Chapter 6

6.1-Summary

6.2-Observations

6.3-Recommendations/Suggestions
Introduction:- It is one of the most crucial and productive aspects of performance management for various decisions with regard to promotion, transfer, increment, training and development are based on it. It is a periodic process of evaluating or assessing the efficiency and performance of employee in term of job requirement.

The dictionary meaning of verb "to appraise" is "to value an object or thing". The term 'performance Appraisal' is concerned with the process of valuing a person's worth to an organization, with a view to increasing it. Hence, most appraisal systems are linked to reward systems as well as employee development systems.

The history of performance appraisal system can be traced back to as early as the third century A.D. It is believed that formal appraisal of an individuals performance began in Wei dynasty (A.D.221-265) in China with an Imperial ratter appraising the performance of members of the official family. As far as the use of appraisal system for managerial personnel in Indian industries is concerned, researches reveal that Union carbide had such a system in operation as far back as 1940. The Tata Iron and Steel Company (TISCO) and Volta’s introduced such systems in 1953 and 1954 respectively.

Beatty and Schneier, Donald B. Summer, B.N. Sinha, Heyel, Alan and Kenneth, Flippo, Dale Yoder, Ferris and Gilmore have been given different definitions of performance appraisal system.

Many of the early research on performance appraisal are based on the test theory perspective. This perspective focuses on the issues of reliability and validity of performance constructs (e.g. Austin et al. 1993; Smith, 1967), performance standards (e.g. Bobko & Collela, 1991; Huber), rating format (e.g., Latham & Sarri) and so on. With regard to the reliability and validity of performance constructs, Smith (1976) proposes the importance of "criterion-problem". Campbell and his colleagues (e.g., Campbell, 1990) proposed the theory of performance, which suggests that performance is basically multidimensional and behavioral. Research on influence tactics (e.g. Wayne & Liden, 1995; Ferris et al. 1999) shows that rate's' impression
management such as supervisor focused tactics (e.g., ingratiation) increases performance rating through liking and perceived similarities. Also, research shows that the use of influence tactics leads to the perceived fairness because of their "voice" effect. Therefore, these researches suggest that organizational context and political behaviors should be considered seriously in order to increase accuracy and fairness of performance appraisal.

Title of the Study: - "A study of performance appraisal system in heavy engineering industrial units with special reference to selected heavy engineering industrial units of Haryana".

Statement of the problem: - Survey of literature on various aspects of the subject reveals that there is still exists a need to highlight some of the aspects of the performance appraisal. The importance of performance appraisal is being increasingly realized in industrial and service organizations both in India and abroad. A great deal of knowledge available in this regard is found in research results abroad. Indian researches are rather few; a few of these are not published as companies conduct them for internal consumption.

Scope of the study: - This study will examine the effectiveness of performance appraisal system for the various HRM decision like incentives, promotions, wages, transfer, training and development. This research is regarding various types of appraisal systems adopted by various industrial units selected for research.

Objectives: - The main aims and objectives of the study are: - To critically evaluate the existing performance appraisal system, to study the difference in P.A practices, traits/attributes are given more importance by appraisers while appraising the performance of lower and high level staff, how successfully the self-appraisal system is working, reaction of employees to the performance appraisal system,
how far the decisions regarding promotion, transfers, increments, identification of training needs and selection of executives for meritorious service depend upon the result of performance appraisal and the influence of personal bias and leniency on appraisal in the selected heavy industrial units of Haryana.

The main **significance of the study** is to examine the negative aspects of the present systems and to suggest methods for the improvement in the existing system with introduction of improved appraisal system. It is revealed that appraisal system is required a lot of improvement and awareness among the employees at various industrial units in Haryana. Majority of employees do not know about the true meaning of performance appraisal.

The focal point of this study is to examine the performance appraisal systems in various selected heavy engineering industrial units of Haryana. Systematic appraisal system is very necessary in organisation especially with large structure which has diverse staff functions and which is seriously concerned about management development.

**Sample:** A stratified random sample of 300 appraisees and 200 appraisers are taken from selected heavy engineering industrial units of Haryana for the present study. The selected heavy engineering industrial units are Indian Sugar and General Engineering Corporation, Yammunanagar, NHK Spring India Limited, Gurgeon, Yammuna Gases and Chemicals Limited, Jagdhari, Oriental Engineering Private Limited, Yammunanagar, United Percision Engineering Company, Yammunanagar.

**Research Design:** This research work is based on primary data. Information was obtained from the personnel departments
concerned and through informal interviews with the managerial personnel, supervisors and workers. On the basis of information thus obtained two types of structured interview schedules were constructed, one for the appraisers and the other for the appraisees.

**Limitations:**-The study suffers from various limitations, these are:-The study mainly depends primary and secondary data, the opinions expressed by various human resource department heads and other personal interviews, period of study was only from the year 2006 to 2009, only published data and data collected through interviews and discussions were analysed and interpreted, I did not have any access to the internal records, during interview a general feeling of suspicion and hesitation among management people and workers to provide required information.

**Theoretical aspects:**-Performance appraisal can be defined as the process of evaluating the performance of an employee and communication the results of the evaluation to him for the purpose of rewarding or developing employee.

The purpose of appraisal is to make the most effective use of its human resources by developing them in a systematic way, in the interest of both the organization and the individuals being appraised.

There are a number of performance criteria, which may be used to measure the proficiency of an employee. There is a different criteria to measure the performance of managers, middle line managers, front line supervisors and top managers.

Performance appraisal is needed in order to provide information about the performance tasks, to provide feedback, provide information, to prevent grievances and in disciplinary activities.
The **performance appraisal process** follows a set pattern and it consists of the following steps:- Establishing performance standards, communicating the standards, measuring performance, comparing the actual with the standards, discussing the appraisal, taking corrective actions.

Several **methods and techniques** of appraisal are available for measurement of the performance of an employee. The methods and scales differ for opinions reasons. Firstly, differ in the sources of traits or qualities to be appraised. The qualities may differ because of differences in job requirements, statistical requirements and the opinion of the management. Second, they differ because of the different qualities of workers who are being rated, viz, factory workers, executives or salesperson. Third, the variations may be caused by the degree of precision attempted in an evaluation. Finally, they may differ because of the methods used to obtain weightings for various traits. The main methods of performance appraisal system are ranking scale, comparison method, critical incident method, forced distribution method, annual confidential reports, work standard method, essay method, point allocation method, check list, forced choice method, and cost accounting method. The modern methods are Management by objectives (MBO), Behaviorally Anchored Rating Scales (BARS), assessment centre, human resource accounting and 360 degree feedback system.

In Indian companies boast of having an extensive performance management system. But most of them are not more than form filling exercises. Appraisals are more about increments and separations rather than contributing to employee development. The Indian organizations have to change the way they look at their appraisal system. It should not be looked as an administrative activity. For appraisals to be justified, they contribute to the organizational bottom line. The performance appraisal system of
Eicher, ICICI bank, The Grasim Industries of Aditya Birla Group, TELCO, SAIL, Bokaro Steel, Vishakhapatnam Steel Plant, UTI, Modi Xerox, Voltas, Larson & Toubro, CROMPTON GREAVES LIMITED, SAIL (Steel Authority of India Limited), ONGC (Oil & Natural Gas Corporation), Bharat Petroleum Corporation Limited (BPCL), Titan, Infosys, National Stock Exchange of India, NOCIL (National Organic Chemical Industries), STATE BANK OF INDIA (SBI), Allahabad Bank, The Indian Overseas Bank, The Union Bank of India, The Punjab National Bank, Life Insurance Company, Zee Television Limited, Rainbow Information Technology and Hindustan Liver Limited is studied under the study. The two most popular forms of appraisal are 360 degree feedback and upward assessment, the latter being a relatively new concept in India.

**Haryana a Profile:** Haryana is a state in northern India. It is bordered by Punjab and Himachal Pradesh to the north and by Rajasthan to the west and south. Haryana state was formed on 1 November, 1966, on the recommendation of the Sardar Hukam Singh Parliamentary Committee. The formation of this committee was announced in the Parliament on 23 September 1965. It has a total of 81 cities and towns. It has 6,759 villages. For administrative purpose the state is divided into four divisions - Ambala, Rohtak, Gurgaon and Hissar. There are 19 districts, 47 sub-divisions, 67 tehsils, 45 sub-tehsils and 116 blocks.

Haryana is also considered one of the most industrialized states in India with many SEZs. In recent years Haryana has emerged as one of the three most progressive states of India with an impressive trail of achievements in the field of Agriculture, Business, Tourism, Information Technology, automobile Industry and overall development. Haryana's achievements in the Industrial Sector have also been quite phenomenal during the last 33 years. The number of large and medium industries has gone up from 162 in 1966 to more
than 1020 today with a capital investment of Rs. 200 billion. The State has more than 1,100 big and medium industrial units with foreign technical/financial collaborations. To mention a few: Maruti Udyog, Escorts, Hero Honda, Sony India, Whirlpool India, Bharti Telecom, Perfetti India, DCM Benetton, TDT Copper, Modi Alcatel, Carrier Aircon, ISGEC, Jindal steel etc. Some major units in public sector are HMT Ltd. National Fertilizers Ltd., Indian Drugs and Pharmaceuticals Ltd., Bharat Electronics Ltd., IBPL etc. The latest addition to this group is the Rs. 60 billion Oil Refinery set up by Indian Oil Corporation in Panipat district. Haryana has a large industrial base having more than 1,271 large and medium and 80,000 Small Scale Units in the State. Haryana is the largest producer of passenger cars, tractors, motorcycles, bicycles, refrigerators, scientific instruments, etc.

Haryana is an agricultural state and fast developing state in the field of industry. There are three main cities which are having heavy engineering industrial units. The main cities are Gurgaon, Fridabad and Yamunanagar. Some of the units are based in Rohtak and Hissar.


Gurgaon has become one of the most important corporate and industrial hubs of India as well as Haryana. The corporate office and manufacturing plant of India’s largest car maker is situated here, as
are a large numbers other industries. The main manufacturing unit of Hero Honda is also situated in Gurgaon. Other areas in which Gurgaon is excelling are the Information Technology (IT) industry, Software development and Call Centers.

Heavy Engineering units believe that people hold the key to achieving organizational excellence. Human Resources function is the process owner for constantly upgrading people skills, realizing their potential and helping them lead purposeful lives. Performance Appraisal System of Heavy Engineering is different from the other industries. Every industry has got their own way of appraising employees. Heavy engineering directly deals with their employees, so PAS is directly related with the employee's development and productivity.

Sample Design:- The sample selected for the study consisted of appraisers and appraisees of the companies. A stratified random sample of 300 appraisees and 200 appraisers were taken from selected companies for the present study. They were drawn from selected five heavy engineering industrial units of Haryana State. These units are:- Indian Sugar and General Engineering Corporation, NHK Spring India Limited, Yammuna Gases and Chemicals Limited, Oriental Engineering Private Limited, United Precisions Engineering Company.

Performance Appraisal is done annually in the ISGEC. It is called annual appraisal report in the case of an officer, merit rating for the supervisors and annual confidential report for the workers. An annual schedule of appraisal is also different for the different categories.

Performance appraisal is done annually from 01 January to 31 December at Oriental. It is found that most of the employees unaware about the parameters and criteria on which they are appraised. Most
of the employees considered it as a form filling exercise. Only few employees are aware of the basis on which their supervisor evaluated their work in the annual confidential reports. Appraisees are appraised on the various parameters like job knowledge, intelligence, team spirit, enthusiasm and devotion to duty, reliability, quality of work done, quality of work done, safety and personal care.

Performance Appraisal in YGCL is done annually at the time of increment. It is called annual performance appraisal in case of management staff and confidential report for the supervisors and workers. Managers are evaluated on the basis of some qualitative factors, on other side supervisors and workers are evaluated by their immediate officer under whom employee is working. The reporting officer has to go through personal record of employee before completing the annual confidential report.

Though appraisees are aware in the UPEC that their performance is annually appraised and their reports are annually completed yet it is found that only 50 percent of employees unaware about the parameters and criteria on which they are appraised during annual appraisal. Most of the employees responded that officers are not taking much interest while filling up the reports because of the lack of time, which affects the performance appraisal. It is found that lack of interest on the appraiser’s part always affected the performance appraisal. The main source of information on which appraisers rely most is personal information of the employees.

Performance appraisal is done at NHK annually. There is a provision of separate criteria and forms used to evaluate the managerial/supervisory and non-supervisory staff. It is done annually from 1st April to 31st March. The various decisions on increments, change in designation, promotion and training are taken on the basis
of performance appraisal report. The appraisers have to go through in
details of all the factors before filling the appraisal report.

**Analysis of data:** - The collected data was statistically tested
and analyzed with the help of SPSS 1.5 computer aided programmer.
Spearman's rank correlation is applied to compare the ranks given by
appraisers and appraisees to various traits/attributes adopted for
evaluating the performance of workers, supervisors and managers.
The data and information collected through questionnaires and
interviews is used for analysis. Separate questionnaires are
administered for appraisers and appraisees to collect required
information.

The questionnaires are about the performance appraisal
process, perception regarding appraisal system, various traits to
measure the performance of workers, supervisors and managers, bias
and leniency in the performance appraisal system, results of negative
and positive feedback, various decisions on (promotions, placement
and transfers, increments identifying training needs, career planning,
special recognition of employees for meritorious service and restricting
the job responsibilities) based on performance appraisal results, role
in helping subordinates (to improve their present performance, to
improve communication, self development, setting higher goals for the
future and to deal more directly with work related problems), Interest
of appraisees and appraisers regarding performance appraisal,
responses on present salary, other benefits like retirement, pension,
gratuity, bonus etc., role of performance appraisal system in efficiency
and productivity, role in generating employee motivation, responses
on the use of MBO and self appraisal system.

Questions on various parameters, these are 'appraisers evaluate
the personal loyalty of the subordinates rather than the actual job
performance', 'appraiser hesitates in rating an individual as below
average', 'appraisers believe that subordinate who is good enough in one thing must be in other things too', 'personal relationship of appraiser influence the rating', 'likes and dislikes prejudices of the appraiser influence the ratings, 'last few months before the appraisal are crucial in influencing the assessment', 'subordinates are also responsible for making the appraisal subjective by trying to win favour of superiors', 'response of appraisers regarding the rating of appraisees as outstanding, 'views of appraisers that only small percentage of the employees rated as outstanding, 'view of the appraisers that none of the employees should be given negative rating as it affects the productivity.

Findings of the study: - It is found that appraisers and appraisees of selected companies have given first rank to 'Work knowledge' while appraising the performance of workers and managers. It is observed that 'Knowledge ability and skill in taking down professional work' is given priority by appraisers and appraisees to evaluate technicians. It is found that appraisers have given first rank to 'contribution towards work planning and setting up of targets for the departmental performance appraisal, self and subordinates' to appraise managerial skills.

It is observed that 68.6 percent appraisers are aware about the true meaning of performance appraisal. It is found that 31.4 percent appraisers consider it as a form filling exercise. 65.0 percent appraisers responded that they are aware of the new annual appraisal report forms introduced in the organization.

Regarding various sources of information it is found that 64.5 percent appraisers have given priority to the 'Personal records' and second to the 'Self appraisal' last priority has been given to 'Appraisers notes on critical incidents' by the appraisers of selected companies performance appraisal. Only 12.5 percent appraisers felt that
'appraiser's memory is a possible source of information in the performance appraisal system.

It is found that only 38.0 percent appraisees and 60.0 percent appraisers of selected companies believe that appraisers evaluate personal loyalty of the subordinate rather than his actual job performance.

It is found that 87.0 percent appraisers and 65.0 percent appraisees are of the view that personal relationships of the appraisers influence the ratings. It is believed that those appraisees who are liked by the appraisers are given high ratings. A very great majority of appraisees (76.3 percent) and (76.5 percent) appraisers believe that the last few months before the appraisal date are crucial in influencing the assessment of the appraiser. Some of the appraisers believe that appraisees do not perform seriously throughout the year. It is only towards the end when the time of writing a report is close; the appraisees start doing well and try to impress the boss.

It is found that 84 percent appraisers avoid negative ratings. It is found from the results that a large number of appraisers believe that they avoid giving negative rating since they have to take work form the subordinate.

This study also revealed that appraisers generally avoid giving negative feedback to appraisees since they want to take work from them. It is found that 70.0 percent appraisers believe that negative feedback results in frustration among appraisees and 83.0 percent are of the view that negative feedback results in job dissatisfaction. 58.0 percent appraisers are of the view that it leads to poor relations between appraiser and appraisees.
It is found that from the responses of appraisers that they try to handle poor performers in the best manner. Appraisers usually do counselling to improve the performance of employees. It is also found that 61.0 percent appraisers found change in the behaviour of subordinates after giving them negative feedback.

Self appraisal in all the selected companies’ is applicable to managerial staff only. Every officer/manager has the freedom in this system to write about highlights of his performance during the year, areas in which he feels he has not done well, constraints faced and any outstanding performance outside the company. It is found that 44.27 percent appraisers believe that self-appraisal is successful in the organization. It is a common belief that there is a tendency to be lenient on oneself. Result shows that 64.0 percent appraisers believe that there is leniency in self appraisal.

Regarding the success of MBO in organization it is found that 48.33 percent appraisees and 35.5 percent appraisers felt that MBO system is successful.

Performance appraisal system can be used in taking many decisions like promotions, transfers, increment, training and development of employees. In selected companies’, it is found that more than 18.0 percent appraisees responded that promotions are always based on performance appraisal results, whereas 47.05 percent appraisers felt that promotion are based on performance appraisal result. With regards to placement and transfer only 9.6 percent appraisees and 28.5 percent appraisers responded that this decision is taken on performance appraisal results. It is found that majority of appraisees (52.0 percent) and appraisers (54.5 percent) believe that most of the increment decisions are based on the performance appraisal results.
Decision on identifying training need is not given much importance by the appraisees. Less than fifty percent (44.0 percent) appraisees and more than fifty percent (51.0 percent) appraisers of selected companies felt that identification of training need is based on performance appraisal results. It is further found that decision on career planning, (36.0 percent appraisees), special recognition of employees for meritorious service (25.33 percent appraisees and 47.0 percent appraisers) are given less importance by the appraisers and appraisees of selected companies.

Regarding effectiveness of the performance appraisal system, it is found that around 70.0 percent appraisees and 49.5 percent appraisers responded that present performance appraisal system is effective in improving the present performance of the employees.

**Recommendations and suggestions:** After study of the Performance appraisal system of the selected companies, it is realised that some recommendations and suggestions are required to improve the present system. The company wise recommendations are given as under:

**ISGEC:** - Workers, supervisors and appraisers should be rated under single system and time, the organization should provide supporting environment and other facilities required to write self-appraisal. Appraisers should be given training before writing appraisal report of an individual, while writing an appraisal report. Weightage should be given to actual performance, rather than personal loyalty and interpersonal relation. There should be a provision of giving feedback to both poor and good performers to improve their performance. It is necessary that before fixing the targets every manager should discuss the key performance areas and targets with the subordinates. This type of involvement highly motivates the subordinates. Training programmes should be designed by trainers to
achieve certain goals. Care must be taken while designing training programs and learning objectives.

ORIENTAL: -The management should educate and train manager appraisers to impart information on the PAS to the appraisees. Appraisal effectiveness can be possible by providing an opportunity to the appraisees irrespective of the status for expressing their grievances/complaints in the case of dissatisfaction with the parameter and criteria of performance appraisal. Proper training should be given to appraisers to fill the appraisal reports of appraisees. It is recommended that importance and value of self appraisal should be communicated to the employees, so that everyone gets chance to evaluate and can identify one's personal traits and get training wherever necessary. It is recommended that appraisers should communicate both the weak and strong points to the appraisees in friendly way and motivate them to perform better. The appropriateness of trainer and training evaluation is also being considered before, during and after implementation of training.

YGCL: -There is a need for a shift from increments and promotions oriented appraisals to developmental oriented appraisals. Self appraisal should be free and open, so that everyone gets chance to evaluate him fairly. Leniency in self appraisal can be avoided by imparting training of writing skills of appraisal. The separate appraisal Performa should be introduced for the supervisors and workers. Their traits should also be considered along with other criteria of evaluation. Appraisers should avoid assessment on the basis of a few recent incidents of success or failure. Extreme ratings on either side of the scale should be supported by justification and examples. It is recommended that feedback system should be introduced for each category of appraisees. Managers should be encouraged to discuss performance related matters with the employees rather than shy away from the problems. Discuss the areas of the poor performers with the
appraisees and try to elicit ways to improve their performance. Aptitude and interest tests should be conducted so that inherent work performances of employees can be known. Designer training system can be implement by trainers to meet the learning goals typically includes identifying learning objectives, needed facilities, necessary funding course content, lessons and sequence of lessons.

**UPEC:-** The true meaning of performance appraisal system should be communicated to the appraisees, so that appraisees should be aware about the present performance appraisal system of the company. Every employee should know how it is conducted, why it is conducted and along with the purpose of the appraisal system. There should be an involvement of non-managerial staff also along with managerial staff in fixing the targets. Involvement of workers in goal setting results in motivation. Supportive behaviour should be used by appraisers while giving negative feedback to appraisees. Counselling, boosting of morale, giving proper guidance and hearing their genuine problems are another way to improve poor performers. Personal problems if any, can be discussed and try to share their difficulties. If they are affected by any problems then suggest solutions in friendly way and motivate them to perform better. Rating should be done on the basis of actual performance of appraisees during the appraisal period. Personal relation, personal loyalty and memory should not be considered while appraising an individual. Appraiser should avoid assessment on the basis of a few recent incidents of success or failure. It is recommended that appraisers should write appraisal report after evaluating the personal records, traits and self appraisal of the appraisees.

**NHK:-** NHK like other selected companies adopted annual appraisal system which is long period to be effective in providing continuous feedback to employees. Motivated and high performing employees desire more frequent appraisals, hence frequency of
appraisal should be increased. It is recommended that formal appraisal should be conducted half yearly. An involvement of non-managerial staff in key performance areas takes the organization on a fast development track and faster productivity through committed, motivated or involvement of competent people. Training should be given to the employees as per requirement of organization and individual. Trainers should analyze the organization needs and identify training goals, which, when reached, well equipped learners with knowledge and skill to meet organization needs. Training evaluation is also extremely important phase and preferable, must be done before, during and after implementation of training. Self appraisal format is very lengthy, consuming a lot of time. Self appraisal should be short and simple, which can be easily understood by the appraisees. Training should be imparted to the appraisees who write self appraisal. Appraisal system of NHK is also focused on increments; the appraisal should be focused on career and succession planning, identification of training needs, role clarity and employee relations, building high moral and motivation. As and when, the performance appraisal system is introduced or changed or modified. Establish a clear purpose and then use this purpose as template throughout the organization.

Last chapter present the questionnaires and bibliography. Different questionnaires for both the appraisers and appraisees are used to collect data. Questionnaires are divided into various sections as per the requirement and convenience of the respondents. The various books, articles, thesis and papers are studied under this study, which is reflected alphabetically in this chapter.

After studying the appraisal systems of various industrial units, the study reveals that different methods are used to evaluate the performance of employees. The present study will help the selected companies to take various types of administrative and development
decisions regarding the promotions, transfers, increments, selection, training and development. Employees will come to know about the true meaning and working of Performance Appraisal System. The employee’s participation in appraisal system will lead to better clarification and satisfaction towards the effectiveness of appraisal practices. The study focuses on the short comings in existing system and improvements in appraisal system are suggested to the management of the selected companies. Improved Performance Appraisal System will be a development oriented instead of just form filling exercise.

Further, this study facilitates the organizations to overcome the deficiencies in the employee’s assessment methods and reduce intentional and unintentional human errors in appraisal. If improved Performance Appraisal System will be utilized in its true sense, and rightly perceived and implemented in the light of conclusion of the study along with the suggestions and policies implications will certainly yield very good results in the area of Human Resource Development.
Observations

6.2.1-Observations About Appraisers

On the analysis of the data in respect of Performance Appraisal system in selected heavy engineering industrial units of Haryana the following observations have been emerged about the appraisers:

1. It is observed that the measures adopted by the organization to appraise the performance of appraisees are true.

2. Appraisers believe that no importance is given to the personal loyalty of the appraisees. There is a consideration of actual job performance while evaluating performance of appraisees.

3. Appraisers do not hesitate in rating an individual as 'below average'.

4. It is observed that 75 percent appraisers do not agree that appraisees are good in one thing must be good in other things.

5. Personal relation between appraiser and appraisees plays big role in the rating while doing appraisal. It is believed that appraisees who are close to the appraiser may be given high rating.

6. It is observed that high rating is given to actual job performers, but not to those who are liked by the appraisers.

7. Appraisers believe that last few months before the appraisal date are crucial in influencing the assessment of appraisees.
8. It is observed that subordinates are also responsible for making the appraisals subjective by trying to win the favour of their superiors instead of giving attention to assigned work.

9. Appraisers are of the view that only small percentage of the appraisees should be rated as outstanding because rating outstanding on a large scale may confuse management while taking various decisions on the basis of appraisal results.

10. It is observed that negative rating affects productivity, results in frustration, job dissatisfaction, produces hostility and resentment, do not results in better future performance, leads to poor relations between appraisers and appraisees.

11. Appraisers avoid giving negative rating since they have to take work from the appraisees.

12. It is observed that appraisers are not in favour of giving appraisal results to appraisees.

13. Appraisers are in favour of communicating appraisal results to poor performers only. At the same time they are not in the favour of communicating appraisal results to outstanding performers.

14. It is observed that appraisers want to discuss both the strong and weak points during the communication of appraisal results to appraisees.

15. It is observed that appraisers adopt appealing and supportive approach while giving negative feedback to the appraisees.

16. Personal records are considered the main source of information in performance appraisal system while evaluating appraisees.
17. Work knowledge is a most important trait to measure the performance of workers and managers.

18. It is observed that ability and skill in taking down the professional work is considered more important trait to measure the performance of technicians.

19. ‘Contribution towards work planning and setting up of targets for the department’ is considered important trait to measure the ‘managerial skills’ of managers.

20. ‘Knowledge of trends, development and new techniques pertaining to employee’s field of work and specialisation’ are considered more important traits to measure the ‘Job skills’ of managers.

21. ‘Understanding people and creating in them enthusiasm for work’ are important traits to measure the ‘Behavioural skills’ of managers.

22. It is observed that most of the appraisers have attended the training programmes on performance appraisal. Training on performance appraisal is provided to them to carry out the procedure smoothly and carefully.

23. Training plays a big role in the performance appraisal system. Employees are identified for training purpose mostly on the basis on appraisal results.

24. It is observed that the various decisions taken on the promotions, placement and transfers, training needs, job responsibilities, selection of executives for special assignment and special recognition of employees for meritorious service are based on performance appraisal results.
25. It is observed that performance appraisal result affects the future performance of the employees.

26. Appraisers believe that improvement is seen in appraisees after getting performance appraisal results.

27. The performance appraisal system is effective in estimating a person's potential for the future and help employees in improving present performance.

28. There is a lack of time on appraiser's part and lack of interest on appraisee's part while evaluating the performance of appraisees.

29. Appraisers feel that Management by Objectives system is adequately used to evaluate the performance of appraisees.

30. It is observed that key performance areas are not fixed at all levels.

32. There is a participation of appraisees in determination of the targets in the beginning of the year.

33. It is believed that an employee generally hesitates in writing himself as an excellent worker. It is seen that there is a leniency in self appraisal.

34. It is observed that self appraisal system motivates the employees to take more responsibility for their own performance and growth.

35. Appraisers believe that self appraisal provides an opportunity to highlight the achievements; difficulties faced by the employee and help the appraiser to make proper assessment.
36. There is a noting of critical incidents, which help appraisers in the proper assessment of the appraisees.

37. It is observed that appraisers are aware about the appraisal system of the organization.

6.2.2- Observations About Appraisees

On the analysis of the data in respect of Performance Appraisal system in selected heavy engineering industrial units of Haryana the following observations have been emerged about the appraisees:

1. It is observed that appraisees are aware about the performance appraisal system prevalent in their organizations.

2. Appraisees believe that performance appraisal is something useful to the employees and organisation because all the important decisions regarding employee’s career and organisation progress are based on performance appraisal system.

3. Work knowledge is a most important trait to measure the performance of workers and managers.

4. It is observed that ability and skill in taking down the professional work is considered important trait to measure the performance of supervisors.

5. It is observed that appraisers evaluate the personal loyalty of the subordinate rather than actual job performance.
6. Appraisees, who are liked by the appraisers are given high rating and those are disliked by the appraisers are given low rating. It is observed that likes and dislikes of the appraiser influence the rating.

7. It is observed that last few months before the appraisal data are crucial in influencing the assessment of appraisees.

8. It is not necessary that performance appraisal fully represent the actual performance of the appraisees. It is observed that performance appraisal does not fully represent the actual performance of the appraisees.

9. Personal relation plays an important role while giving rating by appraisers to the appraisees. It is observed that appraisees who have personal relation with the appraiser are given higher rating as compared to others.

10. Appraisees believe that it is not possible for the appraisers to report the actual performance due to lengthy appraisal period.

11. Every employee wants that good appraisal should be given at the end of the appraisal period. It is observed that employees give little attention to their work and assignments but pay special attention to various ways of winning the favour of their superiors.

12. It is observed that performance appraisal does not reflect the performance of the employees for the entire period of the review but generally depicts the behaviour of the employees during the last few months prior to evaluation.

13. Appraisees believe that negative feedback results in job dissatisfaction and frustration.
14. Appraisers generally avoid giving negative feedback to the appraisees, because it results in poor relation between appraisers and appraisees. It is observed that negative feedback results in poor relation between appraisers and appraisees.

15. It is observed that most of the decisions on increments and training needs are taken on performance appraisals results.

16. It is observed that most of the decisions on increments and training needs are taken on performance appraisals results. It is observed that fair and unbiased performance appraisal results in better future performance.

17. It is seen that performance appraisal system plays a significant role in helping subordinates to improve their present performance, to improve communication, self development, setting higher goals for the future and to deal more directly with work related problems.

18. It is observed that lack of time on appraisee’s part always affects the performance appraisal result.

19. It is not mandatory that all employees like their respective jobs. It is observed that most of the appraisees like their job or majority of appraisees are interesting in their work.

20. High efficiency and productivity bring the development for both individual and organization. It is seen that all the companies selected for the study give high priority to pay incentives on the basis of performance appraisal results.

21. In order to make the MBO system successful it is important that meaningful and time bound targets are set for appraisees in the beginning of the year.
22. Appraisees of selected companies do not have say in determination of targets because they are not involved by management while fixing the targets.

23. Performance appraisal system can be made more effective by doing periodic review of set goals. It is observed that appraisers are not serious in reviewing the goals periodically.

24. It is observed that appraisees are not satisfied with the use of MBO in the organization because they feel it is used just as a formality.

25. Appraisees believe that MBO system is not successful because the system is not implemented in its true spirit. In other words it can be said that management is not sincere in implementing the MBO.

26. It is observed that majority of appraisees are lenient while writing self appraisals.

27. It reveals that self appraisal motivates employees to perform better and to take more responsibilities.

28. It is seen that majority of appraisees responded that self appraisal is not successful because self appraisal is not open and free.

29. Good appraisal is desired by every employee at the end of the appraisal period. Subordinates give little attention to their work and assignments but pay special attention to various ways of winning the favour of their superiors. It is observed that subordinates are responsible for making the appraisal subjective by trying to win favour of appraisers.
6.2.3-General observations

**General observations** about the implementation of performance appraisal system in selected heavy engineering industrial units of Haryana.

1. Personal relation between appraiser and appraisees plays crucial role in the rating while doing appraisal. Personal relation is given more importance than work.

2. Most of the employees work hard in the last few months before the appraisal date to get good appraisal report.

3. There is no importance for all type of traits. All the behavioural, personnel, technical and professional should be considered equally while giving assessment.

4. Employees are identified for training purpose mostly on the basis on appraisal results.

5. It is observed that the various decisions taken on the promotions, placement and transfers, job responsibilities, selection of executives for special assignment and special recognition of employees for meritorious service are based on performance appraisal results.

6. It is observed that performance appraisal system is not much prevalent in the organizations. It is considered as a form filling exercise.

7. It is observed that self appraisal system is not much prevalent and most of the employees do not have knowledge to write it. Employees lacking in the required skill as to how to write their self
appraisals. They generally hesitates in writing himself as an excellent worker. It is seen that there is a leniency in self appraisal.

9. MBO system is not successful in the heavy engineering units because the system is not implemented in its true spirit.

12. It is observed that key performance areas are not fixed at all levels. Only managerial level employee's are responsible for fixing key performance areas.

13. High efficiency and productivity bring the development for both individual and organization. It is seen that heavy engineering units give high priority to payments and incentives instead of development decisions on the basis of performance appraisal results.

15. Employees believe that negative feedback results in job dissatisfaction and frustration.

16. Appraisers generally avoid giving negative feedback to the appraisees, because it results in poor relation between appraisers and appraisees. It is observed that negative feedback results in poor relation between appraisers and appraisees.

17. Feedback of appraisal results is not given much importance by the appraisers. There is a shortage of qualified counselors for giving counseling to the poor performers.

18. It is observed that appraisers are not given training on performance appraisal evaluation system.

19. Heavy engineering units have adopted old systems of performance appraisal, there is a need to introduce new and improved systems of performance appraisal.
20. There is no provision of review and reconsideration of set goals of the year. It is considered as a wastage of time.

21. Appraisal is done annually, almost in all the companies. There is no provision of doing appraisal half-yearly, three monthly or monthly.

22. Employees do not know about the true meaning of performance appraisal. PAS is considered just to improve their present payment package.

23. Training is required to improve the skills by each and every employee of the organization. There is no provision of hiring or recruitment of qualified trainers to train the employees.

24. Personal records are given more importance by the appraisers while appraising the appraisees.

25. Training evaluation system is very rarely used in the heavy engineering units.
6.3.1-Recommendations

On the analysis of the data in respect of performance appraisal system in Heavy Engineering units of Haryana I would like to recommend following few corrections in the implementation of performance appraisal system in the selected heavy engineering industrial units.

UNIT-1 ISGEC

- Rating managers, supervisors and appraisers at different levels consume lot of time. All the categories of employees should be rated at one time.

- Appraisers in ISGEC are not satisfied with the measures adopted to evaluate the performance of appraisees. It is recommended that suitable measures should be adopted to evaluate the performance of appraisees.

- Self appraisal is applicable for managerial staff only. There should be a provision of writing the appraisal for other categories of staff also. The organization should provide supporting environment and other facilities required to write self-appraisal.

- Self appraisal system is not much successful. It is recommended that employees should be trained about the true meaning of self appraisal. They should understand that self appraisal is an easy way to express about himself freely. It provides an opportunity to highlight the achievements; difficulties faced by the employee and helps the appraiser to make proper assessment.
• Most of the appraisees are undecided on the lenient attitude while writing self appraisal on job knowledge. It is recommended that appraisees should frankly write about the job knowledge in the self appraisal report, so that knowledge about the job can be improved through proper training and guidance.

• It is found that appraisers take appraisal report very lightly and do not fill the reports very seriously. Appraisers should be given training before writing appraisal report of an individual.

• While writing an appraisal report, weightage should be given to actual performance, rather than personal loyalty and interpersonal relation.

• At ISGEC feedback is given to those appraisees who get adverse remarks. There should be a provision of giving feedback to both poor and good performers to improve their performance.

• Management by objectives system is prevalent in the organization but there is no involvement of appraisees in the goal setting. It is necessary that before fixing the targets every manager should discuss the key performance areas and targets with the subordinates. This type of involvement highly motivates the subordinates.

• It is necessary that goals ones set in the beginning of the year should be reviewed periodically according to the changing needs of the organization.

• MBO system is not adequately used for evaluating the performance of employees and helping the organization to plan strategies, goals and targets. It is recommended that there
should be an adequate use of MBO to achieve set targets and also help in taking various decisions.

- Training programmes should be designed by trainers to achieve certain goals. Care must be taken while designing training and learning objectives.

**UNIT-2 NHK**

- NHK like other selected companies adopted annual appraisal system which is long period to be effective in providing continuous feedback to employees. Motivated and high performing employees desire more frequent appraisals, hence frequency of appraisal should be increased. It is recommended that formal appraisal should be conducted half yearly.

- MBO system is prevalent in the NHK but there is no involvement of non-managerial staff in key performance areas. An involvement of non-managerial staff in key performance areas takes the organization on a fast development track and faster productivity through committed, motivated or involvement of competent people.

- Training need identification should not be based on the appraisal result only. Training should be given to the employees as per requirement of organization and individual. Trainers should analyze the organization needs and identify training goals, which, when reached, well equipped learners with knowledge and skill to meet organization needs. Training evaluation is also extremely important phase and preferable, must be done before, during and after implementation of training.
- Self appraisal format is very lengthy, consuming a lot of time. Self appraisal should be short and simple, which can be easily understood by the appraisees. Training should be imparted to the appraisees who write self appraisal.

- Appraisal system of NHK is also focused on increments, the appraisal should be focused on career and succession planning, identification of training needs, role clarity and employee relations, building high moral and motivation.

- As and when, the performance appraisal system is introduced or changed or modified. Establish a clear purpose and then use this purpose as template through out the organization.

**UNIT-3 YGCL**

- Appraisal at YGCL is more about increments rather than contributing to employee development. In the fast changing business environment there is a need for a shift from increments and promotions oriented appraisals to developmental oriented appraisals.

- Some organizations give opportunities to the employees or involve them directly or indirectly to take various decisions. There is very less involvement of employees in the decision making process. Participation of appraisees in various decisions is also important to achieve the set goals.

- A large number of appraisers are of the view that their system is effective in estimating person’s potential for the future. Appraisers of YGCL have suggested that effectiveness of PAS in estimating person’s competence at the present job should also
be considered. Competence at the present job is equally effective in estimating a person's potential for the future.

- Self appraisal should be free and open, so that everyone gets chance to evaluate him fairly. Leniency in self appraisal can be avoided by imparting training of writing skills of appraisal.

- The separate appraisal Performa should be introduced for the supervisors and workers. Their traits should also be considered along with other criteria of evaluation. Appraisers should avoid assessment on the basis of a few recent incidents of success or failure. Extreme ratings on either side of the scale should be supported by justification and examples.

- There is no feedback system for the workers. It is recommended that feedback system should be introduced for each category of appraisees. Managers should be encouraged to discuss performance related matters with the employees rather than shy away from the problems. Discuss the areas of the poor performers with the appraisees and try to elicit ways to improve their performance.

- Aptitude and interest tests should be conducted so that inherent work performances of employees can be known.

UNIT-4 UPEC

- The true meaning of performance appraisal system should be communicated to the appraisees, so that appraisees should be aware about the present performance appraisal system of the company. Every employee should know how it is conducted, why it is conducted and along with the purpose of the appraisal system. More interest and cooperation can be seen from the
appraisees feel that appraisers are not using proper methods to evaluate the performance. It is suggested that appraisers should adopt a method which is easy to assess the employee’s performance at the end of appraisal period.

- MBO system is not much prevalent in the UPEC. There is no involvement of non-supervisory staff in fixing the targets. It is recommended that there should be an involvement of non-managerial staff also along with managerial staff in fixing the targets. Involvement of workers in goal setting results in motivation.

- Appraisees feel that appraisers are not serious in reviewing the set goals periodically because they do not give much importance to review the goals. They do not feel any need to do so in time. It is suggested that set goals should be reviewed as per the changing needs of the organization.

- MBO system helps in planning to achieve set targets and help the appraisers in taking various decisions. In order to achieve desire goals, it is important to use MBO system adequately in the organization.

- It is very difficult for appraisees to write frankly in the report that he is not able to communicate properly to the superior or subordinate. Appraisees of UPEC are undecided on the lenient attitude while doing self appraisal on communication skills. It is suggested to write report frankly on communication skills, so that necessary modifications and improvements can be done as per the requirement.
• 63.44 percent appraisees believe that self appraisal is not successful in their organization because it is not open and free. Appraisees hesitate in writing their appraisal reports. It is recommended that proper training should be given regarding the writing skills of self appraisal and full liberty is to be given to write appraisal report open and frankly.

• 72.0 percent appraisees are improving after the performance appraisal results. This can be increased by giving proper feedback to the appraisees regarding their performance and proper counselling. Training can be given to improve the required skills of the appraisees and appraisers.

• Supportive behaviour should be used by appraisers while giving negative feedback to appraisees. Counselling, boosting of morale, giving proper guidance and hearing their genuine problems are another way to improve poor performers. Personal problems if any, can be discussed and try to share their difficulties. If they are affected by any problems then suggest solutions in friendly way and motivate them to perform better.

• Rating should be done on the basis of actual performance of appraisees during the appraisal period. Personal relation, personal loyalty and memory should not be considered while appraising an individual. Appraiser should avoid assessment on the basis of a few recent incidents of success or failure. It is recommended that appraisers should write appraisal report after evaluating the personal records, traits and self appraisal of the appraisees.
UNIT-5 ORIENTAL

- Appraisees of Oriental are not much aware about the parameters and criteria on which they are appraised by appraisers. The management should educate and train manager appraisers to impart information on the PAS to the appraisees. Appraisal effectiveness can be possible by providing an opportunity to the appraisees irrespective of the status for expressing their grievances/complaints in the case of dissatisfaction with the parameter and criteria of performance appraisal.

- Appraisers take appraisal reports very lightly, train appraisers to fill appraisal reports with a detached mind in cool and calmly in order to eliminate bias. Proper training should be given to appraisers to fill the appraisal reports of appraisees.

- Majority of the employees feel that the job is neither boring nor interesting. It is recommended that an organization should provide all the required facilities to the employees, so that employee likes the work place and assigned work. Interest in work can be developed by providing the good atmosphere, training, and counselling, opportunities to learn job skills, promotions and rewards for motivation.

- Management by objectives is not much prevalent in the Oriental, in order to achieve the desired goals. Only 45.94 percent appraisees responded that MBO is used in the organization. It is necessary to give importance to MBO system to achieve the desired goals. It is further recommended that management should be sincere in implementing the programme.
Management should take the help of MBO system in various decisions based on performance appraisal system.

- In Oriental, 54.05 percent appraisees responded that importance is not given to the meaningful and time bound targets for the appraisees. It is recommended that meaningful and time bound targets are set for appraisees in the beginning of the year in order to make MBO system successful.

- It is very important for the managers to give chance to the subordinates in the fixing of targets in order to make the MBO successful and this type of involvement highly motivates the appraisees. The goals once set at the beginning of the year should be reviewed periodically according to the changing needs of the organization.

- Appraisees of Oriental are undecided about using lenient attitude on decision making while writing appraisal. It is suggested that decision making skill can be improved by imparting training on leadership, job knowledge and communication skills.

- There is no self appraisal system in Oriental. It is recommended that self appraisal should be started initially with the managerial staff, then gradually for other category of staff. Importance and value of self appraisal should be communicated to the employees, so that everyone gets chance to evaluate and can identify one's personal traits and get training wherever necessary.

- In Oriental performance appraisal is kept confidential and no or limited feedback is provided to the appraisees. In the fast operating business environment of today, frequent and proper
feedback is not only important for the improvement of employee's performance but also the survival of the organization. It is recommended that appraisers should communicate both the weak and strong points to the appraisees in friendly way and motivate them to perform better.

- Trained appraisers are able to judge the performance and potential of the appraisees. It is recommended that Oriental should take proper steps to train appraisers in judging the performance of the appraisees. They should be given training on the different methods of the assessment.

- It is recommended that identification of training needs is very important before its implementation. Care must be taken while selecting training programmes. The appropriateness of trainer and training evaluation is also being considered before, during and after implementation of training.

- Appraisers feel that there is no improvement of appraisees after performance appraisal results. It is recommended that it can be improved by giving them a proper feedback, training and counselling.
General recommendations to the heavy engineering units of Haryana and India.

In view of the above study, the following recommendations should be considered for the improvement of present appraisal system of heavy engineering industrial selected for the research.

1. AWARENESS ABOUT PERFORMANCE APPRAISAL SYSTEM

The true meaning of performance appraisal system should be communicated to the appraisees, so that appraisees should be aware of the present performance appraisal system of the company. It should be understood by the appraisees that performance appraisal is not only related with rewards but also related with their career development. Involvement of appraisees in various decisions regarding performance appraisal will increase their interest towards performance appraisal system of the organization.

2. FREQUENCY/PERIOD OF APPRAISAL

The selected companies performance appraisal presently follows an annual appraisal system. It is recommended that formal appraisal should be conducted half-yearly. An informal mid-review of work plan should also be done quarterly so as to provide feedback to employee regarding the performance and also to avoid surprise appraisal, at the end of the appraisal period. Performance appraisal meetings between superior and subordinates are required to know their strength and weakness.
3. SKILLS REQUIRED FOR WRITING SELF APPRAISAL

The employees are found lacking in the required skill as to how to write their self appraisals. Casually written self appraisal notes do not help the appraiser to make his assessment constructively and forces him to depend more on his memory, impressions.

Self appraisal is not meant to be a ritualistic form filling exercise. It is a significant initial step for performance development. A lot should happen in self appraisal which may not be reflected in the forms filled by the appraisee. In fact a good self appraisal need not result in good form filling although it results in increased self awareness through a process of review and reflection on the performance appraisal of the appraisee.

Self appraisal has an important role to play in employee development. The individual is not likely to learn and develop himself unless he makes conscious efforts to identify possible directions of growth and continuously monitor the growth. The organization should provide supporting environment and other facilities required for the development.

Every manager should develop a discipline of reviewing his own performance as a manager at least once a year. Such remains should be systematic and truthful. As no one else is involved in this process the manager can say him self things as he may not like to share with others. Such self appraisal process may focus on the following questions.

- What have I accomplished in the last one year?
- What contributes to my performance?
- How are my attitudes affecting growth and development as a competent manager?
• What are my action plans for next year to become more affective manager?
• How do I rate my accomplishments or contributions as against last year and as against all that was possible this year?
• What do I want to communicate to my superiors to help them understand me better and also to help them to empower me for better performance?
• What are my own competencies and attitude that helped me perform better and that prevented me from giving my best.

4. PERFORMANCE COUNSELLING

The term performance counseling is quite often misunderstood and wrongly interpreted as a process of the boss correcting and controlling employee behaviour by giving him negative feedback in an assertive manner. Counseling is the best way to improve the working of poor performers. Feedback accompanied by counselling increases job effectiveness, which ultimately result in balanced appraisal and a workable plan of action for the future.

Performance counselling is normally done in the regular course of performance and not only in the face of the problems. The following conditions are necessary for counseling to be effective:-

• General climate of openness and mutuality
• General helpful and empathic attitude of management
• Sense of uninhibited participation by the subordinates in the performance review process
• Dialogic relationship in goal setting and performance review.
• Focus on work-Oriented behaviour.
• Focus on work related problems and difficulties.
• Avoidance of discussion of salary and awards during counselling.

5. FEEDBACK

Present appraisal system is one sided where no feedback is given to the subordinates in some organizations. It results in development of frustration and confusion. Moreover, the system doesn’t give the importance to work being done by the subordinate over a period of time. Appraisal should be kept transparent and employees should be informed about the standards by which their performance can be measured.

Communication of positive remarks about the appraisees would help them towards even better performance. A detailed post appraisal interview should be conducted for the purpose. It helps in identifying any problems faced by the employees in performing their jobs as well as finding the aptitude and interest of the employees for making job rotation decisions.

Interpersonal feedback is an important input for increasing self awareness. It helps in reducing the blind area of a person, helping him to become more aware about his strengths and weaknesses. Feedback will be effective if the person who gives the feedback makes sure that it is:-

• Descriptive and not evaluative
• Focused on the behaviour of the person and not on the person himself
• Data based and specific
• Reinforces positive behaviour
• Suggestive and not prescriptive
• Need based and solicited
• Intended to help focused on modifiable behavior
• Well timed
• Contributes to mutuality and building up relationship

In view of the above the following steps are suggested to improve the working poor performance:

• Discuss the areas of the poor performers with the appraisees and try to elicit ways to improve their performance.

• Boosting of morale, giving proper guidance and hearing their genuine problems is another way to improve poor performers

• Help in redirection of action plan in areas where the appraisee is lacking.

• Counselling of poor performances by their bosses help to improve their problems.

• Personal problems if any, can be discussed and try to share their difficulties. If they are affected by any problem then suggest solutions in friendly way and motivate them to perform better.

• Encourage involvement of the employees in important jobs, inculcate in them a feeling that they are also important for organization, giving them patient hearing and all possible support.

• Counseling should be done regularly and in congenial atmosphere. It should be done by experts, or by the appraiser who must act as a friend, philosopher and guide.
6. IDENTIFICATION OF APTITUDE AND INTEREST

Performance appraisal form should have a column to be filled by the immediate and next supervisor about the areas where employee can better be utilized so that the principle of ‘appropriate man at the appropriate’ job can be achieved.

Squeezed space should be provided in the performance appraisal form to highlight the work performance of employees. Work performance and experience should be the main criteria for measuring performance appraisal. Further, aptitude and interest tests should be conducted so that inherent work performances of employees can be known.

7. BIAS AND LENIENCY

In order to reduce bias in appraisal there should be a provision of appeal by the appraisees and suitable action should be taken if the claims made by the appraisees are found to be without factual basis the findings should be voted in the performance appraisal report of the employee.

The following steps are suggested to eliminate bias for selected heavy engineering industrial units.

- There should be personal communication with the staff regularly regarding their official and personal matters.

- Appraisal report should be written with a detached mind in cool and calmly in order to eliminate bias.

- While writing an appraisal report, weightage should not be given to interpersonal relationships. Write the appraisal report after
evaluating the personnel records, traits and self appraisal of the appraisee.

- Before reviewing the report, try to compare the report written by the appraisee him self.

- Rating should be checked by a second level superior, in order to ensure that the appraisers' opinion reflects the reality.

- Appraiser should avoid assessment on the basis of a few recent incidents of success or failure. Extreme ratings on either side of the scale should be supported by justification and examples.

**8. TRAINING AND DEVELOPMENT**

Employees require training for a variety of reasons it is usually done to fill a performance gap as identified during the performance appraisal process or a growth gap, that is to be promoted or be able to fill another open position in the organization. Effective training and development includes using sound principles of performance appraisal system and effective training techniques. It requires carrying out the following steps: -

- Analyze the organization need and identify training goals, which, when reached, well equipped learners with knowledge and skill to meet organization needs.

- Designer training system that learner and trainers can implement to meet the learning goals typically includes identifying learning objectives, needed facilities, necessary funding, course content, lessons and sequence of lessons.
• Training programmes should be designed by trainers to achieve certain overhaul goals. Care must be taken while designing training programs and learning objectives.

• Programme development requires developing right from the programme outline to training manuals, trainer manuals, specific cases, so that the programme the objectives and learning goals can be achieved with optimum efforts for training.

• Every training programme must contain a set of learning activities consisting of a mix of role plays, exercises, instruments, cases, etc.

• Selecting a proper trainer is the most important activity. The appropriateness of trainer will determine the effectiveness of the programme as well as the cost.

• Training evaluation is extremely important phase and preferably must be done before, during and after implementation of training.

9. SUGGESTIONS FOR APPRAISERS / HR MANAGERS

• As and when, the performance appraisal system is introduced; HR manager must know why it is introduced? Establish a clear purpose and then use this purpose as template through out the organization.

• Often managers, do not know how to interpret employees feedback. A well documented guide line will help.

• Selected companies performance appraisal follow one time appraisal in a year. It may be good idea to have quarterly, if not
monthly, appraisals so that there is continuity and two way accountability between the superior and the appraisal report.

- Subjective element in appraisal system should be reduced. If clear measurable bench marks are set, the appraisal system will be perceived to be unbiased.

- Ideal appraisal systems are five, but work worth's in one place may not work else where, every appraisal must support the broad organizational need.

- Appraisers doing the appraisal must have a clear idea of what exactly looking for. Everyone can't be assessed on the same performance parameters.

- Often managers lack the skill required to do the performance appraisal. The art of setting goals and giving feedback and coaching is uncommon. Managers need coaching too.

10. DO AND DON'TS FOR EFFECTIVE PERFORMANCE APPRAISAL SYSTEM

DO'S

- Have a consistent appraisal procedure.

- Focus on the why and how aspects. If targets have or have not been met, find out why and how, instead of just to focusing on a mathematical measurement.

- Coach managers who write appraisal report.

- Define goals and performance matrix clearly. The idea is to minimize the subjective element.
• Learn to manage expectations through counselling. Every one expects top class increments but that is not possible.

• Do the engagement survey regularly to understand the issue that employees may have with the appraisal system.

• Automate the appraisal system to save time.

• Identify a set of base level competencies required by all the employees in an organization.

**DON'T’S**

• Avoiding focus on salary increase alone, otherwise, it becomes a pure gaming exercise.

• Appraisal system must be a flexible, so remove artificial structural rigidities.

• The CEO must champion the system; no system will work if the CEO is seen to be distancing himself from the entire system.

• Don’t ignore self assessments by employees because you already have rough ideas about his competency level.

• Don’t make it a department driven efforts. This is necessary for aligning appraisal system with organization goals.

• Don’t implement a variable performance appraisal system without a lot of thought. The design of the system must be a business goal and seen as fair and unbiased.