

Com – VI – MHRM

Chapter – 2.2 Performance Appraisal:

Concept / Meaning: A performance appraisal is a systematic, general and periodic process that assesses an individual employee's job performance and productivity in relation to certain pre-established criteria and organizational objectives.

Benefits / Advantages:

Managers, as well as, employees often wonder why organizations do performance appraisals. Anyone who has been given or received performance appraisal could possibly say that it is a complete waste of time as it is ineffective. So what is performance appraisal exactly? Performance appraisal is the evaluation done on employees in regard to their job performances over a certain period of time. It is like a report card showing how one has been performing during the past year. So, is it necessary? Below are advantages and disadvantages of performance appraisal

Benefits / Advantages of Performance Appraisals:

1. Improves Performance.

Performance appraisals major focus on improving employee's performance as it analyses and evaluates the opportunity factors like social process and technology.

2. Employee Development.

Performance appraisal helps determine who is in need of more training as it gives information regarding the strengths and potentials as well as weaknesses of the employees.

3. Corrects Deficiencies.

Performance appraisal detects employee deficiency and suggests on corrective measures to be taken.

4. Career Growth.

Appraisal serves as a tool for the employees' career planning and development as it assists in preparing each employee's SWOT analysis.

5. Promotion.

Appraisals help the management determine which employee is to be promoted, transferred or rewarded.

6. Motivation.

Appraisals motivate employees to work harder.

Limitations / Disadvantages of Performance Appraisal:

1. Prone To Biasness.

Some raters may rate one depending on the general impression one gives. For instance, one might be rated high on all criteria even though he/she just performed well in a single area. The rater's biases and prejudices also affect the process. These cases are seen when a one gets underrated because of sex, religion, favoritism, appearance, and race.

2. Contrast Error.

Performance appraisal is always based specific standards, however, when one gets rated without taking the standards into account a contrast error occurs. This also can occur if the rater looks at an employee's current performance based on the past performance.

3. Generalization Tendency Error.

This occurs when a rater rates everyone within a narrow range because he/she thinks that the employees are all on the same level averagely.

4. Severity or Leniency.

Appraisals demand that an evaluator should objectively draw a conclusion regarding an employee's performance.

5. Sampling Error.

This occurs when a rater uses a small portion of an employee's work to draw a conclusion.

6. Regency and Primary Errors.

Employee behavior at the start of the appraisal period and at the end can affect the process a time. For instance, a salesperson's performance varies with season, at times it can be low and a time high.

Overall, appraisals are good only if the management operating them stick with their standards otherwise it will pointless.

Methods of Performance Appraisal:

Traditional Methods	Modern Methods
1) Ranking Method 2) Paired comparison 3) Grading 4) Forced distribution method 5) Forced choice method 6) Checklist method 7) Critical incidents method 8) Graphic scale method 9) Essay method 10) Field review method	1) Management by Objectives (MBO) 2) Behaviorally anchored rating scales 3) Assessment centers 4) 360 – Degree appraisal 5) Cost accounting method

Potential Appraisal:

Concept / Meaning: Potential appraisal is an assessment / appraisal of a person's capability to perform job with higher responsibilities. In other words, ascertainment of a person's latent / inherent capacity to handle higher job is potential appraisal. So, level of competency, capability of a person to perform higher cadre / grade job is measured through potential appraisal system.

Importance / Need:

1. Evaluation of Capabilities:

With the help of the potential appraisal form, the employees are judged on various performance and behavioral parameters. Appraising employee's potential helps to evaluate his capability to take greater challenges, responsibilities and positions in the organizational hierarchy. It helps organization to identify the employees who are capable of taking more challenging roles & responsibilities in future.

2. Succession Planning:

Succession planning is a process for identifying and developing new leaders, who can replace old leaders when they leave, retire or die. Such planning increases the availability of experienced and capable employees that are prepared to assume these roles as they become available. Most organizations incorporate potential appraisal in their appraisal processes for identifying and developing suitable employee base for succession planning.

3. Career Development:

The potential appraisal results in identification of hidden talents and skills of an employee. The employee himself might not be aware of his certain competencies. The potential appraisal aids in career development of an employee by giving him opportunity to work on his potential capabilities.

4. Motivate Employees:

It leads to identification of hidden talents & thereby motivates the employees to further develop their skills and competencies. It also benefits the organization as it results in versatile workforce who can assume greater roles & responsibilities in future.

5. Identify Training Needs:

The potential appraisal helps the organization to identify the training needs. Such appraisal throws light on the hidden competencies of employees which could be developed further with the help of appropriate training programs.

6. Organizational Goals:

The potential appraisal concentrates on the future. It helps to create a pool of experienced and capable employees by giving them opportunity to discover their hidden talent. It also helps employees to develop their personal interests in alignment with the organizational goals.

2.3 Career Planning:

Concept / Meaning: Career planning is a process by which one selects career goals and the path to those goals. It involves a clear selection of career goals and career paths. Career planning encourages individuals to explore and gather information, which enables them to synthesize, gain competencies, make decisions, set goals, etc.

Definition: “Career is viewed as a bunch or collection of jobs or positions. Generally, it describes an applicable career path within the structure of the organization.”

Importance / Benefits:

Career planning is needed to increase employee creativity. It is needed for innovation in organization. It can lead to entrepreneurship within the organization. Career planning is needed for retention of qualified employees in the long-term. This is needed to decrease costs of recruitment, selection and training.

1. Career planning ensures a constant supply of promotable employees.
2. It helps in improving the loyalty of employees.
3. Career planning encourages an employee's growth and development.
4. It discourages the negative attitude of superiors who are interested in suppressing the growth of the subordinates.
5. It ensures that senior management knows about the caliber and capacity of the employees who can move upwards.
6. It can always create a team of employees prepared enough to meet any contingency.
7. Career planning reduces labour turnover.
8. Every organization prepares succession planning towards which career planning is the first step.

➤ **Succession Planning:**

Concept / Meaning: Succession planning is a process for identifying and developing new leaders who can replace old leaders when they leave, retire or die. Succession planning increases the availability of experienced and capable employees that are prepared to assume these roles as they become available. Taken narrowly, "replacement planning" for key roles is the heart of succession planning.

Need / Importance:

Succession Planning is a part and parcel of the Human Resource Planning which acknowledges that the employees may or may not work with the organization in the future. And so to be at the safer side, a succession plan is developed to analyze the vacancies which might take place when an employee leaves the organization, the business areas which might be affected, job requirements and the skills of the existing incumbent.

Hence, there is a need for strategic planning, to determine where and how viable employees can fill the vacant positions.

1. **Identifying Key Business Areas and Positions:** First and foremost, the key business areas are identified, i.e. the areas which are significant with respect to the operational activities and strategic objectives. After that, those positions are identified which if vacant can cause difficulty in achieving business objectives.
2. **Ascertaining Competencies for Key areas and positions:** Next, you need to determine the required competencies for key business areas and position, in order to create the selection criteria, establish performance standards and fill the difference between what the viable successors know and what they need to know, through the training and development process. It determines the knowledge, skills, ability and experience required to achieve business goals.
3. **Find out the interested and potential candidates and assess them as per the competencies:** After competency is analyzed, the next step is to identify among various employees working in the organization, who are interested as well as they have the capability to fill key business areas and positions. The Human Resource Manager discusses future career plans and interests with the

candidates and identifies the potential successors who are ready to replace the old ones and can be trained and developed for future contingencies.

4. **Develop and Implement Succession Strategies:** Strategies for learning, training, development, knowledge transfer, experience sharing is developed and implemented for potential successors.
5. **Evaluate Effectiveness:** The last step to the succession planning process is to evaluate the succession planning and management, to ensure that all the key business areas and positions are covered under the succession planning. Further, it also ensures that in case of any sudden vacancies in future, key positions can be filled as soon as possible and the successors perform effectively when they hold the position.

Therefore, Succession Planning is all about developing a leadership substitute, for a perpetual succession of the organization without any kind of disturbance, when there are changes in the top management.

An ideal Succession Planning is one that involves the participation of the top management, a thorough review of the plan developed, evaluation of the performance and capability of the candidates and each candidate is provided with the written development plan.

It is a rational decision of the management to promote the regular development of the workforce, to make sure that the top managerial positions have some sort of stability, thus ensuring an organization to attain its ultimate objectives.

➤ **Mentoring:**

Concept / Meaning: Mentoring is a system of semi-structured guidance whereby one person shares their knowledge, skills and experience to assist others to progress in their own lives and careers. Mentors need to be readily accessible and prepared to offer help as the need arises - within agreed bounds.

Importance / Need:

1) Learn Skills: Early on, graduate students learn that advanced study differs vastly from their undergraduate experience. As undergraduates, the goal was to *obtain* knowledge, while in graduate school the goal is to *contribute* knowledge to a field of study. Graduate school is the professional training ground where students learn the skills to be successful in their fields and gain an understanding of how their disciplines work.

Research confirms what most faculty and graduate program directors already know: many students enter their graduate programs with little understanding of the complex landscape of higher education or how different philosophies in graduate programs drive expectations for academic excellence and ideal career pathways. In fact, despite very articulate statements of purpose in their applications, many graduate students initially are unsure of what they will do with a graduate degree.

3) Professional Evaluation: This is not a problem but rather an opportunity for good mentoring. Students' career goals are evolutionary and good mentors assist students with their professional evolution.

4) Enhance Success: Mentoring is important, not only because of the knowledge and skills students can learn from mentors, but also because mentoring provides professional socialization and personal support to facilitate success in graduate school and beyond. Quality mentoring greatly enhances students' chances for success. Research shows that students who experience good mentoring also have a greater chance of securing academic tenure-track positions, or greater career advancement potential in administration or sectors outside the university.

5) Financial Support: A recent survey of graduate students at UNL revealed that those who had developed mentoring relationships with faculty members were more likely to receive financial support for their graduate studies in the form of assistantships, scholarships, or fellowships exhibit greater productivity in research activity, conference presentations, pre-doctoral publications, instructional development, and grant writing.

6) **Better Performance:** experience a higher degree of success in persisting in graduate school, achieving shorter time to degree, and performing better in academic coursework.

➤ **Counselling:**

Concept / Meaning: Counseling is the means by which one person helps another through purposeful conversation. Counselling is a process in which two people meet to explore personal problems and to identify solutions. Counseling is a process through which one person helps another by purposeful conversation in an understanding atmosphere.

Techniques:

- 1) Attending
- 2) Summarizing
- 3) Questions
- 4) Focusing
- 5) Rapport Building
- 6) Immediacy
- 7) Silence
- 8) Reflecting