

Performance criteria for frontline supervisors business essay

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PERFORMANCE APPRAISALPROJECT REPORTCERTIFICATE OF THE GUIDETHis is to certify that the Project Work titled - " Performance Appraisal " is a bonafide work of Ms. Somya Sharma , Enroll No : A3923009019 Carried out in partial fulfillment for the award of degree of BBA Human Resource Management (Branch) of Amity School of Business, Amity University under my guidance. This project work is original and not submitted earlier for the award of any degree / diploma or associateship of any other university /Institution. Signature of the GuideMs. Aditi Batheja MaamASB, Amity UniversityPlace: Date : S
 Student's declarationI, Ms. Somya Sharma hereby declare that the project work titled " Performance Appraisal " is the original work done by me and submitted to the Amity School of Business under Amity University in partial fulfilment of requirements for the award of Bachelor of Business Administration in Human Resource Management (Area of Specialization) is a record of original work done by me under the supervision of Ms. Aditi Batheja , teaching asst. of Amity School of Business under Amity University. Enroll No : A3923009019Date : Signature of the student

ACKNOWLEDGEMENT

It gives me immense pleasure to convey my sincere gratitude tocollege Faculty Ms. Aditi Batheja of Amity School of Business Amity of Amity University who approved my project letter and extended her full and invaluable support and encouragement in providing me with this excellent opportunity to participate and learn through this highly informative project work. TABLE OF CONTENTSintroduction1literature reviewthe appraisal processthe history of performance appraisalobjectives of performance appraisalprocess of performanceessential requirements for effective

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40 introduction

Today HRM is an evolving branch of Management. It looks after the HR planning, Job Design, Job analysis, Training and development compensation system, motivation, safety, Industry Relations etc. Since organisation exist to achieve goals, the degree of success that individual employees have in reaching their individual goals is important in determining organizational effectiveness. The assessment of how successful employees have been at meeting their individual goals, therefore, becomes a critical part of HRM. This lead us to the topic of performance appraisal. Among these performance Appraisal are the measure of the effectiveness of hiring the employees Appraisal are like Balance- sheets- a snapshots of past performance, but they need to be given the shape of a profit and loss statement a moving picture.

LITERATURE REVIEW

The Appraisal PROCESSE

Established Performance Standard

Communicate Performance expectations to employee Measure actual performance Compare actual performance with standards Discuss the appraisal with the employees If necessary, initiate the corrective action

The appraisal process begins with the establishment of performance standards. These should have evolved out of job analysis and the job description discussed under human resources planning. These performance standards should also be clear and objective enough to be understood and measured. Too often, these standards are articulated in some such phrase as " as full

day" or " a good job." Communication only takes place when the transference of information has taken place and has been received and understood by the subordinate. Therefore feedback is necessary from the subordinate to the manager. Satisfactory feedback ensures that the information communicated by the manager has been received and understood in the way it was intended. The third step in the appraisal is the measurement of performance. To determine what actual performance is, it is necessary to acquire information about it. We should be concerned with how we measure and what we measure. What we measure is probably more critical to the evaluation process than how we measure, since the selection of the wrong criteria can result in serious dysfunctional consequences. And that we measure determines, to a great extent, what people in the organization will attempt to excel at. One of the most challenging tasks facing managers is to present an accurate appraisal to the subordinate and then have the subordinate accept the appraisal in a constructive manner. Appraising performance touches on one of the most emotionally charged activities the assessment of another individual's contribution and ability. The impression that subordinates receive about their assessment has a strong impact on their self-esteem and very important, on their subsequent performance. The final step in the appraisal is the initiation of corrective action when necessary. Corrective action can be of two types. One is immediate and deals predominantly with symptoms. The other is basic and delves into causes. Immediate corrective action often described as " putting out fires," whereas basic corrective action gets to the sources of deviation and seeks to adjust the difference

permanently. Immediate action corrects something right now and gets things back on track. The history of performance appraisal is quite brief. Its roots in the early 20th century can be traced to Taylor's pioneering Time and Motion studies. But this is not very helpful, for the same may be said about almost everything in the field of modern human resources management. As a distinct and formal management procedure used in the evaluation of work performance, appraisal really dates from the time of the second World War - not more than 60 years ago. Yet in a broader sense, the practice of appraisal is a very ancient art. In the scale of things historical, it might well lay claim to being the world's second oldest profession!. There is, saying by Dulewicz (in 1989), "... a basic human tendency to make judgement about those one is working with, as well as about oneself. Appraisal, it seems, is both inevitable and universal. In the absence of a carefully structured system of appraisal, people will tend to judge the work performance of others, including subordinates, naturally, informally and arbitrarily. The human inclination to judge can create serious motivational, ethical and legal problems in the workplace. Without a structured appraisal system, there is little chance of ensuring that the judgement made will be lawful, fair, defensible and accurate. Performance appraisal systems began as simple methods of income justification. That is, appraisal was used to decide whether or not the salary or wage of an individual employee was justified. The process was firmly linked to material outcomes. If an employee's performance was found to be less than ideal, a cut in pay would follow. On the other hand, if their performance was better than the supervisor expected, a pay rise was in order. Little consideration, if any, was given to the developmental

possibilities of appraisal. It was felt that a cut in pay, or a rise, should provide the only required impetus for an employee to either improve or continue to perform well. Sometimes this basic system succeeded in getting the results that were intended; but more often than not, it failed. For example, early motivational researchers were aware that different people with roughly work abilities could be paid the same amount of money and yet have quite different levels of motivation and performance. These observations were confirmed in empirical studies. Pay rates were important, yes, but they were not the only element that had an impact on employee performance. It was found that other issues, such as morale and self-esteem, could also have a major influence. As a result, the traditional emphasis on reward outcomes was progressively rejected. In the 1950s in the United States, the potential usefulness of appraisal as tool for motivation and development was gradually recognized. The general model of performance appraisal, as it is known today, began form that time.

Modern Appraisal

Performance appraisal may be defined as a structured formal interaction between a subordinate and supervisor, that usually takes the form of a periodic interview (annual or semi-annual), in which the work performance of the subordinate is examined and discussed, with a view to identifying weaknesses and strengths as well as opportunities for improvement and skills developments.

In many organizations- but not all- appraisal results are used, either directly or indirectly, to help determine reward outcomes. That is, the appraisal results are used to identify the better performing employees who should get

the majority of available merit pay increases, bonuses, and promotions. By the same token, appraisal results are used to identify the poorer performers who may require some form of counseling, or in extreme cases, demotion, dismissal or decreases in pay. (Organization need to be aware of laws in their country that might restrict their capacity to dismiss employees or decrease pay.) Whether this is an appropriate use of performance appraisal - the assignment and justification of rewards and penalties- is a very uncertain and contentious matter.

Objectives of Performance Appraisal

Performance Appraisal process show that organizational undertake performance appraisal to meet certain objectives which are in the form of salary increase, promotion, identifying training and development needs and putting pressure on the employees for better performance. The objectives are explained in the following points: Salary Increase: - Performance appraisal plays a major role in making decision about salary increase. The increment in the salary depends on how the employee performs the job, and there is a continuous evaluation of his performance formally or informally. In small organizations as there is direct contract between the superiors and the subordinate, performance appraisal can be a informal process, but in large organizations where direct contract hardly exists the performance appraisal process is formal. Promotion: - Performance appraisal discloses how an employee is working in his present job and what are his strong and weak points. In the light of these, it can be decided whether he can be promoted to the next higher position and what additional training will be necessary for him. Similarly, performance appraisal can be used for transfer, demotion,

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and discharge of an employee. Training and Development: - Performance appraisal tries to identify the perfection of an employee on his present job.

This information can be used for devising Training & Development programmes appropriate for overcoming weakness of the employee.

Pressure on employees: - Performance appraisal puts some sort of pressure on employees for the better performance. If the employees are conscious that they are being appraised in respect of certain factors and their future largely depends on such appraisal, they tend to have positive and acceptable behaviour in this respect. Thus appraisal can work automatically as a control device. Satisfaction through Feedback: - Performance appraisal provides feedback to employees about their performance. A person works better when he knows how he is working. The knowledge of how his efforts are contributing to the attainment of organizational objectives provide him satisfaction, that his work is meaningful. Through Feedback he comes to know his shortcomings and then he tries to overcome them and contribute more to the achievement of goals set by the organizations.

flowchart of process of

performance appraisal

setting performance standardstaking corrective actionsCOMMUNICATING
STANDARDSDISCUSSING RESULTSMEASURING PERFORMANCECOMPARING
WITH STANDARDS

PROCESS OF PERFORMANCE

Establishing performance standards: - The first step in the process of performance appraisal is the establishment of certain standards, which will

serve as the basis of the evaluation. These standards should be clear and in writing. It should be discussed with the supervisors to ensure that all the relevant factors have been included. If work performance cannot be measured then the personal characteristics, which contributed to employees performance must be determined. These characteristics include work quality, honesty & reliability, cooperation & teamwork, job knowledge, initiative, leadership, attendance, sense of responsibility, health and physical conditions etc. The standards should be mentioned in the appraisal form & the appraisal form should be carefully designed and printed. In addition who is to do appraisal and how frequently appraisal is to be done should also be decided.

Communicating the Standards: - The performance standards specified are communicated and explained to the employees so that they come to know what is expected of them. The standard should be conveyed to the evaluators also. The reactions of the employees to the standard should be obtained and if necessary the standard should be revised in the light of the feedback received from the employees and the evaluators.

Measuring Performance: - Once the performance standards are specified and accepted the next stage is the measurement of the actual performance. This requires choosing the right technique of management, identifying the internal and external factors influencing performance and collecting information on results achieved. Personal observations, written reports and face-to-face contacts are the means of collecting data on performance.

Comparing the Actual with the Results: - Actual performance is compared with the predetermined performance standards. Such comparisons reveal the deviations, which may be positive or negative. Positive deviations occur

when the actual performance exceeds the standards if actual performance is less than the standards and if actual performance is less than the standards then it is negative deviation. Discussing the Appraisal: - The results of the appraisal are communicated to and discussed with the employees. Along with the deviations the reasons behind them are also expressed and discussed. Such discussion will enable the employees to know their weakness and strengths and thus the employees will be motivated to improve himself. Taking corrective Actions: - Through mutual discussions with employees, the steps required to improve performance are identified and initiated. Training, counseling etc. are examples of corrective actions that help to improve performance.

essential requirements for effective appraisal

Mutual Trust: - An atmosphere of mutual trust and confidence should be created for frank discussion of appraisal and to obtain faith of employees in the appraisal system. Clear Objectives: - The objectives and uses of performance appraisal should be made clear and specific. The appraisal system should be fair so that it is beneficial to both the individual employee and the organization. Standardization: - Well-defined performance factors and criteria should be developed. These factors as well as appraisal form, procedures and techniques should be standardized. It will help to ensure uniformity and comparison of ratings. Training: - Evaluators should be provided training in philosophy and techniques appraisal. They should be provided with the knowledge and skills in documenting appraisals, conducting post appraisal etc.. Job Relatedness: - The evaluators should

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focus attention on job behaviour and performance of employees. In order to obtain and review job performance related information a checklist should be prepared. Multiple criteria should be used for appraisal and appraisal should be done periodically rather than once a year. Documentation: - Documentation will encourage evaluators to make conscious efforts minimizing personal biases. Feedback & Participation: - The ratings should be communicated between the ratees and the raters. The ratees or the employees should actively participate in the ongoing process of evaluation. The superiors should play role of counsellor. Individual differences: - Organizations differ in terms of size, nature, needs and environment. Therefore the appraisal should be made for the particular organization keeping in view of all the factors. The individual differences in the nature of the employees should be given high importance, as no single person is similar in all the ways. Post Appraisal Interview: - After appraisal an interview with the employees should be arranged. It is necessary to supply feedback to know the difficulties under which the employees work and to identify their training needs. Review and Appeal: - A mechanism for review of ratings should be provided. The review may be made by a committee consisting of line executives and personnel experts to see whether the raters are usually strict or lenient. Provision must be made for an appeal in case the employees is not satisfied with the ratings.

performance CRITERIA for executives

performance criteria for top level managers

Return on capital employed
Labour productivity indices
Contribution to community development
Degree of clarity about corporate goals and policies among middle class executives. Degree of growth and expansion of enterprise.

PERFORMANCE CRITERIA FOR MIDDLE LEVEL MANAGERS

Departmental performance
Total cost per unit in a given period
Rational use of overhead facilities
Coordination among supervisors

PERFORMANCE CRITERIA FOR FRONTLINE SUPERVISORS

Quality and quantity of output in a given period
Labour cost per unit of output in a given period
Material cost per unit in a given period
Rate of absenteeism and turnover of employees
Number of accidents in a given period

METHODS OF PERFORMANCE

APPRAISAL

There are various methods of performance appraisal. Every organizational may have its own system and method of appraisal. In one it may be informal while in some other it may be formal, however in any case performance appraisal system is of two types:-Appraisal of employees according to traits, attributes and general behaviour. Appraisal of results, work and goals achieved by the employees. Appraisal based on traits: - Appraisal based on

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traits and behavioural pattern shown in job performance emphasizes various traits which the appraisee possesses and the behaviours he adopts in performing his job. The various methods of performance appraisal based in traits are following :-

Ranking Method: - Ranking is the oldest and the simplest methods of appraisal in which a person is ranked against others on the basis of certain traits and characteristic. But since differences in ranks do not indicate absolute or equal differences of ability between individuals, the method has limited value for performance appraisal.

Paired Comparison Method: - In this method, each person is compared with other persons taking only one trait at a time. Usually only one trait overall suitability to perform the job is considered. The rater puts a tick mark against the name of the person whom he consider better of two and final ranking is determined by the number of times that person is judged better than others. However the method increases the work because of large number of comparisons.

Grading Method: - In this method certain categories of performance or abilities are defined in advance and persons are put in particular category depending on their traits and characteristics. Such categories may be definitional like outstanding, good, average, poor, very poor or may be in term of letter like A, B, C, D, E etc. with A indicating the best and E indicating the poor. The actual performance of the employees is measured against these grades. This method is generally useful for promotions based on performance. This method however suffers from one limitation that the rater may rate most of the employees at higher grades.

Forced Choice Method: - The forced choice- rating method contains a series or group of statements and the rater checks how effectively the statements describes each

individual. The most common method of force choice contains two statements both of which may be positive or negative, though both of them describes the characteristics of the employees. The rater is forced to tick only one, which appears to be more descriptive of the employees.

checklist Method: - In the checklist method of the appraisal the rater prepares appraisal report by answering a series of questions related to the appraisee. These questions are related to the behaviour of the appraisee concerned. When the checklist is complete, it is sent to the personnel department for further processing. The personnel department then calculates the total scores, which show the appraisal result of the employees. This method appears to be easy to handle if proper framework of questions is prepared for different categories of employees. However it is difficult to assemble, analyze and weigh number of statements about employee characteristics and contributions.

Critical Incident Method: - In this method only critical incidents and behaviour associated with these incidents are taken for evaluation. This method involves three steps :-A test of noteworthy on the job behaviour is prepared. A group of experts then assigns scale values to them depending on the degree of desirability for the job. Finally a checklist of incidents, which defines good or bad employees, is prepared. The rater is given this checklist for rating. The basic idea behind this rating is to appraise the people who can do well in critical situations because in normal situations, most employees work alike.

Graphics Scale Method: - Also known as linear rating scale is the most commonly used method of performance appraisal. In this method a printed appraisal form is used for each appraisee. The form contains various employees' characteristics and his job performance. Various

Characteristics include initiative, leadership, dependability, co cooperatives, enthusiasm, creditability, analytical ability, decisiveness, emotional maturity etc. The rating is done on the basis of scale that is in continuum. The degree of quality is measured on a scale, which can vary from three points to several points. Some organizations use numbers in order to avoid the tendency of the rater to tick mark the central point. This method of the employees but is not free from personal bias. Field reviews Method: - In the field review method, an employees is not appraised by his direct superior but by another person. Usually from personnel department. The rater in this case appraises the employee on the basis of his records of output and other quantitative information such absenteeism, late coming etc. The rater also conducts interviews of the employees and his superior to ascertain qualitative aspects of job performance. The chance of bias is reduced to a great extent in this method. Appraisal based on objectives / results: - the performance appraisal is also done by comparing the actual results with the objectives formed by the company. The basic idea behind this method is that the organizations are concerned with the achievement of objectives through the contributions of individual mangers rather than on the basis of traits.

The method of appraisal by objectives is :-

Management By Objectives (MBO) : - This method has been evolved by " PETER DRUCKER". MBO is potentially a powerful philosophy of managing and an effective way for Operationalising the evaluation process. It seeks to minimize external controls and maximize internal motivation through joint goal setting between managers and subordinate. The objective is to change behaviour & attitude towards getting the job done. It is a result oriented

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management system & philosophy that stresses goal rather than methods. It provides responsibility & accountability and recognizes that employees have needs for achievement and self-fulfillment. Process of mbo : - The steps involved in the process are:-Joint Goal Setting: - It is the establishment of short- term performance targets between management and the subordinates in a conference between them. They decide about the goals through a discussion between them. Set Check Post: - It is the establishment of major check posts to measure progress. However, as subordinate learns to establish objectives and direct activities toward the goals, the rate of control and amount of checking can be decreased gradually. Performance Reviews: - Frequent performance meeting between the subordinate and management are fixed, for maximum effectiveness reviews should be made more than once a year. Feedback : - Feedback is given in the end, as the employees who receive frequent feedback concerning their performance are highly motivated than those who do not receive feedback.

REQUIREMENT OF THE PERFORMANCE MANAGEMENT SYSTEM.

Reliability : - The foremost requirement of a sound system is reliability. In this context it refers to consistency of judgement. For any given employee, appraisals made by raters working independently of one another should agree closely. But raters with different perspective (e. g. supervisors, peers, subordinates) may see the same individual's job performance very differently. To provide reliable data, each rater must have an adequate opportunity to observe what the employee has done and the condition under which he or she has done it. By making appraisal system relevant, sensitive

and reliable we assume the resulting judgement are valid as well.

Acceptability: - In practice, acceptability is the most important requirement of all, for it is true that human resources program must have the support of those who will use them. Unfortunately, many organizations do not put much effort into garnering the front end support and participation of those who will use the appraisal system. Ultimately it is management's responsibility to define as clearly as possible the type and level of job behaviour desired of employees. It is important to enlist the active support and cooperation of subordinates by making explicit what aspect of job performance they will be evaluated on. Practicality: - This implies that appraisal instruments are easy for managers and employees to understand and to use. For years, personnel specialists have searched for the ' Perfect' appraisal method as if it were some kind of miraculous cure for many pitfalls that plague organizations. Such a method does not exist. In tomorrow's world of work far more emphasis needs to be placed on process issues. Factors such as timing and frequency are no less important. In sum performance appraisal is a dialogue involving people and data. Both technical and human issues are involved. Neither can be overemphasized at the expense of the other. WHO SHOULD EVALUATE PERFORMANCE ? The most fundamental requirement for any rater is that he or she has an adequate opportunity to observe the rates job performance over a reasonable period of time. This suggest several possible raters. The immediate supervisor: - Generally appraisal is done by this person. He is probably the most familiar with the individual's performance and in most job has had the best opportunity to observe actual job performance. Further more, the immediate supervisor is probably best able

to relate the individual's performing to department and organizations objectives. Peers : - In some jobs such as outside sales, law enforcement and teaching, the immediate supervisor may observe a subordinate's actual job performance rarely (and indirectly thru written reports). Here judgement of peers play important role. However, there is a danger of potential bias.

Subordinates: - Appraisal by subordinates can be useful input to the immediate development. Subordinates know first hand the extent to which the supervisor actually delegates, how well he communicates, the type of leadership he has and the extent to which he or she plans and organizes.

Self appraisal: - On one hand it improves the rate's motivation and moral, on the other it tends to be more lenient, less variable and biased. The evidence on the accuracy of self assessment is fairly complex. In industry it is seen that feed back/ input is taken from various sources - peers, subordinates, superiors etc. some companies have gone step ahead in taking feedback form the customers and integrating it into the performance management process.

APPROACHES TO PERFORMANCE MANAGEMENT

The traditional approach:- ' The one dimensional model.'

The Job Define what results have to be achieved Performance contact Define a set of key objectives against the accountabilities Accountabilities i. e output Review performance against the key objectives In this model job expectations are defined in terms of what results have to be achieved. This model doesn't have a long term focus and can't be used for employees development and career path planning.

The mixed model

The Job Define what results have to be achieved Performance contract Define a set of key objectives Define a set Define how results have to be achieved Accountabilities of behavioral objectives against key competence Review performance against key objectives and key competence

The 3 dimensional model

The Job Define how results have to be achieved Define what results have to be achieved Customer Expectations Customer Feedback Performance contract Key Objectives

+

Key competencies Review Performance against key objectives and key A satisfactory performance implies doing a job effectively and efficiently, with a minimum degree of employee-created disruptions. Employees are performing well when they are productive. Yet productivity itself implies both concern for effectiveness and efficiency. Effectiveness refers to goal accomplishment. Efficiency evaluates the ratio of inputs consumed to outputs achieved. The greater the output of a given input, the more efficient the employees. Similarly, if output is a given, the lower input consumed to get the output results in greater efficiency. There are basically three purposes to which performance appraisal can be put . First, it can be used as a basis for reward allocations. Decisions as to who gets salary increases, promotions, and other rewards are determined by their perform evaluation. Second, these appraisals can be use for identifying areas where development efforts are needed. Management needs to spot those

individuals who have specific skill or knowledge deficiencies. The performance appraisal is a major tool for identifying these deficiencies. Finally, the performance appraisal can be used as a criterion against which selection devices and development programs are validated.

BARRIERS IN PERFORMANCE

APPRAISAL SYSTEM

There are certain barriers, which work against the effective appraisal system. Identification of these barriers is essential, so that suitable measure may be adopted to reduce their impact to a possible minimum level. These barriers can be grouped in three categories, they are

FAULTY ASSUMPTIONS PSYCHOLOGICAL BLOCKS TECHNICAL PITFALLS

FAULTY ASSUMPTIONS : - Because of the faulty assumptions of the parties concerned i. e the superior & the subordinate, the appraisal does not work properly and objectively. These assumptions are of the following types: -Managers sometimes assume that personal opinions are better than formal appraisal and they find little use of systematic procedure and review procedures.

Managers take a particular appraisal system and assume it as perfect and then they don't want to change it for any reason and want to continue it for ever.

PSYCHOLOGICAL BLOCK : - The utility of performance appraisal depends on the psychological characteristics of managers no matter whatever method is used. There are certain psychological blocks, which work against the effectiveness of an appraisal system. These blocks are feeling of

insecurity, to take appraisal as an extra burden, disliking of subordinate, feeling to treat their subordinate's failure as their deficiency and so on. Thus due to these psychological blocks, managers do not tend to become impartial

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and thereby defeating the basic purpose of appraisal. TECHNICAL PITFALLS :

- The design of performance appraisal forms has received the detailed attention from psychologists, but the problem of finding adequate criteria still exists. The main technical difficulties in appraisal fall in two categories; the criterion problem & distortions that reduce the validity of results.

CRITERION PROBLEM: - A criterion is the standard of performance the manager desires of his subordinates and against which he compares their actual performance. This is the weakest point in the appraisal procedure because criterions are hard to define in measurable or even in objective terms. Ambiguity, vagueness and generality of criteria are difficult hurdles for any process to overcome. DISTORTIONS: - Distortions occur in the form of biases and error in making the evaluation. An appraisal system has following possible distortions -Halo Effect : - This distortion exists when the rater is influenced by ratee's one or two outstanding good or bad performance and he evaluates the entire performance accordingly. It is an effect, which is formed by the image of the ratee in the rater's mind either of his good or bad performance in the past and the rater rates them accordingly. Central Tendency : - This error occurs when the rater marks all or almost all his personnel as average. This may arise from the rater's lack of knowledge of individuals he is rating or from haste, indifference or carelessness. Constant Errors : - There are easy raters and tough raters in all phases of life. Some raters habitually rate everyone high, while some others tend to rate low. In such a situation the result of two raters are hardly comparable.

OVERCOMING BARRIERS OF PERFORMANCE APPRAISAL

ONGOING FEEDBACK :- To make appraisal system effective it should be backed by effective feedback system which is often a missing link in appraisal system. Employees often feel scared if the post appraisal feedback is not provided. It should not be taken as a faultfinding system but as a system for improving performance. **TRAINED APPRAISERS** :- The appraisers should be well trained so that they may be able to rate the ratees in a more accurate and developed method rather than employing the old traditional and less accurate methods. They should also be trained to avoid errors such as halo-errors, constant rating and so on. **POST APPRAISAL INTERVIEW** :-

After the system of appraisal a post appraisal interview should be conducted to let the employees or the ratees know about their evaluation and they can know their shortcomings and can take measures to improve them.

REWARDS FOR ACCURATE APPRAISERS :- Some rewards should be given to the appraisers who have done appraisals accurately. When the rewards will be given they would turn positive towards the appraisal system. **MULTIPLE**

RATERS :- Instead of only one rater or appraiser completing the appraisals, multiple raters should be involved in the appraisal system. Due to the presence of a group of raters ratings can be done more effectively. In the case of only one rater it would be difficult to avoid distortions whereas in the presence of a group they can be avoided to a greater extent.

OBJECTIVE OF THE STUDY

Objective of the study

The project aims at studying the system of performance appraisal and its effectiveness in an organization. Performance appraisal is the most significant and indispensable tool for the management as it provides useful information for decision making in areas of promotion and compensation reviews.

The broad objectives of the study includes:

To know the present system of performance appraisal
To know the extent of effectiveness of the appraisal system
To identify and know the area for improvement
To suggest certain measures for further improvement in the current system.
To know the attitude of employees towards the performance appraisal system.
To know the effectiveness of performance appraisal system.