CHAPTER V

PERFORMANCE APPRAISAL AND JOB EVALUATION
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5.1 Introduction

The violent pull of globalization and the continuing liberalization of business field have pushed the industry towards new aspect. To take benefit of these circumstances the large-scale industries in the private sector have to struggle hard for their survival and multifarious growth. For success, everything needs to be scrutinized from time to time. For the far-sighted performance and to achieve the desired objectives or aims, it becomes utmost necessary to have performance appraisal system. It has been one of the most important activities of the concerned organization or industry.

'Performance appraisal' is an excellent multifaceted concept. It is prepared from two important terms, viz. performance and appraisal. The term, performance, points out how the management of an enterprise has been making the efforts to achieve the goals and targets, it had set for the enterprise, while, the term appraisal means, comprehensive and systematic evaluation of an act to develop or to improve the performance.
5.2 Definitions and Terminology of Performance Appraisal

5.2.1 Definition of Performance Appraisal

In the light of above sense, the term performance appraisal can be defined as,

"Performance appraisal is the systematic evaluation of the individual’s performance, recording the job and its own potential for development".

The Oxford English Dictionary defines Performance as,

"The accomplishment, execution, carrying out, working out of anything ordered or undertaken". 

In the words of E. B. Flippo, ‘Performance appraisal’ is

“A systematic periodic and so far as humanly possible, an impartial rating of an employee’s excellence in matters pertaining to his present job and to his potentialities for a better job”

Prof. Beach has developed a useful chart 5.1 showing the changes in the terminology of employee – appraisal that have been taking place from 1920.
**Chart 5.1:** Chart showing changes in terminology of Employee Appraisal From 1920

<table>
<thead>
<tr>
<th>Sr.No.</th>
<th>Item</th>
<th>Former Emphasis</th>
<th>Present Emphasis</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Terminology</td>
<td>Merit rating</td>
<td>Employee appraisal</td>
</tr>
<tr>
<td>2</td>
<td>Purpose</td>
<td>To determine qualifications for wages, increment, transfer, promotion, lay-off etc.</td>
<td>To develop of the individual improved performance on the job and provide emotional security</td>
</tr>
<tr>
<td>3</td>
<td>Application</td>
<td>For hourly-paid workers</td>
<td>For technical, professional and managerial staff</td>
</tr>
<tr>
<td>4</td>
<td>Factors rated</td>
<td>Heavy emphasis up to personal traits</td>
<td>Result, accomplishments performance</td>
</tr>
<tr>
<td>5</td>
<td>Techniques</td>
<td>Rating scales with emphasis upon scales, statistical manipulation of data for comparison purposes</td>
<td>Mutual goals settings, critical incidents, group appraisal, Performance standards, less quantities</td>
</tr>
<tr>
<td>6</td>
<td>Post-Appraisal Interview</td>
<td>Superior communicates his rating to employee and tries to sell his evaluation to him; seeks to have employee conform to his view</td>
<td>Superior stimulates employee to analysis himself and set own objectives in line with job requirements, Superior is helper and counselor.</td>
</tr>
</tbody>
</table>

The appraisal of individuals in an employment has been labeled and described by experts over the years in different ways.

The concept 'appraisal' is not at all new as the sources remain on the way in various tools, which have been used for the description of performance of an individual. It has been categorized under different labels or titles and illustrated, too, over the years, in the unusual ways. The common procedures for the various purposes of appraisal can be listed as follows:
Performance appraisal, merit rating, behavioural assessment, employee evaluation, personal review, progress report, staff assessment, service rating and fitness report.

However, some private establishments have changed some of the measures, but finally they had remained around the change in type or application only for the increase of performance. Dale Yoder quotes,

"Performance appraisal includes all formal procedures used to evaluate personalities and contributions and potentials of group members in a working organization. It is a continuous process to secure information necessary for making correct and objective decisions on employees."

5.2.2 Terminology

The idea "performance appraisal" is very complicated to study as it includes bulk in the form and various elements. In order to understand these elements and their supremacy in performance appraisal process, it is almost essential to throw light on these special terms. These terms can be enumerated in following manner.

a) The Appraisee

This term, which is a core of the process, stands for an individual, who is the basic element to be evaluated in his attitude and performance in the organization.
b) The Appraiser

This term, like the above, also has the equal importance. It stands for an employee who is involved in the direct supervision of the appraisee. Being so, he, also evaluates the performance despite the grade and position of the appraisee.

c) The Reviewer

The reviewer is a person, who is also a part of an establishment, makes a general study or an evaluation of the appraisal, submitted by the appraiser about the appraisee. This re-evaluation or a second view includes the exactness, the importance of information and dependability, the basic terms and soundness in the form of evaluation gathered by the appraiser.

d) Principal Accountability

For the intention of adequate and desired understanding of the self-objectives, it is very important that everyone must understand how to accept the given duty for the success of organization. It is necessary to work on certain areas where the principal accountabilities are mattered. In this regard, the comprehensive responsibility for key Performance Area (KPA) rests on the appraisee, as all the KPAs collectively contribute for by and large realization of objectives though actual job i.e. principal accountability.
e) **Goals, Measures and Time Frame**

In order to get the preferred outcome under each KPA, different objectives or goals need to be put together. These goals should have a certain standard against which actual performance can be considered.

Because of the need of the day, goals can be listed in the forms of measures. The performance measures should be prepared with suitable proofs to confirm the proposed result. e.g. percentage of quality higher than standard norm completed to internal customer satisfaction following in all cases. Goals should have a definite time frame for achievement.

f) **Self-appraisal**

It is the procedure of self-evaluation under which the appraisee reports as to what was done and how it was done, and his own performance is measured against estimated and set standards.

g) **Self-Rating**

Under self-rating procedure the appraisee rank / rates himself on a scale of performance showing self-assessment about the work done, with its related process. The level of self-rating is located at the top of each page, which presents their position in downward order of importance i.e. 1 to 5.
h) Appraiser’s Rating

Under this system the appraiser position the appraisee separately on the basis of work, he has carried out. This will also be placed on the rating level, placing at the top of each page position from uppermost to the lowest possible order.

i) Attribute

The employees are likely to carry out their jobs as per the chosen and essential objectives. If they do well to reach the set objectives, they are admired with certain points by their examples, which are an incentive for the employees in the form of attribute for their performance for the distinctions like knowledge, ability, judgment, attitude, dependability, creativity, dealing with people, leadership, personal efficiency etc.

5.2.3 Evaluation of Performance Appraisal

While the performance appraisal technique has improved over the last thirty years, the practice of officially evaluating employees has continued for centuries. The performance appraisal system has gone through a lot of modifications over the years in chart 5.2
**Chart 5.2 The changes in the concepts of evaluation**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Period</th>
<th>Focus</th>
<th>Objectives</th>
<th>Change ingredients</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1960's</td>
<td>Systems Engineering</td>
<td>To enhance efficiency through Definitions and standardization of work practices</td>
<td>The right measurements of performance, coupled with the intensified bonus schemes.</td>
</tr>
<tr>
<td>2</td>
<td>1970's</td>
<td>Culture change</td>
<td>To introduce flexible working to realize the potential in people</td>
<td>* Job / work design&lt;br&gt; * Team working&lt;br&gt; * Job enrichment / motivation&lt;br&gt; * Leadership training&lt;br&gt; managerial GRID&lt;br&gt; * Interpersonal sensitivity training / T group</td>
</tr>
<tr>
<td>3</td>
<td>Late 1970's</td>
<td>Organization redesign</td>
<td>To structure a flexible response to the changing business environment</td>
<td>* Matrix management system&lt;br&gt; * Centralization Vs. devolution&lt;br&gt; * Strategic planning and review</td>
</tr>
<tr>
<td>4</td>
<td>Late 1970's onwards</td>
<td>Introduction of Psychometrics</td>
<td>To ensure the selection of right people</td>
<td>Developed and promoted</td>
</tr>
<tr>
<td>5</td>
<td>1980's</td>
<td>Performance Management</td>
<td>To motivate and reward people for a measurable performance</td>
<td>* Management by objectives&lt;br&gt; * Staff appraisal&lt;br&gt; * Reward systems&lt;br&gt; * Career management</td>
</tr>
<tr>
<td>#</td>
<td>1980's</td>
<td>1980's</td>
<td>1980's</td>
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<td>---</td>
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<td></td>
</tr>
</tbody>
</table>
| 6 | Business internationalization | To develop business in the world | * IT system  
* Telecommunications  
* Planning conferences  
* Strategic business unit  
* Portfolio management  
* International manager  
* Cross-cultural awareness mission and values |
| 7 | Customer focus | To establish a customer / market orientation for business growth | * Just in time schemes  
* Total quality management  
* Market a led planning  
* Service / performance standards  
* Customer care campaigns |
| 8 | Management components | To select and develop the people we will have high performance in the future business environment | * Competency profiling  
* Best Vs. the rest comparison  
* Behavioral event interviewing  
* Development / assessment planning  
* Individual development planning  
* Manager as a "coach" |
|   | Late 1980's | The flatter organization | To shorten the lines of communication and the speed up and quality of a decision making | * Broadened span of controls  
  * Management by objectives / exception  
  * Devolution of responsibilities and authorities  
  * Organization redesign  
  * Reduction of overheads / bureaucracy |
|---|------------|--------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| 9 | Early 1990's | Process re-engineering  | To focus the critical management process which deliver competitive advantages  | * Critical success factor analysis  
  * Task forces on process improvements  
  * Team / Cross team working  
  * Continuous improvement thinking |

5.3 Elements of the Performance Appraisal Systems

Performance appraisal system identifiers hopes for employees' performance and it should calculate, evaluate and record employee's performance related to the hopes and should give opinion to the employee. The H.R. department plans the appraisal system for evaluation of employees' performance per annum. The immediate supervisor must arrange for appraisals.

The key elements in the effective performance appraisal system are as follows.

7.
a) **Performance Standards**

For effective performance standards, the general rules and regulations are as follows

i. Performance standards must relate the desired result of each job

ii. They must be clear, unambiguous and objective enough to be understood and measured

iii. They must be systematically arranged

iv. Performance standards / expectations must be communicated to the employees concerned.

b) **Performance Measures**

Performance measures may possibly be either objective or subjective. Objective measures are the ratings, which can be confirmed by others. They are generally proven and normally consist of things like units produced, rework, scrape-rate and number of complaints. The assessor is the only authority to confirm the ratings. Any junior individual to the assessor cannot confirm ratings, as they are not proven to the status.

c) **Performance Appraisals**

The actual performance is distinguished with the standards, the performance variation (if any) is noted and the employee is appraised. The employee is also assessed for his potential guessing the growth and progress in the organization.
d) Employees' Feedback

The evaluation of employee's self-appraisal is done theoretically through discussion, which concentrates on merits and demerits in clear manner to develop his own performance. This logical communication, as employee is told about his performance, helps to grow his own skills. It creates a great impact on the later performance and his confidence.

The supervisors, the manager or the executives are widely qualified with special skills before the performance appraisal system in the organization.

e) H. R. Decisions

Performance Appraisal system concludes only with the H. R. decisions. It is the beginning of remedial action wherever required. The remedial action includes:

i. Coaching and counseling by the experts

ii. Deputing employees for formal training courses

iii. Identifying other hidden causes for poor performance and actions there of

Suggestions are also made for wage rise and promotion in the light of appraisal to encourage the employee for the purpose of career development.
5.4 Purposes of Performance Appraisal System

Nearly all organizations have a periodical assessment to ascertain of the growth and the improvement as per the set objectives. This requires a device like performance measuring systems, for the multifarious progress of an organization. For this performance, appraisals are very important as the employees are assessed for their performance, in view of the allocated responsibilities. It is, conducted with the set standards.

The various purposes of Performance Appraisal System can more distinctively be listed as follows:

a) To Provide a Legal and Formal Organizational Justification
b) Appraisal - as a criterion in test validation
c) To provide feedback to employee
d) To establish objectives for training programmes
e) Appraisals - as a diagnosis for organization problems

According to Joseph Tiffin - The following are the objectives of performance appraisal:

i. To prevent grievances
ii. To improve the job performance
iii. To increase analytical abilities of supervisors
iv. To assist management in promotion, demotion and transfer problems
v. To reveal areas where training is needed
Douglas McGregor observes that the formal performance appraisal plans are designed to meet the following three needs. One need is in connection with the organization and another two needs are related to individual as under:

(i) These plans provide systematic judgment to backup salary increases, transfers, demotions or termination

(ii) These plans are the exact means of directing a subordinate about his doings and suggesting the tips of improvement in his conduct, attitudes, job knowledge and skill-application, his shortcomings and his exact position in the set-up

(iii) These plans are useful as they set a base for coaching and counselling by the superior

5.5 Approaches to Performance Appraisal

Even if, probable uses of the performance appraisal system are numerous, a small number of organizations seem to make successful use of the system. There is great degree of distinction in their approaches, plan and use of performance appraisal system and in the set-up.

It has been observed that the following are the approaches regarding the performance appraisal practices

(a) Casual Approach

The casual approach to performance appraisal is a disorganized approach which often jumbles the appraisal system as it considers seniority or quantitative measures of quantity and quality of output for rank and file employees has altered the earlier situation.
(b) The Traditional Approach

It is an extremely organized approach, which considers the quantity of employees, the distinctiveness and the involvement or both into the performance appraisal. Beneath this method, the rating of separate employees can be compared to each other.

(c) The Behavioural Approach or Modern Approach

This approach is rooted in mutual goal setting and appraisal of progress by both the appraiser and the appraisee. It gives emphasis on behavioural values of basic faith in goodness, capabilities and responsibilities of human beings.

5.6 Pre-appraisal Steps

The word 'performance' is valuable in every area. The performance appraisal can be made for a variety of reasons like - counseling, promotions, and salary increases, organization or blending of all these reasons. The questions like - who, what, when and how are the gears of the appraisal system. They can be discussed as follows

a) The 'Who' of Appraisal

The performance of an individual can be done by his direct superior, his head of the department, any other person employed by company who peers the performance. In some
organizations, self-appraisal system is also used. Appraisal can be done by a group, consisting of his seniors, peers and subordinates, but who so ever is evaluating should be trained and impartial.

b) The 'What' of Appraisal

The 'what' of appraisal is concerned with

i. Creating and maintaining a satisfactory level of performance of employees in the present job

ii. Highlighting employee's needs and opportunities for personnel growth and development

iii. Aiding in decision-making for promotions, transfers, lay off and discharges

iv. Promoting mutual understanding between superior and his subordinates

v. Providing a useful criterion for determining the validity of selections and training methods and techniques forming concrete measures for attracting individuals of higher caliber to the organization

c) The 'When' of Appraisal

The 'when' answers the question about the regularity of appraisal. The informal counseling should occur continuously but the manager should discuss about any employee's work as soon as he has judged it. He should use good work as an opportunity to provide positive re-enforcement and
use poor work as a basis for training. The times and the period of appraisal differ according to need and the nature of organization. However, in most of the organizations it is for only once in a year.

d) The 'Where' of Appraisal

The 'where' indicates the location where the employee may be evaluated it is usually done at workplace or office of the supervisor.

e) The 'How' of Appraisal

Under this, the organization must decide what different kinds of methods are available and which of those may be used for the performance appraisal.

On the basis of the comparative merits and demerits of nature and philosophy of management and the needs of an organization, it should be decided which method of appraisal ought to be used.

5.7 Ethics of Appraisal

Ethics of performance appraisal is an important issue however, if it neglects some important issues then it may emerge organizational problem causing loss of confidence and defeat of evaluation. Marison and Kellong spell out Ten Commandments of keeping the appraisal ethical.¹²
a) Don't appraise without knowing why appraisal is required

b) Appraise on the basis of representative information

c) Appraise on the basis of sufficient information

d) Appraise on the basis of relevant information

e) Be honest in your assessment of all the facts you obtain

f) Don't write one thing and say another

g) In offering an appraisal, make it plain that this is only your personal opinion of the facts as you say another

h) Pass appraisal information along only to those who have good reason to know it

i) Don't imply the existence of an appraisal that hasn't been made

j) Don't accept another's appraisal without knowing the basis on which it was made

Ghanekar Anjali adds further that these ethical standards need some qualifiers such as:

(i) The facts on which the appraisal is based

(ii) Time period covered

(iii) The purpose for which the appraisal is made

(iv) The situational factors that shed light on the fact presented

(v) The nature of the appraiser and the working relationship with the employee

(vi) An explanation of how and where the facts were obtained.
Thus, an appraisal plan must consider the ethics evaluation without which the very purpose of appraisal may be at stake.

5.8 Techniques of Performance Appraisal

In general, the following chart 5.3 shows that the techniques of performance appraisal. This can be divided into two broad categories namely Traditional Techniques and Modern Techniques, which can be further sub-divided as below. ¹⁴

Chart 5.3: Techniques of Performance Appraisal

<table>
<thead>
<tr>
<th>Traditional Techniques</th>
<th>Modern Techniques</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comparative Evaluation Techniques</td>
<td>Non-Comparative Evaluation Techniques</td>
</tr>
<tr>
<td>a) Strait Ranking Method</td>
<td>a) Human Resource Accounting Method</td>
</tr>
<tr>
<td>b) Point Allocation Method</td>
<td>b) Assessment Centre Method</td>
</tr>
<tr>
<td>c) Pair Comparison Method</td>
<td>c) M.B.O.</td>
</tr>
<tr>
<td>d) Forced Distribution Method</td>
<td>d) BARS</td>
</tr>
<tr>
<td>e) Critical Incidents Method</td>
<td>e) 3600 Appraisal Method</td>
</tr>
<tr>
<td>f) Field Review Method</td>
<td></td>
</tr>
<tr>
<td>g) Group Appraisal Method</td>
<td></td>
</tr>
<tr>
<td></td>
<td>a) Rating Scales</td>
</tr>
<tr>
<td></td>
<td>b) Checklists</td>
</tr>
<tr>
<td></td>
<td>c) Forced Choice Method</td>
</tr>
<tr>
<td></td>
<td>d) Free-Easy Method</td>
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</tbody>
</table>
5.8.1 Traditional Techniques

The evaluation procedures, observations or viewpoints, which are passed on to future generation, mainly come under category of traditional techniques. In these techniques the stress is given, greatly, on different personal qualities like employees' judgment, power, intelligence, dependability, overall integrity, distinct drives and spontaneous initiatives.

As this method has various aspects of evaluation, it is useful to categorize it in to further, two groups

i) Comparative Evaluation Techniques

ii) Non-Comparative Evaluation Techniques

A) Comparative Evaluation Techniques

As the title suggests in this method the direct comparison of a worker's performance at the job is done with his co-worker's performance. Because of this, the status of the employee is also decided in downward order. The supervisor is the person who usually conducts these appraisals to decide on increments, rewards and promotion. Keeping certain in things in mind, the general evaluation of the employee's performance takes place, which is highly personal and gives no importance to non-job-related feedback based on plain comparison. It involves:

I. Straight Ranking Method (SRM)
II. Point Allocation Method (PAM)
III. Pair Comparison Method (PCM)
IV. Forced Distribution Method (FDM)
(I) Straight Ranking Method (SRM)

Straight Ranking Method uses the straight comparison with others. This method openly considers the performance of the man in comparison with others' performance. It ranks performance from the best to the worst. This method is the simplest of all, which has been followed from the old time. It is related with the performance rating of comparison and useful, in small business organization having few employees.

(II) Point Allocation Method (PAM)

To rise above the disadvantages of straight ranking method, Point Allocation Method (PAM) is preferred as PAM which permits the considerable detection of the immediate distinction between the employees. In this method, points are allocated to the appraisee depending upon his merits and demerits. The allotment of total points among the employee is also usually worked out in the process of evaluation. Getting maximum points is dependent upon good and poor quality of performance.

Although this method is used so usually, is not an exception for its 'halo' and 'recency' effect.

(III) Pair Comparison Method (PCM)

The evaluation method enumerated above is inadequate for evaluation of a large group of employee. Therefore, new technique, which is called
"Pair Comparison Method" is used. In this method each employee is compared with one and all, i.e. co-workers, at a time. For each comparison, the token number of the employees, which considered best in written in inter setting box. The maximum number of possible groupings are made, who in the pairs status, get the remark of being ranked, as per their performance. It can be presented in the following formula as follows

\[
\text{No. of comparisons} = \frac{N (N - 1)}{2}
\]

\[N = \text{Number of employees to be evaluates.}\]

(IV) The Forced Distribution Method (FDM)

The Forced Distribution Method is a recently developed method to rise above the disapproval of other methods, as those are one-sided in rating standard. The FDM needs the employees to be ranked as per the preset division which differs from 10 percent to 40 percent i.e. 10 percent to be placed at the top while 20 percent employees are awarded good rating, at the same the 40 percent receive satisfactory and vice versa i.e. from the best to the worst rating.
B) Non-Comparative Evaluation Techniques

The non-comparative evaluation method is another method, which falls under the type of traditional method. Contrasting to the comparative method, the non-comparative evaluation method works in different manner. The importance is given to employees' individual characteristics and self involvement towards job by discovering the individual's exceptional qualities. The non-comparative evaluation method of performance appraisal includes the following methods of performance appraisal:

I. Rating Scales Method
II. Checklist Method
III. Forced Choice Method
IV. Free Essay Method
V. Critical Incidents Method
VI. Field Review Method
VII. Group Appraisal Method

(I) Rating Scales Method

The Rating Scales Method is the generally used method of performance appraisal as it gives more accurate results than expected. Very distinctive pre-printed forms are used in this method. Each employee is supposed to fill and submit the form in its particular format. The center of attention of this
process is evaluating the prominent distinctiveness or strange qualities of an employee. These qualities are placed or probable in certain aspects like dependability, attitudes, creativity, decision-making abilities, voluntary initiatives, and analytical caliber. Besides this, particular features such as quality, quantity, responsibilities, assumption, attendance, specific goals achieved etc are also considered.

(II) Checklist Method

Checklist Method is a distinctive method as it is used in a very typical way in contrast with other methods of performance appraisal. As in this method, the individuals themselves decide their typical qualities or preferences by giving the answers to the list of questions responsive to the description of behaviour and the performance at the job. The rater does not evaluate an employees' performance, but on the contrary, the rater is expected to provide the particulars and the final rating to the personnel department who after appropriate consideration arrives at the correct assessment of the concerned employee. The superior performance is judged by the large number of positive checks, indicating the evaluation of the employee's performance described in the types of questions as simple checklist and weighted checklist. Both types take care of their nature and comparative importance given to the individual for the organization.
(III) Forced Choice Method

This method has acquired the appropriate heading, as it provides choice to the performer. By and large, each set of choices includes four statements including two positive and two negative i.e. desirable and undesirable. The evaluator is supposed to select the alternatives out of the given four. Out of them one should be very close to the description of employee's job performance or his behaviour. If the employee happens to be close to the desirable statement, he is eligible to get a plus credit. No credit is given, for undesirable statement. However, if he has selected the least desirable, he is supposed to get plus credit. The specific criterion is used for the purpose of point distribution in the forced choice method of Performance Appraisal.

(IV) Free-Essay Method

As indicated by the system of this method the evaluator needs to write an essay on the overall performance stressing the features like the strengths as well as weaknesses of the concerned employee. So far, the appraiser's work is concerned, it is compulsory for him to express his opinion about the employee covering many aspects like employee's knowledge and potential for performing the jobs. His understanding and the application of company's various policies and procedures for the performance of quality and quantity, the employee's
personal relationships with his fellow workers, ability for decision making and planning as well as organizational potential, physical conditions of the job and training and developmental needs for the improvement have to be measured.

(V) Critical Incidents Method

This method is related to behavioural attitude, which records the variety of illustrations or patterns related to the employees' performance in critical incidents. The supervisors are particularly trained to look into the behavioural aspects by keeping a record of critical incidents. These collected incident reports are classified and then ranked as per the occurrence and the performance of the employee. This method, contrast to the most of others, appraisal with appraisee a base for the evaluation of the performance or behaviour by avoiding ambiguous and common remarks. The feedback is the essential thing for discussion as well as for the genuine sanctions. It is free from the recency effect.

(VI) The Field Review Method (FRM)

The Field Review Method of performance appraisal is very different method because of its distinctive nature. In it the actual field experience is calculated in terms of evaluation giving the working example to the work of assessment persuading the strengths as well as the weaknesses, encouragement
based on skills, the actual level of performance and to improve the present performance through the training. The field review has a typical process, where a skillful delegate visits the field and has a direct exchange of thought in the form of an interview with the supervisors with their subordinates. Being a representative of 'Human Resource Department' he gets a benefit to use different tactical experiences to evaluate the employees, in which the appraiser sets up a series of questions, in advance, based on various aspects. The answers or responses are shaped as supervisors' feedback about the progress, on basis of which the detailed study is prepared to send the authority for the purpose reviewing the performance. It is also then classified in downward order.

(VII) Group Appraisal Method

In 'GAM' the members of the appraisal group just rate the employees including their supervisors and others who have the detailed information or understanding about the employee's performance. The nature of employees' job and actual performance, specific causes of certain level of performance and the supervisors interpret the essential suggestions for improvement. This method's success is measured in an outstanding way because of the experiences of the members of the group who do the work of appraisal, which focuses the blend of characteristics and contributions of the concerned.
5.8.2 Modern Techniques

The development of the modern techniques of performance appraisal is the need of the time as most of the traditional and non-traditional methods have various limitations. In order to get rid of the disadvantages of earlier methods, new methods are welcomed for the purpose of performance appraisal. They can be listed as follows

I) Human Resource Accounting Method
II) Assessment Centre Method
III) MBO
IV) BARS
V) 360 Degree Appraisal System

I) Human Resource Accounting Method (HRA)

No other method is as good as the HRA method, only because it involves participation of human elements. The true link between costs and contribution of the employees can be fully estimated by the effective performance of the employee. The cost includes the sum of various things like the operating cost, incurred in every segment of any organization.

The HRA method examines each and every important part of human resources, which are the center of the 'performance appraisal'. The things like evaluating and rewarding of the individuals are also listed under the same heading which gives an exact sense of the performance.
II) Assessment Centre Method (ACM)

The ACM is preferably being used for the evaluation of executives those who are bearing the higher responsibilities. The procedure of ACM is very usual as members of the PA gets assembled at the pre-decided site avoiding the job (routine) or actual work place, these site may be any hotel or even any evaluation centre where different sorts of interviews are conducted to locate the hidden qualities of the employees like Leadership, psychological approach, various hi-tech games with their responses and role they are playing are considered. These incentive tests ensure the exact evaluation of the employee.

III) Management By Objectives (MBO)

Peter Drucker developed the idea of MBO. He is the pioneer of this concept. Many experts have defined MBO differently as they had experiment it in very different circumstances. The widely accepted definition by Kethryn, M. Bartol and David C. Martin is "Process through which specific goals are set collaboratively for the organization as a whole and every unit and individual within, the goals are then used as a basis for planning, managing organizational activities and assessing and rewarding contributions".
(iv) Behaviorally Anchored Rating Scales (BARS)

It is the new concept in the field of 'performance appraisal'. The dedicated supporters of BARS claim that it is the most adoptable method for performance appraisal where other methods, cannot be used. The procedure of this consists of the following five different and essential steps:

i) Generate critical incidents
ii) Develop performance dimensions
iii) Re-allocate the incidents
iv) Scale of incidents
v) Develop final instrument

BARS have two types of scales

(a) Behaviour Exceptions Scale (BES)

The anchors are most likely allocated as the illustrations that help the rater to define the concept as supervisors, average or below average in terms of the employees' behaviour.

b) Behaviour Observation Scale (BOS)

In this type of scale the raters report the frequency observed during the behavioural specification as in the anchor.
(v) **360 Degree Appraisal System**

Till data this is the well-practiced method in which, appraisal systems and used to evaluate the seniors for their intelligence, integrity, communicative skills, personality based characters etc.

The 360 degree technique is new and popular in the evaluation process, It is not centered on a rater as it is the multirator system consisting of managers, have all directions of rating i.e. above, below, and beside. The feedbacks are derived from various structured questionnaires covering almost all parameters for the equality of all organizational matters such as values, problems, and decision making, a directive communication and resulting in fair integrity.

In the routine, depending the size of the organization, each manager makes an assessment of 10-12 individuals, including, 2-3 bosses, 4-5 peers and 6-8 subordinates, 3-4 outsiders viz. customers, suppliers, service providers, etc., The responses got through this process are subjected to be analyzed, even the bar charts featuring each limit are prepared for the purpose of deciding the percentage of the respondents of each category mentioned above. The results are interpreted and made known to the managers involved. The counselling meetings are arranged to assist and to solve the problems being identified by 360 degree appraisal.
Conclusions

Most of the appraisals are based partly on institutions and partly, on established performance. Appraisals are administered through a plenty of formats applied by various departments of an organization.

Considering the above views, it has been inferred that an organization should accept a procedure for appraisals, where the things like - style, management, the requirement and the human behaviour in the present world of complexities, stresses and conflicts should be measured.

In conclusion it comes to observation that being a complete method, 360 degree appraisal system use result applicable to all as a tool for self development.

5.9 Job Evaluation

The demands and challenges of the swift progress of privatization, the unique trend of liberalization and the huge pressure of globalization have made it imperative to have qualitative assessment of job related exercises. The assessment of a job is associated with the shared aspects, which help to settle the distinction of any job. The content of jobs has been given due stress for the overall effect of an enterprise, in relation with employee's skills and job oriented obligations, which disclose the most ensured evaluation of it. The concept of job evaluation is not at all new for the total business enterprises and they have been doing it for identification of potentials of job excellence.
5.9.1 Concept of Job Evaluation

Job evaluation is an organized and systematic exercise of determining the relative merit of the various jobs in the organization to develop a reasonable wage and salary structure.

According to the International Labour Office (ILO)

"Job evaluation is an attempt to determine and compare the demands which the normal performance of a particular job makes on normal workers, without taking into account the individual abilities or performance of the workers concerned".15

5.9.2 Objectives of Job Evaluation

The following are the objectives of the job evaluation16

1) To eliminate wage inequalities
2) To decide relative value of different jobs in the organization and hereby establish wage differential between them
3) To formulate an appropriate and uniform wage structure
4) To clarify the responsibilities and authority associated with the jobs
5) To provide a basis of recruitment, selection, promotion and transfer of employees
6) To identify training needs of the employees so as to prepare them for future jobs
7) To eliminate causes of employees’ dissatisfaction and reduce conflicts in industrial relations (i.e. improve employer – employee relations)

5.9.3 Methods of Job Evaluation

The following various methods of job evaluation are used in large scale industries.17

(1) The Ranking System

The ranking system is the method of evaluating jobs in downward order i.e. from highest to the lowest. This method is normally known as “Departmental order of method”. Each departmental head arranges the jobs according to the order of importance. The individual departments pass on their ranking to a central committee, who groups the jobs into grades / classes.

Evaluation of jobs by the job ranking system involves the following major steps

- Selection of the jobs
- Analysis of the jobs

(2) The Job Classification or Grading System

The job classification system is the process of allocating jobs to grades defined randomly before the evaluation of the jobs. This system includes the following steps:
(3) **Factor Comparison System**

This method involves a detailed analysis of the jobs, which are then, ranked in respect of predetermined factors. The five factors considered for the analysis, comparison and assessment of the jobs are, skill, mental effort, physical effort, responsibilities and working conditions.

The procedure involved can be enumerated as follows:

i) **Select and define the factors:** The factors common to all jobs are selected and defined clearly skill, physical and mental efforts, responsibility and working conditions are the main factors used.

ii) **Select key jobs:** Key jobs serve as standards against which other jobs can be compared. A key job is one having standardized the contents and well accepted pay rate.
iii) Rank key jobs by factors: job descriptions are carefully analysed and the key jobs are rated in terms of the selected factors.

iv) Deciding rates for key jobs: A fair and equitable wage rate i.e. hourly or daily is determined for each key job.

v) Apportion the wage rate: the wage rate for a job is allocated among the identified and ranked factors.

vi) Evaluate the remaining jobs: the remaining jobs are compared with the key jobs in terms of each factors.

(4) The Point Rating System

According to this method, evaluating the jobs is based on a set of carefully chosen factors i.e. education, experience, physical efforts, responsibility for materials and machines etc. which are common to many jobs. This method involves the following steps:

i) To decide the types of jobs to be evaluated

ii) To select the factors

iii) To define the factors

iv) To split factors into degrees and defining the degrees of each factor

v) To fix relative value of each factor

vi) To assign point values to degree of each factor

vii) To prepare a job evaluation manual

viii) To prepare job descriptions and job specifications
ix) To rate the jobs and determining the point score of each job

x) To place jobs in to grades

With the help of the above job evaluation methods, the following chart 5.4 deals with the comparison between the job evaluation systems.

**Chart 5.4: Comparative Study of Job Evolution System**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Attributes</th>
<th>Simple Ranking System</th>
<th>Job Grading System</th>
<th>Factor Comparisons</th>
<th>Point System</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Popularity</td>
<td>Least popular</td>
<td>2\textsuperscript{nd} &amp; 3\textsuperscript{rd}</td>
<td>2\textsuperscript{nd} &amp; 3\textsuperscript{rd}</td>
<td>Most popular</td>
</tr>
<tr>
<td>2</td>
<td>Types of Comparison</td>
<td>Job to Job</td>
<td>Job to Category</td>
<td>Job to Job</td>
<td>Job to Category definition</td>
</tr>
<tr>
<td>3</td>
<td>No. of factors evaluated</td>
<td>None</td>
<td>None</td>
<td>Not more than 07</td>
<td>Average 11</td>
</tr>
<tr>
<td>4</td>
<td>Evaluation techniques used</td>
<td>None</td>
<td>Single scale of job class descriptions</td>
<td>Multiple scale of points and key job titles</td>
<td>Multiple scale of points and factor degree of definition</td>
</tr>
<tr>
<td>5</td>
<td>Relation to other job evaluation system</td>
<td>Crude form of factor comparison</td>
<td>Crude form of point system</td>
<td>Refinement of simple ranking</td>
<td>Refinement of job grading</td>
</tr>
<tr>
<td>6</td>
<td>Similarity to performance appraisal system</td>
<td>Corresponds to ranking system of appraisal</td>
<td>Corresponds to grading system</td>
<td>Corresponds to man to man system</td>
<td>Corresponds to graphic scales\textsuperscript{18}</td>
</tr>
</tbody>
</table>
REFERENCES


16. Ibid, p. 4.4
