

# Performance Appraisal

- The process of formally evaluating performance and feedback to an employee
- Performance appraisal is the process of assessing quantitative and qualitative aspects of an employees job performance.

# Purpose of Performance Appraisal

1. Evaluation—document and let people know how well they are doing; judgmental role.
2. Development—identify how training and support can improve performance; counseling role.

# Benefits

- ▶ Suitable Placements
- ▶ Assistance in self-improvement
- ▶ Incentives to grow and develop
- ▶ Effective Training Programme
- ▶ Introduction of sound Personnel Policies
- ▶ Cordial Employers– Employees Relations
- ▶ HRP &HRD
- ▶ Employee Communication
- ▶ High Employee Morale

# Limitations

- ▶ Time-consuming and huge paperwork involved
- ▶ Limited Stress on self-improvements
- ▶ Ineffective communication
- ▶ Absence of Uniform Standards
- ▶ Absence of effective participations of employees
- ▶ Resistance of employee to appraisal
- ▶ Halo effect
- ▶ Horn effort
- ▶ Personal bias
- ▶ Defective appraisal by superiors

# Techniques of Performance Appraisals

## Trait Approach

- ▶ Ranking Method
- ▶ Paired Comparison
- ▶ Grading Method
- ▶ Forced Rating Method
- ▶ Checklist method
- ▶ Graphic Rating Scales
- ▶ Critical Incident Method
- ▶ Essay Method
- ▶ Field review Method

## Modern Approach

- ▶ Human Resources Accounting method
- ▶ MBO
- ▶ Assessment Centers
- ▶ BARS
- ▶ 360 Degree Appraisal

# Performance Appraisals

- Critical Incident Technique
  - Keeps a log of a person's effective and ineffective job behavior
- 360 Degree feedback
  - Includes superiors, subordinates, peers and even customers in the appraisal process
- Multi-person Comparison
  - Rates employees against each other
- Graphic Rating Scale
  - Uses a checklist of characteristics or traits to evaluate performance

# Behaviorally Anchored Rating Scale

Uses specific descriptions of actual behaviors to rate various levels of actual performance

Outstanding performance

5

If a customer has defective merchandise that is not the responsibility of the store, you can expect this representative to help the customer arrange for the needed repairs elsewhere.

4

You can expect this representative to help a customer by sharing complete information on the store's policies on returns.

3

After finishing with a request, you can expect this representative pleasantly to encourage a customer to "shop again" in the store.

2

You can expect this representative to delay a customer without explanation while working on other things.

1

You can expect this representative to treat a customer rudely and with disrespect.

Unsatisfactory performance