

# Advantage and disadvantage of performance appraisal



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Advantages and Disadvantages of Performance Appraisals There seems to be an ongoing debate as to the value of doing employee performance appraisals. Anyone who has given or received a performance appraisal could argue vehemently as to the effectiveness and sensibility of doing them. So what is a performance appraisal? A performance appraisal is an evaluation of job performance over a period of time. It is basically an annual report card on an employee and how they performed over the prior year.

Unfortunately not all performance appraisal processes are the same and some are designed to not only fail, but to create a negative experience for both the employee and the manager. So why do organizations do performance appraisals? There are different schools of thought on this. Some organizations do performance appraisals out of their understanding of obligation to perform the dreaded task. Some do it so they have a piece of paper in the file. But successful organizations have learned to do them strategically as part of a larger performance management process.

Advantages of doing performance appraisals: ? They provide a record of performance over a period of time. They provide an opportunity for a manager to meet and discuss performance with an employee. Provide the employee with feedback about their performance and how they completed their goals. Provide an opportunity for an employee to discuss issues and to clarify expectations with their manager. Offer an opportunity to think about the upcoming year and develop employee goals. Can be motivational with the support of a good reward and compensation system.

Disadvantages of performance appraisal If not done appropriately, can be a negative experience. Are very time consuming, especially for a manager with many employees. Are based on human assessment and are subject to rater errors and biases. If not done right can be a complete waste of time. Can be stressful for all involved. Finally a performance appraisal is only as good as the performance management system it is part of. If an organization merely does performance appraisals for the sake of doing them, they are wasting their time.

But if they strategically incorporate performance management into their strategic plan to implement business goals, they will provide a process to accomplish those goals. Kathy Clark is an MBA who is passionate about helping small business owners see their vision come to life through business development and growth. She writes for, and is the founder of The Thriving Small Business.. Article on Performance Appraisal, Strategic Plan, Performance Management, Business Goals, Employee Goals, by Kathy Clark  
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