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UNIT - V.

PERFORMANCE APPRAISAL

A **performance appraisal** is a regular review of an **employee's** job **performance** and overall contribution to a company. Also known as an annual review, **performance** review or evaluation, or **employee appraisal**, a **performance appraisal** evaluates an **employee's** skills, achievements, and growth--or lack thereof

What is performance appraisal what are its objectives?

The main **objective** of **performance appraisals** is to measure and improve the **performance** of employees and increase their future potential and value to the company. ... Providing feedback is the most common justification for an organization to have a **performance appraisal** system.

Why is performance appraisal important?

Performance appraisal allows you to provide positive feedback as well as identifying areas for improvement. An employee can discuss and even create a developmental (training) plan with the manager so he can improve his skills. It motivates employees if supported by a good merit-based compensation system

What are the different types of performance appraisal?

The most common types of appraisal are:

- straight ranking **appraisals**.
- grading.
- management by objective **appraisals**.
- trait-based **appraisals**.

- behaviour-based **appraisals**.
- 360 reviews.

What are the pros and cons of performance appraisals?

They can motivate employees if supported by a good merit increase and compensation system. **Disadvantages of performance appraisals:** If not done right, they can create a negative experience. **Performance appraisals** are very time consuming and can be overwhelming to managers with many employees.

What are the advantages of appraisal?

The many benefits of performance appraisals include:

- Learning about areas of your business that could be improved.
- Identifying areas for further training.
- Improving **performance** and profitability.
- Increased job satisfaction and **motivation**.
- Better morale and **teamwork**.
- Surface – and resolve – any grievances.

Why do performance appraisals fail?

One reason **why performance management fails** is that the process is not properly structured. It is not a one-time process and needs to be repeated more often. ... Because the main reason behind having a **performance** management process in an organization is to improve overall **performance** of the employees in the organization.

What are the problems with performance appraisals?

Performance appraisals fall short when managers aren't trained to do them properly, and there are no specific outcomes that can be tied to measurable results.

- Poorly Trained Managers. ...
- Inconsistent Ratings. ...
- Lack of Outcome-Based Measures. ...
- Not Used for **Performance** Improvement. ...
- Making **Performance Appraisals** Meaningful.

What is the most common cause for failure of performance appraisal systems?

These **failures of performance appraisal** can be attributed to ambiguous **performance** standards, rater bias, lengthy process of form filling and documenting, and wrong selection of **performance** criteria. At times, the **appraisal** process itself may be conflicting.

What are the steps of performance appraisal?

The performance appraisal process generally involves the following steps:

- Establish performance standards.
- Communicate performance expectations to the employees.
- **Measure** actual performance.
- Compare actual performance with standards.
- Discuss the appraisal with employee.
- If necessary, initiate corrective action.

What are some common performance issues?

Types of Performance Problems

- Quantity of work (untimely completion, limited production)
- Quality of work (failure to meet quality standards)
- Inappropriate behaviors (often referred to as poor attitude)
- Resistance to change.

- Inappropriate interpersonal relations.
- Inappropriate physical behavior.

What are the challenges of performance management system?

Lack of Leadership Commitment

Leaders must drive the process and make **performance management** an integral part of the **management** of the company. Leaders contribute not only in setting the strategic direction and **performance** measures but also in monitoring and reviewing **performance** across the organization.

Which is the first step in appraisal process?

1. **Step 1:** Define the **Appraisal** Problem. ...
2. **Step 2:** Determine the Scope of Work. ...
3. **Step 3:** Analyze the Property's Use, Select Most Appropriate Market,
4. **Step 4:** Collect and Analyze Data, Apply Most Appropriate.
5. **Step 5:** Analyze Subject Property Listings or Prior Sales.

How do you appraise an employee?

To get the most out of staff appraisals follow these simple rules:

1. Be prepared. ...
2. Create the right atmosphere. ...
3. Work to a clear structure. ...
4. Use positive feedback. ...
5. Let the **employee** do the talking. ...
6. Invite self-**appraisal**. ...
7. Performance, not personality. ...
8. Encourage analysis of performance.

What is 360 degree appraisal method?

360 Degree Feedback is a **system** or process in which employees receive confidential, anonymous **feedback** from the people who work around them. This typically includes the employee's manager, peers, and direct reports. ... **360 Feedback** can also be a useful development tool for people who are not in a management role.

How do you tell an employee their performance is poor?

To that end, here are 10 things to consider as you prepare for a talk about poor performance to get the most of the conversation:

1. Create a safe space. ...
2. Don't put it off. ...
3. Recognise **the** problem, research **the** problem. ...
4. Document and make clear what is happening. ...
5. Don't ask why, **find out** why. ...
6. Set/Re-Set Expectations.

What is the difference between appraiser and Appraisee?

As nouns the **difference between appraiser and appraisee**

is that **appraiser** is one who performs **appraisals** while **appraisee** is one who is appraised; one undergoing an appraisal.

Who is involved in performance appraisal?

Even customers and other stakeholders can be **involved**, if a 360-degree **appraisal** scheme is used. Most usually, however, line managers conduct **appraisals** of their staff, and the present benchmark is based upon such an approach.

Six modern performance appraisal methods

1. Management by Objectives (MBO) ...
2. 360-Degree Feedback. ...
3. Assessment Centre Method. ...
4. Behaviorally Anchored Rating Scale (BARS) ...
5. Psychological Appraisals. ...
6. Human-Resource (**Cost**) Accounting Method.

What are traditional performance appraisal methods?

1. Traditional Methods: These are the old methods of performance appraisal based on personal qualities like **knowledge**, capacity, judgment, initiative, attitude, loyalty, leadership, judgment etc.

What is the most effective performance appraisal method?

Behaviorally Anchored Rating Scale (BARS)

This **method** has been developed recently and is claimed to be one of the **effective methods** among all the **appraisal methods** listed. It is a combination of traditional essay **evaluation** and rating scale. It is more expensive than other **methods** and guarantees precise results.

What are the three basic performance review methods?

There are a number of **performance appraisal methods**, but **three performance appraisal methods** are 360-degree feedback, forced distribution and management by objectives.

What are the types of appraisal?

The most common types of appraisal are:

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- behaviour-based **appraisals**.
- 360 reviews.

What is the ranking method?

Ranking method is one of the simplest performance evaluation **methods**. In this **method**, employees are **ranked** from best to worst in a group. The simplicity of this **method** is overshadowed by the negative impact of assigning a 'worst' and a 'best' rating to an employee.

What are the four key elements of a good performance appraisal?

The **four elements** of Purpose, Outcomes, Accountability and Teamwork need to be used as the foundation of a **performance culture**

What are the basic components of a performance appraisal?

In order for a performance appraisal to be a useful, effective and positive experience, six basic elements must be present.

- A Clear Appraisal **Process**. ...
- **Standards** Must Be Objective and Equally Applied. ...
- The Appraisal Must Be a Review. ...
- The Appraisal Must Be a Tool for Development. ...
- The Appraisal Must Allow for Employee Feedback.

What is judgemental performance appraisal?

Performance evaluations are used to gauge an employee's ability to meet the requirements of her job description and perform her duties as directed. Many evaluation processes examine performance, disciplinary issues, the meeting of goals and objectives and employee attitude. A judgmental or subjective approach to evaluation relies heavily on a manager's personal assessment of performance more so than objective, pre-established evaluation criteria.

Uses of Judgmental Evaluations

A judgmental evaluation technique is typically used when assessing job performance in an area that's difficult to measure. For example, if a manager is evaluating the job performance of a sales associate, he can use concrete sales figures as a way to gauge whether goals and objectives are being met. A judgmental approach, however, is necessary when evaluating positions with intangible measurements. For example, creative endeavors such as art production or music writing are difficult to measure in numbers and require a subjective methodology.

Judgmental Evaluation Techniques

A judgmental performance evaluation should follow a format with as many measurable objectives as possible. This can include timeliness, attitude, dedication and teamwork. Without this semi-structured approach, it can be difficult for an employee to understand what the employer feels she is doing well and what areas need change. The approach should also use as many qualifiers as possible, especially with the manager describing, when necessary, areas for improvement. For example, an ad agency manager evaluating a jingle writer may not have a personal like for techno-style music but should be able to set aside that personal preference and describe other approaches he feels are more suitable for the agency's clients.

What is judgmental evaluation?

This is a loose term when it comes to formal methodology and is more accurately described as an overall collection of different methods. In a **judgmental evaluation**, the appraisal is completed by raters, such as immediate supervisors, higher level supervisors, and/or human resources employees.

What are the common errors in performance appraisal?

10 Rating Errors to Avoid During Performance Reviews

- Central tendency. Clustering everyone in the middle **performance** categories to avoid extremes of good or bad **performance**; it's easy, but it's wrong. ...
- Favoritism. ...
- Grouping. ...
- Guilt by association. ...
- The halo effect. ...
- Holding a grudge.
- The horns effect. ...
- Bias.

What is bias in performance appraisal?

Bias is an error in judgment that happens when a person allows their conscious or unconscious prejudice to affect the **evaluation** of another person. When it comes to **performance** reviews, this matters greatly.

How can performance appraisals avoid bias?

Here are four simple ways to do that.

1. Write down goals and expectations. A study from MIT shows that the best performing teams usually have clear and ambitious goals. ...
2. Align individual and business goals. Companies with a purpose outperform the market by 42 percent. ...
3. **Avoid** the open box. ...
4. Use analytics to spot potential **bias**.

What is horn effect in performance appraisal?

The **horns effect** is the tendency for a single negative attribute to cause raters to mark everything on the low end of the scale. One bad attribute seems to spoil the bunch. Like the halo **effect**, the **horns effect** makes decision making challenging.

What is manager appraisal?

A performance **appraisal** is a regular review of an employee's job performance and contribution to a company. ... While there are many different kinds of performance reviews, the most common is a top-down review in which a **manager** reviews his or her direct report.

What are top 3 ways to improve on performance at work?

Other 18 ways to improve work performance

1. **Improve** your time management. ...
2. Try to do important tasks first. ...
3. Set clear goals. ...
4. **Improve** your communication skills. ...
5. Don't try to do your own, delegate. ...
6. Make use of the right tools. ...
7. Give yourself down time. ...

8. Encourage desk cleanliness and organization.

What is post appraisal?

A **post appraisal**, also known as an employee review, is a regular interview that assesses an employee's performance, usually to determine whether or not the employee will receive a bonus, raise or promotion or be retained.

What are appraisal interviews?

An **appraisal interview** is an honest conversation between a manager and a subordinate, where the parties analyze a previous time period and set goals for the next. The first **appraisal interview** is of the greatest importance to an employee. ...

What is the goal of the performance appraisal interview?

The **performance appraisal interview** provides the **employee** with a chance to defend himself or herself against poor evaluation by the manager and also gives the manager a chance to explain what he or she thinks about the **employee's performance**.

What should performance appraisals be based on?

Patricia King, in her book, **Performance Planning and Appraisal**, states that the law requires that **performance appraisals** be: job-related and valid; **based on** a thorough analysis of the job; standardized for all employees; not biased against any race, color, sex, religion, or nationality; and performed by people who have ...

What should I do after my performance appraisal?

How to Follow Up after a Job Performance Appraisal Session

1. Set **performance** goals with each employee. These goals focus on the employee's specific **performance** on the job, such as his productivity, output, results, competencies, and behaviors.
2. Set developmental goals with each employee. ...
3. Create real goals. ...
4. Wander around. ...
5. Be a coach. ...
6. Remember your role.