

MODERN METHODS OF PERFORMANCE APPRAISAL

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Management by Objectives (MBO)

MBO is used to measure the performance of the employees in the following process

- The superiors and subordinates jointly fix common objectives.
- The superiors and subordinates jointly make plans for achieving the objectives.
- Implementation of the plans.
- Then the actual performance of the employee is compared with the objectives and the deviations are found out.
- Necessary Corrective Action is taken or the plans are modified.

MBO is a very good method of performance appraisal because the subordinates are involved in the appraisal.

Assessment Centers

Assessment Centers is mostly used for selecting employees and managers. Now-a-days this method is used for performance appraisal also. It is used to decide which employee to be promoted to a higher level. The assessment is based on psychological tests, management games, oral presentations and other exercises. The employees are asked questions and they are judged by the raters.

Behaviourally Anchored Rating Scales (BARS)

BARS method is a variation of simple graphic scale method. Here, the behaviour or attitude of the employee towards the job is rated. Some employees have a positive attitude towards the job. They continuously try to upgrade the knowledge and skills. However, some employees have a negative attitude towards the job. They do not try to upgrade the knowledge and skills. So, the employees can be divided into two groups based on the behaviour towards the job.

Role Analysis

The role analysis method involves two parties, viz., the focal role and the role set members. The focal role is the ratee. That is, the manager whose performance is appraised. The role set members are the raters. That is, the managers who come in close contact with the focal role while doing their job. The role set members will judge the performance of the focal role. As per their judgements, the focal role will make changes in one's performance.

Human Resource Accounting (HRA)

Human Resource Accounting HRA measures the cost and contribution of human resources in the organisation. The cost includes the cost of recruitment, selection, induction, training, salaries and other facilities, etc. Contribution is the money value of the service of the employees. This service is measured by labour productivity. If the contribution is more than the cost, then the employee performance is positive and vice-versa.

Psychological Appraisal Method

Psychological appraisal is done to find out the conceptual skills, human skills, technical skills, etc. of the employee. It is done by different methods, such as in-depth interviews, psychological tests, consultations and discussions with the employees, superiors, subordinates and others, working with the employee.

Conclusion

The Performance Appraisal System must lead to action. Appraisal should be on some parameters which are important to the organization and really needed, but not on which are easy to measure. Multiple feedback systems including feedback from peers, subordinates, customers may give vital clue for development of the organization.

References

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