

Group Performance Important

Companies have realised that business is not just about individual work. They are putting increasing emphasis on team work. You are as good as your team. It is not just MNCs who are stressing on group performance. The concept is moving across company sizes and sectors. Take for instance, Maruti Udyog which gives 40% weightage to team play and behaviour. HR executives say being an outstanding performer is not enough. The way an employee gets along with his colleagues and superior reflects in performance of the group, and at the end in the performance of the organisation.

14.6 Essentials of an Effective Performance Appraisal System

To be effective, a performance appraisal system should satisfy the following requirements:

1. Mutual Trust. An atmosphere of mutual trust and confidence should be created in the organisation before introducing the appraisal system. Such an atmosphere is necessary for frank discussion of appraisal. It also helps to obtain the faith of employees in the appraisal system. Performance appraisal is an emotional process involving feelings of fairness and equal treatment. The human element in it must be considered if it is to serve the individual and organisational purposes.

2. Clear Objectives. The objectives and uses of performance appraisal should be made clear and specific. The objectives should be relevant, timely and open. The appraisal system should be fair so that it is beneficial to both the individual employee and the organisation. The system should be adequately and appropriately linked with other subsystems of human resource management.

3. Standardisation. Well-defined performance factors and criteria should be developed. These factors as well as appraisal form, procedures and techniques should be standardised. It will help to ensure uniformity and comparison of ratings. The appraisal techniques should measure what they are supposed to measure. These should also be easy to administer and economical to use. Employees should be made fully aware of performance standards and should be involved in setting the standards.

4. Training. Evaluators should be given training in philosophy and techniques of appraisal. They should be provided with knowledge and skills in documenting appraisals, conducting post appraisal interviews, rating errors, etc.

5. Job Relatedness. The evaluators should focus attention on job-related behaviour and performance of employees. Multiple criteria should be used for appraisal and appraisal should be done periodically rather than once a year.

6. Documentation. The raters should be required to justify their ratings. Documentation will encourage evaluators to make conscious efforts minimising personal biases. It will also help to impart accountability for ratings.

7. Feedback and Participation. Arrangements should be made to communicate the ratings to both the employees and the raters. The employees should actively participate in managing performance and in the ongoing process of evaluation. The

superior should play the role of coach and counsellor. The overall purpose of appraisals should be developmental rather than judgemental. The feedback message must contain comments with examples and suggestions for improvement.

8. Individual Differences. While designing the appraisal system, individual differences in organisations should be recognised. Organisations differ in terms of size, nature, needs and environment. Therefore, the appraisal system should be tailor-made for the particular organisation. The needs of ratees in terms of feedback, mobility, confidence and openness should also be considered.

9. Post Appraisal Interview. After appraisal, an interview with the employee should be arranged. It is necessary to supply feedback, to know the difficulties under which the employees work and to identify their training needs. The rater should adopt a problem-solving approach in the interview and should provide counselling for improving performance.

10. Review and Appeal. A mechanism for review of ratings should be provided. The review may be made by a committee consisting of line executives and personnel experts. The committee will see whether the raters are unusually strict or lenient. It may compare ratings with operating results and may require the raters to give specific examples or tangible proof. Differences if any are discussed and dissent is recorded. Provision must be made for an appeal in case the employee/ratee is not satisfied with the ratings.

RPG Attempts to Remove Performance Constraints

In an effort to convert low-performers into effective managers, RPG Enterprises Ltd. has now launched an initiative termed 'Inquiring Constraints'. Significantly, the initiative aims at discovering the external constraints that may be hindering the performance of employees and accordingly tries to remove them.

There have been instances where employees believed that the inappropriate style of management from heads or bosses was constraining them from delivering. In such cases, the employees concerned are relocated under a different head and their performance again put under scrutiny and intense evaluation.

Fight the Negatives

In today's competitive world companies must fight the 'give-in-to-the situation' psyche of employees. The following steps can help:

1. Make sure to regularly counsel, mentor and lead by example to help employees focus on their goal.
2. If an employee does not measure upto a goal, call a meeting to generate positive energy. Try to use the 'movie effect'.
3. Re-assign employees to do a better job and create focus and energy.
4. Discuss the problem and causes of lack lustre employees.
5. Avoid threatening and other negative approaches.

Source: *The Hindustan Times*, May 29, 2007.

Table 14.2: Essentials of Good Appraisal System

1. Easy to understand and administer.
2. Open and participative—involve employees in goal-setting process and provide feedback.
3. Valid and reliable.
4. Built an incentive, i.e., reward should follow satisfactory performance.
5. Contain a follow-up mechanism for identifying employee's growth needs.
6. Periodically reviewed and updated.
7. Established with the support of all line people who administer the system.

14.7 Methods or Techniques of Performance Appraisal

Several methods and techniques are used for evaluating employee performance. They may be classified into two broad categories as shown in Fig. 14.2.

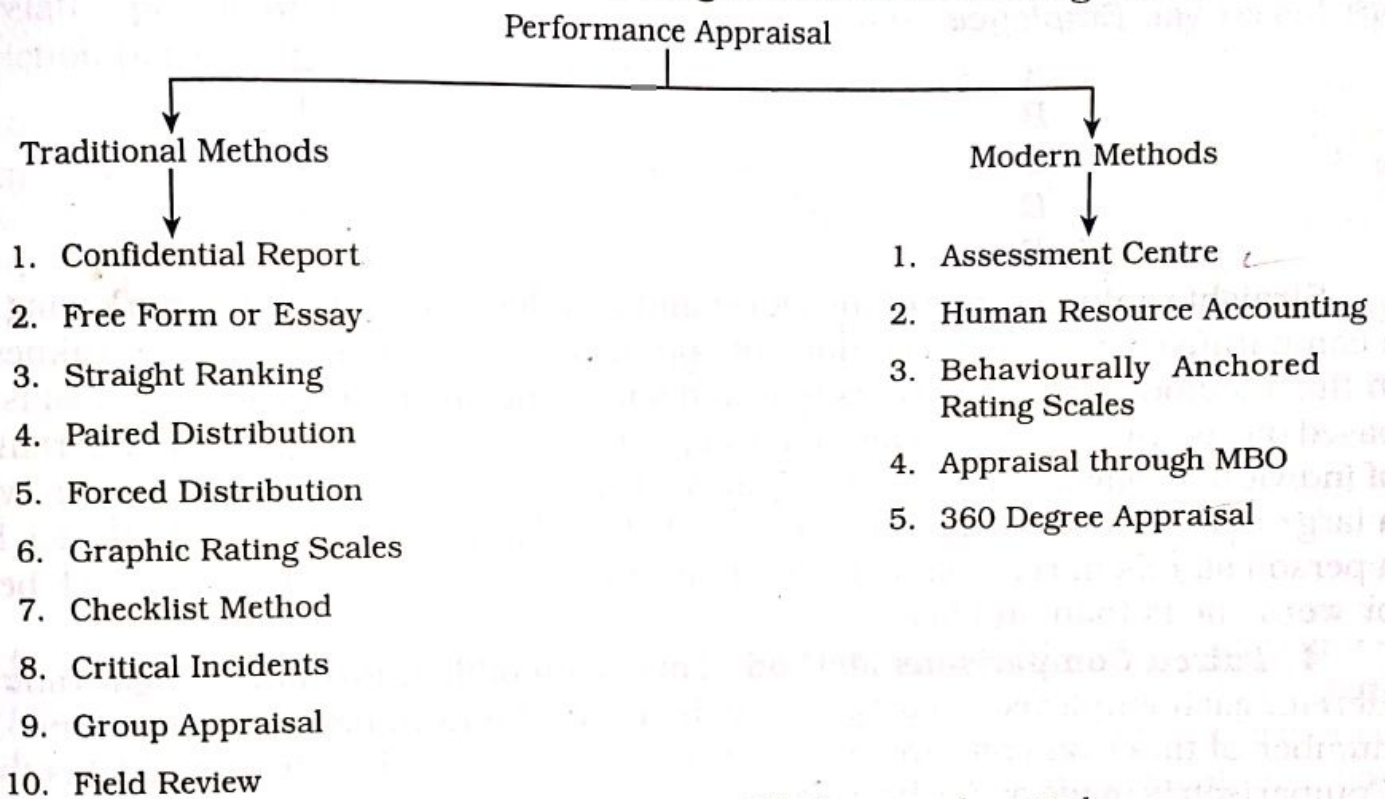


Fig. 14.2. Methods or Techniques of Performance Appraisal.

1. Confidential Report. This is a traditional form of appraisal used in most government organisations. A confidential report is a report prepared by the employee's immediate superior. It covers the strengths and weaknesses, main achievements and failure, personality and behaviour of the employee. It is descriptive appraisal used for promotions and transfers of employees. But it involves a lot of subjectivity because appraisal is based on impressions rather than on data. No feedback is provided to the employee being appraised and, therefore, its credibility is very low. The method focusses on evaluating rather than developing the employee. The employee who is appraised never knows his weaknesses and the opportunities available for overcoming them.

2. Free Form or Essay Method. Under this method, the evaluator writes a short essay on the employee's performance on the basis of overall impression. The

description is expected to be as factual and concrete as possible. An essay can provide a good deal of information about the employee especially if the evaluator is asked to give examples of each one of his judgements. But this method suffers from several drawbacks. *First*, it involves bias as evaluation is not based on specific performance dimensions related to the job. *Secondly*, the quality of appraisal depends on the writing ability of the evaluator rather than on employee performance. *Thirdly*, it is a very time consuming method of appraisal. *Fourthly*, it is not possible to compare two essay appraisals due to variations in their length and contents.

3. Straight Ranking Method. In this technique, the evaluator assigns relative ranks to all the employees in the same work unit doing the same job. Employees are ranked from the best to the poorest on the basis of overall performance.

For instance, if five persons A, B, C, D and E are to be ranked, the ranking may be as follows:

Employee	Rank
A	2
B	1
C	5
D	4
E	3

Straight ranking is one of the oldest and simplest methods. It is time saving and a comparative evaluation technique of appraisal. But there are several weaknesses in this method. *First*, it involves bias and snap judgement because appraisal is not based on specifically defined measures of job-related performance. *Secondly*, ranking of individuals having varying behaviour patterns or traits is difficult especially when a large number of persons are to be rated. *Thirdly*, the method only indicates how a person stands in relation to others in the group but does not tell how much better or worse he is than another.

4. Paired Comparisons Method. This is a modified form of straight ranking. Herein, each employee is compared with all the others in pairs one at a time. The number of times an employee is judged better than the other determines his rank. Comparison is made on the basis of overall performance. The number of comparisons to be made can be decided on the basis of the following formula:

$$\frac{N(N-1)}{2}$$

where N is the number of persons to be compared. This method is illustrated below:

	A	B	C	D	E	Final Rank
A	-	-	-	+	+	3
B	+	-	-	+	+	2
C	+	+	-	+	+	1
D	-	-	-	-	+	4
E	-	-	-	-	-	5

Herein, plus (+) sign implies the employee is considered better and minus (-) sign means worse than the other employee in the pair. C gets the highest number of plus signs, therefore, his rank is the highest and so on.