CHAPTER 3: PERFORMANCE APPRAISAL AND ITS OBJECTIVES

3.01 Managerial Cadre

Managers are persons who carry out 'managerial process' for the organisation/enterprise. They perform several essential and unique functions which distinguish them from other people with professional training, such as lawyers, doctors, engineers or scientists. In various degree, managers undertake risks, handle plan and innovate, co-ordinate, administer, control and supervise.

It would be seen that the managerial cadre can be sub-divided into top, middle-level and supervisory. Although all of them 'MANAGE' their functions, responsibilities and authority are different and it is expected that they carry out their roles effectively so as to achieve the corporate objectives and the physical targets assigned. As already pointed out earlier, the top and middle level managers (i.e. officers in the Semi-Government organisations) are covered in the work undertaken by the author.

3.02 Management Performance Appraisals

Performance appraisal is a systematic evaluation of an employee and his performance by his superior or by some other qualified person who is
familiar with the performance of the employee on the job.

Management performance appraisals are usually made by means of standardised form that is adopted to the needs of a particular organisation. Generally the periodicity of appraisal is once a year. An appraisal thus becomes a 'Permanent' part of the employee's record with a good organisation and is a part of the record that may be used by management for various types of managerial decisions concerning the employee and his development. The world-wide trend is to make use of performance appraisals for managers and senior managerial level although in the beginning the practice was mostly in respect of workers and other lower level employees. The modern trend is the increasing interest of management in using appraisals for development and improving managers and their performance.

3.03 Objectives of performance appraisal.

There are seven objectives which are planned to be achieved by organisations through performance appraisal systems.

Douglas McGregor observes: Formal performance appraisal plans are designed to meet three needs as mentioned below - one for the organisation and two for the individual.
(1) They provide systematic judgements to back up salary increase, promotions, transfers, demotions or terminations.

(2) They are a means of telling a subordinate how he is doing and suggesting needed changes in his behaviour, attitudes, skills or job knowledge; they let him know "where he stands" with the boss.

(3) They also are being increasingly used as a base for coaching and counselling of the individual by the superior.

Generally the organisations have identified the following objectives of appraisals:

(1) Promotions.
(2) Transfers.
(3) Terminations.
(4) Redeployments.
(5) Increments.
(6) Special or merit increments.
(7) Identifying strengths and weaknesses.
(8) Counselling.
(9) Coaching.
(10) Promoting motivation and morale.
(11) Keeping him informed about how he is doing.
(12) Providing a channel for open and free discussion of performance.
(13) Removing discontent and dissatisfaction.
(14) Training.
(15) Identifying individual needs of development.
(16) Spotting potentials.

However, these objectives may be broadly classified into two categories:

(1) Administrative or managerial decision making.
(2) Clinical or self improvement.

The former covers such objectives of appraisal which help in administrative or managerial decisions making process, as in the areas of promotion, transfer, termination, salary administration, other personnel actions and personnel research, whereas the latter covers such objectives as identifying the training needs, development, education, overcoming the weaknesses and capitalising the strengths, counselling and coaching.

It has been observed that the objectives are helpful to:

(1) Improve employee job performance.
(2) Create opportunities for frank discussions with employees – to satisfy their needs to know where they stand as well as how they may improve their performance.
(3) Encourage employees to express their views and to seek clarification any doubts or standards.

(4) Record improvement in employee's performance between successive appraisals.

(5) Identify training needs.

(6) Broaden an employee's outlook, capacity and potential.

(7) Bring to light current outside activities or accomplishments of significance.

(8) Promote more effective utilisation of manpower.

(9) Facilitate selection, reward and promotion of the best qualified employees.

(10) Provide a channel for employee to express his own future interest regarding job area and location.

After having thus known the objectives of performance appraisal, we shall now study what is intrinsically appraisal? - the theory of appraisal.