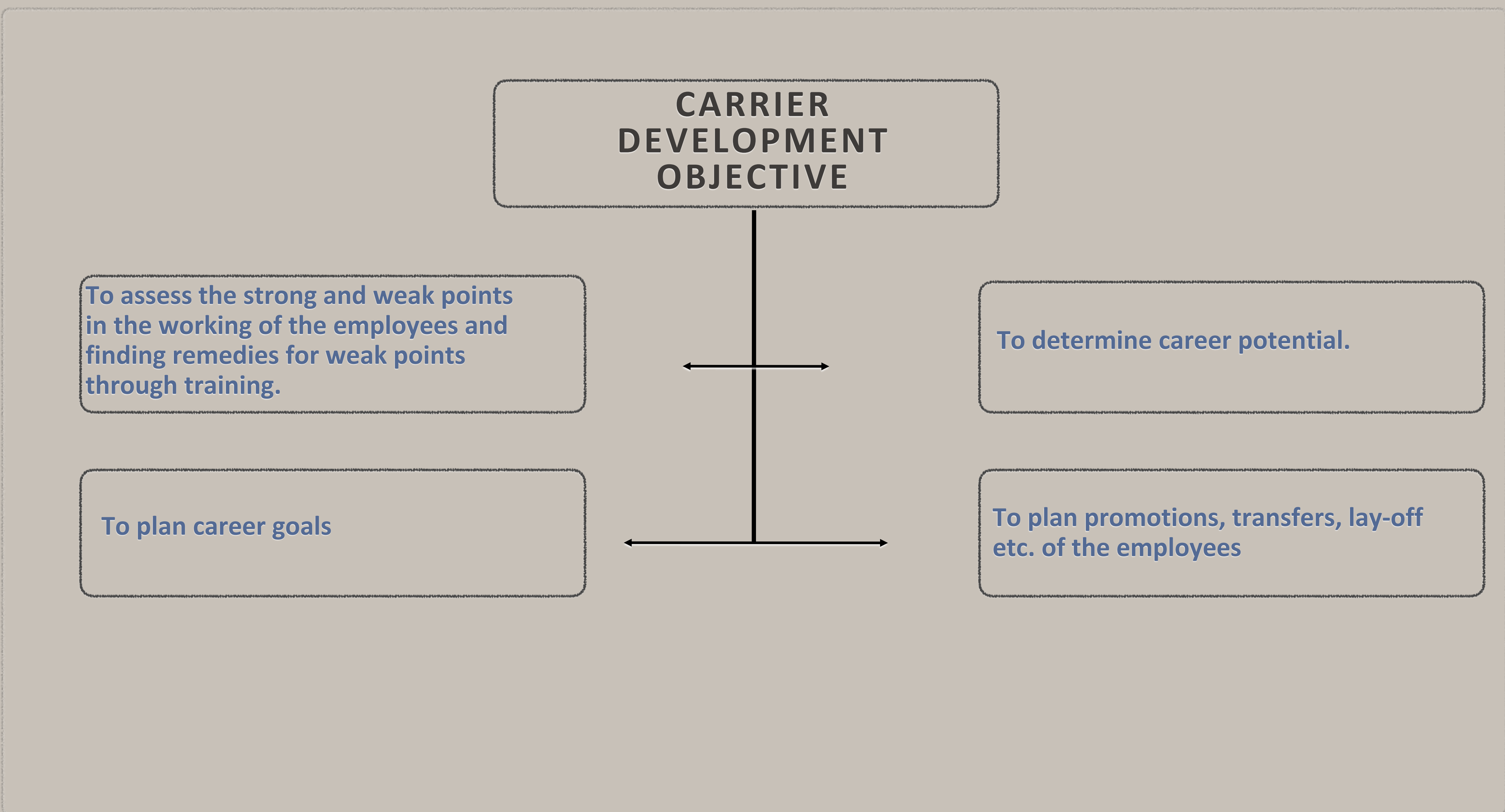
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graph TD; A[WORK RELATED OBJECTIVES] --> B[To assess the work of employees in relation to job requirements.]; A --> C[To improve efficiency]; A --> D[To carry out job evaluation.]; A --> E[To help management in fixing employees according to their capacity, interest, aptitude and qualification.]
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To assess the work of employees in relation to job requirements.

To improve efficiency

To carry out job evaluation.

To help management in fixing employees according to their capacity, interest, aptitude and qualification.



COMMUNICATION

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graph TD; A[COMMUNICATION] --- B[To provide feedback to employees so that they come to know where they stand and can improve their job performance]; A --- C[To clearly establish goals i.e. what is expected of the employee in terms of performance and future work assignments.]; A --- D[To develop positive superior-subordinate relations and thereby reduce grievances.]; A --- E[To provide coaching, counselling, career planning and motivation to employees.]; B <--> C; D <--> E;
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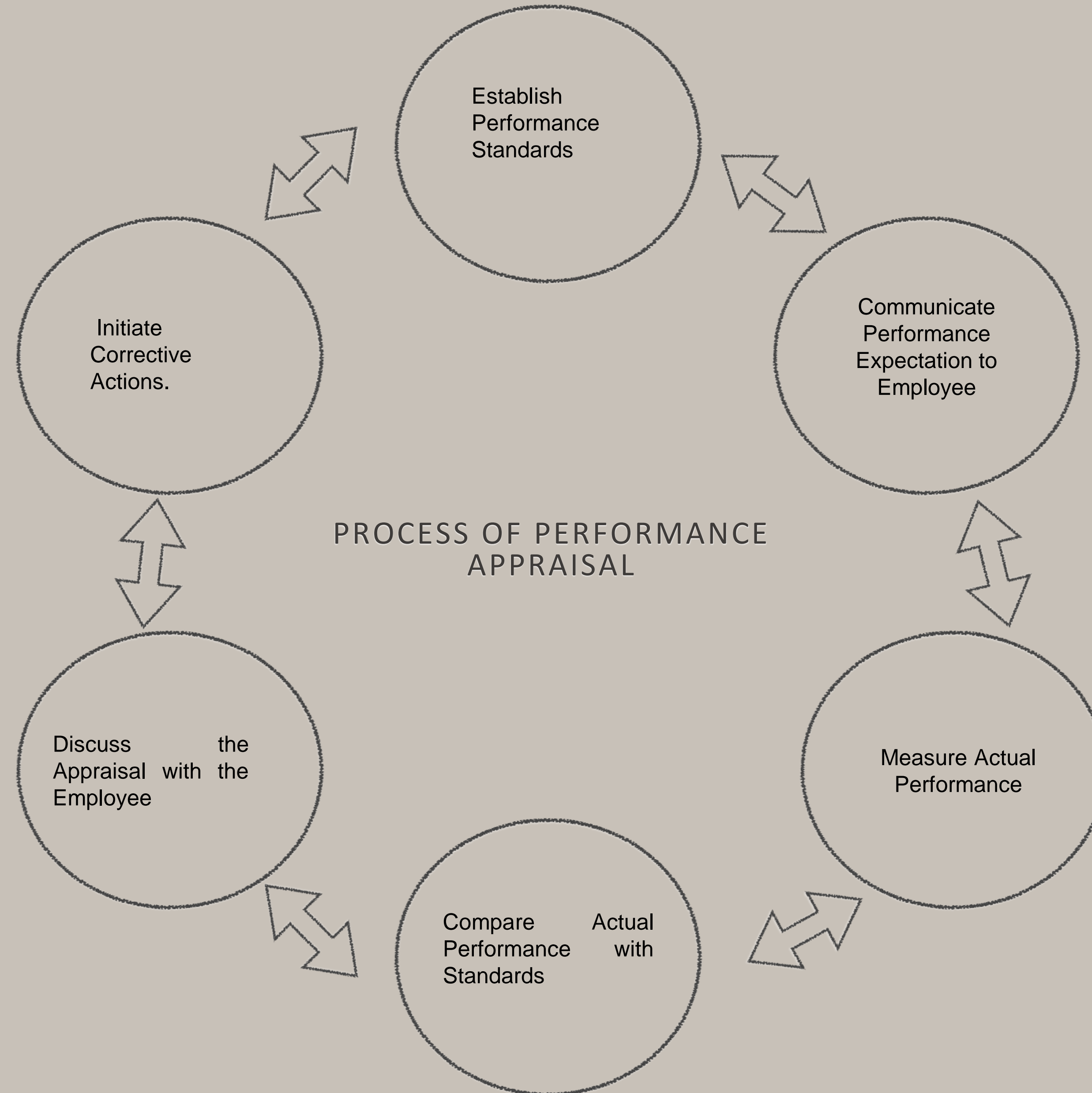
ORGANIZATION OBJECTIVE

To serve as a basis for
promotion or demotion.

To serve as a basis for transfer and
termination in case of reduction in staff
strength.

To serve as a basis for planning suitable
training and development programmes

To serve as basis for wage and salary
administration and considering pay
increases and increments.



PROCESS OF PERFORMANCE APPRAISAL

Performance appraisal should be done on the basis of certain standards or criterion fixed in advance. The employees should also have the knowledge of the yardsticks to be used for evaluating them. Though the specific steps that an organisation will follow in developing an appraisal system may vary somewhat from organisation to organisation, yet the following are the common steps usually followed by organisations while developing an appraisal system for them:

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.

2. Communicate Performance Expectations to Employees: Once the performance standards are established, these need to be communicated to the respective employees so that they come to know what is expected of them.

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. Needless to mention, the evaluator's feelings should not influence the performance measurement of the employee. Measurement must be objective based on facts and findings. This is because what we measure is more critical and important to the evaluation process than how we measure

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.

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 managers 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.

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

THANKS

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