

# Performance appraisals

Business, Human Resources



Performance Appraisal and number affiliation submitted Performance Appraisal Performance appraisal is the process through which a manager tests and assesses the behavior of an employee by comparing these behaviors with current standards, document the comparisons and use these results to relay response of where the employee should improve and why. This paper is will discuss merits; bias associated with this system and how it can be used to achieve the strategies of an organization.

The method incorporates documentation of employee's performance within a given period of time. This is important to the organization in determining periods of good and bad performance of an employee. The organization therefore can easily follow up and make necessary adjustments as necessary in a case where the employee's performance has gone down. Performance appraisal systems that provide good merit and compensation motivate workers who in turn give their best for the benefit of the organization (Grote, 2002). Through these systems, an employee get the opportunity to clarify expectations and enable them discuss issues with their managers.

This system however is associated with certain bias like contrast, halo, horn, leniency and recency. Contrast sets in when managers compare the standards of an employee with other employees rather that comparing them with the standards of the company. Halo occurs when managers rank an employee as a result of one area of improvement of the employee, these managers fail to look at the overall performance but narrow it down to one area say an employee has made lots of sales. On the other hand, horn is when an employee is rated poorly when they fail in one of the area they are supposed to perform. Leniency occurs when the manager concerned gives all

the employees a satisfactory rating despite their poor performance. Finally, recency occurs when the rating of an employee is influenced by the most recent activity performed by the employee, if the employee performed poorly, his or her past good achievements are highly affected and vice versa (Hamdan, 2007).

This system is very important in helping an organization attain its goals and objectives. Successful organizations trace their success from well-established communication channels between management and employees. Through performance appraisal balance between management and employees is well attained. Frequent monitoring of employees, feedback and discussion lead to a good relationship that helps in attaining of the company objectives. Every company has a goal of being successful in what they do and this can only be achieved if the employees' performance is top. Through this system, employees with undesired performance are put under programs that enable them to grow. In the long-run, the overall performance of an employee increases leading to aggregate improvement of the company's performance hence its success. Finally, most companies do not firing employees. This is because recruiting and training of new ones is expensive and time consuming. Through performance appraisal, employees are trained so that they can be top performers. Through this, an employee has the guarantee of not being fired.

As to conclusion, performance appraisal system if well taken into consideration and avoiding all biasness and minimizing demerits associated with it, it can increase productivity of the firm substantially.

## References

Grote, R. (2002). *The performance appraisal question and answer book a survival guide for managers*. New York: American Management Association.

Hamdan, A. (2007). *Manage people, not personnel: motivation and performance appraisal*. Cambridge: HBS Press.