

FACULTY OF JURIDICAL SCIENCES

Lecture-40



Performance Appraisal Objectives

Performance appraisal can be conducted for various reasons. Human resources is one of the most important resources that a company has. Therefore, every company should understand where their employees stand in terms of performance and productivity. Here are some more objectives of performance appraisals:

1. Provide Feedback:

Appraisals are an effective way to give feedback to employees. Also, managers to communicate clearly regarding employee objectives and expectations. An employee can learn about what he/she can do to improve their future performance.

In addition, Some tips for employee feedback

1. Performance Outcome
2. Quarterly Reviews
3. Give feedback on a 1-2-1 basis

2. Downsize or Right-Size:

The COVID pandemic is one of the many harsh realities that might force an organization to downsize. In such a situation, appraisals are a way to make sure that the most productive and talented individuals can be retained in a company. It is also an effective way to know which employees are non-performers.

3. Promote The Right Person:

Appraisals give an organization objective and data-driven tools to make good promotion decisions. Also, It helps the most talented individuals retain the position of the highest importance.

4. Set Goals & Measure Goals:

The annual appraisals are also an effective way to set future goals for the employees. This ensures maximum productivity and superior performance.

5. Improve Work Performance:

An employee can only improve if he knows how to Objectives of a good appraisal include highlighting the specific area of improvement for every employee.

Some tips improve performance:

1. Keep your eyes on the deadline
2. Also, Improve project evaluation skills
3. Set Goals as well as Personal Benchmarks

6. Determine Compensation Changes:

An appraisal system works as a determining factor in increasing compensation, pay raises, etc. Also, It ensures that people who work harder get paid better.

7. Encourage Coaching & Mentoring:

Managers are usually expected to coach their team members Also, appraisals help the managers to identify the areas where mentoring is required.

8. Employee Training and Development:

Individual skills are evaluated during an appraisal. Also, this helps employees to identify if they need to acquire more skills and competencies to contribute to the company. It also helps an organization to plan the up-skilling training for their employees.

9. Provide a Legal Defense For Personal Decisions:

A company can be held accountable for any decision that they take, even firing or promoting an employee. Therefore, conducting a performance appraisal will help the company prove a point if their decisions are ever challenged.

10. Encouraging Coaching & Mentoring:

Teaching and coaching are part of managing employees. It is part of being a good manager. Performance appraisals will help them understand where an employee is lacking therefore where they can train and help employees to do better.

11. Improving Overall Organization's Performance:

Last but not least, performance appraisals will help the company to learn more about the employees and their requirements. It will help the employees to understand where they are lacking and where they are doing well. This will help them learn and grow quickly.

Characteristics of an Effective Performance Appraisal System:

When you are trying to adopt an effective appraisal system for your company, there are certain factors to be kept in mind. However, what works for someone else may not be right for your company. A good appraisal system satisfies these characteristics according to your requirements.

1. Clear Objectives

Employee performance appraisals should have a clear goal. There must be a predefined set of factors to evaluate employees based on their skill sets Which obviously must be clear what the managers aim to get out of these appraisals.

2. Well Defined Performance Criteria

Employees must have a clear idea of what they are being evaluated. Good appraisal systems have a set of procedures and standards for the performance of each individual. For instance, a fresh graduate cannot be evaluated against someone with years of experience.

3. Accuracy & Reliability in Results

An effective performance appraisal also helps a company to make clear, data-driven & informed decisions. The data (or results) of any appraisal must be reliable and valid, and they must be presented in an unambiguous manner. Accurate insights will also help a company gain the trust of its employees.

4. Post Appraisal Interview

Post appraisal interviews are important because they help the employees to get direct feedback from their superiors or managers. These interviews also help the managers decide if any training or skill development programs are needed. Employee grievances can also be addressed during this interview.

5. Time-Saving

A good appraisal system is one that saves time as well as cost. Also, this helps a company to get the maximum benefit. Instead of wasting all their time on managerial tasks, HR personnel could focus on other important jobs.

6. Continuous Feedback

Modern appraisal systems have done away with the annual performance review model. Instead, that model has been replaced with a system wherein managers give continuous (read-periodical) feedback to their employees. Also, this helps the employees fill in their weaknesses from the start and improve upon them.

7. Focusing on What Matters

A good appraisal system evaluates employees on various factors. However, an employee's work performance and competency are of utmost importance. Subjective factors, such as personal behavior, attitude & personality come secondary to an employee's skill set.

8. Match Your Goals

Appraisal systems should be designed according to the functioning of your company. For instance, if you are using a 360-degree feedback approach, feedback should be taken from only those who have worked closely with the employee overtime. It's good to practice to be innovative with appraisals so they match your company's working policy.

Advantages & Disadvantages of Performance Appraisal

It is often wondered why do HR departments conduct performance appraisals. The performance appraisal process is a complicated one. It needs to be done in a way that truly brings changes to

the way the company functions. While it gives the managers a clear idea about their employees it is a tedious task that sometimes doesn't bring any results or changes. Therefore, the question comes up as to whether you should conduct a performance appraisal in your company or not.

Advantages of Performance Appraisal are:

1. Find The True Potential of The Employee

Performance appraisal helps the HR department and the company learn about the strengths and weaknesses of an employee. This process can, therefore, be used to truly learn about the employee's interests and potentials. This analysis also helps the HR department to choose the right employees for a job. The HR department can even suggest the employee switch to a department that fits them better.

2. Promotes Employee Development

The quickest way to improve an employee's performance is by providing them with specific feedback. The performance appraisal process includes giving employees feedback about their strengths as well as weakness. The employees can use this information to develop themselves further.

3. Acts as a Motivator

Employees crave feedback. When they receive that it can act as a motivator for them. Knowing their weaknesses can help employees give their best and improve upon the areas they've missed out on. After all this can work as a boost to the entire office or team.

4. Focused Employee Training & Development

Planning and development programs are important for any organization. The performance appraisal can show exactly where a majority of the employees lack in terms of training as well as in development. The HR department can then create programs according to those gaps. This will be more beneficial for the employees and will be a successful program of training and development.

5. Improves Employee, as well as Management Relationship

In general, the performance appraisal gives employees an opportunity to truly share and discuss the problems that they are facing in their role. This builds a healthy environment for both the manager and the employee.

6. Promotion & Transfers

It is difficult to make the correct decision about who to promote and who to transfer without any data. The performance appraisal can be useful for learning in which talents should be rewarded and which need to be pushed to do better. It ensures that the decision is made based on facts and figures rather than personal biases.

7. Mentoring From Superiors

Managers are a crucial part of any appraisal system. They are the ones handling the administrative as well as feedback work in an appraisal. Good managers are good mentors, meaning that they are able to guide their employees to reach their maximum potential. Managers must not only focus on the weaknesses, but they must highlight employees' strengths too.

Disadvantages of The Performance Appraisal Are as follows:

1. Consuming Process

First and foremost, performance appraisal is a time-consuming process. It requires resources, time and costs the company money. It requires the HR department to create the forms, ask everyone to fill them as well as analyze the results for specific feedback while going through the correct procedures.

Sometimes, the organization has to hire professional experts from outside the company to conduct the evaluation process. The evaluation processes must be designed and also, implemented clearly &, because of this, the performance appraisal process becomes expensive for the company.

2. Personal Bias or Incorrect Ratings

It is possible that managers, in order to not look bad, give a decent rating to all employees. This can be the case with managers that try to avoid conflicts or arguments. Furthermore, personal bias can play a huge role in the ratings. Also, if a manager has a liking for an employee they will rate them better and visa versa. This can be the case even if they are a good employee. Generally, employers simply give an average out feedback to employees. This means the over performers and underperformers both aren't rated correctly.

3. Horn & Halo Effect

The horn and halo effect is a human tendency to see only the good or the bad in a person. For example, an employer might just see that the employee is never on time and will rate the employee low on all the brackets because of that. However, he might not notice that the employee works for long hours every day and completes the work on time. This can affect an employee's overall ratings.

4. Spillover Effect

This refers to human behavior. It means that while judging the employee for performance appraisal it is possible that the manager simply marks an employee high because of their past performances instead of their current ones. They rank the employee by taking into account the overall overview that they have of the employee.

5. Attitude of Evaluator

The mindset and the mood of the manager is also a cause of concern. If the manager has high expectations they might mark their employees lower. Thereby, making the team look lower than others on average. Also, this makes the process of evaluation and improving the performance in the organization a difficult task to achieve.