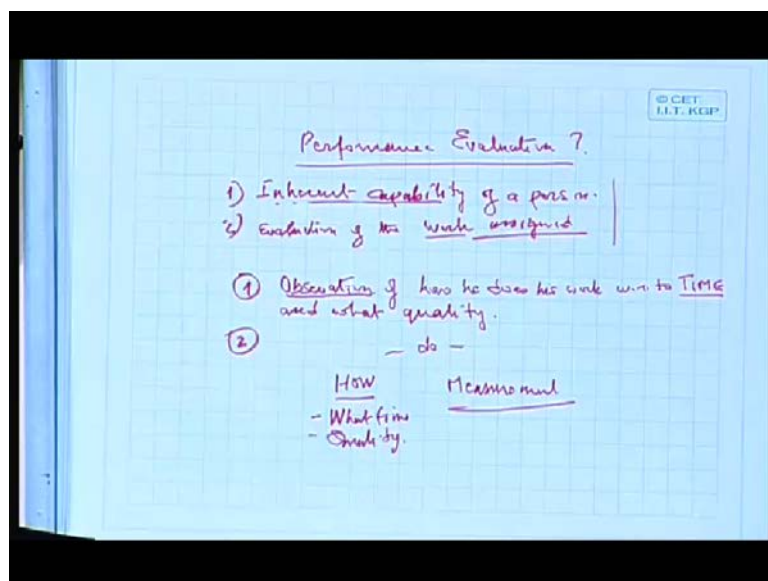


Human Resource Management - I
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Lecture No. # 07
Performance Evaluation and Appraisal- I

What is performance evaluation? Yes, anyone? Evaluate the inherent capability did you say? I see.

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What does he say is performance evaluation? It is the inherent capability of a person - any other views?

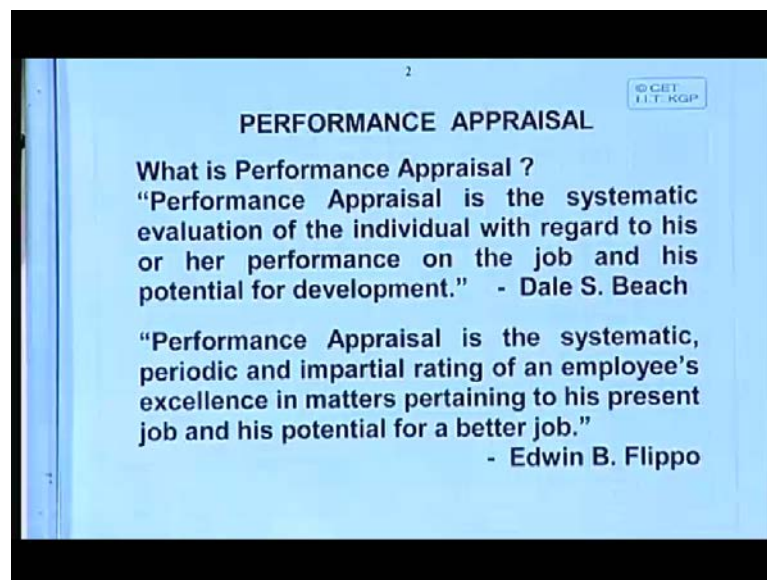
Evaluation of work assigned.

All right, so here it was inherent capability and now your view is evaluation of the work assigned; the focus here is - he says on work; any other views? One is inherent - internal and the other is the work assigned. All right, let us stop here and let us take the number one - how do you think you will evaluate the inherent capability of a person? Say, he is working under you - **you** are the manager and he is working under you; by observation of how he does the work with respect to time; time is important; is anything else important?

Quality of work.

Quality of work and what quality - this is by observation; if you observe, you will be able to form an opinion of his inherent capability and observe with respect to time as well as the quality - does everyone agree with that? That is a performance evaluation. What about this other definition or view - evaluation of work assigned; is this not the same as that? You are both coming around to the same view - that is, really the work which is assigned and how he does the work in terms of some parameters which you set; so you were...if you assigned work you must measure it; you are coming to 'evaluation is a kind of measurement' is it not? When you evaluate what are you doing? You are trying to measure; **measure** what? Against a reference framework of what work has been assigned, how he does it and in what time; **so, how is what time quality** - so essentially it is work related.

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Let us see some formal definitions - it says, what is performance appraisal? **Performance appraisal** is the systematic evaluation of the individual with regard to his or her performance on the job - performance on the job means, work which is given to him, how he performs and his potential for development; you see, these are new concepts which we did not discuss just now; we discussed only work assigned, how well he does it against work reference framework and you said quality is **one framework of time**; here he says potential for development; now, why is that important?

Because by training you can...

Because by training you can...yes, he has an inherent capability as you said earlier; if you are trying to see inherent capability that is more about the potential that you are trying to evaluate; you have got evaluation of two things one is the actual job performance, which is here and now - at present what he is doing; the second is equally important - what he may be capable of doing provided a b c - as you said, provided a training or there may be some other exposure which he has to be given; present performance and potential performance - these are the two very important factors by which you evaluate people in organizations.

We say evaluation is present performance and potential - these two are extremely important; obviously, which is more difficult to evaluate, tell me? To me, it seems obvious - potential performance, because that is something uncertain; you may go wrong there, whereas present performance...if you have set the tasks pretty clearly and define the task which he has to do then, it is that much easier for you to measure that.

Why do you have to really appraise and evaluate a person's performance? You are going to pay them, very correct; so, if he performs better you should pay him better or more - does everyone agree with that? Is that principle acceptable? Those who perform better they should be paid more? Accept? Yes, some sought of incentive; but, say I propose to you that he should be paid according to his needs - no? Say, someone has got a larger family - commitments; unmarried sisters - he has to marry off the sisters, aged parents who are sick - he needs more money.

But that will de-motivate some others.

That will de-motivate some others - small families; what is fair, what is equitable? See, when in companies and organizations which live within a society, subject to the norms of the society and subject to his own culture, what is it that we try to see? When you reward? You see, this discussion came out of the fact that I said - why do you want to appraise and evaluate performance? And, you said because you want to reward - very right; this is one of the important things - why you want to evaluate is because of the rewarding; then we are discussing the philosophy - is it acceptable? Those who perform better should they get more reward or is there any other yardstick like - need.

There should be some minimum wage that should be fixed.

Minimum wage should be fixed; see, as in life in everything there has to be a balance; sometimes... what is happening nowadays is that there is a little bit of departure - we will have wage and salary administration which is another topic, where these will be discussed - but, let us see, because it is interconnected; although the topics are separate human resource management is holistic; everything is interconnected - just like human behavior all topics are interconnected

In reward systems now, they try to have a mixture of both - for instance, compensation packages which are now designed and offered; they say these are the various heads which are absolutely essential like salaries and dearness allowance - basic salary, dearness allowance, some allowances; but, then in that basket you have a choice, the choice is - if you are older employees, for instance, you may choose to have education allowance, if you are unmarried bachelor - you may choose to have a holiday allowance; so, you can make up your package like a salad; have you been to a buffet? It is where you can make your own salad - you take onions and tomatoes and whatever - there is an array of it - then you make what you want.

Wage and administration, nowadays - modern thinking - is to make it need based as well as performance based; here is another one - performance appraisal is a systematic periodic; something thing they keep saying is systematic and periodic - that is also important to keep up the motivation; say, you had a company where you appraise today, and then after six months, then after two years and then you do not appraise for three years - it is not systematic, it is not periodic; it is likely to de-motivate, because then you say [FL]; sometimes, we get increment, sometimes we do not get increment - that is why the word systematic and periodical, and impartial rating; what does the word impartial bring in? What is the thought? impartial thought is - it should be based on? Performance

Performance or merit - how will you perform? What does it imply, therefore? It implies that there should not be favoritism; how do you make something impartial? You basically make it objective if it is impartial; you set yardsticks and you measure against those yardsticks the performance targets which you have set; because, if you do not have any yardsticks how are you going to evaluate? If you do not set any targets to him you will evaluate by only your subjective judgment.

The principle here is that you may go wrong if you go by subjective judgment only; you see you can never eliminate subjective judgment when you evaluate people, can you? When you are evaluating a human being, can you give him a job which is hundred percent measurable? Maybe at the very lower levels, isn't it? Where it is a repetitive kind of work, nothing else; you can set the time standards and you can measure; but, how many such jobs do you have in the organization? At least you talk of jobs in the office - we have got monthly rated jobs, managerial jobs, supervisory jobs; can you define all these jobs and set targets? It is not possible.

By and large we always try to be impartial; that means, try and be objective by setting the targets and defining the objectives and tasks; but, you can never eliminate the subjective element and that is up to the integrity and honesty of you yourself - that you try to keep that subjective part of the evaluation as objective as you can; you make your judgment objective; if you do not like the fellow but you still feel that he has more or less done a good job by whatever task you have set him - go by that and not by one or two incidents that happened, where he may have answered you back or argued with you; let that not color your judgment to make you give him a lower appraisal.

Employee's...impartial rating of an employee's excellence in matters pertaining to his present job and his potential for a better job; what is emerging as we can see is when you appraise you have to appraise against two parameters - one is, how has he done the present job and what in your opinion and judgment is his potential for holding higher responsibilities and higher jobs.

When you actually come down to the nitty-gritty of designing **forms** - because it is systematic and periodic - the evaluation you have to do systematically may be once a year, twice a year, four times a year, every quarter or every semester; what do you do in educational institutions? You evaluate, **right?** But, we give tests, quizzes and examinations and we do not do it at random - at least the basic examination we do as per academic calendar.

Similarly, in companies the basic evaluation and appraisal is done systematically - a number of times a year; how do you decide? We will come to that; but, by and large how he does his work today gives you some indicator of how likely he is to do his work tomorrow; then, there are other psychological assessments which can be used -

psychological instruments; you have what are called assessments centers where certain tasks are given and certain jobs are given and from that you can observe his ability to work with others - for instance, his interpersonal skills; as we said earlier, you first have to describe the job and having described the job you have to then specify the job - what kind of people will do that job; if you are trying to look at senior manager's positions, you have to see whether he has a good emotional quotient or not e q - remember e q? We said ability to live with ambiguity.

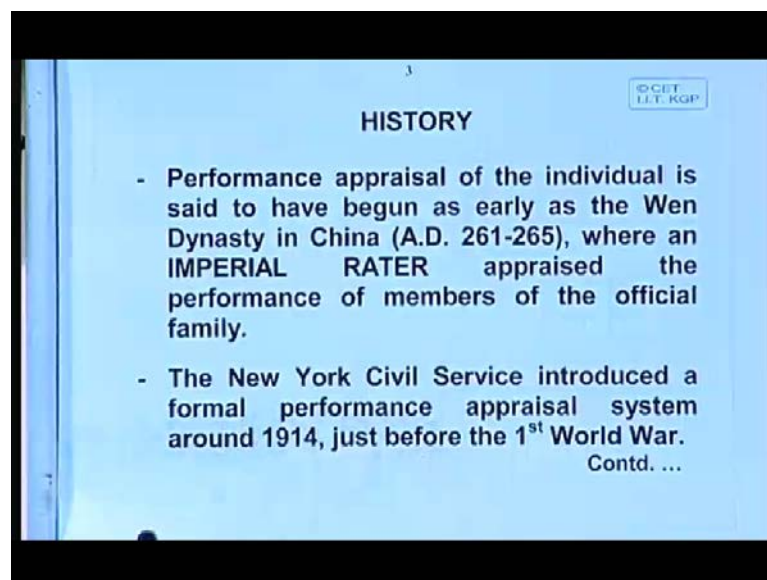
In the assessment centers, you have team work where problems are given - some of these problems are uncertain; you do not have all the data that you need - it is uncertain, ambiguous; how well can you take decisions? There are various things which you think are job descriptions for a senior manager, right? Decision making, the ability to take decisions - see, there are some people who are decision-averse, that means they do not like to take decision - they are frightened; why? Because, if the decision they take goes wrong, then the blame will come on them - so, they are frightened; they always like to go and ask their boss - even if their boss has empowered them; there are many managers who hesitate to - they will go to the boss and even if the boss says look it is your decision and it is your call - go ahead, they say - yes sir, but what do you think? I just want your opinion about it; what is happening there? He is frightened to take the decision.

Whereas, there are others who may be the other way round - they take decisions which are not within their powers to take; then, you will have to pull them up; what kind of people do that? Usually, people with internal locus of control, is it not? In assessment centers, by... they stay for a few days - let us say, a team of managers - and you want to assess their potential by group activity and observations along certain parameters; you can try and assess what is their team working ability, team building ability; there are some managers who are apt to do things only by themselves; they always feel that they can do it better than others - may be they are right; they do not like to delegate the work.

Whereas, we have seen that the basic definition of a manager is one who does his work through others, is it not? So, he fails in this basic test; therefore, as we go higher and higher he has more and more people reporting to him - larger and larger responsibilities - can such a person be able to do the job successfully if he cannot delegate? In an assessment center, you try and assess that.

Interpersonal skills - how well can he react with others? Does he have the communication skills which go for leadership? If you are trying to assess a CEO - a CEO requires to communicate all the time with outsiders outside the company - the stakeholders and with people inside the company; that is the basic specification; if someone does not have it, you try and assess whether he is trainable, whether he can be made and trained - most probably he is - but, after an assessment center you can assess what are the weaknesses and strengths of this group of managers who attended this assessment center and then make your chart - so to say - for their development; any questions?

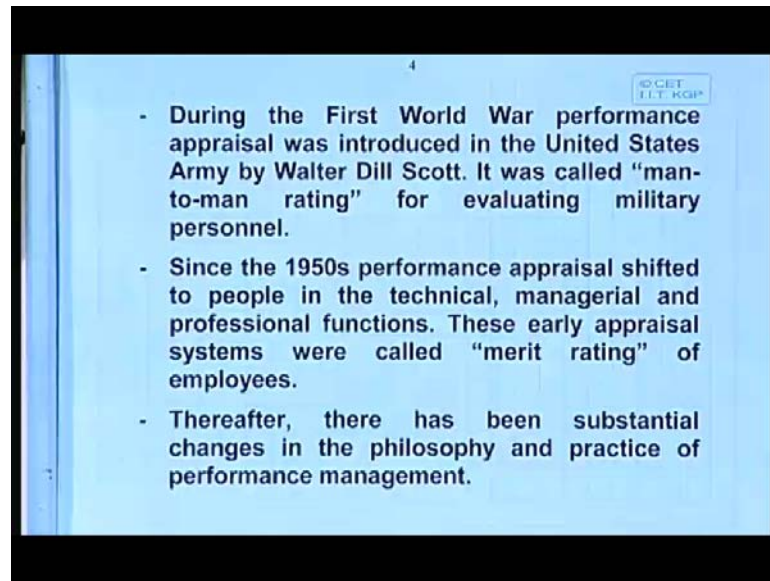
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Here is a little history - performance appraisal of the individual is said to have begun as early as the Wen Dynasty in China that is in the beginning of first 261 A D to 265, where an imperial rater - you had the emperor in those days in China - imperial rater appraised the performance of members of the official family; see how progressive it was - the New York Civil Service introduced a formal performance appraisal system just before the First World War - around 1914; this is historical, the keyword here is formal performance appraisal.

See, performance appraisal is done always - a boss always appraises a subordinate, does he not? He does it all the time, but the point here is introducing this in an organization in a formal way; this is credited to the New York Civil Service.

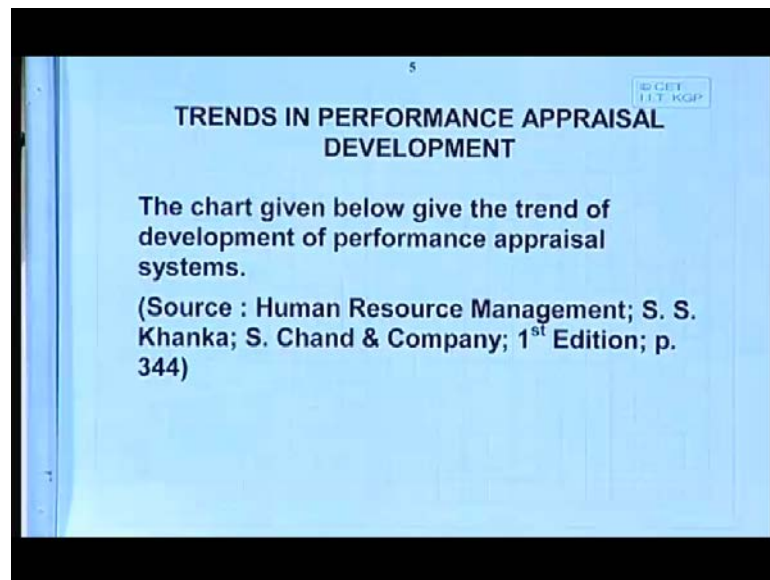
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During the First World War, performance appraisal was introduced in the United States Army by Walter Dill Scott - at that time they did not call it performance appraisal, it was called man to man rating; rating meant how good or how bad - same as performance - for evaluating military personnel; many of the things which we learn in modern management now originated in the military; in some sense the military can be called the father of modern management, because they dealt with large number of people to perform specific tasks so they had to organize themselves and make themselves efficient.

Since the 1950s, performance appraisal shifted to people in technical, managerial and professional functions; from military...first it started in the Imperial Family, then military to professions - professionals; these early appraisal systems were called merit rating of the employee - how meritorious is he; thereafter, there have been substantial changes in the philosophy and practice of performance management; any questions?

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We will just see a chart, which gives the trend of development of performance appraisal - how it historically developed.

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Table 28.1 Trends in Performance Appraisal

Item	Earlier Emphasis	Present Emphasis
Terminology	Merit rating	Employee appraisal/performance appraisal
Purpose	Determining qualifications for wage increase, transfer, promotion, lay-off	Development of personnel, improved performance on the job, and providing emotional security
Application	Hourly-paid workers	Technical, professional and managerial personnel
Factors rated	Heavy emphasis on personal attributes	Results, accomplishments, performance
Techniques	Rating scales, statistical manipulation of data for comparison purposes	Mutual goal setting, critical incidents, group appraisal, performance standards, less quantitative
Post-appraisal interview	Supervisor communicates his rating to employee and tries to sell his evaluation to him; seeks to have employee conform to his view	Supervisor stimulates employee to analyze his own strengths/weaknesses in line with job requirements; supervisor is helper and counsellor

This is a summary - trends in performance appraisal; here you have terminology, purpose, application, the factors on which you are rated and post appraisal interview; terminology here are earlier emphasis and present emphasis; terminology in merit rating - that is what it was called, now we call it employee appraisal or performance appraisal; earlier, the purpose was determining qualifications for wage increase, transfer,

promotions and layoffs; present emphasis is development - remember this is the key word - the emphasis today is on development; how to develop him so that he does his present job better and he can do future jobs better - that is the emphasis today.

Improve performance on the job and providing emotional security; today, as we have studied - in other topics - that human relations school of thought has come into the resource management - the human resource management and the human behavior fields; earlier it was on efficiency, which in a way was the scientific management school and as I said, in a way it was dehumanizing - assembly line; then, when the productivity plateaued at a certain point, then people thought that now the time has come when instead of looking at scientific ways - time measurement, technological improvements - of improving productivity, it is better to turn our attention to the human beings who is doing this; because, he is the key and that is where the human relations school came; you see that affected all areas of management of people.

Even for performance appraisal...now it is on development, improve performance and emotional security; it is recognized that a person who is not emotionally secure in whatever job he is doing...is he likely to perform very well? It is recognized that it may not - it may affect his performance in an adverse manner; people need to feel secure.

Remember, Maslow's hierarchy of needs? Application is hourly rated - it was for lower jobs; hourly rated is what the Americans say, we call it daily rated here, that means their wage is computed on the basis of everyday that they come - if they do not come they do not get paid; here we say monthly rated - that means if they do not come, are they paid? They are also not paid, but why do you call it monthly rated? Because they compute the daily wage on the basis of a month - thirty days, twenty eight days, twenty nine days or thirty one days; whereas, for daily rated the weekly off is not counted - they work either twenty five days or twenty six days - you see the calendar; there is a slight change - if you have an average daily rate there is a slight increase in the case of monthly workers.

Factors rated are - heavy emphasis on personnel attributes; a rating form, for instance, would go like... There will be an item called discipline and then there will be what you want to write about his discipline - the ability to obey orders or the cooperation; what are these? These are personnel; today what is the emphasis? Results, accomplishment and performance - the output; then, the techniques were - there were ratings scales, statistical

manipulation of data for comparison purposes; today, mutual goal setting - that means, you as a boss and he as subordinate you have to both sit together and mutually set your goals; together is bilateral, it is not unilateral; earlier, the boss gave the tasks - does it mean today bosses do not give tasks? No, it does not mean that, but the emphasis is shifting; nowadays, you expect that your boss will not only tell you, but also discuss it with you before you have a target; earlier the target was set by the boss, now you probably have an emphasis on agreeing to a target.

Post appraisal - after the appraisal - superior communicates his rating to the employee and tries to sell his evaluations; sell in inverted comma - he says look I have given you B grade and then I will tell you why I have given you a B grade, because a b c d e f; he gives you reasons - it is time to sell; in present emphasis, superior stimulates employees to analyze himself and set his own objectives; for instance, he asks that I want you to do self rating - if he is a boss; these were the targets we have set for you and this is your result - you know it and I know it - now, you tell me how you would rate yourself; would it be excellent? Good? Do you see the change in emphasis?

Which is better? Is this mutual bilateral system better? What do you feel? Yes, why? Why do you feel? You do not think that it is better? There are two schools of thought - there are some bosses who feel that it is better that I evaluate sitting by myself in my cabin and not tell you anything about what I am evaluating; exam is there but no marks are given - no feedback - there are bosses like that; then there are bosses who say I will give you the marks, but I will not discuss anything about it; and there is a third category - not only will I give you the marks, you are most welcome to come and discuss; if you ask me - sir, why did I get these marks, I will explain it to you.

So, which system is better of the three systems I have told you about? Which is better for the employee and which is better for the boss? I want to hear your views; third system is better for whom? Both? Are you sure? You would like to tell each employee - why, and he will argue with you and you have to convince them; after all you are the boss - are you sure? For you that is the best system? For employees, is it best? Think about it - be practical...think - we are all human beings; I am the boss and you are following system three; you come, I call you, you ask and I tell you something; you have a choice - you can agree to it or you need not agree to it.

If you agree to it and if you do not agree to it the outcomes may be different - you have to judge that; say. I am the type of boss whose style is authoritative; I am following the system of calling you, but generally I think that what I say is right - that is your assessment of me, because we assess the bosses all the time; you may choose to agree although you do not agree; because, you feel that if you disagree too much it may be for the worse for you in the next rating - are not these the thoughts which go on during the appraisal?

On the other hand, he may think that I will disagree with him because I feel he has been evaluating me badly - you are angry and you already applied and you got two jobs lined up; what will be your reaction? Different reaction; I do not know whether the third system is better or not, so do not take everything that you see in books for granted; some of these systems work better with different types of people; modern system sometimes... these are western systems which we have borrowed - sometimes they do not work with Indian system; we have different cultural norms.

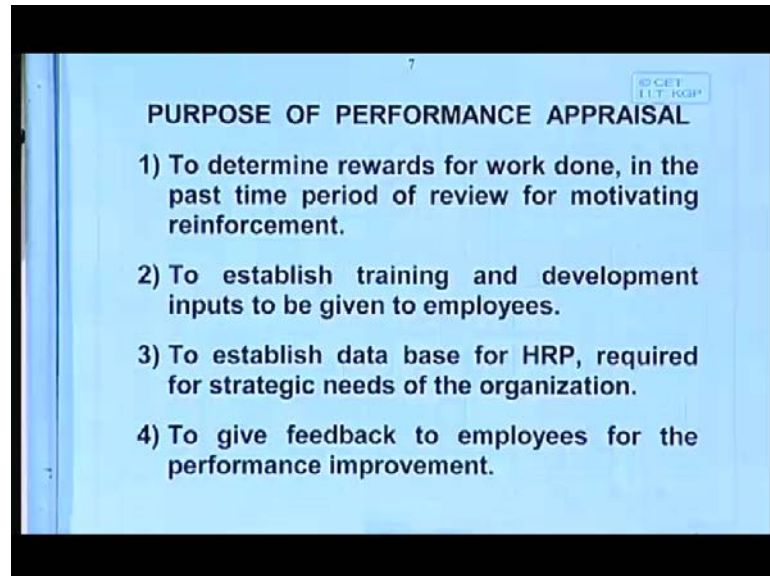
There are no yes or no answers here - some systems are good for some people and some organizations embedded in some cultures; other systems are not so good; many of the companies, which are owner driven companies - run by owners - they may not be able to handle a system which is bilateral; there will be fights and arguments - the whole result will be destructive; it may be better if they are just given the rating and there are no bilateral discussions.

What I mean to say is that, that is not the system - if someone wants to meet the boss and ask, that is different; but, as a system every boss sitting in the company calling the subordinate and telling them may not work; so, what are the conclusions that we are coming to? It may be good for the boss - the third system - and it may be good for the employee; sometimes, theoretically you can do many things, but you choose not to do it; if you do not agree with something you can have a recourse to court - litigation; it is a good thing, but sometimes you do not use it at all; anyway are there any questions on this?

When you go out to work, you will be in companies where you have a combination of all sorts of these systems; you have to judge yourself and see what works best; similarly, when you are a manager and you want to institute this system, do not go blindly and just

follow some system which has been followed in the west or some other company in India; try and work out a system which suits you.

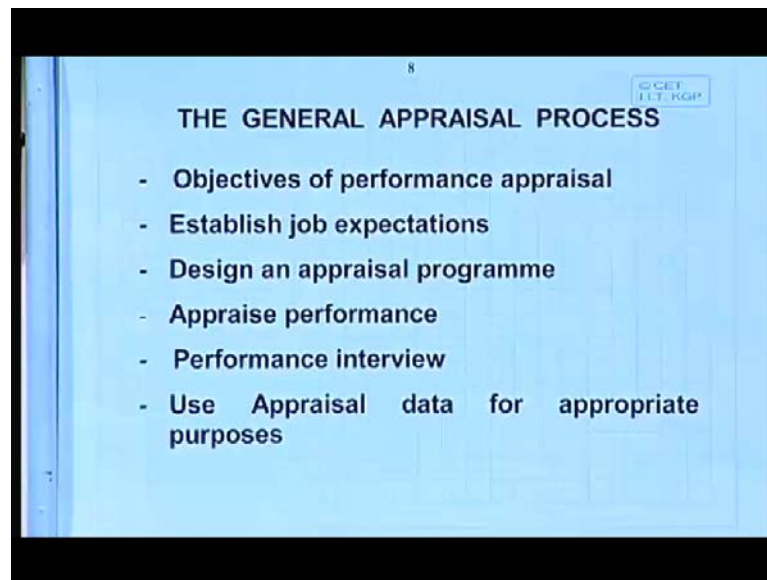
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This we have said - purpose of appraisal, we have already said for rewards - to determine rewards for work done in the past time period of review and for motivating and reinforcement; then, to establish training and development inputs given to the employees; why? Because, we say it is development oriented nowadays - you try to say not only what he has performed, but also why he has performed that; was there any weakness because of which he did not perform better? If there is a weakness, does he require training?; development inputs are to be given to the employees.

To establish data base for human resource planning - required for strategic needs of the organizations; if you appraise and find that all your managers are decision averse and you have huge growth plans, will they be able to take the decisions connected with growth? You have to train them - H R P, Human Resource Planning is required for strategic needs of the organization; to give feedback to employees for the performance improvement - unless you give feedback, how do you expect the employee's performance to improve? That is the thing.

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Now, we come to the general appraisal process; which means each company has got refinements of its own, but this is a general framework; objectives of performance appraisal, establish job expectations, design an appraisal program, appraise the performance, have the performance interview, use appraisal data for appropriate purposes - does this make any sense to you? Yes or no? Clear? No?

Objectives of the appraisal - say, I call you and...now this is the month of March - 31st March our year is ending and 1st April our next year starts - financial year; we have to decide what are your performance objectives; then, I tell you look...say, we are in the marketing department in, let us say, Kolkata and we have to set a target, because how much sales orders will you book - we have to set a target, so we discuss; I ask you - what do you think we should target for next year, for you? I ask you this as a boss; how will you answer? You will probably say, sir, this year my target was five crores, but I find that the market is not going to improve so I think five crore should be my target; maybe, I say, look five crores cannot be our target, because our top bosses have said that there has to be minimum ten percent growth - so, it has to be 10% more than five crores; because, if this is the guideline which has come from the top, then each of us - all, not only you all your colleagues who are...- everyone has to do his bit; then, you say, but, it will be very difficult; I say, all right it is difficult, but if it has to be done you tell me what help you want - but, it has to be done; like that there is a dialogue.

We are setting the objectives; second objective may be that...see last year what happened, the company launched some new products, but in our region and even in your case you met your target of five crores, no doubt; but, the target was mainly by selling the old products; the new products which were launched you did not sell those and is very vital for the company to establish the new products, because the competitors are giving new products in the market; our old products have got a life cycle after which they may become obsolete, so it is very important.

But, it is more difficult to establish a new product; so, the tendency of you people...you fill your quota of target by only giving the old products - you have to put more effort; I say, that is your objective number two and against that objective I say - next year, out of five crore plus 10% of five crore - that is, point five five fifty; in that, you have to have at least 20% new product sales; if you make all of the 550, with old product that is not good enough because it is a company objective and so on; now, you see that is objectives of performance appraisal!

This general appraisal process - when you design a form and a process you have to design as an H R department and you have to inform others; what I just told you is how it actually works when the process is designed; and the process design is...it will say that management has decided to introduce a) new performance evaluation and appraisal system - circular comes from MD; the system shall have the following objectives - it will be...it has been designed to give a fair rating to meritorious people so that the rewards can be on the basis of objective yardsticks - it says so, objectives of performances; it is also that given this system has been designed to try and identify people who have got potential for being given higher responsibilities - it is general.

Establish job expectations - it says in the circular, that it is expected that our company will throw up enough managers from internal sources so that our policy of promoting from within can be maintained and we do not have to get people from outside - establish job expectations; therefore, managers will have to perform in a manner where they are expected to take decisions within their purview, develop subordinates, do team working and so on and so forth.

Design and appraisal program - say, this program will be as given in annexure (a) let us say; annexure (a) says that the bilateral rating sheets are given as follows - they are pre

printed sheets form number 0 0 1; in that it says department, employee's name, employee's pay code number or pay sheet number; then, it says employee's department, say, marketing; then, for the financial period so and so...1st April 2004 to 31st March 2005; it is a pre printed form and it says that the appraisal has to be done by the boss twice every year in the month of September and in the month of March, let us say; that is before the half year - the details of the process.

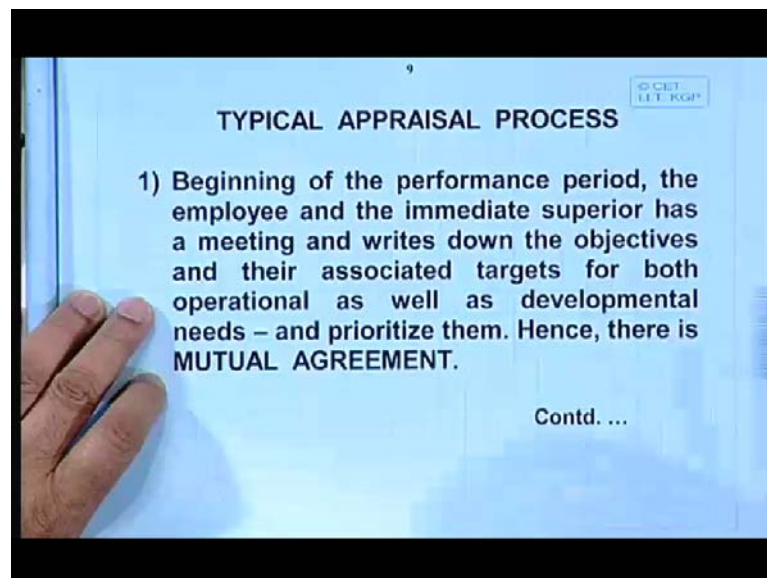
Then, it says that there has to be an appraisal and objective setting interview and this interview must be held with the boss and after the interview is held the rating should be given in the presence of the employee not when he is not there - details like these; thereafter, the form with the rating given by the boss will have to be sent to the boss's boss - that is also a requirement of the system; the boss's boss shall give his comments, if any, and return the form to the boss; all these details given in the program that we design; then, appraise performance, performance interview - all this is laid down in the scheme; sometimes, you have to train people how to appraise performances.

Many big companies train you - it is not easy to assess performance, particularly if the performance of your subordinates has not been very good, it is not easy to give him feedback in such a way that it is not construed by him and he receives it negatively; because, the whole purpose of giving feedback is to improve the employee; if the boss does not give the feedback in a proper manner it may backfire - bad blood is created, the employee feels that the boss is victimizing him; so lot of training is given on how to receive feedback and give feedback.

The use of appraisal data for appropriate processes; at the end of it, what is the outcome? Outcome is one or two forms in which ratings are given is it not? Ratings are given - of overall rating whether it is a b c or d whatever scale that system has; also, some remarks, is it not? Remarks for what? Training needs and development needs; because, this form is doing two things, is it not? One is performance on the present job, which means what? Past time period...say, you are appraising someone say in March, 2004 for the work which he has done in the past one year - that is the financial year, which is ending - April 2003 till 31st March, 2004; past period you do appraisal, that is what you have done; and given a rating - based on the rating, increments, promotions lump sum appreciation - some lump sum money reward - all this will be decided by them.

But, at the same time there will be some columns on the form where there will say - training needs, development needs; you may write there as a boss remark that he will benefit from attending a general management program of the company or outside; let him be sent to IIM Ahmedabad for a general management training - he will benefit from that; this is the kind of feedback which you will give on the form - for whom? For H R department, for your boss and his boss so that this data is generated and next time we send people to IIM Ahmedabad, let us say, for training in general management; we look and see which are the bosses who have been recommended this training and we pick it up in the H R department; no, say that again - your question; yes, **right**.

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You see, normally the view is that it does not go for or against - it is a statement of a fact; the fact is that you accept the fact, that every employee, however brilliant he is, has some shortcoming; if he has a shortcoming, therefore he has to be improved - there is continual improvement which is possible; therefore, if you recommend for training it is not as if you are blaming him, but by the other token there may be very weak areas; so it will depend on what you write - if you say that he is good but he must be developed, because he would be able to take higher responsibilities, therefore I'm recommending the training then that has one connotation.

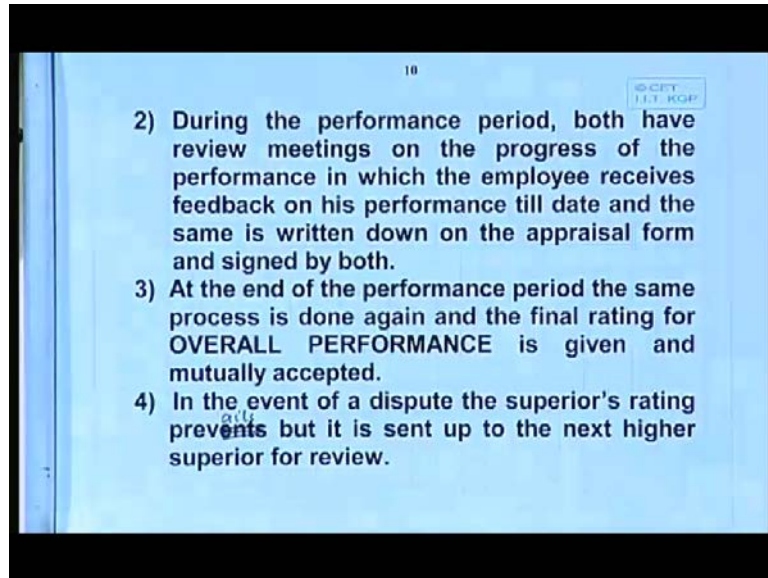
On the other, hand you say that he lacks these skills - say, he lacks computer skills and he should be sent for training; would you say that you are blaming the employee? No,

may not be; but you say he lacks interpersonal skills - how would it be construed? That you are blaming him? I do not think so; everyone lacks something, he is lacking that skill so you are sending him for training; now, that is where the perception will come in between the employee and the boss; if the relationship is not good the employee may feel [FL] the boss is ruining my future by giving me this training thing and everyone will think that I am [FL] there; but, if he has good relations he says boss is very good, actually I wanted to go and learn computer; if I go outside I have to pay five thousand rupees here company sends me and I will learn it; it depends on the perception. That is why it is so complex to have good performance appraisal when it is bilateral.

There has to be a general good feeling between the boss and the subordinate; otherwise, it will be very difficult to make it work and the results of it will not be what it is expected to be; instead of becoming a good meeting, where a feedback is received by the subordinate well and there is a good feeling at the end of the interview there will be conflict which will come after that - emotional disturbance; so, it is very **very** difficult to do it well.

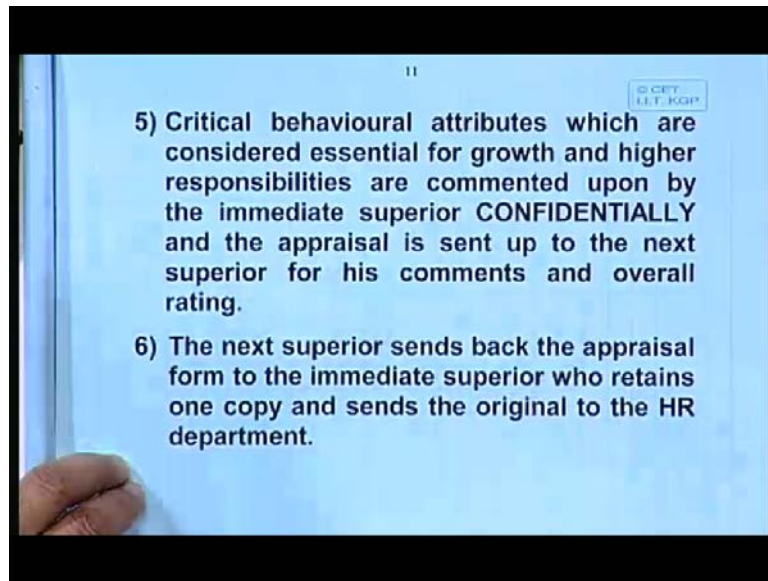
Typical appraisal process begins as the performance period begins; the employee and immediate superior have a meeting and write down the objective - all this, I am just summarizing what we said - and targets for operational as well as developmental needs and prioritizes them - we did not mention this; if you write six or seven of your objectives and targets you try to prioritize in such a way that we say which of these seven or eight are most important and which are less important and there is mutual agreement; we are talking of system three now, remember, because that is supposed to be the most progressive system.

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During performance period both have review meetings on the progress of performance in which employee receives feedback on his performance till date and the same is written down on the appraisal form and signed by both of them - these are formal systems. At the end of the performance period the same process is done again and the final rating for overall performance is given and mutually accepted; it is easy to say, it is very difficult to do it. In the event of a dispute the superior's rating prevails - this is not prevents, it is prevails; that is what the superior says...because, finally, he is the boss and he has the prerogative to evaluate you; but, it is sent up to the next higher superior for review so that you are not being victimized; you do not get a feeling...you have a recourse to sending up to high court.

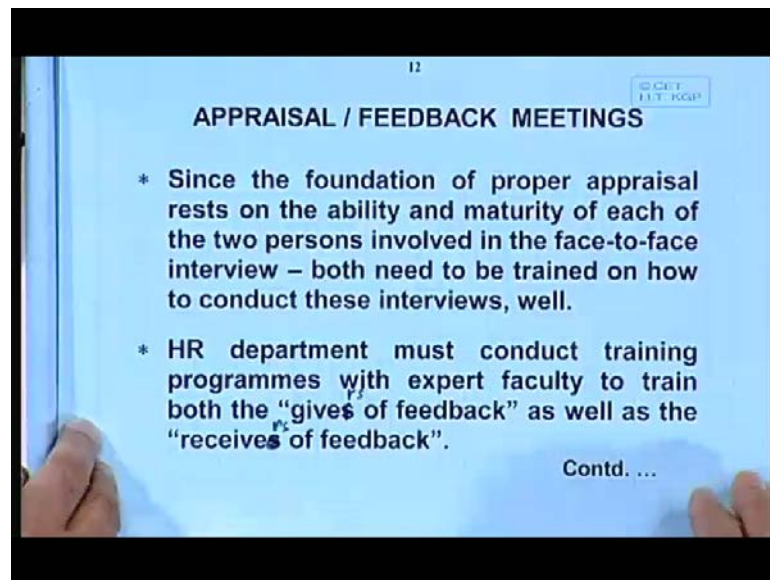
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Critical behavioral attributes which are considered essential for growth and higher responsibilities are commented upon by the immediate superior confidentially; usually, attributes about whether he is fit for higher responsibility or not; psychologists say it will give a bad feeling if the employee knows about it, so that is not told to him the performance is told but these attributes are confidential usually; and attempts are made to improve him, but it may demoralize him if he is told that.

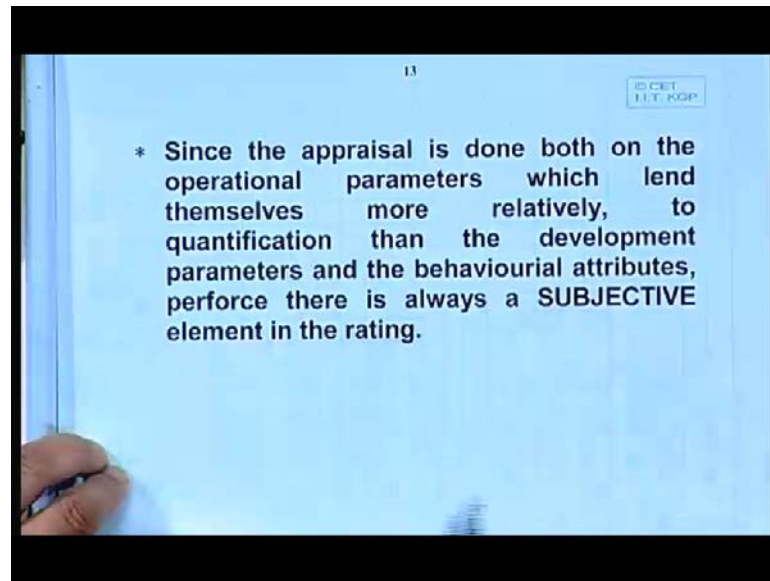
The next superior sends back the appraisal form, as we said, to the immediate superior who retains one copy and sends the original to the H R department; so, boss has a copy and H R has copy.

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Appraisal feedback meetings - since the foundation of proper appraisal rests on the ability and maturity of each of the two persons involved in the face to face interview, both need to be trained on how to conduct these interviews well; this is very important and you just cannot introduce a system without proper training to boss and the subordinates. H R department must conduct training programs with expert faculty to train both the givers - this is givers, those who give - of feedback as well as the receivers of feedback.

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Since the appraisal is done both on the operational parameters which lend themselves more relatively to quantification than the development parameters and the behavioral attributes, perforce there is always a subjective element in the rating as we mentioned earlier; you can never have hundred percent. We will take a five minute break and then continue this.