7.01  Performance appraisal through management by objectives.

The performance appraisal through a system of "Management by Objectives" is another important tool of evaluating performance of managers. This approach is called by a variety of names: programmed management, management by objectives, planned performance programming, etc. But whatever the title, the common objective is that the individual performance of a manager is in terms of agreed on tasks and targets reflecting the goals of the business. However, the first step involves the development of corporate objectives. The corporate objectives are broken down into functional, departmental or divisional objectives and these are in turn, broken down into individual management objectives. However, it must be mentioned that setting corporate objectives would require considerable amount of planning, organisational effort by the top management to arrive at sound practical realistic targets based on accurate data. Unrealistic targets not based on sound facts are not likely to be achieved by either the organisation or division or individual manager. There are two ways of setting objectives. Based on data, the top management may set objectives for the organisation,
the department, the division and the individual and these are supposed to be achieved by the individual managers. Another method would be the adoption of the bottom-up approach where based on the information from the field, each individual manager helps to set his own targets, departmental targets and functional targets and putting all these together would provide the company its corporate objectives.

This approach calls on the subordinate to establish short-term performance goals for himself. The superior enters the process actively only after the subordinate has (a) done a good deal of thinking about his job, (b) made a careful assessment of his own strengths and weaknesses and (c) formulated some specific plans to accomplish his goals. The role of the superior is to help the individual relate his self-appraisal, his targets and his plans for the ensuing period to the realities of the organisation.

The first step in this process is to arrive at a clear statement of the major features of the job. Rather than a formal job description, this is a document drawn up by the subordinate after studying the organisation approved statement. It defines the broad areas of his responsibilities as they actually work out in practice. The superior and the manager discuss the draft jointly and modify it as may be
necessary until both of them agree that it is satisfactory. Working from this statement of responsibilities, the manager then establishes his goals or targets for a period of six months. These targets are specific actions which the man proposes to take i.e. setting up regular staff meetings to improve communication, reorganising the office, completing or undertaking a certain study. Thus, they are explicitly stated and accompanied by a detailed account of the actions he proposed to take to reach them. This document is, in turn discussed with the superior and modified until both are satisfied with it.

At the conclusion of the six month period, the subordinate makes his own appraisal of what he has accomplished relative to the targets he had set earlier. He substantiates it with factual data wherever possible. The "interview" is an examination by superior and subordinate together of the subordinate's self-appraisal, and it culminates in a resetting of targets for the next six months.

Of course, the superior has veto power at each step of this process; in an organisational hierarchy anything else would be unacceptable. However, in practice he rarely needs to exercise it. Most subordinates tend to underestimate, both their potentialities and their achievements. Moreover, subordinates normally have an understandable wish
to please their boss and are quite willing to adjust their targets or appraisals. Actually a much more common problem is to resist the subordinate's tendency to want the boss to feel them what to write down.

This approach to performance appraisal differs profoundly from the conventional one, for it shifts the emphasis from appraisal to analysis, which implies a more positive approach. No longer is the subordinate being examined by the superior so that his weaknesses can be determined; rather, he is examining himself, in order to define not only his weaknesses but also his strengths and potentials. The importance of this shift of emphasis should not be under-estimated. It is basic to each of the specific differences which distinguish this approach from the conventional one.

The first of these differences arises from the subordinate's new role in the process. He becomes an active agent, not a passive object.

Effective development of managers does not include coercing them into acceptance of the goals of the organisation, nor does it mean manipulating their behaviour to suit organisational needs.

One of the main differences of this approach is that it rests on the assumption that the individual knows or can learn more than anyone else about his own capabilities, needs, strengths and weaknesses and goals. In the end, he can determine what is best for his
development. The conventional approach, on the other hand, makes the assumption that the superior can know enough about the subordinate to decide what is best for him.

Another important difference is the role of the superior: helping the subordinate relate his career planning to the needs and realities of the organisation. In the discussions, the boss can use his knowledge of the organisation to help the subordinate establish targets and methods for achieving them which will (a) lead to increased knowledge and skills, (b) contribute to organisational objectives, and (c) test the subordinate's appraisal of himself.

If the superior accepts this role, he need not become a judge of the subordinate's personal worth.

Yet another significant difference is that the emphasis is on the future rather than the past. The purpose of the plan is to establish realistic targets and to seek effective ways of reaching them. Appraisal thus becomes a means to a constructive end.

Finally, the accent is on performance, on actions relative to goals. There is less tendency for the personality of the subordinate to become an issue.
are either liberal or strict raters or those who have special problems in utilising the appraisal system. There are some who may not devote much time to appraisals. Then there are some who are likely to rate everybody in the middle. These people must be identified and a plan to educate and train them in utilising appraisal properly is called for. Sixthly, there must be periodic research studies on the effectiveness, validity and reliability of the appraisal tools and techniques and a constant effort to improve the system is essential.

The faith in appraisal system is inherent only when there is a systematic evaluation and follow-up of the appraisal system and when the performance appraisal forms an integral part of the managerial personnel administration. Management decisions regarding managers and their career in the organisation must depend upon the appraisal system.

7.03 **A seven point training programme.**

Mr. Unior has suggested a seven point training programme to the top and line management and to prepare an organisation, to launch a new appraisal programme or revise an existing one. The training programme accomplishes the following ends:

(1) Points out the value of an appraisal programme to management;

(2) Points out the value of an appraisal programme to executives;
(3) Instructs in the techniques of writing appraisals;

(4) Points out the pitfalls to be avoided in writing appraisals, for example the halo effect, the error of recent events, and personal prejudices;

(5) Gives each participant in the training programme an opportunity to write a sample appraisal;

(6) Offers each participant training in the fundamentals of conducting an interview, with an opportunity to role-play a part in a mock appraisal interview.

(7) Points out the steps to take in creating an effective personal development programme with an employee.

7.04 Ethics of appraisals.

Another basically important factor is the ethics of performance appraisals and there will arise many problems and organisational morale issue if this aspect is ignored. The very purpose of appraisals will be at stake also. Marion S. Kellogg suggests a check list for the superiors to keep their appraisals ethical:

...
1. Don’t appraise without knowing why the appraisal is required.
2. Appraise on the basis of representative information.
3. Appraise on the basis of sufficient information.
4. Appraise on the basis of relevant information.
5. Be honest in your assessment of all the facts you obtain.
6. Don’t write one thing and say another.
7. In offering an appraisal, make it plain that this is only your personal opinion of the facts as you see them.
8. Pass appraisal information along only to those who have good reason to know it.
9. Don’t imply the existence of an appraisal that has not been made.
10. Don’t accept another’s appraisal without knowing the basis on which it was made.

She maintains that these "ethical standards" are most certain to be met if appraisals are accompanied by such qualifiers as (1) the facts on which the appraisal is based (2) the time period covered (3) the purpose for which the appraisal is made (4) the situational factors that shed light on the facts presented (5) the nature of the appraiser’s
working relationship with the employer (6) an explanation of how and where the facts were obtained.

7.05 **New work planning and review method.**

Another approach is the Work Planning and Review Method. The work-planning-and-review discussions between a manager and his superior appear to be more effective in improving job performance.

This Work Planning and Review approach differs from the traditional performance appraisal programme in that —

1. There are more frequent discussions of performance.
2. There are no summary judgements or ratings made.
3. Salary action discussions are held separately.
4. The emphasis is on mutual goal planning and problem solving.

As far as frequency is concerned, these Work Planning and Review discussions are held more often than traditional performance appraisal interviews, but are not scheduled at tightly fixed intervals. Usually at the conclusion of one work planning session, the subordinate and the superior set an approximate date for the next review. Frequency depends both on
the nature of the job and on the superior's style of operating. Sometimes these Work Planning and Review discussions are held as often as once a month, whereas for other jobs and/or individuals, once every six months is more appropriate.

In these Work Planning and Review discussions, the superior and his subordinate do not deal in generalities. They consider specific, objectively defined work goals and establish the yardstick for measuring performance. These goals stem, of course, from broader departmental objectives and are defined in relation to the individual position in the department.

The Work Planning and Review interviews are strictly man-to-man in character rather than having a father-and-son flavour, as did so many of the traditional performance appraisals. This seems to be due to the fact that it is much more natural under the Work Planning and Review programme for the subordinate to take more initiative when his performance on past goals is being reviewed. Thus in listening to the subordinate's view of performance, problems and failings, the superior is automatically cast in the role of a counsellor. This role for the manager, in turn, results naturally in a problem-solving discussion.
In the traditional performance appraisal interview, on the other hand, the superior is automatically cast in the role of judge. The subordinate's natural reaction is to assume a defensive posture, and thus all the necessary ingredients for an argument are present.

Since the Work Planning and Review approach focuses mainly on immediate, short-term goals, some superiors are concerned that longer range, broader plans and goals might be neglected.

In general, the Work Planning and Review approach appears to be a better way of defining what is expected of an individual and how he is doing at the job, whereas the traditional performance appraisal often results in resistance to the superior's attempts to help the subordinate, the Work Planning and Review approach brings about acceptance of such attempts.

In what follows now, we shall deal with the performance appraisal in Semi-Government organisations.