SECTION – 4

QUESTION-2.

ANSWER:-

Performance Appraisal:-

Performance Appraisal is the systematic evaluation of the performance of employees and to understand the abilities of a person for further growth and development. Performance appraisal is generally done in systematic ways which are as follows:

The supervisors measure the pay of employees and compare it with targets and plans.

The supervisor analyses the factors behind work performances of employees.

The employers are in position to guide the employees for a better performance.

Objectives of Performance Appraisal:-

Performance Appraisal can be done with following objectives in mind:

To maintain records in order to determine compensation packages, wage structure, salaries raises, etc.

To identify the strengths and weaknesses of employees to place right men on right job.

To maintain and assess the potential present in a person for further growth and development.

To provide a feedback to employees regarding their performance and related status.

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It serves as a basis for influencing working habits of the employees.

To review and retain the promotional and other training programmes.

Advantages of Performance Appraisal:-

It is said that performance appraisal is an investment for the company which can be justified by following advantages:

Promotion: Performance Appraisal helps the supervisors to chalk out the promotion programmes for efficient employees. In this regards, inefficient workers can be dismissed or demoted in case.

Communication: For an organization, effective communication between employees and employers is very important. Through performance appraisal,

Methods of Performance Appraisal:-

1. Management by Objectives (MBO):-

Management by objectives (MBO) is the appraisal method where managers and employees together identify, plan, organize, and communicate objectives to focus on during a specific appraisal period. After setting clear goals, managers and subordinates periodically discuss the progress made to control and debate on the feasibility of achieving those set objectives.

2. 360-Degree Feedback:-

360-degree feedback is a multidimensional performance appraisal method that evaluates an employee using feedback collected from the employee's circle of influence namely managers, peers, customers, and direct reports. This method will not only eliminate bias in performance reviews but also offer a clear understanding of an individual's competence.

This appraisal method has five integral components like:

- **Self-appraisals**

Self-appraisals offer employees a chance to look back at their performance and understand their strengths and weaknesses. However, if self-appraisals are performed without structured forms or formal procedures, it can become lenient, fickle, and biased.

- **Managerial reviews**

Performance reviews done by managers are a part of the traditional and basic form of appraisals. These reviews must include individual employee ratings awarded by supervisors as well as the evaluation of a team or program done by senior managers.

- **Peer reviews**

As hierarchies move out of the organizational picture, coworkers get a unique perspective on the employee's performance making them the most relevant evaluator. These reviews help determine an employee's ability to work well with the team, take up initiatives, and be a reliable contributor. However, friendship or animosity between peers may end up distorting the final evaluation results.

- **Subordinates Appraising manager (SAM)**

This upward appraisal component of the 360-degree feedback is a delicate and significant step. Reportees tend to have the most unique perspective from a managerial point of view. However, reluctance or fear of retribution can skew appraisal results.

- **Customer or client reviews**

The client component of this phase can include either internal customers such as users of product within the organization or external customers who are not a part of the company but interact with this specific employee on a regular basis.

3. Assessment Centre Method:-

The concept of assessment centre was introduced way back in 1930 by the German Army but it has been polished and tailored to fit today's environment. The assessment centre method enables employees to get a clear picture of how others observe them and the impact it has on their performance. The main advantage of this method is that it will not only assess the existing performance of an individual but also predict future job performance.

4. Behaviorally Anchored Rating Scale (BARS):-

Behaviorally anchored rating scales (BARS) bring out both the qualitative and quantitative benefits in a performance appraisal process. BARS compares employee performance with specific behavioral examples that are anchored to numerical ratings.

Each performance level on a BAR scale is anchored by multiple BARS statements which describe common behaviors that an employee routinely exhibits. These statements act as a yardstick to measure an individual's performance against predetermined standards that are applicable to their role and job level.

5. Psychological Appraisals:-

Psychological appraisals come in handy to determine the hidden potential of employees. This method focuses on analyzing an employee's future performance rather than their past work. These appraisals are used to analyze seven major components of an employee's performance such as interpersonal skills, cognitive abilities, intellectual traits, leadership skills, personality traits, emotional quotient, and other related skills.

Most Commonly used Methods of Recruiting people:

IQ Tests

Unstructured employment interview

Structured employment interview

Work sample tests

Job knowledge tests

Integrity tests

Conscientiousness tests

Peer ratings

Reference checks

Improving job postings

Employee referrals

Gamification

Video job postings, applications and interviews

AI-based screening process

Hiring freelancers and contractors