

An Insight into the Practical Performance Appraisal Methods for the Contemporary Employees

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ABSTRACT

Performance appraisal is one of the significant method followed by the modern corporate firms to determine the efficiency and fix all other emoluments and allot the duties and responsibilities to employees accordingly. Uniformity and maintain hierarchy in the modern giant firms even in public and private sectors are largely adopted the performance appraisal methods. For the contemporary employees the method of performance appraisal playing a critical role in determine their job security, salaries and other facilities. The present paper focuses the recent contemporary methods of performance appraisal which are followed by the corporate firms.

1. Introduction

The worker performance appraisal procedure is critical for establishments to improvement worker efficiency and progress their outcomes. Performance appraisals are a yearly progression where a worker's performance and efficiency is appraised in contradiction of a prearranged set of purposes. Performance supervision is great important, not only since it is the decisive factor in a worker's wage upsurge and promotion but also for it can appraise an employee's abilities, strengths, and weaknesses precisely. Nonetheless, the performance appraisal is infrequently put to decent use meanwhile prevailing performance appraisal methods nose-dive to affect employee performance outcomes. HR managers need to refurbishment their current process and attempt realizing one of the six modern performance appraisal methods that are itemized below.

2. Contemporary Performance Appraisal Methods

The present paper highlight six important methods for appraisal of the performance of the employees in the modern firms that can be adopted by the HR managers. With the correct performance appraisal technique, establishments can improve worker recital within the institute. A virtuous employee performance appraisal system can make the complete involvement actual and worthwhile.

The six important performance appraisal methods are;

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

1. Management by Objectives (MBO)

Under this method during the precise appraisal period both the employees and managers sit together to find out the plan, organize and interconnect objectives. After clear setting of the objectives, goals and other aims periodical assessment will be made and discuss the progress, difficulties and possibilities of achievements of the predetermined objective. This particular method is used to evaluate the interconnection between the goals organization and objectives of the employees and it will

be examined whether this method help to achieve the objectives and possibilities to bring reality of the goals and measurability, achievability and time sensitive of the set of goals which are already fixed. After the progress will be periodically assessed during monthly, half yearly and yearly basis with the results.

Steps to setup a fruitful MBO program:

1. Each manager of the organization has to setup at least 5-10 easily measurable specific goals.
2. Reviewed and finalized set of goals should be proposed in writing by the manager.
3. Each plan should be incorporated a perfect depiction to achieve it.
4. Clear progression methods need to be adopted frequently.
5. If there is any mismatch between the plans and progress corrective actions need to be adopted.

2. 360-Degree Feedback:

It is a multifaceted method of measuring the performance of the employees. Under this method based on the feedback of the employee which are collected by the customers, managers, peers and direct reports and perfect considerate of the single competence. The major integral components of this method are, self-appraisal, managerial reviews, peer reviews, subordinates appraising manager (SAM) and customer or client reviews. This method will be greatly useful in increasing the individual awareness, inductee of coaching, career development and counselling, inspire self-development and encirclement change management and promote promotion of work culture.

3. Assessment Centre Method:

This method was for the first time in 1930 was introduced by German Army. This method envisages that employees can get an unblemished picture on them based on the observation of others and its impact on their performance. This method will help the employer to determine the existing abilities and future job performance of the employees. During the assessment period the employees are asked to involve in decision making, role play, informal discussions, fact finding exercise, problem

solving. This method involves more time and cost and it is the major drawback. This method helps the employees to enrich their knowledge, and improve efficiency and uphold their personalities by increasing their abilities.

4. Behaviorally Anchored Rating Scale (BARS):

This method delivers both the qualitative and quantitative reimbursements in some performance appraisal procedure. This procedure compares performance of employee with behavioural examples and finally they are affixed to the numerical ratings and which defines the collective behaviour of the employee which is displayed consistently. This is the benchmark to measure the performance of the employee through this method. This first step is generation of precarious events and next step is editing it into common arrangement and eliminating any termination. The major advantages of BARS are, appreciate clear values, better-quality feedback, precise performance scrutiny, and steady assessment, eradicate paradigm immaterial modification in performance appraisal assessments by stress more on precise, tangible, and visible behaviours and diminution somewhat fortuitous for prejudice and safeguard even-handedness through the assessment process.

5. Psychological Appraisals:

It is a critical method of identifying the veiled potential of the employees in the contemporary industrialized society. In this method future performance of the employee will be analysed apart from the past work. The major components of this method are, interactive skills, reasoning abilities, intelligent traits, headship skills, temperament traits, emotive quotient, and other associated abilities. These components will be examined by the expert psychologist through the counselling

process. The main advantages of this method is excerpt measurable independent performance and prospective, likened with other performance appraisal methods and deal reclusive or fearful workforces a dais to sheen and demonstrate their potential.

6. Human-Resource (Cost) Accounting Method:

Every employee has to be contribute monetary benefits to the companies in the modern era. Based on the monetary benefits added to the company by the employees this method will be evaluate the performance of the employee. The measurement rod is to measure the performance of the employee is identifying the difference in the cost retaining the employee in the organization and monetary benefits provided by the employee. The organization can retain the workers based on the monetary benefits and it should be more than the cost of the employee. Some of the cost accounting components are considered under this method is interpersonal relationships, service value based on the unit wise average cost, overhead cost and quality.

3. Conclusion

Selecting the correct performance appraisal process is further serious than forever meanwhile it reproduces what we deliberate of our workers and how much our upkeep about employee self-esteem. When we have initiate an idyllic performance appraisal technique for our requirements, the subsequent footstep is executing it appropriately to eradicate critical concert gaps and address persistent disputes that influence.

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