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Management & Utilization of tools for Effective Performance Appraisal

Hajra Begum

Abstract

Performance appraisal is the important setup for every Organization to capture contributions of each employee against the Goals agreed to achieve Organizational Targets. This process plays an important role to effectively identify strengths and development need of every individual. The objective of this study is to highlight implementation & proper usage of current methodologies in Technology for effectively manage, review & remunerate each employee's contribution towards the Organization. Emphasis on usage of centralized tools in an effective manner has been increasing across all type of companies. Since every Organization are looking for higher growth & greater revenues it becomes necessary to have a transparent & justifiable system to check and evaluate exertions of each employee. There have been observations by many employees across organizations where deserving rewards weren't given to best employees & appraisal system was not fully transparent to justify or provide clarification on the results, hence employees do not understand and provide value addition for existing systems. In Conclusion to minimize such gaps an effective Performance Management system should be able to utilize tools and systems for providing Quantifiable data through metrics for capturing actual Performance of each employee in comparison to the goals agreed & to appropriately provide feedback regarding scope for development.

Keywords : Appraisal, Tools, Metrics, Transparent & Feedback

1. INTRODUCTION

Performance appraisal is an unavoidable element of organizational life (Brown, 1988; Longenecker & Fink, 1999). Performance appraisal can be defined as the ongoing process used for identifying, measuring and developing an individual's performance in accordance with an organisation's strategic goals (Aguinis, 2009). Appraisal may involve formative aspects that focus on developing performance, such as career development, professional learning and feedback. Summative aspects, on the other hand, evaluate performance for career progression, possible promotion or demotion and termination purposes. When used for both accountability and instructional improvement, performance appraisal that identifies and enhances teaching quality may be considered the ideal quality assurance mechanism (Danielson & McGreal, 2000). They obtain aggravated and while their work is evaluated and remunerated properly by any institute. Work praise is unswervingly linked to the weak performance of the workers. In an organization if there is a lack of appraising system, then the workers showing good work will not perform good work in the future. Hence it is very important in today's scenario to utilize the modern technological methods like software's, Mobile Apps etc. for measuring Performance appraisal.

2. REVIEW OF LITERATURE

Brown, R. D. (1988) conducted research on "Performance appraisal as a tool for staff development

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"which is used to stimulate and guide student affairs administrators and staff members who are creating a performance appraisal system. This study proposes that performance appraisal should be viewed as a process and a system rather than as an end-of-the-year event or as a rating form.

Aguinis, H. (2009). Has detailed in his chapter "An expanded view of performance management". that It is an expanded view in relation to the traditional I/O psychology treatment of the topic in five different ways.

Crane, B (2003) this study "Job satisfaction and employee performance of Lebanese banking staff" conducted investigates the relationships between job satisfaction, individual job facets, socio-demographic variables and job performance in the Lebanese commercial banking sector. The sample consists of 202 employees from nine commercial banks. The results were presented in the article.

Lunenburg, F.C. (2011) presented the case study "Goal-Setting Theory of Motivation" Locke and this theory emphasizes the important relationship between goals and performance. Research supports predictions that the most effective performance seems to result when goals are specific and challenging, when they are used to evaluate performance and linked to feedback on results, and create commitment and acceptance

3. DATA AND METHODOLOGY

The current aim is to provide information about the difference in the utilization of the conventional against the modern methods by utilizing the tools and centralized software's for the Appraisal process. To emphasize impact

of the implementation of the data driven Software's in the Human Resource Management system for an effective appraisal which will result in the overall employee satisfaction.

3.1 Employee Perception: Most of the Employees feel the outcome of the Traditional or Conventional Appraisal system followed couldn't consider the actual efforts of the Employee towards the company. Hence there was a need to check and revive the performance appraisal system which can correlate employee's performance; these efforts are to be translated into data & metrics to correlate use of modern methods over conventional system in the past. This article will highlight methodological gap lacking in the previous methods and the current technologies followed.

3.2 Goal setting, Agreement & Management is the Key: Goals are performance level which subordinates and managers in organization have agreed upon as performance standards. A goal is what an individual is consciously trying to achieve. Therefore, it is a cause or aim of an action. In a similar vein, the concept refers to purpose and intent (Locke, 1968). Goals are pictorial representation of desired future events that motivate an individual's behavior. When an employee expects, that specific behaviours lead to desired outcomes like higher pay, promotion, acceptance by peers, or support of his boss, he/she uses the goal as an internal standard against

which to compare, regulate, and maintain his/her behaviour

3.3 Setting SMART targets: It's a familiar acronym, but a very useful one - your targets should be SMART - specific, measurable, achievable, realistic and time-bound.

3.4 Capturing: There are various Software's or tools in the Techno world which are designed to perform all activities related to Employee in a centralized way these include Leave management system, Performance appraisal system in which Goal setting also comes in picture, Human resource information and document management system. This is used for capturing the agreed goals in the centralized way which is tracked appropriately.

Performance Appraisal Methods: Traditional and Modern Methods: A more widely used classification of appraisal methods into two categories, viz., traditional methods and modern methods, is given by Strauss and Sayles". While traditional methods lay emphasis on the rating of the individual's personality traits, such as initiative, dependability, drive creativity, integrity, intelligence, leadership potential, etc.; the modern methods, on the other hand, place more emphasis on the evaluation of work results, i.e., job achievements than the personal traits! Modern methods tend to be more objective and worthwhile. The various methods included in each of the two categories are listed in Table-1

Traditional Methods	Modern Methods
1. Ranking method	1. Management by Objectives (MBO)
2. Paired Comparison	2. Behaviourally anchored rating scales
3. Grading	3. Assessment centres
4. Forced distribution method	4. 360-degree appraisal
5. Checklist method	5. Cost accounting method
6. Forced choice method	
7. Critical incidents method	

4. RESULTS AND DISCUSSION

4.1 TRADITIONAL METHODS:

4.1.1 Ranking Method: It is the oldest method in which employee is compared with all others for the purpose of placing order of worth. The employees are ranked from the highest to the lowest or from the best to the worst. Thus, if there are ten employees to be appraised, there will be ten ranks from 1 to 10.

4.1.2 Paired Comparison: Employee is compared with other employees on one- on one basis, usually based on one trait only. The rater is provided with a bunch of slips each coining pair of names, the rater puts a tick mark against the employee whom he insiders the better of the two.

4.1.3 Grading Method: In this method, certain categories of worth are established in advance and

carefully defined. There can be three categories established for employees: outstanding, satisfactory and unsatisfactory. There can be more than three grades. One of the major drawbacks of this method is that the rater may rate most of the employees on the higher side of their performance.

4.1.4 Forced Distribution Method: This method was evolved by Tiffen to eliminate the central tendency of rating most of the employees at a higher end of the scale. The method assumes that employees' performance level confirms to a normal statistical distribution i.e., 10,20,40,20 and 10 per cent. This is useful for rating a large number of employees' job performance and promo ability. It tends to eliminate or reduce bias. It suffers from the drawback that improve similarly, no single grade would rise in a rating.

4.1.5 Forced-Choice Method: It involves series of groups of statements, and rater rates how effectively a

statement describes each individual being evaluated. Common method of forced-choice method contains two statements, both positive and negative. Some of the positive statements could be: Gives good and clear instructions to the subordinates & Can be depended upon to complete any job assigned. The only problem associated with this method is that the actual constructing of several evaluative statements also called 'forced-choice scales', takes a lot of time and effort.

4.1.6 Check-List Method: The basic purpose of utilizing check-list method is to ease the evaluation burden upon the rater. In this method, a series of statements, i.e., questions with their answers in 'yes' or 'no' are prepared by the HR department (see table -2). The check-list is, then, presented to the rater to tick appropriate answers relevant to the appraise. Each question carries a weightage in relationship to their importance.

Table -2 Sample checklist for appraising employees

	Yes	No
Is Regular on the Job?		
Does Maintain discipline?		
Does shows consistent behaviors to all subordinates?		
Is interested in the assigned Job?		
Does ever makes mistakes?		
Does show favoritism to some employees?		
Is willing to help colleague?		

When the check-list is completed, it is sent to the HR department to prepare the final scores for all appraises based on all questions. While preparing questions, an attempt is made to determine the degree of consistency of the rater by asking the same question twice but in a different manner.

4.1.7 Critical Incidents Method: In this method, the rater focuses his or her attention on those key or critical behaviours that make the difference between performing a job in a noteworthy manner (effectively or ineffectively). There are three steps involved in appraising employees using this method. First, a list of noteworthy (good or bad) on-the-job behaviour of specific incidents is prepared. Second, a group of experts then assigns weightage or score to these incidents, depending upon their degree of desirability to perform a job. Third, finally a check-list indicating incidents that describe workers as "good" or

"bad" is constructed. Then, the check-list is given to the rater for evaluating the workers.

4.1.8 Graphic Rating Scale Method: The graphic rating scale is one of the most popular and simplest techniques for appraising performance. It is also known as linear rating scale. In this method, the printed appraisal form is used to appraise each employee.

4.1.9 Essay Method: Essay method is the simplest one among various appraisal methods available. In this method, the rater writes a narrative description on an employee's strengths, weaknesses, past performance, potential and suggestions for improvement. Its positive point is that it is simple in use. It does not require complex formats and extensive/specific training to complete it.

4.1.10 Field Review Method: When there is a reason to suspect rater's biasedness or his or her rating appears

to be quite higher than others, these are neutralised with the help of a review process. The review process is usually conducted by the personnel officer in the HR department. The review process involves the following activities: (a) Identify areas of inter-rater disagreement. (b) Help the group arrive at a consensus. (c) Ensure that each rater conceives of the standard similarity.

4.2 MODERN METHODS:

4.2.1 Management by Objectives (MBO): Most of the traditional methods of performance appraisal are subject to the antagonistic judgments of the raters. The Practice of management can be described as a "process whereby the superior and subordinate managers of an organization jointly identify its common goals, define each individual's major areas of responsibility in terms of results expected of him and use these measures as guides for operating the unit and assessing the contribution of each its members".

4.2.2 Developing BARS (Behaviourally anchored rating scales) Typically involves five steps:

Generating Critical Incidents: Critical incidents (or say, behaviours) are those which are essential for the performance of the job effectively. These critical incidents may be described in a few short sentences or phrases using the terminology. **Developing Performance Dimensions:** The critical incidents are then clustered into a smaller set of performance dimensions, usually five to ten. Each cluster, or say, dimension is then defined. **Reallocating Incidents:** Various critical incidents so reallocated to original dimensions are clustered into various categories, with each cluster showing similar critical incidents. Those critical incidents are retained which meet 50 to 80% of agreement with the cluster. **Scaling Incidents:** The same second group as in step 3 rates the behavior described in each incident in terms of effectiveness or ineffectiveness on the appropriate dimension by using seven to nine points scale. Then, average effectiveness ratings for each incident are determined to decide which incidents will be included in the final anchored scales. **Developing final BARS instrument:** A subset of the incidents (usually six or seven per cluster) is used as a behavioral anchor for the final performance dimensions. Finally, a BARS instrument with vertical scales is drawn to be used for performance appraisal.

4.2.3 Assessment Centres: The introduction of the concept of assessment centres where Assessee is asked to participate in in-basket exercises, work groups, simulations, and role playing which are essential for successful performance of actual job. Having recorded

the assessee's behaviour the raters meet to discuss their pooled information and observations and, based on it, they give their assessment about the assessee. At the end of the process, feedback in terms of strengths and weaknesses is also provided to the assesses

4.2.4 360 – Degree Appraisal: Yet another method used to appraise the employee's performance is 360 – degree appraisal. This feedback-based method is generally used for ascertaining training and development requirements, rather than for pay increases. Under 360 – degree appraisal, performance information such as employee's skills, abilities and behaviours, is collected "all around" an employee, i.e., from his/her supervisors, subordinates, peers and even customers and clients. All these appraisers provide information or feedback on an employee by completing survey questionnaires designed for this purpose. All information so gathered is then compiled through the computerized system (modern tools used to provide Metrics and data) to prepare individualized reports. For example, while supervisor may penalise the employee by providing negative feedback, a peer, being influenced by 'give and take feeling' may give a rave review on his/her colleague.

4.2.5 Cost Accounting Method: This method evaluates an employee's performance from the monetary benefits the employee yields to his/her organisation. This is ascertained by establishing a relationship between the costs involved in retaining the employee, and the benefits an organization derives from Him/her. While evaluating an employee's performance under this method, the following factors are also taken into consideration: Average value of production or service, Quality, Overhead cost incurred. Accidents or damages or errors, Human relationship with others & Cost of the time supervisor spent in appraising the employee.

5. CONCLUSION

This Article provides brief background about the Performance appraisal process and further describes the scope to understand the need to utilise and implement tools using modern technology in the appraisal system. The Objective of article was to provide overview of the Traditional methods against the Modern methods of Appraisal process with the impact of usage of Metric & data driven Smart tools. Objective setting, agreement with Manager & capturing these appropriately by usage of tools was also provided to make an effective process. The analysis was used to check the relationship between the Modern Methods and Tools to drive and minimise the current issues in Appraisal system.

This review has provided extended literature on the performance appraisal system, detailing the various types of traditional against Modern methods used for Performance appraisal. The comparative advantages and disadvantages for each method were also briefed with the methodology. As a Conclusion, it was emphasised to use Modern methods as a collaboration with the software's or tools to minimise current issues faced by the Employees, Managers and Organisations during performance appraisal. This study has enriched the literature of the performance appraisal and employee performance, additionally it has filled the methodological gaps. This research will be helpful to the human resource department, HR practitioners to make addition of software's during appraisal system which can increase the performance of the employees. For organizations, it is vital to retain its employees and customers. It is concluded that the organizational efficiency in any organization to have successful & efficient Performance appraisal system through the dedicated involvement of employees and suitable appraisal tools by utilising Metrics, Data, reports, tracking for capturing the efforts.

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