



A STUDY ON MODERN METHODOLOGIES IN PERFORMANCE APPRAISALS

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Abstract:

In the modern competitive world, the greatest asset of any organization is its "Employees". Employee is an individual who delivers his service to the workplace where he is being employed. Today, there is a new way for reaping the best of the organization through "Performance Appraisals". "Evaluate what you want -- because what gets measured gets produced" ~ James A. Belasco Performance appraisal is a concept that started in the early 20th Century. It is the process of obtaining, analyzing and recording information about an employee to evaluate and improve their performance. Performance appraisal is evaluated in terms of Quality, quantity, time and cost and also analyses the value that the employee adds to the goals of the organization. "Encouraged people achieve the best; dominated people achieve second best; neglected people achieve the least." Best HR Practices comprises one of the important elements known as "Performance Appraisal" which is the most popular mantra for high organizational performance, which are believed to raise the morale and energy level of the employee. It becomes critical to every organization to improve the appraisal methods in order to increase the productivity. The present study focuses on modern methodologies of performance appraisal with special reference to the most recently introduced "720 Degree performance appraisal." It sheds some light on how the modern methods of appraisal are different from that of the traditional methods. The study is based on the Secondary sources of information obtained from Journals and website articles, in order to analyse the modern methodologies of performance appraisal, to focus mainly on 360 degree and 720 degree performance appraisal, and to differentiate between the traditional and modern methods of performance appraisal.

Index Terms: Employee, Performance Appraisal & Feedback

1. Introduction:

One of the major challenges of modern competitive organizations and institutions is Employee Development where Employees are the greatest Asset and backbone of an organization so called as the Human Resource. It is the very need of every organization to value, nurture and retain their employees with them, which is beneficial for organizations success. In the beginning an employee is like a Flower Bud which has to be given proper care and support through developmental activities and him to blossom like a Flower. Development can take place through a number of training, motivation and developmental activities. Motivational factors like Promotions, Appraisals, Recognition, Respect and Rewards are the few to enhance the employee skills and activities. Without employees even a powerful machinery or technology cannot function. So employees need to spend some time and resource in developing and appraising their employees. Benefits of Performance Appraisal are reaped by both employee as well as the organization where he renders his service. Performance is the most searched employment related jargon. Continuous Improvement requires constant measurement. Through performance Appraisal superiors can understand how an employee is performing, how he can be developed, what a superior has to do to develop an employee.

2. Performance Appraisal:

The method of evaluating the behaviour of the employees in the workplace through quantitative and qualitative aspects of the job is rightly known as Performance Appraisal. It is a formal, structured system which measures, evaluates few job related behaviours and their results in order to discover the reasons of performance and how a person can perform effectively in future which benefits the employee, organization and the society. Performance Appraisal is a Development Tool.

3. Objective of the Study:

The study is mainly focused on analysing the various aspects involved in Performance Appraisals, to evaluate the modern methodologies implemented in appraisal procedure. It also studies difference between Traditional Methods and Modern Methods of Performance Appraisals. Also analyses the need for Performance Appraisals.

4. Performance Appraisal Methods:

The methods followed in Performance Appraisals differs from various organisations. Earlier Traditional methods were into practice which are added with few modern methodologies.

5. Traditional Methods:

Rating Scale: Consists of numerical scales which represents the job related performance criterions. Every scale ranges from Excellent to Poor. Final conclusions are derived by computing the total numerical scores. Benefits- Easy to use, less cost, covers large number of employees.

Critical Incidents Method: This method focus on some critical behaviour of an employee which brings a difference to his performance. Supervisors record every such incident. Uses- Evaluation is based on actual job behaviour, easy to get feedback.

Confidential Records: This method is widely used in Government Departments where the reports are given in the form of ACR(Annual Confidentiality Report) which records employees Attendance, Team work, Resourcefulness etc.

Essay Method: The Performance is appraised through writing down the employee description in detail considering employees skills and abilities, strengths and weaknesses. It gives a detailed description about an employee's performance.

Performance Tests and Observations: This method is based on some observations and tests by testing employee's knowledge or skills. It is used to measure employees potential more than his actual performance. Test may be written or actual presentation of skills.

6. Modern Methods:

Management byObjective (MBO): Its a process where the superior and subordinates of any organisation jointly identify its common objectives, define each individuals major areas of responsibility. IT establishes certain goals, sets the performance standards, compares the actual level of job attained with the goals agreed upon and also establishes new goals and strategies for goals not previously attained.

Psychological Appraisals: This method uses Psychologists for evaluations who assess an individual's potential. It consists of In-depth interviews, discussions with supervisors and a review of other evaluations.

Assessment Centre: It is a system where assessment of several individual is done by experts by using various techniques like role playing, case studies, etc.

360 Degree Feedback: It's a feedback system where an individual is assessed by a number of assessors this technique collects a systematic performance data on an individual group. It is used to measure the skills and abilities from various point of views.



720 Degree Performance Appraisal: This is the modern Appraisal method which is performed after the 360 degree appraisal because some of the experts feel that only 360 degree appraisal is not complete. It acts as a post-appraisal and pre-appraisal.

7. Dimensions of 720 Degree performance Appraisal:

Pre Appraisal Feedback: This step involves collection of feedback from different people with whom an employee usually interacts and his performance is evaluated based on the collected information. Based on the collected data targets are set for an employee and training is provided to achieve his set targets.

Self Appraisal: This is also known as Self-Assessment where employees are given an opportunity to look back to their past performance and assess themselves based on their accomplishments and success. Employees can share their success factors, challenges and their learned facts during self-evaluation.

Peers/ Colleagues Appraisal: The feedback from the peers or colleagues is important as it helps to understand the ability of the employee to work as a team, co-operate, co-ordinate with others and bring out the best.

Customer Appraisal: The information comes directly from customers relating to their satisfaction and dissatisfaction. Customer feedback is one of the important resources for any company. Customer appraisals are online or written letters provided to the companies which helps to review an employee's performance and service provided to the customers.

Sub-Ordinates Appraisal: The feedback of subordinates is essential to analyze the organizing skills of the employee and to understand his abilities like communication and motivating abilities, ability to delegate the work, leadership qualities and way of handling responsibilities.

Managers / Superiors Appraisal: In this, the performance, responsibilities and the attitude of the employee is evaluated by the superiors or managers. IT is a traditional part of 360 degree performance appraisal where the actual performance of the employee is rated by the superior.

Post Appraisal Feedback: This step is also known as Employee Review which is conducted by setting some of the review parameters which gives an employee description. This type of post appraisal will be communicated to the employees in advance which helps him to review his performance.



The Need of 720 Degree Performance Appraisal Today: It is more development focused than performance alone, and supplements training and development functions in a better way. Provide information about the performance ranks, Assist in taking decisions regarding salary fixation, confirmation, promotion, transfer and demotion. Provide timely feedback about the performance, set targets and monitor the performance based on the targets set. Set realistic target, monitor the performance based on the targets set. Provide information to diagnose deficiency in the employee regarding skill, knowledge, determine training, and prescribe the means for employee growth and information for correcting placement. To understand the expectations of the employees and prevent grievances and in disciplinary activities.

Effects of 720 Reviews: Performance goals are aligned with customer's true expectations. Customers, internal evaluators, vendors and the executive being evaluated are coached on the purpose, process and needed outcomes before beginning. For a 720-degree assessment, collect information not only from inside the company, but from outside groups. External assessors might include investors, customers, or suppliers. These groups are important because it is in their eyes that the organization's intangible value matters most.

Traditional V/S Modern Methods:

Categories	Traditional	Modern
Guiding Values	Individualistic, Control Oriented, Documentary.	Systematic, Developmental, Problem Solving.
Leadership Styles	Directional, Evaluative.	Facilitative, Coaching.
Frequencies	Occasional	Frequent
Formalities	High	Low
Reward	Individualistic	Grouped, Organisational.

8. Conclusion:

The outcome of the study is impressive with new trends emerging in the areas of Performance Appraisal like Regular one-to-one performance conversations, in-the moment feedback from peers, Forward looking performance reviews, online performance management Apps. The method of performance appraisal is an investment for the company.

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