Chapter 2
Objectives of Study

The study focuses on the “executive category” of the employees. Its major objectives include the following:

1) Critically evaluate the present performance appraisal systems with special reference to objectivity/ reasonability.
2) Find effectiveness of the existing system of performance appraisal.
3) Identify lacunae in the system.
4) Determine perception of the managers towards performance appraisal.
5) Undertake a study of the sample cases where the organisations did attempt to enhance objectivity.
6) Explore and develop the pragmatic quantitative parameters to increase objectivity in performance appraisal.
7) Attempt to convert the qualitative parameters into the quantitative ones in difficult areas such as the support / staff functions, functions of strategic nature and performance of long term impact.
8) Develop an appropriate and realistic model for objective performance appraisal by assigning the proper weightages to the quantitative and qualitative parameters.

Objectivity and Subjectivity in Performance Appraisal

Quantifiable performances can be measured with ease. However, the task becomes difficult as the qualitative attributes cannot be translated in the quantitative ones for the purpose of measurement with same ease. Examples:
employee loyalty, job satisfaction, motivation, accountability of recruiter and trainer’s effectiveness. Even if attempts are made, cent per cent objectivity in performance appraisal can seldom be achieved.

For appraisal of a trainer, the following factors override the rest.

1. Knowledge of subject.
2. Updating his / her knowledge from time to time.
3. Examples used for explaining concepts.
4. Handling the class.
5. Interaction with candidates.
6. Tone and voice clarity.
7. Years of experience as a trainer.
8. Ability to answer questions.
11. More output in less time.
12. Ability to handle a mix of more participants.

All these factors being subjective fall far short of objectivity especially while rating the trainer on such parameters particularly being difficult to quantify satisfactorily. Suppose one decides to rate the trainer on a five point ‘Likert Scale’ with ‘5’ for very good and ‘1’ for very poor. Then, one trainee may rate the trainer on factor ‘1’ at 4 while other may rate the same trainer on the same factor at ‘2’. In such cases, bringing in objectivity in the appraisal process becomes a herculean task.
Yet another very interesting example pertains to a football game wherein a forward player makes three goals and the goalkeeper saves four goals. In such a case, with only one award to be given, how does one decide about the best player of the game? Will it go to the ‘Forward Player’ or to the ‘Goal Keeper’? Situation such as this one too occurs in the spheres of performance appraisal in the corporate world.

While considering appraisal of the managers in the marketing / production departments, assessment is comparatively easy as they can be appraised on the objective basis of the sales target achieved against the target set, revenue earned, customers gained and increase in sales. But while appraising the managers belonging to the support and staff functions such as HR, administration, purchase and legal, quantification becomes difficult.

This thesis, therefore, focuses on the issues and concerns mentioned above. The appraisal of such issues appears to be quite satisfactory in theory, though in practice, the same turns out to be the toughest and sometimes a controversial task.

**Primary Concerns**

1) Hundred per cent objectivity in employees’ performance appraisal is impossible.

2) The quantitative parameters prove to be superior to the qualitative parameters.

3) Organisation’s culture constitutes the most crucial factor while deciding objectivity and acceptance of any model of performance appraisal.
4) Conversion of the qualitative parameters in the quantitative ones generally appears to be notional.

5) Weightages to be attached to the parameters of performance appraisal cause serious problems of theoretical relevance and practical applications.

6) Performance of the senior executives is appraised by a large number of qualitative parameters, compared to those of their junior positions.

7) Among the quantitative parameters, the financial parameters being more objective, override the operational parameters.

8) Variable pay of an employee is dependent on the quantitative parameters.

9) A better management and operational control system decides the scope for using the quantitative and qualitative parameters of performance appraisal.

10) The quantitative parameters are more applicable to a ‘group’ of employees rather than the ‘individuals’.

11) Competence and bias of the superiors decide, to a great extent, objectivity of appraisal, in addition to quantification of the appraisal parameters.

12) The weight attached to a parameter for assessing employee’s behaviour may be neglected by him/her, if the other parameters offer him/her a reward.
Secondary Concerns

1) Performance of the employees belonging to ‘core’ function is more quantitative than those belonging to ‘support’ function.

2) The definitions of the ‘core’ and ‘support’ functions vary from business to business and from one organisation to another.

3) Statistical analysis of the performance appraisal mode with quantitative parameters does prove to be extremely useful.

4) The superiors prefer the qualitative parameters for appraising the performance of their juniors.

5) The quantitative parameters are applicable to the more levels of employees than qualitative parameters.

6) Performance is much more quantifiable in the ‘perfect market’ than the ‘imperfect market’.

7) The parameters can be more quantitative while appraising ‘product’ performance than ‘process’ performance.

8) ‘Products’ and ‘Processes’ could be separated from ‘People’ (i.e. employees) and such separation makes the same more useful for performance appraisal of all three viz. products, processes and people.

9) Technological accuracy of the processes improves the scope for using the quantitative parameters for performance appraisal.

10) A mix of performance parameters of an individual employee, his / her group or division and the organisation may be decided more objectively by the quantitative parameters than the qualitative parameters.