Chapter-IV
Human Resource Programmes of BEL Ltd.
CHAPTER 4

HUMAN RESOURCE APPRAISAL
PROGRAMMES OF BEL GHAZIABAD

CONCEPT AND UTILITY OF PERFORMANCE APPRAISAL

Performance Appraisal is a process supporting the use of HR in an organization. It is possibly the most powerful tool of controlling performance and productivity of HR in an organization. Appraisal is not to be considered as an end in itself. By itself, it achieves nothing, but does it help a lot in evaluating the overall effectiveness of the management development program of a company. Performance appraisal thus becomes a permanent part of an employee's record in the company. It is a systematic and objective way of judging the relative worth or ability of an employee in performing his task. Hence, it helps to identify those who are performing their assigned task well and those who are not, and the reasons for such performance. Such feedback is necessary not only for evaluation purpose but also for incentive and development purposes. An industry has to rely heavily on rating the performance of employees for varied purposes such as

1. To assess the ability of the individual in order to make the best use of his talent in the present job.
2. To find out areas of weaknesses in order of develop him for improving his performance.
3. To provide for management succession by judging the potential of an individual.
4. To effect changes in the organization by transfers, demotion or promotions so as to fix the individuals in the setup according to their ability.
5. To help in their training and development by identifying strengths and weaknesses of individuals.
6. To act as an incentive to the individual by telling him the exact knowledge about his performance in order to generate efforts for improving it.

Do the staff members in BEL Ghaziabad realize the importance of performance appraisal? Investigation has revealed that an overwhelming majority of them do, as is clear from the following

**Importance of the Performance appraisal**

<table>
<thead>
<tr>
<th>Performance appraisal system in the organization</th>
<th>Respondents %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Important</td>
<td>53</td>
</tr>
<tr>
<td>Important</td>
<td>39</td>
</tr>
<tr>
<td>Unimportant</td>
<td>5</td>
</tr>
<tr>
<td>Very Unimportant</td>
<td>0</td>
</tr>
<tr>
<td>Neither Important nor Unimportant</td>
<td>3</td>
</tr>
</tbody>
</table>

Table 4.1

**Fig. 4.1**
Again an overwhelming of respondents (i.e. 92%) consider performance appraisal very important (55%) and important (37%). This kind of awareness among the staff is a healthy sign.

The objectives of performance appraisal fall in to two categories:

(1) Administrative; and
(2) Self-Improvement

(1) Administrative objectives.

(a) Promotions:

This is the most important administrative use of performance appraisal. It is to the common interest of both the management and employees to promote employees on to positions where they can most effectively utilize their abilities. A properly developed and administered performance appraisal system can aid in determining whether individuals should be considered for promotions. The system must rate the rating for the present job and his potentialities for the higher job. A person performing the job well does not necessarily mean that he is fit for promotion. His potential for the job he is likely to be promoted to must also be given due weightage. It is mismanagement to promote employees into positions where they cannot perform effectively at the time in question.

(b) Transfers:

In an organization, it may be necessary to consider various types of personnel actions such as transfer, layoffs,
demotions and discharges. In some cases, such actions are called for because of unsatisfactory performance while in other cases it may be called for due to economic conditions over which the organization has no control because of changes in production process. Such actions can be justified if they are based on performance appraisal. In BEL transfers are due to promotions. Promotions is due to seniority basis. Employees are usually promoted and transferred to other departments or other units of BEL.

(c) **Wage and Salary administration**:

In some cases, the wage increases are based on the performance appraisal reports. In some cases, appraisals and seniority are used in combination.

(d) **Training and Development**:

An appropriate system of performance appraisal can be helpful in identifying the areas of skills or knowledge in which certain employees are not up to par, thus pointing out general training deficiencies which presumably should be corrected by additional training, discussions, or counselling. Performance appraisal can also help in spotting the talented employees so as to train and develop them to create an inventory of executive skills. It can also provide the areas where the employees/executives could be further trained and positioned, to meet situations arising from retirement and expansion.
(e) Personnel Research:

Performance appraisal also helps in research in the field of personnel management.

(2) Self Improvement.

Performance appraisals bring out the deficiencies and shortcomings of the employees. It helps human resource development in a way. A promotion minded individual could ask for the target programmes of a position he seeks and uses the information gathered through performance appraisal to prepare him for the job and enhance his candidacy.

Not only this, performance appraisal also helps to spot out a person's ability to see the organization's problem, devise ways of attacking it, translate his ideas into action, incorporate new information as it arises and carry his plans though the results. It highlights a sort of total managerial action in contrast to things managers customarily factor out as conceptual entities- such as planning, function etc. Leadership will often be improved by this emphasis on the whole managerial job.

Satisfied with their own performance

After analyzing the data, it was observed that 85% of the senior production officers at BEL Ghaziabad are satisfied with their own performance.
Factors responsible for dissatisfaction among the remaining 15% needs be identified and remedial measures be taken instead of being winked out. This implies that satisfaction level has to be increased among senior production officers.

**Process of Performance Appraisal System**

The performance dimensions are several, such as, duties, responsibilities, behavior, traits etc. For each, the relevant dimension and sub dimension standards will have to be fixed based on past performance, industrial engineering principles, etc. Performance appraisal involves 2 parties - The appraiser and the appraisee. Proper appreciation of the mutuality and reciprocity in the roles is vital for clarity about the concept of performance. The following table shows what the appraisee and the appraiser want in this exercise.
<table>
<thead>
<tr>
<th>Appraisee's Expectations</th>
<th>Appraiser should</th>
</tr>
</thead>
<tbody>
<tr>
<td>To know what his duties and responsibilities are</td>
<td>Prepare job descriptions</td>
</tr>
<tr>
<td>To know what is expected of him and whether the expectations</td>
<td>Facilitates appraisee to set objectives</td>
</tr>
<tr>
<td>To know the procedure of doing task</td>
<td>Analyze results with appraise</td>
</tr>
<tr>
<td>To get help, if needed.</td>
<td>Advice, guide and direct</td>
</tr>
<tr>
<td>Rewards according to performance</td>
<td>Reward for good results</td>
</tr>
</tbody>
</table>

Performance appraisal is planned, developed and implemented through the following series of steps:

(a) Job Analysis comprising Job description & job specification
(b) Establishing Standards of performance
(c) Communicating performance standards to employees
(d) Measuring Actual performance

**Performance measures may be objective or subjective.**

Objective performance measures which are usually quantitative include Quality of production, Degree of training needed, Accidents in a given period, Absenteeism, Length of service, etc.

Subjective performance measures based on the personal opinions of those doing the evaluation include Rating by supervisor, Knowledge about overall goals, Contribution to social-cultural values of the environment etc.

(e) Comparing actual performance against established standards
(f) Initiating corrective action if any or rewarding the employee
At BEL Ghaziabad awareness of the techniques and method of Performance Appraisal is good enough. Some three forth (72% to be exact) were found fully aware of this factor (vide Fig. 4.4)

**Performance Appraisal Techniques/Methods**

Awareness of Technique of Performance Appraisal among employees

![Chart showing Yes and No responses](image)

**Fig. 4.3**

A number of different performance appraisal methods or techniques traditional or modern are available for evaluating the performance of employees. In many cases it could be a mixed bag i.e. a combination of different methods of appraisal as no method is foolproof and could be applied to all kinds of employees and in all situations. These methods can broadly be divided into traditional and modern methods:
Performance Appraisal Techniques

Traditional Method
- Grading or Ranking
- Paired comparison
- Forced choice
- Unstructured
- Checklist
- Weighted check list
- Free Essay
- Critical Incident
- Field Review
- Confidential Report

Modern Method
- Behaviorally Anchored Rating Scale (BARS)
- Management by objective (MBO)
- Assessment centre
- Human Resource Accounting
- Psychological Appraisal
- 360 Degree Appraisal

Despite modern techniques the utility of traditional method (though limited) can not be ignored and should be used as support to modern techniques in use. A judicious implementation of the formal appraisal process can facilitate mutual understanding between employees and their supervisors and create a wholesome, supportive, encouraging atmosphere.

Who should be the appraisal maker? The response has been as follows:

<table>
<thead>
<tr>
<th>Options</th>
<th>Response %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Superior</td>
<td>24</td>
</tr>
<tr>
<td>Peer</td>
<td>0</td>
</tr>
<tr>
<td>Subordinate</td>
<td>0</td>
</tr>
<tr>
<td>Self Appraisal</td>
<td>8</td>
</tr>
<tr>
<td>Consultant</td>
<td>4</td>
</tr>
<tr>
<td>All of the above</td>
<td>48</td>
</tr>
<tr>
<td>Superior + Peer</td>
<td>16</td>
</tr>
</tbody>
</table>
Appraisals aid decision-making for promotions and transfers. Systematic assessments of an employee over a period of time by a number of supervisors help to make the process reasonable and sound. Such decisions would naturally have to give due consideration to the requirements of both the firm and the employee.

**Compensation, Reward, and Punishments**

Performance appraisal results provide a basis for decisions regarding compensation, rewards, and punishments. Employees who receive favorable evaluations tend to receive organizational rewards, such as merit pay increases, incentives, higher commission, better pay scales, increments, etc., while those with unfavorable evaluations receive organizational censure, warnings, delayed promotions, demotions, etc. The objective of linking pay and other personnel decisions to performance is to motivate rewards and disincentives to performance is far more difficult than it sounds. Firstly, performance must be accurately and openly assessed. Secondly, the rewards offered must be truly valued by employees and finally, the organization's performance-based system must be viewed by employees, as both fair and fairly administered. Truly unpleasant consequences can follow if
employees believe the system to be irrational, biased or a means of distributing favors by supervisors and managers.

Employees' response towards their appraisal as BEL Ghaziabad was found positive in 68% cases and negative in the remaining 32% cases.

![Fig. 4.5]

Validation of HR Programmes

Performance appraisal data are a useful tool for evaluating the effectiveness of human resource management programmes. Appraisals can be performed before and after an intervention to measure the validity of assumptions or anticipated changes. For example, the accuracy of the selection process and the scores and marks awarded therein can be tested by comparing them to the appraisal data of selected candidates after a suitable period. Have those rated high at the time of entry, performed consistently at high levels? Again, an indication of the worth of a training programme can be derived by an analysis of employee performance after completion of the course.
Assessing Employee Potential

This is one of the really 'grey' areas of performance appraisal. Past performance is not an infallible or dependable criteria in a higher level or different position. An outstanding receptionist may well be a total failure as a PRO (Public Relations Officer) and a fine technician may not prove to be a good shop floor supervisor.

To determine a person's potential for taking on greater job responsibilities and for advancement, requires a great deal of knowledge and skill on the part of the appraiser. On the one hand, the demands of the individual's present job may not give him an opportunity to demonstrate the full range of his abilities. On the other hand, those qualities that make him outstanding in his present assignment may not be the ones that will be the key requirements when he is elevated to a higher position.

It is important, therefore, for managers to differentiate between the current performance and the potential performance (promo ability) of subordinates. Many persons grow and develop as they move upward. They respond unexpectedly well to larger responsibilities and new challenges. In fact, the promotion to a higher position may in itself be the spur required to motivate and urge the employee to prove himself in his new assignment. Hence, for the superior, when assessing performance, it is important to apply his mind to the identification of potential for growth and rise.

As with, incentives, raises, promotions and transfers, so also with separations, terminations and downsizing. There are persons in every organization, who despite everything, perform badly over long periods of time and in the due course their
services become a 'drag' on the firm. Performance appraisals help to establish a clear track record of poor performance and lend credibility and rationale to the separation or termination decision when it comes.

4.1 Study of various points included in the Appraisal Proforma

Validity

A good performance appraisal system to be valid must be relevant implies that there must be clear links between the performance standards for a particular job and an organization's goals. Also, there must be clear links between the critical job elements which have been identified through job analysis. A relevant measure assesses aspects of performance that are truly important in determining job effectiveness.

Moreover it should measure all the important aspects of performance. Take the case of a guard on duty. His appraisal would need to include the smartness of his turnout as well as his alertness and agility.

Reliability

In the context of performance appraisal, reliability refers to the consistency of judgment. This has two aspects:

(i) For a particular employee, reliability is enhanced when independent raters evaluate him more or less similarly. This is especially so when such raters are at about the same level in the
organization. Of course, if assessment is by different levels, say supervisors, peers or subordinates, then perceptions would, in all probability, differ widely.

(8) Secondly, for data to be reliable, the rater must have had adequate opportunity of observing the employee’s functions, actions, demeanor, work output, etc., as well as the conditions under which he or she has performed. Otherwise, if observance has been occasional, intermittent, periodic or inadequate, the rater would not be familiar with the employee’s performance and the data generated would not be reliable.

Sensitivity

What is implied here is that an evaluation and assessment system must be capable of making a clear distinction between effective and ineffective performances.

Rating Scales

This is one of the oldest and most widely used evaluation techniques. In this technique, the appraiser, who is usually the supervisor, is supplied with a printed form, one for each person to be rated. For lower level employees, typical qualities rated are quantity and quality of work, job knowledge, cooperativeness, dependability, initiative, industriousness, willingness to accept responsibility and attitude. For managerial personnel, the attributes included are analytical ability, judgment, leadership, communication skills, creative ability,
initiative, knowledge of work, imagination, interpersonal skills, planning and conceptualizing abilities.

Many different forms of rating scales exist. A portion of one such scale is shown below in Fig. 4.1 above.

<table>
<thead>
<tr>
<th>RATING FACTORS</th>
<th>LEVEL OF PERFORMANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>UNSATISFACTORY</td>
</tr>
<tr>
<td></td>
<td>CONDITIONAL</td>
</tr>
<tr>
<td></td>
<td>SATISFACTORY</td>
</tr>
<tr>
<td></td>
<td>ABOVE SATISFACTORY</td>
</tr>
<tr>
<td></td>
<td>OUTSTANDING</td>
</tr>
<tr>
<td>ATTENDANCE</td>
<td></td>
</tr>
<tr>
<td>APPEARANCE</td>
<td></td>
</tr>
<tr>
<td>DEPENDABILITY</td>
<td></td>
</tr>
<tr>
<td>QUALITY OF WORK</td>
<td></td>
</tr>
<tr>
<td>QUALITY OF WORK</td>
<td></td>
</tr>
<tr>
<td>RELATIONSHIP WITH PEOPLE</td>
<td></td>
</tr>
<tr>
<td>JOB KNOWLEDGE</td>
<td></td>
</tr>
</tbody>
</table>

Table 4.2


Rating scales can be continuous wherein the evaluator places a mark somewhere along a numbered line or they can have distinct steps or boxes from unsatisfactory/poor to excellent/outstanding (as in Table 4.1). Scale points can be assigned scores ranging from say 5 points for outstanding to 0 points for poor and a total score for each employee computed. If some characteristics are considered particularly important, the rating on these attributes can be assigned "weights" before the total is calculated.

The advantages of rating scales are numerous. Though they do not provide the depth of they are less time-consuming to develop and administer. Some firms provide space for the rater to comment on the
evaluation given for each characteristic. This prevents arbitrary and hastily made judgments. The simplicity of rating scales also permits easy comprehension, eliminates the requirement of detailed training for raters and allows many employees to be rated quickly. Again, in these scales, more than one performance dimension can be included; this method is generally well accepted by raters; the results can be expressed in quantitative terms, and since the scales are standardized, comparisons across sections and departments can be made. If properly developed for relevance and clarity, rating scales can be just as relevant and valid as more complicated techniques.

As for the shortcomings, the traits indicated such as judgment, attitude, dependability, etc. are, after all subjective. Also, this method is subject to all the rating errors, i.e., leniency, severity, central tendency and halo.

Behaviorally Anchored Rating Scales (BARS)

This approach starts with a rating scale like those described earlier, but it uses critical incidents to provide "anchors" which means 'examples' for different points on the rating scale. These examples or anchors make the rating scale more job-specific rather than trait-oriented and consequently, it is hoped, less subjective and less error-prone.

The steps involved in developing a BARS are:

1. Supervisors identify performance dimensions, i.e., categories of activities that make up the job.
2. They then write a set of critical incidents for each job dimension.
3. An independent group of supervisors categorizes the critical incidents into the respective job dimensions and then rates each incident along a favorable/unfavorable performance scale.

4. Those incidents that are regularly categorized in particular dimensions are kept, the rest are discarded. After the dimension-wise categorization, scales are constructed for each dimension. These scales are then provided with anchors or examples of incidents showing good or bad performance.

4.2 STUDY OF PERFORMANCE APPRAISAL TECHNIQUES WITH REGARD TO RANK AND FILE EMPLOYEES.

The important reasons or benefits, which justify the existence of such a system of performance appraisal are quite obvious.

(1) It helps the supervisor to evaluate the performance of his employees systematically and periodically. It also helps to assign that work to individuals for which they are best suited.

(2) Performance rating helps in guiding and correction of employees. The supervisor may use the results of rating for the purpose of constructively guiding employees in the efficient performance of work.

(3) The ability of the staff is recognized and can be adequately rewarded by giving them special increments.

(4) Performance appraisal can be used as a basis of sound personnel policy in relation to transfers and promotions. If the performance of an employee is better than others, he can be
recommended for promotion, but if a person is not doing well in a job, he may be transferred to some other job.

(5) Ratings can be used to evaluate the effectiveness of training programmes. Merit rating reveals weaknesses of employees and the training programmes can be modified accordingly.

(6) Performance appraisal provides an incentive to the employees to better their performance in a bid to improve their rating over other.

(7) Systematic appraisals will prevent grievances and develop confidence amongst the employees if they are convinced of the impartial basis of evaluation. The record of merit rating is available in permanent form to protect the management against subsequent charges of discrimination, which might be leveled by the trade union leader.

Performance Appraisal has a beneficial effect on both the person doing the appraisal and being appraised. The appraisal brings prominently to the attention of supervisors or executives the importance of knowing their subordinates as human beings. The necessity of performance appraisal leads the appraiser to a thoughtful analysis of people rated and tends to make him more alive to opportunities and responsibilities in developing the subordinates. That is why an overwhelming number of respondents (92%) were found in favour of continuous appraisal.
Employees perception towards frequency of appraisal

<table>
<thead>
<tr>
<th>Options</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Once during the service period</td>
<td>2</td>
</tr>
<tr>
<td>Continuous</td>
<td>92</td>
</tr>
<tr>
<td>Never</td>
<td>0</td>
</tr>
<tr>
<td>Can't Say</td>
<td>6</td>
</tr>
</tbody>
</table>

Fig. 4.6

**Methods of Appraisal**

Methods of merit rating may be classified as:

1. Traditional and
2. Modern

1. **Traditional Methods**

Traditional methods are very old technique of performance appraisal. They are based on trait-oriented appraisal. Evaluation of employees is done on the basis of standers of personal traits
or qualities such as attitudes, judgment, versatility, initiative, dependability, leadership, loyalty, punctuality, knowledge of job, etc.

There are **seven traditional methods** of appraisal. They are:

- Unstructured appraisal.
- Employee ranking.
- Forced distribution.
- Graphic - rating scales.
- Check - lists.
- Critical incidents.
- Field review.

**Unstructured Appraisal**

Under this, the appraiser is required to write down his impression about the person being appraised in an unstructured way. However, in some organizations, comments are required to be grouped under specific headings such as quality of job performance, reasons for specific job behaviors, personality traits, and development needs.

This system is highly subjective and has its merit in its simplicity and is still in use especially in the small firms.

**Ranking Method:**

Ranking is a simple process of placing in a rank according to their job performance. It permits comparison of all employees in any single rating group regardless of type of work. All workers are judged on the same factors and they are rated on the
overall basis with reference to their job performance instead of individual assessment of traits. In this way, the best in placed first in the rank and the poorest occupies the last rank. The difficulty of this system is that the rater is ranked to consider a whole person. Subjectively of the appraiser may enter into his judgment. Asking the appraiser to rank employees on certain desirable traits can reduce the subjectiveness in this method. The other difficulty with this method is that it does not indicate the degree of difference between the first man and the second man, and so on.

Paired comparison is an improvement over simple ranking. Under this, every employee in a job family is compared with every other employee to determine which the better worker is. The rater is provided with a little booklet containing two names on each page. Obviously the number of rank order would be \( n(n-1)/2 \), where \( n \) is the total number of persons to be compared. In this way, every employee is compared with every other employee in the same job family. The paired comparison gives a more reliable rating than the order of ranks although this system is more tedious to construct and use. It cannot be used for periodic employee's ratings, as it does not make evaluation of any improvement in the employees that might have been over a period of time.

**Forced Distribution Method:**

Some appraisers suffer from a constant error, i.e., they either rate all workers as excellent, average or poor. They fail to evaluate the poor, average or excellent employees clearly. The forced distribution system is devised to force the appraiser to fit the employees being appraised into predetermined ranges of
scales. It has an advantage over the paired comparison system in that two or more employees can be given equal ratings. This system is based on the presumption that employees can be divided into five points scale of outstanding, above average, average below average and poor. In this system, the appraiser is asked to distribute the employees into these categories in such a way that about 10% of the men are in group 'outstanding', 20% 'above average', 40% 'average', and 10% 'poor'.

✦ Graphic Rating Scales:

Under this method, scales are established for a number of specific factors and qualities. Five degree are established for each factor and general definitions appear at points along the scale. Generally, the rater is supplied with a printed form, one for each person to be rated. The selection of factors to be measured on the graphic rating scale is an important point under this system.

There are two types:

1. Characteristics, such as initiative and dependability, and

2. Contributions, such as quality and quantity of work.

Since certain area of job performance cannot be objective measured, it is likely that graphic scales will continue to use a mixture of both characteristics and contributions.

Graphic scales impose a heavy burden upon the supervisor. He must report and evaluate the performance of his
subordinate on scales involving as many as five degree on perhaps ten different factors. The main drawback of this system is that the rater may be biased. However, one means of ensuring that the rater has based his scoring upon substantial evidence is to leave space on the form after each factor and require him to explain the reason for his rating. In effect, he is asked to give example of the rate's behavior that justifies the assigned rating. A supervisor may tend to rate him men high to avoid criticism from them.

- **Check Lists:**

   It also consists of two techniques:

   (a) Weighted check list, and
   (b) Forced choice.

(a) **Weighted Check List:**

Under this method, various statements are prepared in such a manner that they describe various types and levels of behavior for a particular job. Each statement is attached with a scale value. At the time of rating the employees, the supervisor just collects and checks all the statement. After the weights and values are attached to the individual traits, the rating up to this level is gathered on the rating sheet. Then the weights are averaged and employee is evaluated. The weighted check - the persons thoroughly acquainted with job and perfect at preparing and weighing statements should prepare list. When this process is over, rating is placed on separate cards. Then raters who actually observed the
accomplishment of the work sort these cards. They rank the employee from poor to excellent. Weights are then assigned to the statements in accordance with the way they are ranked by the raters.

(b) Forced Choice:

This method is used particularly with the objective of avoiding scope for personal prejudices. Under this method, the rater is forced to choose between descriptive statements of seemingly equal worth describing the person in question. Statements are chosen of both the side (favorable as well as unfavorable).

Critical Incident Method:

This method requires every supervisor to record all such significant incidents in each employee’s behavior, which indicate effective or successful action and those, which indicate ineffective or poor behavior. These are recorded in a specially designed notebook, which contains categories or characteristics under which various behaviors can be recorded. Examples of such type of job requirements of worker are judgment, learning ability, productivity, dependability, accuracy of work, responsibility and initiative. Daily recording of these items seems to be essential because, otherwise, the supervisor may forget the incidents with his subordinates.

Under the critical incident method, the supervisor is supposed to refrain from passing overall judgments and
concentrate upon discussing facts as he sees them. Theoretically, this should provide a sound and an objective basis for appraisal of performance of an employee. The critical incident method is not a rating method, as it requires the supervisor to pay close attention to what an employee is doing.

Field Review Method:

Under this method, an expert from the personnel department interviews the supervisors. The expert questions the supervisor to obtain all the pertinent information on each employee and takes notes his notebook. Thus, there is no rating from with factors or degrees, but overall ratings are obtained. The workers are usually classified into three categories as outstanding, satisfactory and unsatisfactory. The interviewer question the supervisor about the requirements of each job in his unit and about the performance of each man in his job. He probes to find out only how a man is doing but also why he does that way and what can be done to improve or develop him. The supervisor is required to give his opinion about the progress of his subordinates, the level of performance of each subordinated, his weaknesses, good points, outstanding ability, promotion ability, and the possible plans of action in cases requiring further consideration. The questions are asked and answered verbally.

Criticism of Traditional Methods:

The general criticism of traditional performance appraisal systems is that they are too subjective in nature because all
of them are on personal judgment of the rater. The personal judgment is always subjected to personal bias or prejudice as well as pressure from certain other areas. The appraiser may not be able to judge the competence of the employees because of lack of training. Because of the judgment role of the supervisors under the traditional system, performance ratings are frequently subject to a number of errors and weaknesses, which modern methodology tends to tide over.

(2) **Modern methods**

There are two important methods of performance appraisal, prevalent in the modern concerns including BEL namely management by objectives, which represents result-oriented appraisal and behaviorally anchored rating scale, based on the behavior of the subordinates.

✧ **Management by objectives:**

It was Peter Drucker who proposed goal setting approach to performance appraisal, which he called "management by objectives and self-control". Doughlas Mc. Gregor further strengthened this approach. He was concerned with the fact that most traditional appraisal systems involved rating of traits and personal qualities that he felt were highly unreliable. However, the use of such trait ratings produced two main difficulties:

(a) The manager was uncomfortable about using them and resisted making appraisal.

(b) It had a damaging effect on the motivation and development of the subordinates.
Goal setting approach or "management by objectives" (MBO) is the same as behavioral approach to subordinate appraisal, actually called "Work planning and review". Under this approach, an employee is not appraised by his recognizable traits, but by his performance with respect to the agreed goals or objectives. Thus, the essential feature of this approach is mutual establishment of job goals. The application of goal setting approach to performance appraisal involves the following steps:

1. The subordinate discusses his job descriptions with his superior and they agree on the contents of his job and the key results areas.

2. The subordinate prepares a list of reasonable objectives for the coming period of six to twelve months.

3. He sits with his superior to discuss the set targets and plans, and a final set is worked out.

4. Check-points are established for the evaluation of progress, and the ways of measuring progress are selected.

5. The superior and the subordinate meet at the end of the period to discuss the result of the subordinate's efforts to meet the targets mutually established.

The goal setting approach is based on clear and time bound objectives from the corporate level to the operative level. It leads to greater satisfaction, greater agreement, greater comfort and less tension and hostility between the workers and the management. It is problem-solving approach rather than tell and sell approach. This approach has also got a built-in device of self-appraisal by the subordinates because they know their
goals and the standards by which their performance will be measured.

This can be said against this approach that it is appropriate for the appraisal of executives and supervisory personnel who can understand it in a better way. Operative workers may not understand this approach and moreover, a vast majority of them do not want to take initiative in setting their own goals.

**Behaviorally Anchored Rating Scales**

Behaviorally Anchored Rating Scales (BARS) are designed to identify the critical areas of performance for a job, and to describe the more effective and less effective job behavior for getting results. Performance is evaluated by asking the rater to record specific observable job behaviors of an employee and then to compare these observations with a "behaviorally anchored rating scale". As a result, the supervisor is in a position to compare the employee's actual behavior with the behavior that has been previously determined to be more or less effective.

Proponents of BARS claim many advantages of this approach. They argue that such a system differentiates among behavior, performance, and results, and consequently is able to provide a basis for setting developmental goals for the employee. Because it is job-specific and identifies observable measurable behavior, it is a more reliable and valid method for performance appraisal!
After theoretical discussion, let us see how things are working at BEL Ghaziabad. As has been hinted earlier also, BEL's approach in respect of performance appraisal is not rigid. It is confined neither to the old traditional approach nor to the much touted modern methodology. It is a pragmatic and judicious mix of both. The emphasis is on performance. Ideally appraisal should not ill affect performance and productivity. Old techniques may not suffice to do justice in the work of appraisal in hand but nor are they dead wood. In many a situation they do yield results prove and a useful ally of modern methodology which has got to be adopted in today's industrial scenario.

4.3 STUDY OF PERFORMANCE APPRAISAL OF MANAGEMENT AT BEL

Relationship between Employee & the company (BEL Ghaziabad). The Company are quite satisfactory as is clear from the ensuing figure.

<table>
<thead>
<tr>
<th>Relationship</th>
<th>Respondent %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent</td>
<td>23</td>
</tr>
<tr>
<td>Very Good</td>
<td>47</td>
</tr>
<tr>
<td>Typical</td>
<td>13</td>
</tr>
<tr>
<td>Fair</td>
<td>10</td>
</tr>
<tr>
<td>Poor</td>
<td>7</td>
</tr>
</tbody>
</table>

As per figure 4.7 shows that 23% people have excellent relations whereas 47% people have the very good relations while 13% & 10% have typical & fair relations respectively. The diagram shows that in 7% cases the relations are poor.
Performance appraisal means systematic evaluation of the personality and performance of each employee by his supervisor or some other person trained in the techniques of merit rating by it employing various rating techniques. To quote Dale Yoder, "performance appraisal includes all formal procedures used to evaluate personalities and contribution and potential of group members in a working organization. It is a continuous process to secure information necessary for making correct and objective decisions on employees." The comparison of performance with job requirements helps in finding out the merit of individual employees.

Generally, the individual's immediate superior in the organization and whose performance is reviewed in turn by his superior does the evaluation.

4.4 Limitations of Performance Appraisal

Problems inherent in performance appraisal may be listed thus:
Halo Error:

Halo Error which occurs when the rater allows one aspect of a man's character or performance to influence his entire evaluation. The rating scale technique of performance appraisal is particularly susceptible to the halo supervisor judge all of his subordinates on a single factor or trait before moving to the next.

Central Tendency:

This error occurs when the rater is in doubt about the subordinates or has inadequate information about them or is giving less attention and effort to the rating process. Because of these reasons, generally the raters are reluctant to rate people at the outer ends of the scale.

Leniency or Strictness:

Some supervisors have a tendency to be easy raters and others have a tendency to be harsh in their ratings. Both the trends can arise from different interpretations of what they observe in employee performance.

Recent Behavior Bias:

Often some raters evaluate persons on the basis of their performance in recent few weeks; average behavior is not checked. Some employees being aware of this tendency show better results when they feel that they are being observed and the report of their performance is to be compiled soon.
\textbf{Miscellaneous Biases:}

In many cases, the rater may give higher ratings because he thinks that it would look bad for him if employees in the other department received higher pay increases than his pay. Some supervisors show bias against members of the opposite sex or of another caste, religion or nationality. They also give higher ratings to senior employees because they are too ready to admit that they have not improved under their leadership. Many a times, a rater is influenced by organizational positions and may give higher ratings to those holding higher positions, so on and so forth.

In short performance appraisal may not yield the desired results because of the following deficiencies:

1. If the factor included in the assessment is irrelevant, the result of merit rating will not be accurate.

2. Different qualities to be rated may not be given proper weight age certain in cases.

3. Some of the factors are highly subjective like initiative and personality of the employees; so the actual rating may not be on scientific lines.

4. Supervisors often do not have critical ability in assessing the staff. Sometimes, they are guided by their personal emotions and likes. So the ratings are likely to be biased.

It will be too tall a claim to make that such an appraisal is foolproof. However meticulously it is made, there is always room for judgmental arrear. It should not be imposed upon the appraisees
without giving them a fair chance to protest and claim redressal. So there should be adequate and fair chance provided to defend against adverse entries in appraisal.

After analyzing the data, the results show that 67% of the senior production officer feel that they are provided with a chance to defend themselves against adverse entries in their appraisal whereas 33% deny it.

![Pie Chart](image)

**Fig. 4.8**

This shows that there is lack of adequate chances provided to defend against adverse entries in appraisal.

Similarly in respect of the periodicity of appraisal there was observed disparity of opinion among the staff of BEL Ghaziabad.
About the gap between the two appraisals, the response was as under

<table>
<thead>
<tr>
<th>Options</th>
<th>Response %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quarterly</td>
<td>20</td>
</tr>
<tr>
<td>Half Yearly</td>
<td>44</td>
</tr>
<tr>
<td>Yearly</td>
<td>36</td>
</tr>
</tbody>
</table>

Fig. 4.9

CONCLUSION

After collecting the information from the senior production officers with the help of personal discussion, filling the questionnaire and analyzing the data. The researcher arrived at the following conclusions –

In BEL Ghazipur (as in other units of BEL) performance appraisal is conducted annually. Under this process, a self-appraisal form has been given and senior production officers have to fill that form which throws light on their basic achievements during the past accounting year.
After that the immediate boss who has been observing the immediate subordinate throughout the year rates him according to the self appraisal form filled and personal observations under the following heads :-

1) Quality of work.
2) Quantity of work.
3) Job knowledge.
4) Dependability.
5) Innovation and creativity.
6) Ability to learn.
7) Attendance.
8) Reactions to criticism.
9) Discipline.
10) Customer relations.
11) Subordinate development.

The rating given is confidential and out of the knowledge of their subordinates. Accordingly, promotions and incentives are granted to the deserving ones.

Rating given to the senior production officers is done confidentially and whatever information has been filled in the self-appraisal form is not cross-questioned.

The sole objective for taking part in performance appraisal of Senior Production Officers in BEL is to be awarded with promotions and incentives but the basic reason why performance appraisal is conducted is to develop the performance and attitude.

Senior Production Officer of BEL Ghaziabad follow the procedure of performance appraisal given by the senior managers because they
are generally status quoists and have little time or inclination for innovation or creativity.