

# Department of Applied Economics and Commerce

## Patna University

Arjun Prasad (Research Scholar) Mob.No-9006117100.

[e-mail-arjun\\_avioter@yahoo.co.in](mailto:e-mail-arjun_avioter@yahoo.co.in)

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Course-M-COM (Semester-2<sup>nd</sup>)

### Topic-Meaning of Performance Appraisal

Performance appraisal is evaluating the performance of an employee against the well-defined job standards in terms of quantitative, qualitative and behavioral aspects at the workplace.

It is systematic and objective way of judging the relative worth or ability of an employee in performing his task. Performance appraisal helps to identify who are performing their assigned tasks well and those who are not the reasons for such performance. Assessment should not be confined to past performance alone. Potentials of the employee for future performance must also be assessed.

It is easier for raters to appraise performance than determine potential for the latter requires a great deal of knowledge and skill. The job environment may not be conducive for an employee to show his full ability or he may restrained from doing so. Care should be given these aspects before the potential for growth and advancement of an employee is evaluated.

McGregor says that formal performance appraisal plans are designed to meet three needs one of the organizations and the other two of the individuals namely:

- 1-They provide systematic judgments to backup salary increases, transfers, demotions or terminations.
- 2-They are means of telling a subordinate how he is doing, and suggesting needed changes in his behavior, attitudes, skills or job knowledge, they let him know "where he stands" with the boss.
- 3-They are used as a base for coaching and counseling the individual by the superior.