PERFORMANCE APPRAISAL: A VERITABLE MANAGEMENT TOOL FOR IMPROVING EMPLOYEE PRODUVITY IN ORGANISATIONS

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Abstract

Various scholars held difference views with regards to the use of performance appraisal in organizations. Some have argued that failure to carry out performance appraisal had led to the failure and low productivity of some organizations. And that the inability of some managers to perform their duties and create conducive environment for employees to work and meet their personal desire demoralizes them and reduce their level of performance thereby affecting the organizational level of productivity. This paper therefore examines the role of performance appraisal in organization as well as the principles and techniques of appraisal. In carrying out the research, various relevant literatures were utilized to elicit data and information for the study. The study reveals that management appraisal of employees serve as a tool to many organizations with a view to increasing workers performance and productivity leading to the attainment of organizational goals and objectives.

Key words: performance, appraisal, tool, employees, productivity, organization.

Introduction

Performance appraisal implies the evaluation or assessment of the individual employees in organizations in terms of their job performance. This task requires quality of managerial judgement which places a considerable responsibility on the managers and supervisors involved. It is a delicate as well as complex task to accomplish. Performance appraisals are essential for effective management and evaluation of staff employees. Appraisals help to develop the individual employees, improve organizational

performance, and feed into business planning. Formal performance appraisals are generally conducted annually for all staff in the organization. Each staff member is appraised by their line manager. Directors are appraised by the Chief Executive Officer (CEO), who is appraised by the chairman or company owners, depending on the size and structure of the organization. Annual performance appraisals enable management to monitor the standards, expectations and objectives, and delegation of responsibilities and tasks. Employee performance appraisals also establish individual training needs and enable organizational training needs analysis and planning. Performance appraisals also typically feed into organizational annual pay and grading reviews, which often coincide with business planning for the next trading year.

Performance appraisals generally, review each individual employee's performance against the set objectives and standards for the trading year, agreed to at the previous appraisal meeting. Performance appraisals are also essential for career and succession planning for individuals, crucial jobs, and for the organization as a whole. Performance appraisals are important for staff motivation, attitude and behavioural development, communicating and aligning individual and

organizational aims, and fostering positive relationships between management and staff. Performance appraisals provide a formal, recorded, regular view of an individual's performance, and a plan for future development. Job performance appraisals – in whatever form they take – are therefore vital for managing the performance of people and organizations.

Review of Literature

Performance appraisal can be defined as the process of assessing the performance of an employee on his job. Appraisal can be used for salary reviews, training need analysis and job improvement plans. Performance appraisal can also be defined as the process whereby the company assesses staff only for what they have done within a defined period. It is an important management tool that helps organization to grow and thereby improving the overall productivity (Aibieyi, 2009).

Within any organization, staff employees are always assessed taking into consideration two different dimensions; the past and future. The assessment focuses on the past. It tries to analyze the possibility that one staff could perform, within an established period, different activities from those he is currently doing and if he would be able to cover areas of greater responsibilities, and commitment.

The purpose of this exercise is to ensure that all staff are appraised in the most objective way, so that each employee could be promoted, rewarded or trained in a manner consistent with both their capabilities and the company's needs. Supervisors, Heads of Departments and all managerial position holders who have the responsibility for the assessment are strongly involved in this exercise during the period under review, since the performance appraisal is continuous and not only a moment in which supervisors are requested to fill the forms. Performance appraisal is the basis for determining development because, if a manager's strengths and weaknesses are not known, it will be difficult to determine whether developments are aimed at the right direction or not. Appraisal should be an integral part of a managing system. If an organization is to reach its goals effectively and efficiently, ways of accurately measuring management performance must be found and implemented. Effective performance should recognize the legitimate desire of employees for progress in their professions. On the way to integrate organizational demands and individual needs, is through career management which can

be a part of performance appraisal (Aibieyi, 2010).

There is increasingly a need for performance appraisals of staff and especially managers, directors and CEOs, to include accountabilities relating to corporate responsibuility, represented by various converging corporate responsibility concepts including: the 'Triple Bottom Line ('profit people planet'); corporate social responsibility (CSR); sustainability; corporate integrity and ethics; fair trade, etc. the organization must decide the extent to which these accountabilities are reflected in job responsibilities, which would then naturally feature accordingly in performance appraisals, more about this aspect of responsibilities is in the director's job descriptions section. Significantly also, while this appraisal outline is necessarily a formal structure this does not mean that the development discussed with the appraisee must be formal and constrained. In fact the opposite applies. Appraisals must address 'whole person' development – not just job skills or the skills required for the next promotion (Drucker, 1959).

Appraisals must not discriminate against anyone on the grounds of age, gender, sexual orientation, race, religion, disability, etc. all appraisals procedure are aimed at developing people and organizations by using information about change in their behaviour by:

Evaluation: To enable the organization to share out the money promotions and pre-requisites apparently fairly.

Auditing: Discover the work potential, both present and future of individuals and department.

Constructing Succession Plans: For manpower, departmental and corporate planning.

Discover Training Needs: By exposing inadequacies that could be corrected by training.

Motivating Staff: This brings about reaching the organizational standard and objectives.

Developing Individuals: By advise information and attempts at shaping their behaviour by praise or punishment.

Checking: The effectiveness of personnel procedures and practices.

Drucker (1967) emphasized that "to appraise a subordinate and his performance is a part of the

manager's job indeed. In other words, managers motivate their men to work at such a level as to be able to achieve the predetermined results. This is an exercise that requires co[operation and team effort on the part of the manager and the employees under him. The first thing a manager does is to decide with his men the objective of his department within the frame work of the corporate objectives. In associating the men with the objectives of the department, each of them will understand the part he has to play in the achievement of those objectives. Once the individual objectives have been agreed upon, employee has something to work towards – he has his targets. A good appraisal system is fundamental to the management of people in any organization and that cannot be ignored.

Reasons for Appraisal

There are several reasons why appraisals are carried out in organizations. They include:

To identify an individual's current level of job performance

To identify employee strengths and weaknesses

To enable employees to improve their performance

To provide a basis for rewarding employees in relation to their contribution to organization's goals

To motivate individuals

To identify training and development needs

To identify potential performance

To provide information for succession planning, among others

The most likely reason for the adoption of staff appraisal is to draw attention to present performance on the job in order to reward people fairly, and to identify those with potentials for advancement or transfer. Drucker's view on appraisal is that managers are responsible for achieving results. These results are obtained from the management of human, material and financial resources, all of which should be monitored – monitor means setting standards, measuring performance and taking appropriate action. In respect of people, this entails taking action to improve performance by means of training and help, i.e. 'management development.'

Appraisal is very essential in making some attempt at measurement of performance if the appraisal ids to be taken seriously into account as a factor which influences salaries. Appraisal helps the 'whole person' to grow in whatever direction he wants to, not just to identify obviously relevant work skills training. Increasingly, the best employers recognize that growing the 'whole person' promotes positive attitudes, advancement, motivation, and also develops lots of new skills that can be surprisingly relevant to working productively and effectively, in any sort of organization.

Developing the whole person is also an important aspect of modern corporate responsibility, and separately (if you needed a purely business-driven incentive for adopting these principles), whole -person development is a crucial advantage in the employment market, in which all employers compete to attract the best recruits, and to retain the best staff. Therefore in appraisals, be creative and imaginative in discussing, discovering and agreeing 'whole-person' development that people will respond to, beyond the usual job skill-set, and incorporate this sort of development into the appraisal process.

If you are an employee and your employer has yet to embrace or even acknowledge these concepts, do them a favour at your own appraisal and suggest they look at these ideas, or maybe mention it at your exit interview prior to joining a better employer who cares about the people, not just the work.

Appraisal help people understand their natural potential and strengths and help managers understand this about their people, too. There are a lot of people out there who are in jobs which don't allow them to use and develop their greatest strengths, so the more we can help folk understand their own special potential, and find roles that really fit well, the happier we shall all be (Dessier, 2001).

If we accept that staff performance appraisal is a legitimate activity in organizations, what are the difficulties concerning both accuracy and fairness? Briefly, they boil down to:

The construction of the appraisal documents

The style in which the appraisal is approached

The culture of the organization

Taking the last point, the 'culture' or value-system, of the organization will act as the major determinant of both the appraisal scheme adopted and the way it is introduced. For example, if the culture is one which favors control and measurement of people then it is likely that a system will be imposed on the participants, but that it

Will at least contain some which individual performance will be judged, as well as of the ratings or measures to be used (Cole, 2002).

Forms which seek information about the person rather than about their performance on the job are typified by an emphasis on:

Generalized criteria

Generalized ratings of performance

Individual qualities rather than results

Box-ticking as method of describing performance

The table below provides an illustration of such a form, which could be employed by any organization.

Appraisal Form on Individual Qualities

Personal Attribute	
Leadership	1. Always at the centre of activity 2. Capable of leadership smallish 3. Has no real leadership
Initiative	1. Always acts on own initiative 2. Will act on own initiative in minor ways
Technical attributes	
Technical Knowledge	1. Wide technical knowledge of company's products with specialists knowledge 2. Limited technical knowledge but useful practical Ability 3. Very little required knowledge
Quality of work	1. Always careful, rarely makes mistakes 2. Sometimes makes mistakes 3. Work characterized by carelessness
Diligence	1. Consistently hard worker 2. Occasionally needs reminding about time-wasting

	3. Makes no great effort when working
Cost consciousness	1. Fully appreciates the importance of cost control 2. Gives some though to costs 3. Tends to be wasteful, rarely considers costs

Source: Cole (2002) Human Resource and Personnel Management, London: Book Power

The first difficult with the above approach is that of measurement. How can a manager fairly assess qualities of leadership or judgment, for example? The second difficulty is that of relevance. How centr4ral to success are diligence and cost consciousness, for example? Hard work is not synonymous with effective work, awareness of costs may be disadvantageous if it discourages initiative or decision-making. The third difficulty is that the managers completing the form have to rely on subjective impressions instead of concrete evidence. Fortunately, the senior management of the company concerned found it too difficult to operate such a generalized instrument and eventually substituted a result-oriented system.

The first objective of performance appraisal is to provide an opportunity for the manager and his subordinates to review the latter's work in the light of objectifies set. The employee will be told how he has performed on the job, and this will involve a discussion of his areas of strength and weakness. It is advisable not to emphasize the weakness as this tends to demoralize the subordinates. What is necessary here is guidance and encouragement.

The second objective is to encourage the supervisor to be analytical about his subordinate, as individual and human being, so that he will understand them better and thus be able to base the planning of work in his department n an appreciation of each individual's competence and suitability.

Thirdly, it provides an opportunity for the individual employee to realize his or her potential and what he needs to look at, if he is going to develop in his present job and perhaps be considered at a later date for promotion.

The Principles

Appraisal should be focused on the performance of the employee rather than on the employee himself. Concentration should be on results, on what he has achieved on the job for which he is paid. It is true that in certain career, the personality of his job is considered. But this should be related to. And associated with those things that made the employee either achieve or not achieve results. An appraisal is not an acquisition; it is a means of developing the employee on the job. Consequently, appraisal should be approached with the intention of strengthening the strong

point of the employee and enabling him to improve on the weak points.

The Appraisal Process

Any systematic approach to performance appraisal will commence with the completion of an appropriate appraisal form this preparatory stage will be followed by an interview, in which manager discusses progress with the member of staff. The result of the interview is some form of agreed action, either by the staff member alone or jointly with his manager. The action generally materializes in the shape of a job improvement plan, promotion to another job or to a salary increase, for example. The expression 'performance appraisal' usually relates to the assessment of staff or managerial performance and not to that of manual workers. There are two main categories of appraisal.

Informal, and

Formal

Informal appraisal is the continuing assessment of an individual's performance by his manager in the normal course of work. This kind of assessment is of ad hoc nature and is as much determined by intuitive feelings as by factual evidence of results. It is a natural by product of the day-to-day relationship between manager and subordinate (Carter, 1989).

Formal appraisal is altogether more rational and orderly than informal appraisal. In this paper, when we refer to performance appraisal we mean formal appraisal, that is an assessment of employee performance in some systematic and planned way. Once a program of managing by verifiable objectives (VO) is operating a major phase of appraisal, it is a fairly easy step. Supervisor determines how well managers set objectives and how well they have performed against them. Where appraisal by result has failed, his failure has occurred especially because management by objective (MBO) was seen only as an appraisal technique. The system is not likely to work if used only for this purpose. Management by objective must be a way of managing, a way of planning and also a key to organizing staffing, leading and controlling. When this is the case, appraisal boils down to whether or not managers have established adequate but reasonably attainable objectives and how they have performed against them in a certain period. In assessing the accomplishment of goals, the evaluator must take into consideration whether the gaols are reasonably attainable in the first place, whether actors beyond a person's control unduly helped or hindered in accomplishing goals. The reviewer should also know whether an individual continued to operate against absolute goals when situations changed and revised goals wer4e called for. On widely used approach to employee's appraisal is the system of evaluating employee performance against the setting and accomplishing of verifiable objectives.

Through the twelve months period, prior to the performance review, supervisors take into consideration all that the performance appraisal items will record – any pertinent information,

facts and data on the employees performance. Any systematic approach to performance appraisal will commence with the completion of a appropriate form. This separating stage will be followed by an interview in which the manager discusses the process with the members of staff. The result of the interview is a form of agree action, either by the staff member alone or jointly with his manager. The action generally materializes in the shape of a job improvement plan, promotion to another job or to a salary increase. Once the direct superior has completed the appraisal form, score and explained it, he discusses the result of the assessment frankly with the staff being appraised.

Appraisal Interview

The appraisal interview is the formal face-to-fact meeting between the employee and his manager at which the information on the appraisal form is discussed and after which certain key decisions are made concerning salary, promotion or training.

When interviewing, it is important to let the appraisee know that you are not assessing him as a staff, but by his performance on what he has done in the past and not who he is. This step is deemed important as well as the entire appraisal, being an opportunity for both the direct superior and subordinate to clarify the results expected and discuss facts, data and information connected with the past to analyzed problems and define possible initiatives aimed at improving the performance and overcoming problems. When all departments have completed their own assessment, an appraisal meeting will be held and the panel will be required to give a final overall performance rating to each employee. The panel will also take decision on which kind of actions should be taken to the company amongst those foreseen inaction section of the form. Since this; particular meeting is one of the few occasions in which the company, through the panel has the opportunity of discussing in-depth with such a member of staff, (even if the performance appraisal exercise does not take into consideration facts and data related with staff's potential development) the panel is allowed to identify those who are to be considered for further specific analysis.

During the final performance appraisal meeting, all training needs should be highlighted, discussed and certified by the panel. With all these information the training department will take adequate actions aimed at defining the objectives and contents of each proposed training initiative. In this phase, the departments which have nominated employee for training, reward or promotion, should be at his disposal for further inquiries.

Frequency of Performance Review

Progress toward goals should be fairly and frequently reviewed, since it may be dangerous to limit appraisal to liking at performance once a year. Performance should be reviewed and appraised in fair detail quarterly and more broadly in the light of probable accomplishment for three or four additional quarter in the future. Some organizations wishing to set absolute objectives naturally prefer to have both goals setting and evaluation to be regular activities and

certainly, some managers will not want to wait for too long to know how their subordinates are doing. These frequent reviews of per5formance do not necessarily involve much additional work by superior. It is merely carrying on the function of managing, and actual appraising becomes a relatively easy by-product of the process on the concentration on objectives.

The improvement of performance of people in their existing jobs should be the main aim of any active staff appraisal scheme. People go into organizations with something between the minimum and optimum amount of capacity and inclination to perform their appointed jobs. One of the features of an effective manager is the way the reviews of the performance of his staff are conducted. It can be argued that the main job of any manager is to develop his own staff. When this is done the organization cannot fail to become effective.

Perhaps these are ground roots of all organizational development procedures, and an essential accompaniment to any shaping of the organizational structure. For most staff, more frequently reviews of their performance would be desirable, not just to let them know where they stand but also to give them feedback on their strength and weakness and thereby helping them to improve their performance. A frequent performance review procedure must result in either development step or productivity growth.

Productivity Growth

Performance review is to bring about an increase in inclination to work. As a result of review, any blockage, or other source of frustration detracting from the individual workers performance are noticed and removed or their effects are lessened. In addition, the needs and expectation of member staff are observed. Arrangements are made for the needs to be met as soon as possible, so that an increase in the productivity to work is achieved. This objective is called productivity growth. The assumption is that there is either something standing psychologically in the way of an individual members of staff increased performance or some needs or expectation which if met would make him ore satisfied with his job and want to work harder on it.

Conclusion

This paper discussed related issues on performance appraisal as a veritable management tool for improving employee productivity in organizations. It dealt on the meaning of performance appraisal, the reasons for utilizing appraisals form in the assessment of individual employee in organizations, as well as the principles and process of appraisal. The study reveals, that appraisal helps in so many ways in mitigating and increasing employees' performance and productivity in every organization. It helps in discovering workers areas of strength and weaknesses, and training and development needs. It also identify individual current level of performance, provides information for succession planning, and provide a basis for rewarding employees in relation to their contribution to organization's goals and objectives. It has become obvious that performance appraisal if properly handled can motivate workers towards higher performance and productivity.

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