

Why Things Go Wrong In The Performance Appraisal System- An Analysis

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INTRODUCTION

Performance appraisal is the systematic, periodic and an impartial rating of an employee's excellence in matters pertaining to his present job and his potential for a better job . Performance appraisal is - often a combination of both written and oral elements - in the organization, whereby, the management evaluates and provides feedback on employee job performance. Documenting performance provides a basis for pay increases and promotion. It is the process of obtaining, analyzing and recording information about the relative worth of an employee. Performance appraisal focuses on the performance and future potential of the employee.

PROBLEMS WITH PERFORMANCE APPRAISAL

The subordinates complain that their bosses try to rate their performance appraisal without really knowing what they are doing and the constraints under which they are working. They are also not satisfied since given the same performance levels, different bosses rate the performance differently .The employees are not happy because their bosses rate their performance confidentially rather than communicating and trying to help them to improve.

The bosses are unhappy because the form filing has become a ritual year after year and they have to fill the same forms for employees after employees and there is no improvement in their performance and they do not know what happens to those forms after they rate and send them to the personnel departments. Personnel departments are miserable that forms are never received on time. Employees often find the evaluation system to be ineffective, and are frustrated because managers spend more time on performance appraisal than on performance planning. Comparing employees with each other, focusing on and stressing the paperwork and forms; forgetting appraisal is about improvement, managers are not to be blamed because some of the organization's have designed appraisal systems to control employee behavior by using it as instrument for rewards , punishments and threats. Many companies use rating forms to evaluate employees (you know, the 1-5 ratings?). They do that because it's faster than doing it right. The problem comes when managers believe that those ratings are in some way "real", or anything but subjective.

Sometimes organizations conduct appraisals so long as they have to do so to justify or withhold a pay increase. When pay is not connected to appraisal and performance, managers don't bother. Performance appraisal is for improving performance. It isn't just about pay. If nothing else, everyone needs feedback on their jobs, whether there is money involved or not.

Sometimes employees cant identify the key performance areas. In every job, a set of functions has to be performed by its holder. But they can't be clear and specific. For example, a marketing manager needs to focus more on market survey during a certain period, on training his salesmen in another period, and may have to spend his time mostly on promotional activities during another time. In performance appraisal process, the HR department often fails to identify key performance areas and set targets for the period of appraisal.

Managers commit mistakes while evaluating people and their performance. Biases and judgment errors of various kinds may spoil the show. Bias here refers to inaccurate distortion of a measurement. These are:

✿ **First Impressions (Primacy Effect):** The appraiser's first impressions of a candidate may color his evaluation of all subsequent behavior. In the case of negative primacy effect, the employee may seem to do nothing right; in the case of a positive primacy effect, the employee can do no wrong.

✿ **Stereotyping:** Stereotyping is a mental picture that an individual holds about a person because of that person's sex, age, religion, caste, etc. By generalizing behavior on the basis of such blurred images, the rater grossly overestimates or underestimates a persons' performance. For example, employees from rural areas might be rated poorly by raters

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having a sophisticated urban background if they view rural background negatively.

✿ **Regency Effect:** In this case, the rater gives greater weightage to recent occurrences than earlier performance. For example, an excellent performance that may be six or seven months old is conveniently forgotten while giving a poor rating to an employee's performance, which is not so good in recent weeks. Alternatively, the appraisal process may suffer due to a '**spill over effect**', which takes place when past performance influences present ratings.

POOR APPRAISAL FORMS

The appraisal process might also be influenced by the following factors relating to the forms that are used by raters:

- ✿ The rating scale may be quite vague and unclear.
- ✿ The rating form may ignore important aspects of job performance.
- ✿ The rating form may contain additional, irrelevant performance dimensions.
- ✿ The forms may be too long and complex.

LACK OF RATER PREPAREDNESS

The raters may not be adequately trained to carry out performance management activities. This becomes a serious limitation when the technical competence of a ratee is going to be evaluated by a rater who has limited functional specialization in that area. The raters may not have sufficient time to carry out appraisals systematically and conduct thorough feedback sessions. Sometimes, the raters may not be competent to do the evaluations owing to a poor self-image and lack of self-confidence. They may also get confused when the objectives of appraisal are somewhat vague and unclear.

INEFFECTIVE ORGANIZATIONAL POLICIES AND PRACTICES

If the sincere appraisal effort put in by a rater is not suitably rewarded, the motivation to do the job thoroughly finishes off. Sometimes, low ratings given by raters are viewed negatively by management - as a sign of failure on the part of rater or as an indication of employee discontent. So, most employees receive satisfactory ratings, despite poor performance. Normally, the rater's immediate supervisor must approve the ratings. However, in actual practice, this does not happen. As a result, the rater 'goes off the hook' and causes considerable damage to the rating process.

OTHER FACTORS THAT ARE CONSIDERED AS PROBLEMS ARE

- ✿ Failure of the superiors in conducting performance appraisal and post performance appraisal interview.
- ✿ Most part of the appraisal is based on subjectivity.
- ✿ Less reliability and validity of the performance appraisal techniques.
- ✿ Influence of external environmental factors and uncontrollable internal factors.
- ✿ Feedback and post appraisal interview may have a setback on production.
- ✿ Management emphasizes on punishment rather than development of an employee in performance appraisal.
- ✿ Some ratings, particularly about the potential appraisal, are purely based on guess work.
- ✿ Relationship between appraisal rates and performances after promotions was not significant.
- ✿ Some superiors completed appraisal reports within a few minutes.
- ✿ Absence of inter-rater reliability.
- ✿ The situation was unpleasant in feedback interview.
- ✿ Superiors lack that tact of offering the suggestions constructively to subordinates.
- ✿ Supervisors were often confused due to too many objectives of performance appraisal.

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CONCLUSION

Performance appraisal is the best tool to achieve the employees Performance. Performance appraisal is done to improve performance, not to find a donkey to pin a tail on or blame. The objective of this study was to identify lacunae in the performance appraisal system, which are making performance appraisal system ineffective and by knowing deficient in performance appraisal, one can make an effective performance appraisal system, that would contribute to the goals of the organization & individual improvement because every employee spends a major part of his working life for the organization. In some organizations, managers spend as much as about 80% of their working life for the organization (including the time they spend at home thinking about ,planning ,discussing etc of the things related to their work). So, it is of paramount importance to develop and utilize the most excellent and effective Performance Appraisal System.

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