"Personnel management is an extension of general management that of prompting and stimulating every employee to make his fullest contribution to the purpose of a business".

----- Northcott

**PERFORMANCE APPRAISAL PROCEDURES AND PRACTICES**
PERFORMANCE APPRAISAL PROCEDURES
AND PRACTICES

Formal performance appraisals are conducted yearly for every employee. Semianual or quarterly reviews are recommended to foster better communication between supervisors and employees in assessing progress, jointly developing new plans and objectives, and clarifying expectations for the coming year. Employees who have been under the direction of more than one supervisor during the performance review period (for example, an employee who transferred from one department to another) may be evaluated by both the previous and current supervisors. The current supervisor, however, has the primary responsibility for completing the appraisal form. New employees are in an introductory period for 6 months from their hire date if they are classified staff, or 12 months from their hire date if they are professional staff. At the end of that period, the employee’s job performance will be reviewed through the formal performance appraisal process.

In order to effectively administer the performance appraisal process, it is imperative that employees understand their job expectations and the way in which those expectations relate to the performance indicators outlined. This can be accomplished through direct, ongoing communication between supervisor and subordinate. Performance expectations should be communicated at the beginning of the review period and reinforced periodically during that period. Additionally, it is encouraged that the supervisor review the performance indicators used in the appraisal process and the way in which they relate to job expectations. In this way, the employee will have an ongoing perception of the level of performance he or she is delivering and the basis upon which that performance will be rated1. This will avoid the ‘surprise’ factor often associated with a performance appraisal process.

There are no standard time intervals established as to when or how frequently the ongoing communication relative to expectations should occur. This can be influenced by several factors including the level and type of job, the nature of the work performed, etc. However, it is encouraged that discussions regarding performance expectations occur as a minimum at the beginning of the review period and at least one other time during the review period. The performance evaluation interview often presents an ideal time to discuss future expectations as well as past performance.

4.1 Characteristics

In pursuing to explain the selected organizations in the current context, it could also be useful in highlighting the characteristics that should entail in the effective implementation of an appraisal system in another country. In this regard, the U.S. Office of Personnel Management has suggested a list of characteristics as providing a frame of reference for effective performance appraisal systems for federal employees. They are:

- Performance is measured against established comprehensive standards that are written in a clear and explicit style and communicated to the employee at entry on the job and at the beginning of the appraisal period.

- Performance appraisal information is used for specific purposes, e.g., to determine developmental needs, awards, and retention and not for vague abstract reasons, such as appraisal for promotion potential unrelated to a particular type of job.

- Appraisal criteria and techniques are appropriate to the specific purposes for which the appraisal is being done.

- The information produced is useful for work-related decisions.

- Data are objective, reliable, and valid as possible.

---

• Instruments for performance review and appraisal are easy for the participants to understand and use.

• Supervisors are appraised in terms of how competently they perform their supervisory duties.

• Employees are kept informed about methods and purposes of appraisals.

• A process exists which allows for impartial resolution of complaints and review.

• Employees are promptly notified in writing and preferably orally, too, of the results of their performance appraisal. To prevent misunderstanding about whether the appraisal was given or what the appraisal contained, each employee is asked to indicate by signature and date, the receipt of the appraisal.

• Employees' performance appraisals are kept update.

• There is no attempt to satisfy all the management purposes of the appraisal at a single annual discussion of performance. Systems provide additional opportunity for supervisors and employees to discuss, improve, and plan for job performance.

• Employees are informed about steps the agency will follow in using appraisal information to make decisions to reward, promote, reassign, train or demote employees.

The need for establishing Performance Appraisal Procedures and Practices have been felt for several years in the sample industries, i.e., BHEL, ECIL, DRLL and GOCL. This performance appraisal system was used for the following purposes.

• To determine salary increment;

• To determine the suitability and eligibility for promotion;

• To identify and plan training needs;

• To determine suitability of placement of an officer and career development relevant to the potential, abilities and talents; and
To improve and upgrade the officer's performance and motivation through counseling.

This study has examined the performance appraisal processes in four organizations operating in high velocity conditions. The objectives of the formal performance management systems in the four sample organizations (two public sector & two private sector), and their design, were largely similar. Despite differences in organizational context and sector, performance management was being used to provide vertical linkage between corporate and business objectives and employee goal setting and evaluation, and to provide horizontal integration – the fit between goals, evaluation, and the outcomes on development and pay. The Table-4.1 shows the difference between former PMS (Performance Management System) elements and new PMS elements.

Table 4.1: Performance Management Practices

<table>
<thead>
<tr>
<th></th>
<th>Former PMS elements</th>
<th>New PMS elements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal Setting</td>
<td>Participation, revenue driven, moderate revocability, individual and team targets.</td>
<td>Participation, competency driven-balanced scorecard, high revocability.</td>
</tr>
<tr>
<td>Performance evaluation</td>
<td>Formal appraisal, bureaucratic-output manager input only; participative, strong informal feedback.</td>
<td>Talent inventory-behaviour and output driven, 360-degree assessment; strong process remain</td>
</tr>
<tr>
<td>Rewards</td>
<td>High external equity, decentralized pay decision- allows flexibility on local pay; concerns over internal and individual equity.</td>
<td>Rewards based on balanced scorecard; concerns remain over internal and individual equity.</td>
</tr>
<tr>
<td>Training and development</td>
<td>Strong formal programmes on-the-job training prominent.</td>
<td>Formal programmes supplemented by mentoring and coaching; focus on self-development and learning.</td>
</tr>
</tbody>
</table>

4.2 BHEL

Given the interdependent nature of many of the jobs, appraisal as a formal process is conducted through multiple perspectives, typically 360 degree, so that the full scope of
an employee’s work can be judged. Just as important is the confidence on informal feedback processes to maintain monitoring and motivation as employees encounter new situations and problems. The performance review has been split from the pay review in all cases, which has brought greater openness in the appraisal, though the link of performance to pay remains a major concern among employees. The Table-4.2 shows the performance management practices in Bharat Heavy Electricals Limited (BHEL).

**Table-4.2: Performance Management Practices in BHEL**

<table>
<thead>
<tr>
<th>Former PMS elements</th>
<th>New PMS elements</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Goal Setting</strong></td>
<td>MBO remains; individual and team target set; high participation, increasing re-visibility; short-term target dominant.</td>
</tr>
<tr>
<td>Management by Objectives (MBO); clear output targets, behavioural restraints; moderate participation, moderate re-visibility.</td>
<td>Basic approached remain the same; ranking system reassessed in light of perceived unfairness but remains in place.</td>
</tr>
<tr>
<td><strong>Performance evaluation</strong></td>
<td></td>
</tr>
<tr>
<td>Assessed against business fundamental – hard and soft targets; formal performance evaluations linked to relative ranking system; constant informal appraisal; multiple inputs to evaluation; strong employee voice.</td>
<td></td>
</tr>
<tr>
<td><strong>Rewards</strong></td>
<td></td>
</tr>
<tr>
<td>External equity high; internal and individual problematic; individual and team rewards.</td>
<td>External equity slipping; single status under pressure from continuing internal equity problem.</td>
</tr>
<tr>
<td><strong>Training and development</strong></td>
<td></td>
</tr>
<tr>
<td>Menu-based training; personal development plans</td>
<td>Move to internal consultancy model; function working as ‘business partner’; still has mandatory programmes, but more emphasis on consultancy and tailored development plans; coaching and counselling increasing; ‘lifelong learning’.</td>
</tr>
</tbody>
</table>

Performance appraisal in BHEL is termed as ‘Merit Rating’. The system of merit rating or writing up confidential reports’ came into being right from the inception of the

\[ RS \ 380,145,66 \]

\[ 3 \times 18 \]

\[ \text{91} \]
organization. The 9th Policy as laid down by the Personnel & Administration Department states that “The Company recognizes individual accomplishment on the job by way of awarding merit certificates, merit salary increases, rewards, accelerated promotions or presenting gifts on ceremonial occasions”. The specific needs and requirements are taken into consideration while designing the performance appraisal system. The system underwent a number of changes ever since its introduction. The following changes are effected into the system:

- Until 1995, January the ‘Executive Probationers’ form used to be exactly in the form of the ‘evaluation report’ meant for executives. Later a separate merit rating form for executives undergoing probation was introduced.

- The assessment year even in case of Executives had been a calendar year till 1994. With effect from 22-06-1994, the assessment year was changed to the financial year and a new proforma was introduced for the Executives.

- The structural change effected in the organization includes certain changes at the levels of reviewing, senior reviewing and accepting authority in the approved procedure. In the revised tabulation, the Divisional Head was made the Senior Reviewing Officer or Accepting Authority in the place of General Manager. It is also suggested that at the level of initiating, if an incumbent nominated for the purpose is not available, the Officer next above the level of the ‘Officer reported upon’ can initiate the Annual/Probation Assessment Report. The revision of levels of Initiating Officer (IO), Senior Reviewing Officers (SRO) and Accepting Officer (AO) came into effect from 23rd February 1977.

By a circular dated 15-10-1991, it was decided to discontinue maintenance of Merit Rating Form (MRF) to all employees in the grades of Rs.4800-130-5190 and Rs.6500-230-7190. Though, for declaration of successful completion of probation of the candidates, the Personnel Departments will obtain specific recommendations from the departments concerned before issue of orders. The rationale underlying this action is that, the experience of the Company has shown that it is not essential to maintain MRF for the employees in the above-specified scales, since the promotion from these cadres to the
higher cadres is based mainly on one Trade Test given to the individuals. Many other public sector undertakings are not maintaining confidential reports for this category of employees.

A circular dated 20th August 1996 has been issued to the effect that the Evaluation Reports shall be maintained for all employees in the grades of Rs.8600-350-14600 and Rs.13750-550-18300 from the calendar year, 1996. Until 1996, these reports were being maintained only for persons working in skilled grades and above. Another circular dated 6-10-2000, the following amendments to ‘General Instructions’ for filling up the Merit Rating Forms of Executives’ were made.

- For grading below 5, specific reasons must be indicated; and

- For a grading above 7, specific achievements in the year should be briefly indicated.

Moreover, the employees have been divided into three categories for the purpose of merit rating, viz., skilled workers, technical and non-technical staff and executives. The evaluation reports or MRF have also been designed differently in accordance with the nature of work performed by the persons concerned. The purpose of Evaluation Report is to assess a person’s ability, potentiality and integrity. Points will be allotted to various relevant factors like – performance, attendance, conduct, safety, care of tools, initiative and drive, executive capacity and leadership. For the skilled workers, technical and non-technical staff maximum points are given based on their performance. In the case of executives job knowledge, effectives and personal qualities have been allotted maximum points in the ratio of 40:50:40.

A three-tier-system of appraisal is operating in the organization. As per the system, the employee’s performance is appraised at three different levels. The Initiating Officer, an immediate superior, initiates filling up of the evaluation report, which are processed by the Reviewing Officer, to the Accepting Officer. The personnel department first sends merit rating or annual confidential reports to the manager of each department. In case of all employees below supervisory cadre (skilled workers, technical and non-technical staff) the blank forms are sent on 15th December of every year and the
appraisees are given one-month time to return the same. In the case of executives and supervisors, the reporting year is April to March. Hence, appraisal forms are sent to the concerned departmental heads on March 15 of every year that will be returned by 15th of April. In the case of transfer of an officer (appraisers), there is a provision for submission of the interim appraisal by the transferee.

The personnel department fills the Part-I of the form, which is about the bio-data of the appraisees before dispatching them to the concerned sections/departments. The duty filled appraisal forms are reviewed by the Personnel Department. On reviewing the reports, the Personnel Department sends an ‘advice memo’ or such other orders including termination for those who could not come up to the expected standards. Further, to clarify the concepts in the appraisal form, an assessment guide with directions is provided to all the appraisers.

The ‘Assessment Guide’ meant for guiding the appraisers contains a clause ‘communication of effects’ which requires that the results of the assessment must be made known to the appraisee concerned. According to this, the IO should ensure that his subordinates get necessary advice, guidance and assistance to correct their faults and deficiencies. Further he should also mention his own activities relating to the removal of their defects. As such the IO may not experience any difficulty to record adverse entries against those appraisees who fail to correct themselves. The Reviewing Officer should communicate every such entry to the employee concerned after confirmation either verbally or in writing it. It is, therefore, left to the RO to decide about the communication of adverse remarks after recording of the reasons for the same in report itself.

4.3 ECIL

Performance appraisal system in Electronics Corporation of India Limited (ECIL) was originally known as Annual Confidential Report and was in practice ever since the inception of the company. Subsequently some changes were effected into the system and it is presently known as ‘annual performance rating’. The present appraisal system does not provide for a uniform pattern of evaluation for all the personnel in the company. There are three types of appraisal forms meant for staff, officers and workmen.
respectively. Each form contains a provision for awarding of marks to the appraisee, on different items.

The annual rating form meant for staff consists of two parts – Part-A and Part-B. Part-A is filled by the Personnel Department while Part-B by the appraiser. Part-A provides for a maximum of 80 marks on service, qualifications, punctuality, leave taking and record of service. Part-B is valued for a maximum of 120 marks with the emphasis to personality traits relevant to the organizational goals. The MRF for officers also provides for awarding of marks. The form contains three main divisions known as job-knowledge, effectiveness and personnel qualities and each division is measured through the related items included in them. The third type of annual rating form is for workmen. These forms are in three colours. The red form is for skilled, the green form is for the semi-skilled and the yellow is for unskilled. The form meant for workmen contains 15 items and provides for five types of ratings through marks. One important aspect of appraisal system in ECIL is that two different departments administer it. Personnel Department administers the appraisal procedure to staff and officers while Labour Welfare Department is incharge of the same for workmen. The appraisal is made once every year.

The appraisal reports are kept confidential except in the case of those who are rated below average. There is no provision for either communication or discussion about the appraisal report between the appraiser and the appraisees. The Personnel Department issues a memo to those graded as below average with an indication that they have to improve themselves. The appraisals are not intended for any specific use. Though, they are considered whenever there is claim for promotion and such other benefits.

Thus, the appraisal procedure involves three employees of different status. While the immediate superior or some junior officer acts as the reporting officer the senior officers act as the reviewing officers. The General Manager, Personnel and Administration, is the accepting officer for both the staff and workmen while the Chairman and Managing Director is the accepting officer for officers and managers. The officers and managers who are the appraisers are not given any training relating to this task.
4.4 DRLL

A major common feature is the intention not to crystallize performance management goals. Goals are set participative and managers are given a considerable degree of discretion to revise targets in the light of changing environmental conditions. Because performance measures on outputs are no longer appropriate in light of the difficulty of setting realistic goals, they have been supplemented by the introduction of competency frameworks, which attempt to define behavioural goals centered on the strategic aims and values of the organization. Behaviour is not tightly controlled through these competencies; they have enough flex to allow for creativity and innovation, these virtues being central competencies themselves. Further, in all of the organizations there has been increased teamwork activity, and goal setting has reflected this. The Table-4.3 shows the performance management practices in Dr. Reddy's Laboratories Limited (DRLL).

<table>
<thead>
<tr>
<th></th>
<th>Former PMS elements</th>
<th>New PMS elements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal Setting</td>
<td>Top-down, driven by sales targets; little re-visibility; no team targets.</td>
<td>Participative, competency-based; moderate re-visibility; individual and team targets.</td>
</tr>
<tr>
<td>Performance evaluation</td>
<td>Combined both development and pay reviews; manager input; little employee voice little feedback.</td>
<td>Split development and pay review; increased employee voice; 360-degree appraisal; traditional appraisal forms removed in favour of 'portfolio'.</td>
</tr>
<tr>
<td>Rewards</td>
<td>External equity high; poor differentiation between good and bad performers.</td>
<td>External equity high; broad banding introduced; individual and team-based rewards.</td>
</tr>
<tr>
<td>Training and development</td>
<td>Menu-based training; paternalism-encouraged view of development as responsibility of the company.</td>
<td>Development now seen as primary responsibility of the individual; creativity workshops, development centres, increased coaching and counseling.</td>
</tr>
</tbody>
</table>
The performance appraisal system in DRLL was introduced in 1990; and it was designed taking into consideration the organizational requirements and the nature of work. The existing performance appraisal system in DRLL is to assess the performance of the employee every year. The immediate supervisor taking into consideration the overall performance of the appraisees in that year will evaluate the performance.

In DRLL, the Employees Relations Department administers the appraisal system. As a staff department it assists all the other departments, how to evaluate the performance of appraisees at the time of performance evaluation. The Employees retains Departments now and then changes the design if necessary and particularly at times when subjectivity in appraising, if any is noticed. This department will also advise the management if there are any changes needed in the performance appraisal system. For purposes of appraisal, the total work force in DRLL is divided into three categories, viz.,

- Managerial,
- Non-Managerial and
- General Staff.

For all the above three categories of employees the following traits are considered while evaluating the performance.

- Productivity,
- Quality of work,
- Knowledge of work,
- Relationship with others,
- Safety attitude,
- Application to job,
- Decision making,
- Judgement and responsibility,
- Planning and organizing,
- Leadership, and
- Initiative and adaptability.

The appraisers are trained in proper methods of evaluating personnel; and all the officers in DRLL, undergone a training programme conducted by the Indian Institute of Management, Bangalore. After the evaluation of the performance of employees the appraiser discusses with the appraisees about the weak points of the later. The appraisees have an opportunity to rectify their faults so as to suit the organisational requirements. The performance will be evaluated confidentially and the results of the appraisal shall be expressed in these following terms:

- Outstanding,
- Excellent,
- Very Good,
- Good,
- Average, and
- Unsatisfactory.

Thus, in DRLL, the system of performance appraisal is being used only for transfers, promotions, training and salary hikes. In DRLL, formal programmes have been supplemented by the increased use of coaching and counselling in order to promote self-development. With the flattening of the organizations, there is less of a focus on development seen as a series of jobs moving up the organization over time, rather, development in-role is viewed as desirable and mentoring have helped this process. Responsibility for development rests with the individual and the line, rather than with human resource staff.
4.5 GOCL

The appraisal system is designed by the American Management and adopted by the unit from the time of its inception. The Personnel Department coordinates the work of various supervisors in evaluating the performance. A senior supervisor is put in charge of the performance appraisals and he maintains the records and administers the system. In GOCL, the performance appraisal has two clearly pronounced objectives:

- They are to evaluate the company’s recruitment procedure and

- To know the potentiality of the employees for future responsibility or promotion.

In GOCL, the appraisal system contains two types of employee development forms, one meant for the supervisors and the other for general employees. These forms are called appraisal and development guide for supervisory employees and appraisal and development report for general employees. There are no changes in the appraisal forms for general employees, while some additions are made in the appraisal form for the supervisory personnel. Appraisal and development report for general employees is a simple form. The form provides for preliminary information like the name of the appraisee, badge number, position, department, date of appraisal, etc.

After the appraisal is over, the appraiser is asked to rate the employees overall performance on a seven point scale from very good to unsatisfactory. The form provides for the signatures of the appraiser, reviewer and the appraisee. The appraisal form consists of nine items. They include:

- Knowledge of work,
- Initiative,
- Application,
- Quality of work,
- Volume of work,
- Personality,
- Dependability,
• Attendance, and
• Appreciation of and conformity with the company's polices.

Thus, the appraisers are asked to place the appraisees on a five-point scale. Separate space is provided for additional comments and recommendations of the appraiser. The appraiser and development guide for supervisory employees is a more elaborate one. There is no much basic difference between the two forms. This form lays emphasis on items relating to supervisor's abilities such as planning and organizing, judgement and report writing, etc. The appraisers are not given any formal training to appraise the performance. Though, they are instructed about the methods of evaluation through supervisory training classes. The management manual also gives information regarding the usage of the form and evaluation of the subordinates.

The system is invoked by the Personnel Department with a letter addressed to the Head of the Departments to conduct appraisals. However, employees are evaluated once a year, they may be assessed even in the middle of the year specially when their increments and promotions are due. The Heads of the Departments instruct the supervisors, who are immediately responsible for the employees work, to appraise the performance. The supervisors recommend the appropriate placement, increment or promotion only after discussing with the appraisees.

However, the Heads of the Departments receives the appraisals made by the supervisors. The employee is free to discuss the matters in the report that go against his interests. The signature of the appraisee is obtained before the submission of the report to the Departmental Head. The Departmental Head together with the Salary Committee decide the percentage of increments, quantum of compensation and etc., to the employees. The Salary Committee sends the appraisals with recommendations to the Personnel Department. The Personnel Department gives effect to the recommendations through transfers, etc., to the personnel.

Rewards have encompassed the introduction of team-based working, but team incentives have not replaced individual incentives, rather they have complemented them.
There is a strong focus on external equity as the primary lever for recruiting and retaining staff. From being largely centralized, reward management has been decentralized down to the business unit level and managers have a fair degree of discretion over the distribution of rewards, working within a broad overall framework, which has increased flexibility and accountability. The Table-4.4 shows the performance management practices in GOCL.

Table-4.4: Performance Management Practices in GOCL

<table>
<thead>
<tr>
<th>Former PMS elements</th>
<th>New PMS elements</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Goal Setting</strong></td>
<td></td>
</tr>
<tr>
<td>Top-down, revenue driven, no re-visibility; often unattainable; individual goals only.</td>
<td>Increased participation, competency framework introduced; some re-visibility; individual and team goals.</td>
</tr>
<tr>
<td><strong>Performance evaluation</strong></td>
<td></td>
</tr>
<tr>
<td>Combined both development and pay discussions; little employee voice; manager input only; little informal feedback; no self-appraisal</td>
<td>Split development and pay reviews; increased employee voice; self-appraisal introduced; managers encouraged to give greater feedback.</td>
</tr>
<tr>
<td><strong>Rewards</strong></td>
<td></td>
</tr>
<tr>
<td>High external equity but low internal and individual equity; pay not decentralised - manager with little flexibility to adjust pay to changing market conditions.</td>
<td>Introduction of variable matrix to give greater flexibility in pay determination; move to regional pay mooted.</td>
</tr>
<tr>
<td><strong>Training and development</strong></td>
<td></td>
</tr>
<tr>
<td>Emphasis on traditional training – traditional menu-based approach.</td>
<td>Emphasis on sales and marketing training; more tailored training programmes; personal development plans introduced; increased use of coaching and counselling techniques.</td>
</tr>
</tbody>
</table>

The following chart-4.1 shows the performance appraisal process cycle that was followed during the implementation phase.
Chart 4.1: The Performance Appraisal Process Cycle

1. Departmental Annual Planning

2. Preparing Performance Agreement & Setting of Annual Work Plans for the Appraisee

3. Work Implementation, Monitoring & Coaching

4. Evaluation of Actual Achievement & Preparation of Performance Appraisal
4.6 The Appraisal Form

Two types of appraisal forms were formulated to recognize two major categories of officers within the four selected industries. The first category is the officers who perform the supervisory role and the second being the officers who do not perform any supervisory role. The different aspects evaluated using the appraisal forms are as follows.

- **Quantity of work**: The number of unit of output produced by an officer during the reporting period.

- **Quality of work**: The standard of the output in terms of degree of accuracy, completeness, error rate etc. It also relates to the productivity in fulfilling the need of clientele such as speed, reliability, avoidance of errors and courteousness.

- **Timeliness in completing the work**: The ability of an officer to perform a task within a specified time period. This ability is seen in terms of the efficiency to complete the task, plan and schedule the work according to the priorities.

- **Knowledge of the job**: The knowledge and experience acquired formally and informally that enable an officer to carryout the duties.

- **Ability to organize**: The ability to plan, arrange, distribute and mobilize the resources such as labour, equipment, information and finance to implement the tasks of the organization.

- **Ability to make decisions**: The ability to examine and consider all relevant factors and views and make right decisions within a specified time.

- **Ability to solve problems**: The ability to identify, consider various alternatives and solve problems.

- **Communication skills**: The ability to convey messages, views and instructions orally and in writing in terms of accuracy, effectiveness, clarity and courteousness.
• **Reliability and respectability:** Honesty, trustworthiness, accountability and dedication (such as willingness to work extra hours).

• **Leadership:** The ability to supervise, manage and mobilize resources to implement the tasks of the organization. The ability in thinking and reasoning and having exemplary personal qualities.

• **Networking:** The ability to foster relationships and cooperation within and outside the organization.

• **Discipline:** The ability and willingness to follow rules and regulations.

• **Personality:** Courteousness and personal grooming.

• **Creativity:** The ability to generate new ideas, introduce innovation and resourcefulness.

### 4.7 Some Observations

The following are some of the few questions and comments that were received regarding the performance appraisal.

• Just as favoritism is common in selection procedures, can there be any possibility of using such influence to divert allocating marks in the appraisal system? If so what can be done to prevent it from happening?

• Sometimes we have to do tasks that are immediate and sudden.

• What is the link between promotion and performance appraisal?

• What will be the end result of performance appraisal?

• It is crucial that organisations give intensive information about the appraisal system to the top-level executives.

• How do we know whether the organizational objectives are achieved?
• How much improvement can be achieved by appraising the performance of the employee?

• The lack of funds to train employees hinders the performance appraisal work. So more funds should be invested in training.

• I think the appraisal form is very difficult to implement. Especially for the top offices. The employee has to write too much. The form should be redesigned to make it simple for the evaluation in a manner that we tick and give marks.

Some positive results of performance appraisal:

• The person whose performance is appraised may develop an increased motivation to perform effectively;

• The self-esteem of the person being appraised may increase;

• The job of the person being appraised may be clarified and better defined;

• Valuable communication can take place among the individuals taking part (that also include communication between the subordinate and the superior);

• Rewards such as pay and promotion can be distributed on a fair and credible basis;

• Organizational goals can be made clearer, and they can be more readily accepted;

• Valuable appraisal information can allow the organization to do better manpower planning, test validation, and development of training programmes and

• Better and timely service provision, thus greater citizen satisfaction.

Some negative results of performance appraisal:

• The self-esteem of the person being appraised and the person doing the appraisal may be damaged;

• Large amount of time may be wasted;
• The relationship among the individuals involved may be permanently worsened thereby creating organizational conflicts;

• Performance motivation may be lowered for many reasons, including the feeling that poor performance measurement means no rewards for performance (i.e. biased evaluation including favouritism towards some employees); and

• Money may be wasted on forms, training, and a host of support services.

The implementation of the appraisal system can be considered also as a change programme. Those responsible in implementing changes in the organization must possess or have access to a wide range of skills, resources, support and knowledge. Paton and McCalman3 (2000) have identified some of such attributes that are given below.

• Communications skills are essential and must be applied both within and outside the managing team;

• Maintaining motivation and providing leadership to all concerned is necessary;

• The ability to facilitate and orchestrate group and individual activities is crucial;

• Negotiation and influencing skills are invaluable;

• It is essential that both planning and control procedures are employed;

• The ability to manage on all planes, upward, downward and within the peer group, must be acquired; and

• Knowledge and the facility to influence, the rationale for change is essential.

Therefore, motivation is probably one of the major factors that influence the institutionalization of appraisal system. How motivated the employee is, how satisfied, how committed and how loyal the employee is to the organization directs to higher performance.