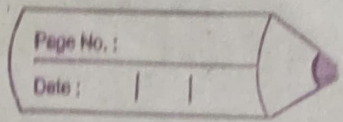


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## Assignment - 1 (Performance Appraisal)

### 1. Performance appraisal:-

It is a systematic and objectively way of evaluating the relative worth or ability of an employee in performing his job.

### Modern Methods of Performance Appraisal:-

- Management by objectives
- Behaviourally anchored rating scales
- Assessment centers
- 360° appraisal
- Cost accounting methods.

But modern method don't include much more. on the other hand, traditional methods have different and various types of methods within it.

### Traditional Methods:-

- Ranking Method (Simplest Method)

It is based on certain criteria such as trait or characteristic.

- Grading Method

In this method, certain categories are

defined well in advance and employees are put in particular category depending on their traits and other characteristics.

- Forced Distribution Method:- Fundamental assumption in this method is that employee's performance level conforms to a normal statistical distribution. For example, ~~100%~~<sup>5%</sup> employees may rated as excellent.

### Reasons for Adopting tradition:-

- People in the org. are familiar with the tradition and they are excellent in that particular system.
- It increased competition among the employees.
- It entail reviews mechanism in every dimension.
- Promote weak employee to compete with other peers.
- ~~It is~~ easy to evaluate and forecast.



## ② Methods of Performance appraisal

It is categorized in two ways.

- Modern methods
- Traditional methods

<u>Traditional methods</u>	<u>Modern methods</u>
Ranking Method, paired comparison, grading method, forced choice method, checklist method	Management by objectives, behaviourally assessment, 360° appraisal, cost accounting method

The traditional methods are well tried & tested methods. Companies are using these methods from decades.

But with the change in society, human behaviours, technological advancements, organizational culture, it is better to adopt the modern methods of performance appraisal.

### Modern Methods:-

- Management by objective:-

Employees and the superiors come together to identify some goals which are common to them, employee set their own goal to be achieved.

### - Behaviorally Anchored Rating Scales:-

Consist behavioral statements which describes the important job performance qualities as good or bad.

### - 360° performance appraisal:-

Known as multi-rater feedback, an employee can be appraised by his peers, managers, team members, customers.

### Benefits of Modern Methods:-

- Goals set by Employee
  - commitment towards goals
  - self motivation
- Behavioral change according to time
  - personal relations
- Appraisal by 360°
  - Covers all ~~aspect~~ aspect within the organisation.



### ③ Errors while doing the performance appraisal:

#### - ① Biasness in rating Employee -

It is the ~~probably~~ <sup>probably</sup> ~~will~~ subjective measure of the rating which will not be verified by others.

①. Halo effect: one behavioural consideration is rating all traits.

②. Central tendency: Errors may occur when the rater tries to rate all the employees based on the average rating of the employees.

- ④ Grouping: excusing below-standard performance because it is widespread.  
"Everyone does it!"

⑤ Recency: Rating only on the basis of recent performance. (good or bad both).

⑥ Bias: Allowing the bias to influence the rating. Bias can come from attitudes and opinions about race, national origin, sex, religion etc.