

Performance appraisal is it worth it term paper

[Business](#), [Company](#)



EXECUTIVE SUMMARY

This research is conducted to give a clear perspective on how important and beneficial is performance appraisal is to our organizations. This report also gives us a view to evaluate ourselves based on the various stages of employee performance, helping to carry out a self-performance appraisal. Exhausting all pages of this study will give us an understanding on the differences in the methods of performance appraisal used by Organizations and why understanding the methods are important.

Performance appraisal is activities designed in performance management to review employees' performance comparing with organization standards.

There are different methods used to measure employees' appraisal but what each organization uses depends on its performance-focused culture.

“ Performance appraisal is the process of determining how well employees do their work relating to standard and communicating that information to the employees (Mathias, Jackson 327)”.

Practically, each one of us must have exercised performance appraisal in one way or the order with or without awareness of the activity we were exercising. Let us use few seconds to examine ourselves on which stage below we will like to fall:

Practical Table for Self Examination

Self-assessment is encouraged

Most big, smart and successful organizations often conduct performance appraisal so that they will be able to identify the skills lacking the organization and would invest in getting the right human capital required for

the overall success of their business. Generally, an effective performance management system usually have three parts;

- Defining performance (Company's Standard, Stipulate what is expected from employees with a focus on important aspects of employees' job).
- Measuring performance (Conducting appraisals to determine the employees' quality of work).
- Feedback for performance (provide information to employees so that they could be ready to adjust their performances, assessing the need for training).
- Document Performance are obtained for personal records (Mathias, Jackson 2013).

An employee must be ready to learn and acquire new skills for his benefit and that of the organization. An employee that knows his strengths will be able to acquire what he needs as skills to succeed before a performance appraisal is conducted by his employer. An employee's performance could be below average or average which is not pretty good for the Organization especially when there is no provision for training. An employee whose performance is rated above average is likely to be retained by the employer but will be made an upgrading provision (development programs). An employee's performance rated as required standard will need just the required skills upgrading programs to get to the company's standard. Even when performance is rated as the company's standard, there is a need for continues learning to meet with the changing economy; technology, product innovation, new generation taste etc However, making a performance appraisal may results to needs of training, development programs or firing

and as shown on the above diagram, the gap between the required standard and the company's standard for a job must be closed by continue learning.

Modern Methods of Performance Appraisal

Performance appraisal differs from one organization to the other though the uses of such process could be categories in two conflicting ways; in making employees performance improvement and the top management decisions (Mathias, Jackson 2013). Typical performance appraisals include;

- MBO (Management by Objectives); the top management are involved in the participatory setting of objectives. They jointly define goals and expected results from each employees, then use that as a basis for carrying out their work.
- BRA (Behaviorally Anchored Rating Scale) consist of an evaluation on employee's behavior and performance. It is the combination of critical incident and rating scale so that the appraisal process would contain both quantitative and qualitative data.
- 360 degree appraisal provides a greater prospects about employees' performances. In this case peers and supervisors are ask to rate employees, listing strengths and weaknesses.
- Cost accounting methods rates employees' performance against monetary terms. That is; the employees accomplishments against the cost of training and retaining the employees (Kumar 2012).

Balance Scored Card is also a good form of management technique that attempts to measure and provide feedback to the organization for the implementation of objectives and strategies. When the Human Resource Department can effectively use any of the above mentioned methods of

appraisal to ameliorate the feedback of unsatisfactory employees' performance, it would realize the significant of performance management in the organization.

Why Performance Appraisal is worth it

Performance appraisal is not only made to evaluate employees output, quality, timeliness of output and presence at work but it also gives the top management enough feedback on the gap they need to close in order to stand at the competition floor of their industry. The human resource department uses the feedback from the appraisal for salary increment or administrative decision. The question is; how does performance appraisal leads to a competitive edge? When an employee's strengths, potential and weaknesses are known, administrative decision can be easily taken on which specific training or development programs will help improve on the desired skills. When the right program is chosen or investment is made in the right human capital, past errors are corrected, future behaviors are shaped, dissatisfaction are minimized etc Empirical evidence have connected performance appraisal with employees motivation toward work. Today, many people find themselves in jobs they do not really like or have the passion for but for the remuneration. Think of the role of an annual performance appraisal to these set of people. It will urge them to put in maximum effort to work in order to keep the company's required standard though they have no passion for the job. It is because the appraisal may come with rewards, promotions, salary increment if standard is met. Would you not exercise such behavior towards work if you were in that category of people?

Debates against Performance Appraisal

A few number of small businesses do not rate performance appraisal as important or criticize it as time and resource wastage but it is funny to find them battling to succeed; expecting high quality personnel, competitive edge, and adding a value to their communities. Some people argued that appraisals are not the best because promotions are done not base on their output but on the years spent in the company. Others said team appraisals are not reliable because the performance of a group of people is compared instead of comparing the performance of an individual. However, organizations that practice such activities are corporate-oriented (entitlements) and such organization will not be able to acquire and retain high caliber personnel. How can an organization add a value to the community without qualified personnel? It is a matter of the wrong person handling the right job and making poor productivity. Poor quality will not end no competitive edge and will have no value added.

Conclusion

There is no best performance appraisal method but each appraisal method worth it because it tells the employer the gap he needs to cover for his employees to lift the organization to next level. Different types of teams require different approaches to performance measurement (Wilf 2009). A cross functional team might be harder to measure than a homogeneous team. As a result, managers are encouraged to begin group performance appraisal by giving employees the chance for self-assessment in order to come up with effective results. Performance appraisals are generally inevitable if we will want to succeed.

Sources

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