Staffing

The managerial function of staffing involves manning the organization structure through proper and effective selection, appraisal and development of the personnel to fill the roles assigned to the employers/workforce. Staffing pertains to recruitment, selection, development and compensation of subordinates.

### Recruitment

Recruitment means search of the prospective employee to suit the job requirements as represented by job specification–a technique of job analysis. It is the first stage in selection which makes the vacancies known to a large number of people and the opportunities that the organization offers. In response to this knowledge, potential applicants would write to the organization. The process of attracting people to apply in called recruitment.

#### Sources of Recruitment:

The various sources of recruitment are generally classified as internal source and external source.

* 1. **Internal Sources:** This refers to the recruitment from within the company. The various internal sources are promotion, transfer, past employees and internal advertisements.
  2. **External Sources:** External sources refer to the practice of getting suitable persons from outside. The various external sources are advertisement, employment exchange, past employees, private placement agencies and consultants, walks-ins, campus recruitment, trade unions, etc.

**The internal sources of recruitment are as follows:**

1. **Transfers:** Transfer involves shifting of persons from present jobs to other similar jobs. These do not involve any change in rank, responsibility or prestige. The numbers of persons do not increase with transfers.
2. **Promotions:** Promotions refer to shifting of persons to positions carrying better prestige, higher responsibilities and more pay. The higher positions falling vacant may be filled up from within the organization. A promotion does not increase the number of persons in the organization. A person going to get a higher position will vacate his present position. Promotion will motivate employees to improve their performance so that they can also get promotion.
3. **Present Employees:** The present employees of a concern are informed about likely vacant positions. The employees recommend their relations or persons intimately known to them. Management is relieved of looking out prospective candidates. The persons recommended by the employees may be generally suitable for the jobs because they know the requirements of various positions. The existing employees take full responsibility of those recommended by them and also ensure of their proper behavior and performance.

**The following external sources of recruitment are commonly used by the big enterprises:**

1. **Direct Recruitment:** An important source of recruitment is direct recruitment by placing a notice on the notice board of the enterprise specifying the details of the jobs available. It is also known as recruitment at factory gate. The practice of direct recruitment is generally followed for filling casual vacancies requiring unskilled workers. Such workers are known as casual workers and they are paid remuneration on daily-wage basis. This method of recruitment is very cheap as it does not involve any cost of advertising vacancies.
2. **Casual Callers or Unsolicited Applications:** The organizations which are regarded as good employers draw a steady stream of unsolicited applications in their offices. This serves as a valuable source of manpower. If adequate attention is paid to maintain pending application folders for various jobs, the personnel department may find the unsolicited applications useful in filling the vacancies whenever they arise. The merit of this source of recruitment is that it avoids the costs of recruiting workforce from other sources.
3. **Media Advertisement:** Advertisement in newspapers or trade and professional journals is generally used when qualified and experienced personnel are not available from other sources. Most of the senior positions in industry as well as commerce are filled by this method. The advantage of advertising is that more information about the organization job descriptions and job specifications can be given in advertisement to allow self-screening by the prospective candidates. Advertisement gives the management a wider range of candidates from which to choose. Its disadvantage is that is may bring in a flood of response, and many times, from quite unsuitable candidates.
4. **Employment Agencies:** Employment exchanges run by the Government are regarded as a good source of recruitment for unskilled, semi-skilled and skilled operative jobs. In some cases, compulsory notification of vacancies to the employment exchange is required by law. Thus, the employment exchanges bring the jobs givers in contact with the job seekers.

However, in the technical and professional area, private agencies and professional bodies appear to be doing most of the work. Employment exchanges and selected private agencies provide a nation-wide service in attempting to match personnel demand and supply.

1. **Management Consultants:** Management consultancy firms help the organizations to recruit technical, professional and managerial personnel they specialize middle level and top level executive placements. They maintain data bank of persons with different qualifications and skills and even advertise the jobs on behalf their clients to recruit right type of personnel.
2. **Educational Institutions or Campus Recruitment:** Jobs in commerce and industry have become increasing technical and complex to the point where school and college degrees are widely required. Consequently big organizations maintain a close liaison with the universities, vocational institutes and management institutes for recruitment to various jobs.

Recruitment from educational institutional is a well - established practice of thousand of business and other organizations.1t is also known as campus recruitment. Reputed industrial houses which require management trainees send their officials to campuses of various management institutes for picking up talented candidates doing MBA.

1. **Recommendation:** Applicants introduced by friends and relatives may prove to be a good source of recruitment. In fact, many employers prefer to take such persons because something about their background is known. When a present-employee or a business friend recommends some one for a job, a type of preliminary screening is done and the person is placed on a job.
2. **Labour Contractors:** Labour contractors are an important source of recruitment in some industries in India. Workers are recruited through labour contractors who are themselves employees of the organization. The disadvantage of this system is that if the contractor leaves the organization, all the workers, employed through him will also leave that is why this source of labour is not preferred by many businesses, organizations. Recruitment through labour contractors has been banned for the public sector units.
3. **Telecasting:** The practice of telecasting of vacant posts over T.V. is gaining importance these days. Special programs over the T.V have become quite popular in recruitment for various types of jobs. The detailed requirements of the job and the qualities required to do it are publicized along with the profile of the organization where vacancy exists. The use of T.V. as a source of recruitment is less as compared to other sources.
4. **Raiding:** Raiding is a technical term used when employees working elsewhere are attracted to join organizations. The organizations are always on the lookout for qualified professionals, and are willing to offer them a better deal if they make the switch. There are always some employees who are professionally very competent, but dissatisfied with something or the other in the organization. They form the easy group to attract. The other group is formed of those who are equally competent but are quite satisfied with their present position. To attract them, the organization has to offer a very lucrative package of perquisites. Whatever may be the means used to attract, often it is seen as an unethical practice and not openly talked about.

**Selection**

It is the process of choosing people by obtaining and assessing information about the applicants (age, qualification, experience and qualities) with a view of matching these with the job requirements and picking up the most suitable candidates. The choices are made by elimination of the unsuitable at successive stages of the selection process.

**Purpose of Selection**

The purpose of selection is to pick up the most suitable persons who would match the requirements of the job and the organization. The emphasis in selection is, therefore, on the optimal match between the person and the job.

A secondary objective in selection could be to choose the best person available. However, there could be a real problem with such an objective if the Job is not appropriate for the person concerned. It may become difficult for organizations to retain their best people in jobs that do not offer opportunities for them to harness their potential; instead they may lead to problems of monotony, boredom and frustration among individuals and increased and increased turnover of staff for the organization.

**Criteria of Selection**

Selection decisions are usually based on how an applicant is rated in terms of the likelihood of success on the job. The information used found in the application blanks, performance in one or more tests and the interview(s). The criteria of selection needs to be critical to the job. The key job dimensions identified in job analysis and job description provide the basis for determining relevant criteria.

Frequently educational qualifications, technical skills and achievements are used as the basis for selection. Certain job requirements can be measured more easily and accurately than others. The core job skills like sensory motor skills and manipulative skills and achievement can be measured relatively more accurately than one‘s aptitude, interest and personality traits. These latter attributes being subjective are hard to assess accurately, yet are widely attempted.

**Selection Process**

The selection process involves a number of step. The basic idea is to solicit maximum possible information about candidates to ascertain their suitability for employment. The selection process covers the period from the job specification and initial contact with the applicant to his final acceptance or rejection. The successive stages in the selection process are referred to as hurdles that the applicants should cross. Not all selection processes, however, include all these stages. The complexity of the selection process usually increases with the increase in the skill level and job level (responsibility and accountability) of the position for which selection is being made. The sequencing of the hurdles also may vary from job to job and organization to organization.

1. **Initial Screening**: The initial screening and/or preliminary interview is done to limit the costs of selection by letting only suitable candidates go through the further stages in selection. At this stage, usually a junior executive either screens all enquiries for positions against specified norms (in terms of age, qualifications and experience) through preliminary interview where information is exchanged about the job, the applicant and the, mutual expectations of the individual and the organization. If the organization finds the candidate suitable, an application form, prescribed for the purpose, is given to these candidates to fill in and submit.
2. **Application Form** : The application form is usually designed to obtain information on various aspects, of the applicant‘s social, demographic, academic and work-related background and references. The forms may vary for different positions some organizations may not have any form specially designed instead, ask the candidates to write applications on a plain sheet.
3. **Selection Tests**: A test is a sample of an aspect of an individual‘s behavior, performance or attitude. It also provides a systematic basis for comparing the behavior, performance or attitude of two or more persons. Tests serve as a screening device and provide supplementary inputs in selection decisions. Their value lies in the fact that they serve additional predictors intended to make selection decision more apt and accurate. Tests are typically for intelligence, aptitude, skill, personality, interests, preferences etc.
4. **Interview:** Interview is an oral examination of candidates for employment. No selection process is complete without one or more interviews. Interview is the most common and core method of both obtaining information from job-seekers, and decision-making on their suitability or otherwise. Organizations may seek to make their selection process as objective as possible. But interview which is an essential element of the process, by and large still remains subjective.
5. **Checking of references:** Many organizations ask the candidates toprovide name(s) of referees from whom more information about the candidate can be solicited. The usual referees may be past teachers, previous employers or persons established in the society. Background verification is sought to guard oneself against possible falsification by applicant. Therefore, employers in private sector generally find that they get more accurate information when they track the actual past performance than when they merely ask for references reflecting opinion about the candidate.
6. **Medical examination**: Medical examination is carried out to ascertain the physical standards and fitness of the prospective employees. The practice of physical examination varies a great deal in terms of both coverage and timing. Some organizations only have general check up of applicants to find major physical problems which may come in the way of effective discharge of duties while on the other hand some carry out examination on a very comprehensive basis. Regarding timing of the examination, jobs which require a high degree of fitness carry out physical examination relatively early in the process.
7. **Approval by appropriate authority:** On the basis of above steps suitable candidates are recommended for selection by the selection committee or HR department.

**Performance Appraisal**

Performance Appraisal has been defined as “the systematic, periodic and an impartial rating of an employee‘s excellence in matters pertaining to his present job and his potential for a better job”.

Performance appraisal or performance evaluation is a method of evaluating the behavior of employees in a work place, normally including both the quantitative and qualitative aspect of job performance. Performance here refers to the degree of accomplishment of the tasks that makeup an individual job. It indicates how well an individual fulfilling the job demands. Performance is measured in terms of results. Performance appraisal is the process of assessing the performance or progress of an employee, or a group of employees on the given job, as well as his potential for future development. Thus, performance appraisal comprises all formal procedures used in organizations to evaluate contributions, personality, and potential of individual employees. In other words, performance appraisal includes the comparison of performance scales of different individuals holding similar areas of work responsibilities and relate to determination of worth of the scales for the achievement of organization objective.

Performance appraisal is the systematic evaluation of the individual with respect to his performance on the job and his potential for development. Performance appraised is concerned with determining the differences among the employees working in the organization. Generally, the evaluation is done by the individual‘s immediate superior in the organization and whose performance is reviewed in turn by his superior. Thus, everyone in the organization who rates others below him is also rated by his superiors, Performance appraisal employs rating techniques for comparing individual employees in the work group, in terms of personal qualities or deficiencies and the requirements of their respective jobs

**Characteristics of Performance Appraisal:**

1. **A Process:** Performance appraisal is not a one-act play. It is rather a process that involves several acts or steps.
2. **Systematic Assessment:** Performance appraisal is a systematic assessment of an employee‘s strengths and weakness in the context of the given job.
3. **Main Objective:** The main objective of it is to know how well an employee is going for the organization and what needs to be improved in him.
4. **Scientific Evaluation:** It is an objective, unbiased and scientific evaluation through similar measure and procedures for all employees in a formal manner.
5. **Periodic Evaluation:** Although informal appraisals tend to take place in an unscheduled manner (on continuous) basis with the enterprises a supervisors evaluate their subordinates work and as subordinates appraise each other and supervisors on a daily basis, yet the systematic (i.e. formal) appraisal of an individual employee is likely to occur at certain intervals throughout that person‘s history of employment (say bi-monthly, annually, etc.)
6. **Continuous Process:** In addition to being periodic performance usually is an ongoing process. It means that appraisals are regularly scheduled and are not dumped on the employee on whimsical dates without relevance. The process has not been broken in person‘s history of employment however, the periodicity of appraisal may be changed as per needs of the situation.
7. **Employee Feedback:** Performance appraisal system provides information to employees on how well they are doing their jobs, and this feedback is provided to them when it is relevant.
8. **Performance appraisal is also called Employee Rating and Service Rating**: Performance appraisal and merit rating are used synonymously. But strictly speaking performance appraisal is a wider term than merit-rating. In merit rating the focus is on judging the caliber and worth of an employee so as to place him on right job. On the other hand, performance appraisal focuses on the performance and future potential of the employee. Its aim is not simply to decide placement or promotion but to measures the value of worker in different job situations.

### PURPOSE OF PERFORMANCE APPRAISAL

The following are the main purposes of performance appraisal.

1. **Appraisal Procedure :** It provides a common and unified measure of performance appraisal, so that all employee are evaluated in the same manner. It gives an indiscriminatory rating of all the employees.
2. **Decision Making :** Performance appraisal of the employees is extremely useful in the decision making process of the organization. In selection, training, promotion, pay increment and in transfer, performance appraisal is very useful tool.
3. **Work Performance Records :** Performance appraisal gives us a complete information in the form of records regarding every employee. In the case of industrial disputes even arbitrator accepts these records in the course of grievance handling procedure.
4. **Employees Development :** Performance appraisal guides the employees in removing their defects and improving their working. The weaknesses of the employee recorded in the performance appraisal provide the basis for an individual development programme. If properly recorded and used, the performance appraisal gives the fair opportunities to employees to correct and rectify their mistakes.
5. **Enables Supervisors to be More Alert and Competent :** Performance appraisal enables supervisor to be more alert and competent and to improve the quality of supervision by giving him a complete record of employee's performance. He can guide an employee, where he is prone to commit mistakes.
6. **Merit Rating :** Merit rating is another name of performance appraisal, it gives supervisors a more effective tool for rating their personnel. It enables them to make more careful analysis of employee's performance and make them more productive and useful.
7. **Improves Employer Employee Relations :** Performance appraisal is not only a useful guide for the supervisors and employees but it improves the employer-employee relations by creating a more conductive and amicable atmosphere in the organization. It also stimulates free exchange of thoughts and ideas between the supervisor and his men. In this way performance appraisal bridges the emotional gap between the employer and employee by bringing them more close and by reducing man-to-man differences in the organization.

### USES OF PERFORMANCE APPRAISAL

Performance appraisal helps the employees in Self- improvement and Self-development. It helps the management in taking decisions about Placement, Promotions, Transfer, Training and Development, etc. It helps to achieve individual and organizational goals. It is useful to the employees and the organization. Therefore, Performance Appraisal should be conducted objectively from time to time. The employees should not oppose it. However, they should see that the performance appraisals are systematic, fair and impartial. It should not be for punishing the employees. It should be for improving the employees and their performances.

1. **Help in Deciding Promotion :** It is in the best interest of the management to promote the employees to the positions where they can most effectively use their abilities. A well-organised, development and administered performance appraisal programme may help the management in determining whether an individual should be considered for promotion because the system not only appraises the worth of the employee on the present job but also evaluates his potentialities for higher job.
2. **Help in Personnel Actions :** Personnel actions such as lay- offs, demotions, transfers and discharges etc. may be justified only if they are based on performance appraisal. While in some cases, actions are taken because of unsatisfactory performance of the employee, in some other cases it may be called for due to some economic conditions beyond control such as changes in production process. In former case, the action can only be justified on the basis of the result of performance appraisal.
3. **Help in Wage and Salary Administration :** The wage increase given to some employees on the basis of their performance may be justified by the performance appraisal results. In some cases appraisal, i.e., merit and seniority are combined for higher salaries on better positions.
4. **Help in Training and Development :** An appropriate system of performance appraisal helps the management in devising training and development programmes and in identifying the areas of skill or knowledge in which several employees are not at par with the job requirements. Thus the appraisal system points out the general training deficiencies which may be corrected by additional training, interviews, discussions or counselling. It helps in spotting the potential to train and develop them to create an inventory of executives.
5. **Aid to Personnel Research :** Performance appraisal helps in conducting research in the field of personnel management. Theories in personnel field are the outcome of efforts to find out the cause and effect relationship between personnel and their performance. By studying the various problems which are faced by the performance appraiser, new areas of research may be developed in personnel field.
6. **Help in Self Evaluation :** Performance appraisal helps the employee in another way also. Every employee is anxious to know his performance on the job and his potentials for higher jobs so as to bring himself to the level of that position.
7. **Help in Creating Healthy Competition :** Performance appraisal brings out the deficiencies and shortcomings of the employees. Discussions between rater and rates may be conducted in a spirit of co-operation and mutual understanding. This gives an opportunity to the employer to have an insight on their performance and to take corrective measures to improve upon their performance.

### METHODS OR TECHNIQUES OF PERFORMANCE APPRAISAL

Several methods and techniques are used for evaluating employee performance. They may be classified into two broad categories as shown.

#### Traditional Methods

Ranking Method

Grading Method

Man-to-Man Comparison Method

Graphic Rating Scale Method

#### Modern Methods

1. Management by Objective (MBO)
2. Assessment Centre Method
3. Human Asset Accounting Method
4. Behaviorally Anchored Rating Scales
5. 360o Appraisal

**Traditional Methods of Performance Appraisal :** There are different techniques/methods which are used for performance appraisal of employees. Some of the methods of performance appraisal are:

1. **Ranking Method :** Ranking method is the oldest and simplest method of rating. Here, each employee is compared with all others performing the same job and then he is given a particular rank i.e. First Rank, Second Rank etc. It states that A is superior to B. B is superior to C and so on. This method ranks all employees but it does not tell us the degree or extent of superiority i.e. by how much one employee is superior to another. Secondly, this ranking is based on only mental assessment so it is not possible to give any objective proof about why the rater has ranked one employee as superior to another. In this method, the performance of individual employee is not compared with the standard performance. Here, the best is given first rank and poorest gets the last rank.

The ranking method is highly subjective. Similarly, here the employees are compared as a whole. Comparison of the various parts of an employee's performance is not done.

1. **Grading Method :** Under this method of performance appraisal, different grades are developed for evaluating the ability of different employees and then the employees are placed in these grades. These grades may be as follows : (i) Excellent; (ii) very good; (iii) Good; (iv) Average; (v) Bad; (vi) Worst.
2. **Man-to-Man Comparison Method :** This method was first used in USA army during World War I. Under this method, few factors are selected for analysis purposes. These factors are leadership, dependability and initiative. After that a scale is designed by the rate for each factor. A scale of person is also developed for each selected factor. Each person to be rated is compared with the person in the scale, and certain scores for each factor are awarded to him/her. In other words, instead of comparing a whole man to a whole man personnel are compared to the key man in respect of one factor at a time.

We can use this method in job evaluation. This method is also known as the Factor Comparison Method. In performance appraisal, it is not of much use because the designing of scale is a very difficult task.

1. **Graphic Rating Scale Method of Performance Appraisal:** This is the very popular, traditional method of performance appraisal. Under this method, scales are established for a number of fairly specific factors. A printed form is supplied to the rater. The form contains a number of factors to be rated. Employee characteristics and contributions include qualities like quality of work, dependability, creative ability and so on. These traits are then evaluated on a continuous scale, where the rater places a mark somewhere along the scale. The scores are tabulated and a comparison of scores among the different individuals is made. These scores indicate the work of every individual. This method is popular because it is simple and does not require any writing ability. The method is easy to understand and use. Comparison among pairs is possible. This is necessary for decision on salary increases, promotion, etc.

### MODERN METHOD OF APPRAISAL AND CAREER DEVELOPMENT

Most of the traditional methods emphasize either on the task or the worker‘s personality, while making an appraisal. For bringing about a balance between these two, modern methods, have been developed. The details of these methods are as follows :

**1. Management by Objective (MBO)** : It was Peter F. Drucker who first gave the concept of MBO to the world in 1954 when his book The Practice of Management was first published. Management by objective can be described as, a process whereby the superior and subordinate managers of an organization jointly identify its common goals, define each individual‘s major areas of responsibility in terms of results expected of him and use these measures as guides for operating the unit and assessing the contribution of each of its members.

**Objectives of MBO :** The objective of MBO is to change behavior and attitudes towards getting the job done. In other words, it is results-oriented. It is performance that counts. It is a management system and philosophy that stress goals rather than methods. It provides responsibility and accountability and recognizes that workers or employees have needs for achievement and self-fulfillment. It meets these needs by providing opportunities for participation in goal setting process. Subordinates become involved in planning their own careers.

**The Process of MBO :** It is as follows :

1. **Establishment of Goal :** The first step is to establish the goals of each subordinate. In some organizations, superiors and subordinates work together to establish goals. While in other organization, superiors establish goals for subordinates. The goals typically refer to the desired outcome to be achieved. Thereafter these goals can be used to evaluate employee performance.
2. **Setting the Performance Standard :** The second step involves setting the performance standard for the subordinates in a previously arranged time period. As subordinates perform, they know fairly well what there is to do, what has been done, and what remains to be done.
3. **Comparison of Actual Goals with the Standard Goals :** In the third step the actual level goal attainment is compared with the standard goals. The evaluator explores reasons of the goals that were not met and for the goals that were exceeded. This step helps to determine possible training needs. It also alerts the superior to conditions in the organization that may affect a subordinate but over which the subordinate has no control.
4. **Establishing New Goals, New Strategies :** The final step involves establishing new goals and, possibly, new strategies for goals not previously attained. At this point, subordinate and superior involvement in goal-setting may change. Subordinates who successfully reach the established goals may be allowed to participate more in the goal-setting process next time. The process is repeated.

**Objectives of Assessment Centers :** The centers are used for the following purposes :

1. For implementing affirmative goals.
2. For making an early determination of potential.
3. For providing accurate information relating with human resource planning.
4. For determining individual training needs of employees.
5. For selecting recent college students for entry level position.
6. For measuring potential for first level supervision, sales and upper management positions and also for higher levels of management for development purposes.

The characteristics assessed in a typical assessment centre include assertiveness, persuasive ability, communicating ability, planning and organizational ability, self confidence, resistance to stress, energy level, decision-making, sensitivity to the feeling others, administrative ability, creativity, and mental alertness etc.

**Procedure :** The Assessment centre program commonly used as follows :

**Firstly :** A leadership group is made each member supporting a predefined position, but the group must arrive at consensus.

**Secondly :** A task force is used with an appointed leader, who decides on a course of action.

**Thirdly :** Simulation games and in-basket exercises are used to test organizational and planning abilities.

**Fourthly :** Oral report is made by the candidate, which tests his communication skills and straight into his present position.

**Fifthly:** Personal interviews, and projective tests are used to assess work motivation, career orientation, and dependence on other. Paper and pencil tests measure intellectual ability.

The duration of Assessment centre program varies with the persons. For instance, centre designed to select first line supervisors, sales personnel, and management trainee generally last for a day or less; while those used for higher-level managers may run for two or three days or longer if used for developmental and not for selection purposes.

**Drawbacks :** These are as follows :

**Exam Syndrome :** One of the most obvious drawbacks is the examination-taking syndrome solid performer in day-to-day operations feel suffocated in the simulated environment.

**Adverse Effect on Potential :** Another drawback is its potential adverse effect on those not selected to participate in the exercise.

**Negative Reaction :** Employees who receive a poor report from the centre may react in negative way.

**Poor Report Demoralizes Employee :** A good performer at one level may leave the organistaion in order to remove the bad assessment report from his or her work record. Thus, a poor report can demoralize an employee who was once an asset.

**Other Problems :** Other problems include-strong and unhealthy sense of competition among the assesses, difficulty of conducting test frequently, and the possibility of overemphasising the test performance.

However a well-conducted assessment centre can and does achieve better forecasts of future performance and progress than other methods of appraisal. Apart from that reliability, content validity, and predictive validity are said to be high in the assessment centres. This test helps in making sure that the wrong people are not hired or promoted.

#### 3. Human Asset Accounting Method:

This technique refers to money estimates to the value of a firm‘s internal human organization and its external customer goodwill. If well trained employees leave a firm, the human organization is worthless; if they join it, its human assets are increased. if distrust and conflict prevail, the human enterprise is devalued. If team work and high morale prevail, the human organization is a very valuable asset.

The current value of a firm‘s human organization can be evaluated by developed procedures by undertaking periodic measurements of key casual and intervening enterprise variables. The key casual variables include the structure of an organization‘s management policies, decisions, business leadership, skills, strategies, and behavior. The intervening variables indicate the internal state and health of an organization. They include loyalties, attitudes, motivations, and collective capacity for effective interaction, communication and decision-making. These two types of variable measurements must be made over several years to provide the needed date for the computation of the human asset accounting.

#### Behaviorally Anchored Rating Scales (BARS) :

This method is also called behavioral expectation scales. These are the rating scales whose scale points are determined by statements of effective and ineffective behavior. They are said to be behaviorally anchored in that the scales represent a range of descriptive statements of behavior varying from the least to the most effective. A rater must indicate which behavior on each scale best described an employee‘s performance. The following steps are involved in Behaviorally anchored rating scales (BARS):

1. **Generate Critical Incidents :** Persons with knowledge of the job to be appraised (job holders/supervisors) are asked to describe specific illustrations (critical incidents) of effective performance behavior.
2. **Develop Performance Dimensions :** These people then cluster the incidents into a smaller set (or say 5 or 10) of performance dimensions. Each cluster (dimension) is then defined.
3. **Reallocate Incidents :** Any group of people who also know the job then reallocate the original critical incidents. They are given the cluster‘s definitions, and critical incidents, and asked to redesign each incident to the dimension it best described. Typically a critical incident is retained if some percentage usually (50 to 80%) of this group assigns it to the same cluster as the previous group did.
4. **Scale of Incidents :** This second group is generally asked to rate (7 or 9 point scales are typical) the behavior described in the incident as to how effectively or ineffectively it represents performance on the appropriate dimension.
5. **Develop Final Instrument :** A subset of incident (usually 6 or 7 pe) cluster are used as behavior anchors for the performance dimensions.

BARS were developed to provide results which subordinates could use to improve performance superiors would feel comfortable to give feedback to the ratee. Further, BARS help to overcome rating errors. Unfortunately, the method too suffers from distortions inherent in most rating techniques.

1. **360-Degree Appraisal :** In 360-degree performance appraisal technique a manager is rated by everyone above, alongside and below him. 360 degree approach is essentially a fact-finding, self- correcting technique, used to design promotions. The personality of each top manager – their talents, behavioral traits, values, ethical standards, tempers, loyalties – is to be scanned, by their colleagues as they are best placed to diagnose their suitability for the job requirements.

In this method a question are is structured to collect required data about a manager from his bosses, peers, subordinates.

360-degree approach of assessment provides equal opportunity to evaluate the efforts of the top manager or managers in running a company effectively. It focuses on the intrinsic qualities of the manager as well as his capacity to lead. It also gives feedback to all assesses on their styles.

**Merits of 360-Degree Approach :** The merits of the technique are

1. The organization gains from the self-awareness of the top managers. It reveals strengths and weaknesses in their managing styles.
2. The gap between self assessment and the views of one‘s colleagues is reduced.
3. Teamwork thrives once peer group assessment is included in the methodology.
4. Empowerment is facilitated.
5. Facts about the organizational culture are brought to light.
6. Inflexible managers are forced to initiate change in their style

**Demerits of 360-Degree Approach :** The main drawbacks of this approach are as follows :

* 1. 360-degree approach can be utilized to humiliate people.
  2. Response from colleagues tends to be biased.
  3. Linking rewards to findings can prove to be unfair.
  4. The results could be uneven.

This technique identifies most suitable and acceptable person for the consideration of promotion. 360-degree approach supports the company‘s progress and rewarding the excellent performance of an individual.

#### Limitations of Performance Appraisal

The main limitations of Performance Appraisal are explained below :

1. **Time Consuming :** Performance appraisal is a time taking affair. It is a very lengthy process under which different forms are to be filled in and various observations are required to be noted in a careful manner.
2. **Lack of Reliability :** Reliability implies stability and consistency in the measurement. Lack of consistency over time and among different raters may reduce the reliability of performance appraisal.
3. **Incompetence :** Raters may fail to evaluate performance accurately due to lack of knowledge and experience. Post appraisal interview is often handled ineffectively.
4. **No Uniform Standards :** The standards used for appraisal purpose are not uniform within the same organization. This makes the rating unscientific. Similarly, the rating is done on the basis of an overall impression, which is not proper.
5. **Absence of Effective Participation of Employees :** In performance appraisal effective participation of concerned employee is essential. In many methods of appraisal he is given a passive role. He is evaluated but his participation or self evaluation is rather absent.
6. **Resistance of Employees to Appraisal :** Employees oppose the system as they feel that the system is only for showing their defects and for punishing them. The managers resist the system as they are not willing to criticize their subordinates or have no capacity to guide them for self improvement or self development.
7. **Paperwork :** Some supervisors feel that performance appraisal is paperwork. They make such complaints because many a times, performance appraisal reports are found only in the files rather than rendering any practical use.
8. **Fear of Spoiling Relations :** Performance appraisals may also affect superior-subordinate relations. As appraisal makes the superior more of a judge rather than a coach, the subordinate may look upon the superior with a feeling of a suspicion and mistrust.
9. **Stereotyping :** This implies forming a mental picture of a person on the basis of his age, sex, caste or religion. It results in an over-simplified view and blurs the assessment of job performance.
10. **Negative Approach :** Performance appraisal loses most of its value when the focus of management is on punishment rather than on development of employees.
11. **Multiple Objectives :** Raters may get confused due to two many objectives or unclear objective of performance appraisal.
12. **Resistance :** Trade unions may resist performance appraisal on the ground that it involves discrimination among its members. Negative ratings may affect interpersonal relations and industrial relations particularly when employees/unions do not have faith in the system of performance appraisal.
13. **Halo Effect :** Generally, there is the presence of a “halo‘ effect which leads to a tendency to rate the same individual first, which once have stood first.
14. **Individual Differences :** Some people are more distinct while some are very liberal in assigning the factors, points or number to the employees. They are unable to maintain a fair distinction between two individuals. It also nullifies the utility of this system.
15. **Unconfirmed :** Sometimes the results of performance appraisals are not confirmed by other techniques of motivation, incentive wages plans and so on. Factors are introduced in the managerial appraisal because of a fact or bias in the person concerned conducting the appraisal.