CHAPTER - VI

EMPLOYEE PERFORMANCE APPRAISAL
Employee performance appraisal is one of the critical human resource management activities powerfully impacting the human resource management chain of "motivation <--> effort <--> performance <--> reward <--> satisfaction". This chapter provides a conceptual and theoretical background on performance appraisal issues, systems, and procedures against which the existing system of appraising the performance of employees in KSRTC is examined. At the end, this chapter also offers useful guidelines to enhance the overall effectiveness and utility of performance appraisal systems and procedures in KSRTC.

Performance appraisal, a systematic description of job-relevant strengths and weaknesses in the employees, is one of the most delicate topics in human resource management. Researchers are fascinated by this subject; yet their overall inability to resolve definitively the knotty technical problems of performance appraisal has led one reviewer to term it the "Achilles heel" of personnel management.¹ Performance appraisal system intends to establish relative worth of each and every employee in the organisation.

Supervisors and subordinates who periodically encounter appraisal systems, either as raters or ratees, are often mistrustful of the usefulness of such information. They are intensely aware of the political and practical implications of the ratings and, in many cases, are acutely ill-at-ease during performance appraisal interviews. Despite these shortcomings, surveys of managers from both large and small organisations consistently show that managers are unwilling to abandon performance appraisal, for they regard it as an important assessment tool.²

Performance appraisals are useful tools for not only evaluating the work of employees but also for developing and motivating employees. Unfortunately, performance appraisals also can be a tremendous source of anxiety and frustration for both the manager and the employee. This is often due to the uncertainties and ambiguities that surround many performance appraisal systems.

Managers have a number of strategic choices to make regarding the performance appraisal system. Some of the most important choices are (1) objectives and purpose for the performance appraisal; (2) formal and informal procedures for the performance appraisal; (3) objective versus subjective emphasis on performance appraisal formats; (4) frequency of the performance appraisals; and (5) who conducts the performance appraisal.

Objectives of Performance Appraisal

A goal of any performance appraisal system is to effectively evaluate the performance of employees. However, performance appraisal systems also can be used to improve performance, motivate, and develop employees. In the context of human resource management, formal performance appraisals can serve several purposes.

Performance appraisals can serve as basis for personnel decisions - decisions to promote outstanding performers; to terminate marginal or low performers; to train, transfer, or discipline others; and to justify merit increases (or no increases). In short, appraisal serves as a key input for administering a formal organisational reward and punishment system.

Appraisals can provide concrete feedback to employees. In order to improve performance in the future, an employee needs to know what his or her weaknesses were in the past and how to correct them. Pointing out

strengths and weaknesses is a coaching function for the supervisor; receiving meaningful feedback and acting upon it is a motivational experience for the subordinate. Thus, appraisals can serve as vehicles for human resource development.

Appraisals can facilitate organisational diagnosis and development. Proper specification of performance levels, in addition to suggesting training needs across units and indicating necessary skills to be considered when hiring, also establishes the more general organisational requirement of ability to discriminate effective from ineffective performers. Appraisal therefore represents the beginning of a process rather than an end product. \(^1\)

**Formal and Informal Appraisals**

Formal performance appraisals usually occur at specified time periods once or twice a year. Informal performance appraisals can occur whenever the supervisor feels communication is needed. Many organisations encourage a mixture of both formal and informal appraisals. However, informal appraisals should not take the place of a formal performance evaluation.

**Objective and Subjective Performance Measures**

Organisations must choose the degree to which performance appraisals are to be objective (evaluating performance against specific standards) or subjective (evaluating how "well" an employee performs in general).

Performance appraisal measures may be classified into two general types: objective and subjective. Objective performance measures include production data (rupee sales value, units produced, number of errors, amount of scrap) as well as personnel data (accidents, turnover, absences, tardiness). These variables directly define the goals of the organisation, but they often

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suffer from several glaring weaknesses, the most serious of which are performance unreliability and modification of performance by situational characteristics. In fact the underlying objective in performance appraisal, is to judge an individual's performance, not factors beyond his or her control. Moreover objective measures focus not on behaviour, but rather on the outcomes or results of behaviour. Admittedly, there will be some degree of overlap between behaviour and results, but the two are qualitatively different.\(^1\) Although subjective measures of performance are intuitively attractive, theoretical and practical limitations often make them unsuitable. Although they can be useful when used as supplements to supervisory judgements, correlations between objective and subjective measures are often low.\(^2\)

The disadvantages of objective measures have led researchers and managers to place major emphasis on subjective measure of job performance. However, since subjective measures depend upon human judgement, they are prone to certain kinds of errors associated with the rating process. To be useful, they must be based on a careful analysis of the behaviours viewed as necessary and important for effective job performance. Regardless of their form, subjective performance appraisals frequently suffer from various behavioural barriers that limit their effectiveness.

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Behavioural barriers to successful performance appraisal may be political or interpersonal. Political considerations are organisational facts of life and Patz (1975) makes the following witty remark in this regard.

In fact the political barriers form a sort of law of organisation. Its statement is simple: Do not collect accurate information about your subordinates, for it will very likely be held against you.

In this type of climate, personal values and bias may overrule organisational standards. Unfairly low ratings may be given to highly valued subordinates so they will not be promoted out of a rater's department; likewise, personal bias may lead to favoured treatment for other employees.

Even if political tension can be lessened, significant interpersonal barriers also may hinder the appraisal process. Some managers complain that formal performance appraisal interviews tend to interfere with the more constructive coaching relationship that should exist between superior and subordinate. They claim that appraisal interviews emphasise the superior position of the supervisor by placing him or her in the role of judge, thus conflicting with the supervisor's equally important roles of teacher and coach.

From this review it follows that performance appraisal is widely accepted as a potentially useful tool, but behavioural barriers often thwart its successful implementation. Human resource management professionals and researchers can contribute by improving the technical aspects of performance appraisal systems as well as their attitudinal and interpersonal components.

2. Ibid., p. 77.
Frequency of Appraisals

Research has shown that many employees believe performance feedback should be given more frequently than once or twice a year.¹

Infrequent performance appraisals are most often due to the manager's negative view of the process. For instance performance appraisals can be stressful for both the employee and the manager, especially when employee performance has been below expectation. In addition, the manager may view the performance appraisal process as extra work and, thus, burdensome. Regardless of the reasons, managers should be encouraged (possibly through training) to view the performance appraisal process as an opportunity to communicate with his or her employees and as a means of improving performance and developing employees.

Sources of Appraisals

Performance evaluations can come from a variety of sources such as the immediate supervisor, coworkers, self-appraisal, subordinates, computers, customers, and the job itself. Collecting information from a number of different sources can increase the reliability of the performance appraisal.

Surveys show that up to 93 per cent of appraisal programmes ask the immediate supervisor to take sole responsibility for the appraisals.² Reasons for this are not hard to find. He or she is probably most familiar with each individual's performance and has had the broadest opportunity to observe the individual. If the supervisor is also responsible for reward (and punishment) decisions such as pay, promotion, and discipline, he or she must be able to tie

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effective (ineffective) performance to the personnel actions taken. Inability to form such linkages between performance and punishment or reward is one of the most serious deficiencies of any appraisal system.¹

Despite the fact that two reviews of peer assessment methods reached favourable conclusions regarding the reliability, validity, and freedom from biases of this approach,² serious problems still remain. Specifically, two characteristics of peer assessment appear to be related significantly and independently to user acceptance.³ Perceived friendship bias is related negatively to user acceptance and perceived peer feedback value is related positively to user acceptance. Negative peer rating feedback produced significantly lower perceived performance of the group, plus lower cohesiveness, satisfaction and peer ratings on a subsequent task. Positive peer rating feedback produced non-significantly higher values for these variables on a subsequent task.⁴

One possible solution that simultaneously might increase feedback value and decrease the perception of friendship bias is to specify clearly (e.g., using critical incidents) the performance criteria on which peer assessments are based. Results of the peer assessment may then be used in joint employee-supervisor reviews of each employee's progress, prior to later administrative decisions concerning the employee.

Peer assessments are probably best considered as only one element in an appraisal system that includes input from all sources that have unique information or perspectives to offer. Thus the traits, behaviours or outcomes to be assessed should be considered in the context of the groups and situations where peer assessments are to be applied. It is impossible to specify, for all situations, the kinds of characteristics that peers are able to rate best.¹

Subordinates offer a somewhat different perspective on a manager's performance. They know directly the extent to which he or she does not delegate, the extent to which he or she plans or organises, the type of leadership style(s) the manager is most comfortable with, and how well he or she communicates.

Any organisation contemplating use of subordinate rating should pay careful attention to the intended purpose of the ratings. Evidence indicates that ratings used for salary administration or promotion purposes may be very different from those used for guided self-development.²

It seems reasonable to have each individual judge his or her own job performance. Comparisons with appraisals by supervisors, peers, and subordinates suggest that self-appraisals tend to show more leniency, less variability, more bias, and less agreement with the judgements of others.³ Older employees tend to rate their performance higher than do younger employees.⁴

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To some extent, these disagreements may stem from the tendency of the raters to base their ratings on different aspects of job performance or to weight facets of job performance differently. Self-raters tend to place greater emphasis on personnel skill and technical competence; supervisors stress output and results criteria.¹

In jobs that require a high degree of interaction with the public, appraisal sometimes can be done by the "consumers" of the organisation's services while the clients served cannot be expected to identify completely with the organisation's objectives, they can, nevertheless, provide useful information.²

Many organisations are concluding that the traditional boss-subordinate form of appraisal does not suit today's needs.³ The focus on individual skills and individual objectives (if any), behavioural characteristics, and rater bias does not fit the needs of the modern organisation where cross-functional processes focused on customer satisfaction are required. More and more organisations are moving towards some type of multiple-rater approach and most text books recommend it.⁴ Multiple-rater performance measurement should overcome some of the current problems such as supervisory role conflict and bias, inaccuracy, and validity.⁵

The latest trend in multi-rater systems is the 360° assessment.¹ In these reviews workers get input from a variety of sources, including co-workers, customers, and their bosses.²

It is generally believed that self-appraisal, combined with other rater appraisals, provides a number of advantages.³ In addition to reducing the ratee’s perceived discrepancy between his or her rating and the rater’s rating, the process tends to focus the individual’s attention on job requirements and progress against some benchmark defined by all critical customer/raters. Moreover, it provides a vehicle for rater-ratee communications.⁴ Conceptualising all possible raters as all possible customers (internal and external) is a good approach to setting up a multiple-rater system.⁵

**Individual and Team-based Appraisals**

Many people assume that appraisals always focus on an individual level of performance. There are alternatives to using the individual as the ratee, which are becoming more common in organisations as more and more firms shift to using more self-managing teams, autonomous work groups and participative management to get the work done. Specifically, the ratee may be defined at the individual, workgroup, division, or organisationwide level.

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Two conditions which make it desirable to assess performance at a higher level of aggregation than the individual level are high work-group cohesiveness and difficulty in identifying individual contributions. High work-group cohesiveness refers to the shared feeling among work-group members that they operate as a team. Such an orientation promotes high degrees of co-operation among group members for highly interdependent tasks. Appraisals focussed on individual performance may undermine the co-operative orientation needed to maintain this cohesiveness, and tend to promote individualistic or even competitive orientations. The difficulty in identifying individual contributions is also important to consider. In some cases workers are so interdependent, or their individual performance is so difficult to observe or measure, that there is no choice but to focus their appraisals on performance of the higher aggregate of which they are a part. Many scholars contend that an individual appraisal system does not support the team concept and may be deleterious to the team.\(^1\) Team-based performance appraisals are tangible and visible support for teamwork. These can be the vehicle for implementation of a customer based strategy that is accompanied by a cultural change.\(^2\)

As noted earlier, multiple raters for the same individual may be drawn from different organisational levels, and they probably observe different facets of a ratee's job performance. Hence, across-organisational-level inter-rater agreement for ratings on all performance dimensions is not only an unduly severe expectation; it also may be erroneous. As a more reasonable alternative a hybrid multi-trait-multi-rater analysis may be used, in which raters make evaluations only on those dimensions that they are in good position to rate.\(^3\)

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Although the hybrid multi-trait-multi-rater technique provides a method for measuring the degree of inter-rater agreement within rating dimensions (convergent validity), and assessing the ability of raters to make distinctions in performance across dimensions (discriminant validity), it does not address directly the extent to which different levels of raters agree with objective indices of performance.

** Characteristics and Processes of Sound Appraisal System **

In order for any appraisal system to be used successfully, it must satisfy two basic requirements. It must be relevant to the job(s) in question and it must be acceptable both to raters and ratees. Raters must accept the importance of performance appraisal and feedback as an organisational goal, they must accept the appraisal system as an effective means for achieving that goal, and they must accept accurate performance appraisal as a personal goal.1

From the perspective of employees, one study indicated that employees are more likely to accept an appraisal system and to believe that their performance was rated fairly and accurately if: (1) performance was evaluated frequently; (2) employees felt their supervisors were familiar with their work performance; (3) employees felt they had the opportunity to express their own feelings during appraisal interviews; and (4) new performance goals, based on the appraisals, were set during appraisal interviews.2 Beyond relevance and acceptability appraisal systems should be sensitive (that is, capable of discriminating effective from ineffective performers), reliable, and practical.3

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Performance appraisal involves two distinct processes: (1) observation and (2) judgement. Observation processes are more basic, and include the detection, perception and recall or recognition of specific behavioural events. Judgement processes include the categorisation, integration, and evaluation of information.¹ A systematic and scientific job analysis can provide a rational basis for performance appraisal. Job analysis identifies the components of a particular job. It describes work and minimum human qualities that are essential to perform the job effectively and efficiently. Ultimately, it is management’s responsibility to establish performance standards: the levels of performance deemed acceptable or unacceptable for each of the job-relevant, critical areas of performance identified through job analysis.

From this review it follows that the process of performance appraisal, and not the mechanics, determines the overall effectiveness performance appraisal in an organisation. Research is currently underway in an effort to develop strategies for improving the accuracy of ratings by improving the process of human judgement. Although this research may improve rater’s ability to judge accurately, it does not necessarily address the rater’s willingness to provide accurate ratings.²

Rating Criteria

There are at least six criteria by which the value of performance in any work activity, function, standard or objective may be assessed: quality, quantity, timeliness, cost effectiveness, need for supervision, and interpersonal impact. The greater the precision in the definition of criteria in the written performance standards, the more satisfied are the ratees with the process, and the greater the improvement in performance as judged by the raters.

Once performance has been assessed on each of the job's important activities or functions, it is usually necessary to produce an overall score reflecting the level of performance on the job as a whole. There are two primary ways of producing an overall score: judgemental and mathematical.

Under the judgemental method the rater forms a subjective judgement of "overall performance", usually after completing the ratings of performance on each of the job's separate activities or functions. On the other hand, under the mathematical approach, the rater, or a scorer, or a computer mathematically computes the weighted or unweighted mean of the ratings of performance on each of the job's activities or functions. The judgemental approach to determining an overall score is used by most organisations, but a weighted mathematic approach is more likely to accurately reflect overall performance based on all job activities or functions and in the context of strategic goals for the work unit.

Rating Errors

Performance ratings are subject to a wide variety of inaccuracies and biases referred to as "rating errors". These errors occur in rater judgement and information processing, and can seriously affect performance appraisal results.\(^1\) All of these errors can arise in two different ways: as the result of *unintentional* errors in the way people observe, store, recall, and report events, or as the result of *intentional* efforts to assign inaccurate ratings. If rating errors are unintentional, raters may commit them because they do not have the necessary skills to make accurate ratings, or because the content of the appraisal is not carefully defined. Attempts to control unconscious, unintentional errors most often focus on rater training. Training programmes to improve the rater's observational and categorisation skills (called frame-of-reference training) have been shown to increase rater accuracy and consistency.\(^2\)

Raters may commit rating errors *intentionally* for political reasons, or to provide certain outcomes to their employees or themselves. For example, one of the most common intentional rating errors is leniency.\(^3\) Managers may assign higher ratings than an employee deserves to avoid a confrontation with the employee, to protect an employee suffering from personal problems, to acquire more recognition for the department or themselves, or to be able to reward the employee with a bonus or promotion. Although less common, managers may also intentionally assign more severe ratings than an employee deserves to motivate him or her to work harder, to teach the employee a lesson, or to build a case for firing the employee. Attempts to control intentional rating errors include: making ratings observable and provable, hiding scoring keys by using certain rating instruments (e.g., forced-choice, mixed standard scales), requiring cross-checks or reviews of ratings by other people, training raters on how to provide negative evaluations, and reducing the rater's motivation to assign inaccurate ratings.

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One of the main causes of perceptions of inaccurate and unfair performance appraisals is the belief by those who are rated that they are being held responsible for performance decrements that were caused by factors beyond their control. Many conditions present in the job situation or work assignment can hold a person back from performing as well as he or she could. Some of these constraints include: inadequate tools, lack of supplies, not enough money, too little time, lack of information, breakdowns in equipment, and not enough help from others.

Factors which hinder an employee's job performance are called situational constraints. The design of an appraisal system should consider the effects of situational constraints so that ratees are not unfairly downgraded for these uncontrollable factors. Training programme should focus on making raters aware of potential constraints on employee performances. Research shows that this approach to appraisal training results in greater agreement in self versus supervisory appraisal.

In the context of rater training there are three broad objectives: (1) to reduce or eliminate judgemental biases; (2) to improve the observational skills of raters by teaching them what to attend to; and (3) to improve the ability of raters to communicate appraisal information in an objective, constructive manner with ratees. Developing consensus among raters regarding performance standards and relative levels of effective or ineffective behaviour, encouraging ratees to record specific examples of behaviour providing an opportunity for raters to practise, providing feed back and reinforcement where appropriate, and offering periodic refresher training to maintain desired rater behaviours may well be the keys to improving the appraisal process.

Performance Feedback

Raters should communicate appraisal results to ratees through a formal feedback meeting held between the supervisor and the employee. Feedback serves an important role both for motivational and informational purposes and for improved rater-ratee communications. Specific feedback is recommended instead of general feedback since it is more likely to increase an individual's performance. The biggest hazard for the rater in providing performance feedback may be the ratee reactions to the feedback. Generally, as observed by Bernardin ratees believe that they have performed at higher levels than the levels perceived by the observers of their performance or raters.

To create a supportive atmosphere for the feedback meeting between the employee and the supervisor several recommendations exist. The rater should remove distractions, avoid being disturbed, and take sufficient time in the meeting. Raters seem to have trouble adhering to these guidelines. Raters should be informal and relaxed and allow the employee the opportunity to share his or her insights. Topics that should be addressed include: praise for special achievements, the employee's own assessment of his or her performance, the supervisor's response to the employee's assessment, action plans to improve the subordinate's performance, perceived constraints on performance which require subordinate or supervisory attention, employee career aspirations, ambitions, and developmental goals. In sum, raters should provide feedback which is clear, descriptive, job-related, constructive, frequent, timely, and realistic. (Waiting to provide such feedback until the formal appraisal is due is one of the biggest mistakes a supervisor or manager can make). Recent research also suggests that the use of multiple raters as a basis for the appraisal increases the perceived validity and usefulness of the feedback.

Management by Objectives

Management by objectives (MBO) is an appraisal system which calls for a comparison between specific, quantifiable target goals and the actual results achieved by an employee.\(^1\) MBO remains as the most popular method for the assessment of managers.\(^2\) The measurable, quantitative goals are usually mutually agreed upon by the employee and supervisor at the beginning of an appraisal period.\(^3\) During the review period, progress towards the goals is monitored. At the end of the review period, the employee and supervisor meet to evaluate whether the goals were achieved and to decide on new goals. The goals or objectives are usually set for individual employees and differ across employees depending on the circumstances of the job. For this reason, MBO has been shown to be useful for targeting "individual" performance, yet it is less useful for making comparisons across employees.\(^4\)

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Performance Appraisal System - Some Pitfalls

Performance appraisal has long been regarded as one of the most critical yet troubling areas of human resource management. While over 95 per cent of companies report the use of formal systems of appraisal, most of those involved in this activity express considerable dissatisfaction with it. This includes not only the people who conduct appraisals, but the people who are evaluated and the administrators of the programmes as well. Deming, the guru of the total quality management movement, identified appraisal as one of his infamous "deadly diseases" of management, and urged that the practice be "purged from the earth".

Performance appraisal systems can fail for a variety of reasons such as a poorly defined appraisal system, a poorly communicated, and inappropriate appraisal system, a poorly supported and unmonitored appraisal system.

A poorly defined system means that something is wrong with the design. The system might be lacking written documentation to use as a guide. Often poorly defined appraisal systems emerge out of "tradition". Another possibility is that the system is defined, but it is not defined well.

Even a sophisticated appraisal system is doomed for failure if it is not communicated properly to everyone involved in the process. The evaluators and the employees should have similar expectations as to the purpose and the importance of the appraisal system.

Some of the most common characteristics of inappropriate systems include measuring inappropriate types of performance (those that are not job-related), asking the wrong people to do the evaluating, conducting the performance appraisal discussions too infrequently, and using a rating system that is not suited to the performance being measured. Any of these problems could lead to an ineffective performance appraisal system.

The performance appraisal system can fail if it is only supported by top management and not by the other levels of management or the employees. Similarly, if the performance appraisal system is accepted and supported by employees, but not by top management, management may not choose to utilise the information gained from the appraisal. Essentially, a successful performance appraisal system should be accepted and supported by all who use it. If problems with the performance appraisal system go unmonitored, these problems can become serious over time.

A manifestation of the dissatisfaction with appraisal is the growing trend to do either formal appraisals (i.e., attaching numbers to people) or personnel comparisons only when there is a need for a personnel decision such as a promotion, a pay raise, or a termination. Some human resource management practitioners argue that the use of formal appraisal is actually deleterious to the essential purpose of appraisal which is performance management and performance improvement. Deming (1986) argues that performance appraisal obfuscates systems problems within a work unit and that the variability in performance is largely a function of systems characteristics rather than individual characteristics. Managers should thus attend to improving the system so as to reduce variability in performance.

Developing an Appraisal System

After deciding on the design of an appraisal system by making decisions about the measurement content and process, determining who should rate performance and at what level, and making necessary administrative decisions, it is time to actually develop the appraisal system. The development of an effective appraisal system consists of following seven basic steps:

(1) start with a job analysis to develop customer-based outcome measures;
(2) specify performance dimensions and develop performance level descriptors (PLDs);
(3) scale the PLDs;
(4) develop rating forms or programme;
(5) develop scoring procedure;
(6) develop appeal process to deal with disputed appraisal results; and
(7) develop rater and ratee training programme and manuals.

The design, development and implementation of appraisal systems are not endeavours which can be effectively handled by following the latest fad or even by copying other organisations' systems. Instead, a new appraisal system must be considered a fundamental organisational change effort which should be pursued in the context of improving the organisation's effectiveness. This means that, like any such change effort, there will be vested interests in preserving the status quo which will be resistant to change, no matter how beneficial it may be for the organisation. These sources of resistance to the change have to be identified and managed to build incentives for using a new appraisal system.

Once a well-designed system has been implemented, the work is still not done. An appraisal system has to be maintained by monitoring its operation through periodic evaluations. Only keeping an appraisal system fine tuned will enable managers to have a rational basis for making sound personnel decisions.
Performance Appraisal System in KSRTC

In this section, an attempt is made to examine the performance appraisal systems and procedures adopted by KSRTC. Finally, certain useful guidelines are offered to improve the effectiveness of performance appraisal in KSRTC.

The rules, regulations and procedure for conducting performance appraisal of employees working in KSRTC are governed by the 'Karnataka State Road Transport Corporation Employees (Performance Appraisal Reports) Regulations, 1985'. The purpose of conducting performance appraisal of employees working in KSRTC is stated as follows:

In respect of every employee of the corporation an appraisal report shall be recorded assessing as correctly as possible such officer's physical, mental, and moral suitability for his office and for promotion, his ability to apply intelligently the law and procedure prescribed to cases coming before him, his treatment of his subordinates, and behaviour towards his superiors and colleagues in other departments, and his relation with public.

Different performance appraisal formats have been prescribed (specimen given in appendix V) separately for confirmed (regular) employees and those who are on probation (promotees and direct recruits). In the case of confirmed employees form 'A' is used to record the performance appraisal of Class-I and II officers, while form 'B' and form 'C' are prescribed for Class-III supervisory and non-supervisory employees respectively. On the other hand, the performance appraisal of Class-I and II probationary officers (promotees and direct recruits) is recorded in form 'D', and form 'E' is prescribed for Class-III and IV probationary employees.

2. Ibid., p. 7.
With regard to the frequency of performance appraisal, appraisal is conducted once in a financial year (from 1st April to 31st March) in respect of confirmed employees, and once in every six months for probationary employees till the completion of their probationary period.

Performance appraisal is conducted by the immediate superior of the employee concerned, and it is reviewed by the employee's immediate superior's superior. The reporting authority (immediate superior) is required to write the appraisal of his/her subordinate in the prescribed format within one month of the close of the financial year. The appraisal report will be reviewed by the reviewing authority (reporting authority's superior) normally within one month of its submission. While reviewing the appraisal report, the reviewing authority will specifically state whether he/she agrees with the assessment of the reporting authority and if he/she does not agree with such assessment, he/she will record his/her own assessment and also give reasons for disagreeing with the assessment of the reporting authority. The appraisal report after review will be accepted with such modifications as may be considered necessary and counter-signed by the accepting authority ordinarily within one month of its review.

The Chairman, Vice-Chairman, or the Managing Director may also call for "special reports" at any time on the work of any officer or official working in KSRTC. The orders regarding suspension or punishments passed against the employees will not be recorded in the appraisal report, but a copy of such orders will be placed in the employees' performance appraisal reports file. It is to be noted that the Vice-Chairman and Managing Director will have the right to record their observations or remarks on the appraisal report of any employee of the KSRTC after the report is written by the prescribed authorities.

All adverse remarks recorded and accepted in the appraisal reports or special reports will be communicated to the concerned employee in writing by
the following authorities ordinarily within three months of the receipt of such report:

(i) Managing Director in respect of Class-I officer, Heads of Department including those on selection grade, and unit heads;
(ii) Chief Personnel Manager in respect of Class-II officers;
(iii) Heads of the Department concerned in respect of Class-III supervisory employees; and
(iv) Unit Heads and Heads of the Departments concerned in respect of other class-III non-supervisory employees.

The procedure also states that while communicating an adverse remark to the employees, the name of the officer recording the adverse remark will not be communicated to the employee reported against. However, when a report shows that an employee has made successful efforts to remedy the defects to which his/her attention has been drawn previously, it will be communicated to the employee. Further, if an employee has done outstanding work in the course of a year and earned appreciation, it will be communicated to the employee.

An employee can submit a representation to the 'competent authorities' within six weeks from the date of receipt of adverse appraisal remarks communication. The competent authorities to examine all representations against adverse performance appraisal remarks are: Vice-Chairman for Class-I officers, Managing Director for Class-II Officers, and Heads of Department concerned for all others. These competent authorities may consult the reporting, reviewing and/or the accepting authorities which confirmed the adverse reports. After thoroughly examining the representations, the competent authority will communicate his/her final conclusions on this matter.

In order to monitor the timely receipt, processing and disposal of performance appraisal reports, a register in form 'F' (specimen given in appendix V) will be maintained by all Unit Heads, Heads of Departments, and the Managing Director. The particulars in respect of performance
appraisal reporting, reviewing, accepting, custodian, and competent authorities are given in appendix VI.

The performance of employees in KSRTC is rated in a five-point or three-point graphic rating scale. The annual appraisal report for Class I and II officers (form 'A') includes the rating of attributes, such as job knowledge, planning and organising ability, decision making, leadership, initiative, communication, supervision and control, cost consciousness, quality of work, discipline and integrity, inter-personal (colleagues, subordinates, superiors) relations, relations with public, labour relations, character (honesty, integrity, temperament), emotional balance under heavy stress or strain, adaptability to change and new ideas, inspection tours. Additional items like professional/technical knowledge and conceptual ability are rated for officers above class-I senior. The appraisal report also includes appraisee's achievements in his present job, areas of shortfall in performance, developmental needs and potential for future growth. Finally, the reporting authority (appraiser) makes an overall assessment of the performance of the appraisee during the year.

Similarly, the annual appraisal reports in respect of class III supervisory employees (form 'B') include the rating of attributes, such as the state of health; knowledge of procedures, rules and regulations; intelligence, zeal and industry; aptitude to work and promptness; skill in noting and drafting; behaviour towards superiors; relations with fellow employees; conduct and discipline, punctuality and attendance, integrity, initiative and capacity to take responsibility; particulars of outstanding work.

Annual appraisal reports in respect of class-III non-supervisory employees include major attributes to be rated such as punctuality and attendance, attitude and aptitude/skill to work, amenability to discipline, honesty and integrity, health, behaviour towards superiors.

Appraisal report in respect of probationary officers (form 'D') to be submitted once in every six months till the completion of the probationary
period includes certain attributes to be rated in a three-point graphic scale, such as quality of performance, job knowledge, judgement, reliability, planning, initiative, cooperation, leadership, character and personality, capacity for supervision, and capacity to organise work. On the other hand, form 'E' used for writing the appraisal report of Class-III and IV probationary employees includes the rating of attributes, such as quantity of output, quality of output, expression (written and oral), attendance, ability to get along with others, responsibility, reliability, capacity, judgement, constructive power, job knowledge, character and personality.

The basic objective of performance appraisal system in KSRTC is very vague and almost tilting in favour of controlling the behaviour of employees. It grossly fails to focus on improving performance, motivating, and developing employees. Formal performance appraisal takes place once in a year as a casual ritual. The performance appraisals are subjective in nature evaluating how "well" an employee performs in general rather than evaluating employee performance against specific, objective, and mutually agreed standards of performance. Performance evaluation of the employee is done by his/her immediate supervisor, which in turn is reviewed by the superior of the immediate superior of the employee.

KSRTC uses appraisal formats consisting of personality traits and some broadly defined job related factors. The performance of employees rated against these traits and factors in a five-point discontinuous graphic rating scale. The performance appraisal procedure in KSRTC symbolises procedure-oriented, compliance-seeking process in the form of 'writing the appraisal' by the reporting authority (immediate superior), remarks of the reviewing authority (immediately superior to the reporting authority), adverse or advisory remarks of the accepting authority (immediately superior to the reviewing authority), communication of adverse or advisory remarks to the appraisee, and a provision for appeal or representation to the competent authority.
The following guidelines can be offered to enhance the effectiveness of performance appraisal in KSRTC:

(1) The performance appraisal should be used not only as a means of evaluating performance, but also as a means of motivating and developing the employees.

(2) The purpose of the performance appraisal and the objectives of the organisation must be considered carefully before deciding on a performance appraisal method.

(3) The necessary characteristics for successful job performance should be obtained through a systematic and objective job analysis.

(4) Performance standards should be determined from the job analysis results.

(5) These standards must be communicated and accepted by the employees who will be judged by them.

(6) Rating scheme should be developed using the standard as a guideline. The scheme should measure clearly defined individual components of job performance rather than global or undefined measures. The standards and rating scheme should be distributed to all raters.

(7) While using simple graphic rating scales or trait ratings, it is helpful to avoid abstract trait names like loyalty and to anchor the scales with brief, logically consistent tags.

(8) Raters should be trained to use the scale correctly. It is necessary to focus on how to apply the standards when making decisions. It is important that the raters uniformly apply the standards.

(9) All appraisals will have to be documented.

(10) A way for poor performers to receive corrective guidance should be provided.

(11) The validity of the performance appraisal system should be examined at regular intervals.

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Conclusion

The existing control-oriented system of appraising employees' performance in KSRTC is less effective in motivating and improving their performance and developing their potential to impact future performance. In general, a successful performance appraisal system should be built around clear objectives, have the support of both management and employees, be flexible enough to adapt to organisational changes, and foster open discussions between supervisors and employees. The validity of the performance appraisal system should be examined at regular intervals.

In fact, performance appraisal system based on outcomes or results defined by customers will result in more effective and "relevant" appraisal systems, based on what is generally considered to be the ultimate purpose for appraisal (i.e., to sustain or improve organisational effectiveness by meeting or exceeding customer requirements).¹ Performance appraisal systems, like most human resource systems which are not tied to outcomes critical to external customers, are doomed to fail.