

# Efficient Performance Appraisal System and its Effects on Employees Productivity

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## Abstract

Managing human resources in today's dynamic surroundings is turning into more and additional complicated additionally as vital. Recognition of individuals as a valuable resource within the organization has led to will increase trends in worker maintenance, job security, etc. Performance appraisal is that the step wherever the management finds out however effective it's been at hiring and inserting worker. This paper studied the various objectives method and strategies of performance appraisal

**Keywords** – Performance appraisal, objectives, process, methods

## INTRODUCTION

The success of any organization depends on the standard and characteristics of its employees. . This so was indicative of the a lot of strategic approach to Human Resource Management (HRM) policies that sought-after to attach the aims of the organization to the performance of the individual. Performance Management is that the method through that managers guarantee those employee's activities outputs contributes to the organization's goal. This method needs knowing what activities are desired, perceptive whether or not they occur, and providing feedback, managers and staff meet expectations. Performance Appraisal is a vital a part of performance management. Performance appraisal may be a very important tool to measure the frameworks set by any organization to its staff. In itself it's not Performance Management. Performance appraisal is that the step where the management finds out however effective it's been at

hiring and placing employee. Performance appraisal is that the method of getting, analysis and record in information regarding the relative value of an employee. the main focus of the performance appraisal is measurement and rising the actual performance of the worker and additionally the long run potential of the worker. Its aim is measure what an employee will.

## OBJECTIVES OF PERFORMANCE APPRAISAL

### • Salary increase

Performance appraisal plays a job in creating decision regarding salary increase. commonly salary increase of an worker depends upon on however he's performing his job. there's continuous Evolution of his performance either formally or informally. this could disclose however well an worker is performing manner} and how he ought to be paid by way of salary increase. • Promotion

Performance appraisal plays vital role wherever promotion is predicated on benefit and seniority. Performance appraisal discloses however an a is functioning in his present job and what his robust and weak points are. within the light of those, it may be set whether or not he may be promoted to future higher position.

#### • Training and Development

Performance appraisal tries to spot the strengths and weakness of an employee on his current job. This info may be used for making training and development programmes applicable for overcoming weakness of staff.

#### •Feedback

Performance appraisal provides feedback to staff regarding their performance. an individual works better when he is aware of however he or she working. This works in two ways in which, firstly, the person gets feedback regarding his performance. Secondly, once the person gets feedback regarding his performance, he will relate his work to the structure objectives.

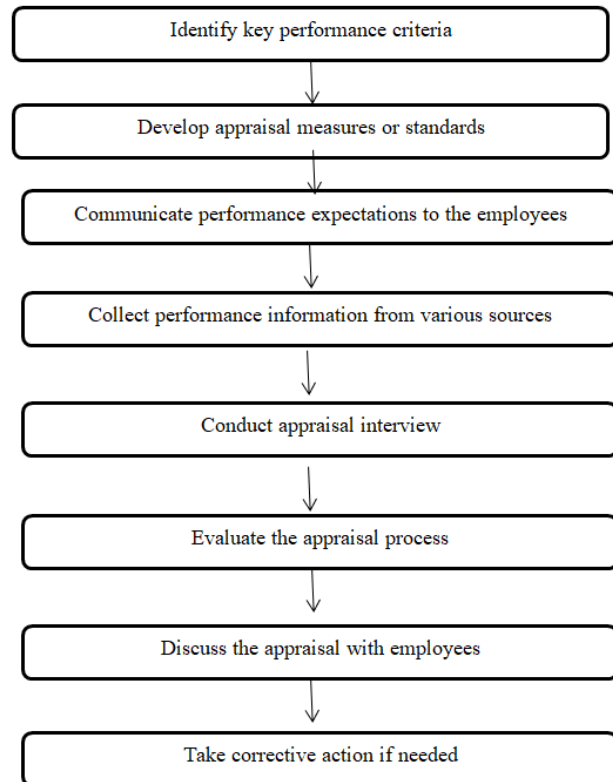
#### • Pressure on staff

Performance appraisal puts a kind of pressure on staff for higher performance. If the workers are conscious that they're being appraised in respect of bound factors and their future for the most part depends on such appraisal.

#### •others

Identifying systemic factors that are barriers to, or facilitators of, effective performance.to substantiate the services of conditional staff upon their finishing the probationary period satisfactorily.

### PERFORMANCE APPRAISAL PROCESS



### METHOD OF PERFORMANCE APPRAISAL

#### A)Past-oriented methods

##### 1)Rating Scales:

The rating scale technique offers a high degree of structure for appraisal. every worker attribute or characteristic is rated on a bipolar scale that sometimes has many points starting from “poor” to “excellent” (or some similar arrangement). The traits assessed on these scales embrace worker attribute like corporation, communications ability, initiative, promptness and technical (work skills) ability. the character and scope of the traits selected for inclusion is limited solely by the imagination of the scale’s designer, or by the organization’s got to understand. the best advantage of rating scales is that they're structured and standardized. this permits ratings to be simply compared and contrasted – even for entire workforces.

## 2)Check- list Method:

Beneath this technique, listing of “Statements of Traits” of worker within the sort of affirmative or No based mostly queries is ready. Here, the rater only does the coverage or checking and time unit department will the particular analysis. The rater concerned has got to tick applicable answers relevant to the appraises. once the check-list is completed, it's sent to time unit department for more process. varied queries within the check list could have either equal weightage or additional weightage could also be given to those queries that are additional necessary. The human resource department then calculates the entire scores that show the appraisal results of Associate in Nursing worker. blessings of the check list technique are economy, simple administration, restricted coaching needed, standardization etc. Disadvantages are Rater’s biases, use of improper weights by human resources Dept., don't enable rater to administer relative ratings etc.

## 3)Force choice Method:

A series of statements organized within the blocks of 2 or more are given are rater indicates that statement is true or false. The rater is forced to create a alternative. human resource department will actual assessment. The advantage of this technique is absence of personal biases due to forced alternative and also the disadvantages is that the Statements are might not be properly framed.

## 4)Force Distribution Method:

one of the issues faced in large organizations is relative assessment tendencies of raters. Some are too lenient and others too severe. This technique overcomes that drawback. It forces all to try and do a comparative rating of all the staff on a planned distribution pattern of excellent to unhealthy.

## 5) critical Incident Method:

In this technique, solely important incidents and behavior related to these incidents are taken for

evolution. This technique involves 3 steps. A check of noteworthy on the job behavior is ready. a bunch of specialists then assigns scale values to them betting on the degree of desirability for the duty. Finally, a listing of incidents that outline sensible and bad employees is prepared.

## 6)Essay Method:

within the essay technique approach, the appraiser prepares a written statement regarding the worker being appraised. The statement sometimes concentrates on describing specific strengths and weakness in job performance. It additionally suggests courses of action to remedy the known drawback areas. The statement could also be written and emended by the appraiser alone or it be composed in collaboration with the appraisee.

## 7)Grading:

In this technique, sure classes of talents of performance are outlined well earlier and person is place particularly class betting on their traits and characteristics. Such classes could also be definitional like outstanding, good, average, poor, terribly poor or could also be in terms of letter sort of a, B, C, D etc. with A indicating the most effective and D indicating the worst.

## 8)Performance test & observations:

This is supported the check of data or skills. The check could also be written or an actual presentation of skills. Tests should be reliable and valid to be helpful. The advantage of this technique is check solely live potential and not attitude. Actual performance is additional a perform of attitude of person than potential. The disadvantage is some times costs of check development or administration are high.

## 9) Confidential Reports:

Though common with government departments, its application in business isn't dominated out. Here the report is given within the sort of Annual

Confidentiality Report (ACR). The system is extremely uncommunicative and confidential. Feedback to the assessee is given solely just in case of an adverse entry. Disadvantage is that it's extremely vulnerable to biases and regency impact and ratings may be manipulated as a result of the evolutions are connected to future rewards like promotions, human resource postings, etc.

### **1o)Comparative Evolution technique (Ranking & Paired Comparisons):**

These are assortment of various strategies that compare performance therewith of alternative coworkers. the standard techniques used could also be ranking strategies and paired comparison technique.

**Ranking Method:** Superior ranks his employee based on merit, from best to worst. but however best and why best don't seem to be elaborated during this technique.it is simple to administer.

**Paired Comparison Method:** during this technique every worker is paired with each alternative worker within the same cadre so } comparative rating done in pairs so formed. the amount of comparisons could also be calculated with the assistance of formula –  $Nx(N-1) / 2$ . the strategy is too tedious for big departments and infrequently such precise details don't seem to be offered with rater.

### **B) Future –oriented methods**

#### **1.MBO (Appraisal by Results):**

The utilization of management objectives was initial wide advocated within the Fifties by the noted management intellect Peter Drucker. MBO (management by objectives) strategies of performance appraisal are results- destined. That is, obtain to measure worker performance by examining the extent to that planned work objectives are met. sometimes the objectives are established together by the supervisor and subordinate. once an objective is agreed, the worker is typically expected to self-audit; that's, to spot the abilities required to

attain the target. usually they are doing not deem others to find and specify their strengths and weaknesses. they're expected to observe their own development and progress.

#### **2.Assessment Centre methods:**

This system was first developed in USA and UK in 1943. an assessment center may be a central location wherever managers might close to possess their participation in job connected exercises evaluated by trained observers. it's additional centered on observation of behaviors across a series of choose exercises or work samples. Assesses are requested to participate in receptacle exercises, work teams, computer simulations, role playing and other similar activities that need same attributes for successful performance in actual job.

#### **3) 360 degree Appraisal:**

It is a method within which performance data/feedback/rating is collected kind all sections of individuals worker interacts within the course of his job like immediate supervisors, team members, customers, peers, subordinates and self with totally different weight age to every cluster of raters. this system has been found to be very helpful and effective. it's particularly helpful to live inter-personal skills, client satisfaction and team building skills. one in every of the most important blessings of this method is that assesses cannot afford to neglect any body and has got to show all- spherical performance.

#### **4) Psychological Appraisals :**

These appraisals are additional directed to assess employee's potential for future performance instead of the past one. it's tired the shape of in-depth interviews, psychological tests, and discussion with supervisors and review of alternative evaluations. it's additional centered on workers emotional, intellectual, and psychological feature and alternative personal characteristics touching his performance. This approach is slow and expensive

and should be helpful for bright young members who may have right smart potential. but quality of those appraisals for the most part depends upon the talents of psychologists who perform the analysis.

### **ESSENTIALS FOR A SUCCESSFUL PERFORMANCE APPRAISAL SYSTEM**

- Ensuring that appraisers have adequate information and direct expertise of the employee's performance
- Balance between the worker skills and talents and organization's desires and objectives.
- Reduces the distinction between the pre-fixed standards and actual performance.
- Integrating performance appraisal into a proper goal setting system.
- offering adequate support and help to workers to boost their performance (e.g skilled development opportunities)
- Providing rating via mass anonymous feedback once multiple sources of data are used
- Conducting appraisals on a regular basis (at least twofold a year) instead of annually.

### **CONCLUSION**

performance appraisal are largely used as a motivational tool, studies during this field powerfully recommend that performance appraisal systems will be used to enhance motivation .while returning to the purpose of various appraisal methodology 360 degree performance appraisal system is kind of effective in giving a comprehensive analysis of the workers performance as a result of it touches the various angles of the employees performance. Additionally performance appraisal is incredibly useful to the workers to grasp their strength and weaknesses and additionally organisations will create a private link between employees through performance appraisal.It will be used for more training and promotional functions.

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