

## Performance Appraisal Methods

The type of performance appraisal system utilized depends on its purpose. If the major emphasis is on selecting people for promotion, training, and merit pay increases, a traditional method such as rating scales may be most appropriate. Collaborative methods are designed to assist employees in developing and becoming more effective.

- a. **360-Degree Feedback**:- Involves input from multiple levels within the firm and external sources as well.
- b. **Rating Scales**:- Rates employees according to defined factors. The factors chosen for evaluation are typically of two types: job related and personal characteristics.
- c. **Critical Incidents**:- Requires written records be kept of highly favorable and highly unfavorable work actions.
- d. **Essay**:- The rater simply writes a brief narrative describing the employee's performance. This method tends to focus on extreme behavior in the employee's work rather than routine day-to-day performance.
- e. **Work Standards**:- Compares each employee's performance to a predetermined standard, or expected level of output.
- f. **Ranking**:- The rater simply places all employees in a given group in rank order on the basis of their overall performance. Paired comparison is a variation of the ranking method that involves comparing the performance of each employee with every other employee in the group.
- g. **Forced Distribution**:- An appraisal approach where the rater is required to assign individuals in the work group to a limited number of categories similar to a normal frequency distribution.
- h. **Forced-Choice And Weighted Checklist Performance Reports**:- The forced-choice performance report is a technique in which the appraiser is given a series of statements about an individual and the rater indicates which items are most or least descriptive of the employee. The weighted checklist performance report is a technique whereby the rater completes a form similar to the forced-choice performance report, but the various responses have been assigned different weights.

- i. **Behaviorally Anchored Rating Scales**:-A performance appraisal method that combines elements of the traditional rating scales and critical incidents methods.
- j. **Results-Based Systems**:-In a result-based system the superior and the subordinate jointly agree on objectives for the next appraisal period.
- k. **Assessment Centers**:-Recognizing the differences in purposes, and the difficulty that a PA system will have in achieving both aims, some firms opt to use an assessment center as an adjunct to their appraisal system
- l. **Management by objectives (MBO)** :-It is a goal-oriented performance appraisal method, requires that supervisors and employees determine objectives for employees to meet during the rating period, and the employees appraise how well they have achieved their objectives

**m. The Appraisal Interview**

The appraisal interview is the Achilles' heel of the entire evaluation process.

- **Scheduling the Interview**—Supervisors usually conduct a formal appraisal interview at the end of an employee's appraisal period.
- **Interview Structure**—A successful appraisal interview should be structured in a way that allows both the supervisor and the subordinate to view it as a problem solving rather than a faultfinding session.
- **Use of Praise and Criticism**—Praise should be provided when warranted, but it can have only limited value if not clearly deserved. Criticism, even if warranted, is especially difficult to give.
- **Employees' Role**—Two weeks or so before the review, they should go through their diary or files and make a note of every project worked on, regardless of whether they were successful or not.
- **Use of Software**—Computer software is available for recording the appraisal data.
- **Concluding the Interview**—Ideally, employees will leave the interview with positive feelings about management, the company, the job, and themselves.