MANAGING EMPLOYEE PERFORMANCE AND TRAINING
(PERFORMANCE APPRAISAL AND TRAINING AND DEVELOPMENT)

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PERFORMANCE APPRAISAL
&
PERFORMANCE MANAGEMENT
INTRODUCTION

In the world of globalization, there is an immense competition in the market.

The success of the organization mainly depends on the employees.

The survival of the organization depends lot on the human resource asset.

The organization aims to motivate the employees and influence employee’s behaviour for the achievement of the organization objectives.

The performance management is concern with achieving these objectives.
DEFINITIONS OF PERFORMANCE APPRAISAL

Edwin B. Flippo, “Performance appraisal is a systematic, periodic and so far as humanly possible, an impartial rating of an employee’s excellence in matters pertaining to his present job and to his potentialities for a better job.”

According to Beach – “Performance appraisal evaluates systematically performance of individual with regard to his or her performance on the job and his potential for development.”

Garry Dessler explain as “Performance appraisal means evaluating an employees current and/or past performance relative to his or her performance standard.
DEFINITIONS OF PERFORMANCE MANAGEMENT

According to Philip Jams and Alan Couling, "performance management is a term used to describe a process or ensuring that all employees participate in setting targets which contribute to the goals of the enterprise are rewarded.

According to Michael Armstrong, "Performance management is a strategic and integrated process that delivers sustained success to performance of the people who work in them and by developing the capabilities of individual contributors and teams".
OBJECTIVES

- Identify the strengths and weaknesses of employees to put the right men on the right job.
- To judge the gap between the actual and the desired performance.
- Maintain and evaluate the potential that a person has for further growth and development.
- To review the performance of the employees over a given period of time.
- Providing feedback to employees about their performance and relative status to encourage and train them if required.
- To help the management in exercising organizational control.
- Helps to strengthen the relationship and communication between superior – subordinates and management – employees.
- To reduce the grievances of the employees.
IMPORTANCE

Better relationship between employer and employees - The appraisal gives an opportunity to explain standard performance to employees. Employees will walk away with better understanding to perform better.

Guiding a Career - The performance appraisal is the right opportunity to address long-term goals.

Recognition Good Work and Improvement - Recognising good work and addressing area of improvement.
APPRAISAL PROCESS

- Establish Performance Standards
- Communicate Performance Expectations
- Measuring Actual Performance
- Compare Actual Performance with Standards
- Discuss the Appraisal with the Employee
- Initiate Corrective Action

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Establishing Performance Standards - The first step in the process of performance appraisal is the setting up of the standards which will be used to as the base to compare the actual performance of the employees.

Communicate Performance Expectations - Once set, it is the responsibility of the management to communicate the standards to all the employees of the organization or whomever concern.

Measuring Actual Performance - The most difficult part of the Performance appraisal process is measuring the actual performance of the employees that is the work done by the employees during the specified period of time.

Compare Actual Performance with Standards - The actual performance is compared with the desired or the standard performance. The comparison tells the deviations in the performance of the employees from the standards set.
Discuss the Appraisal with the Employee- The result of the appraisal is communicated and discussed with the employees on one-to-one basis. The focus of this discussion is on communication and listening.

Initiate Corrective Action- The last step of the process is to take decisions which can be taken either to improve the performance of the employees, take the required corrective actions, or the related HR decisions like rewards, promotions, demotions, transfers etc.
APPRAISAL METHODS

PERFORMANCE APPRAISAL

Traditional Methods
1. Essay appraisal method
2. Straight Ranking Method
3. Paired Comparison
4. Critical Incidents Method
5. Field Review
6. Checklist Method
7. Graphic Ratings Scale
8. Forced Distribution

Modern Methods
1. Management By Objectives (MBO)
2. 360 Degree appraisal
3. Assessment Centres
4. Behaviorally Anchored Rating Scales
5. Human Resource Accounting
Essay Appraisal Methods- This method involves writing an essay by the superior on the employees’ performance. It is an open ended process and suffers from subjectivity.

Straight ranking method- In this method, the superior is asked to rate all the employees doing a specific job from best to the poorest based on a specific criterion.

Paired comparison method- The paired comparison method involves comparing each employee with every other employee in the group. Based on the comparison a ranking system is developed.

Critical incidents method- This method uses critical incidents such as accidents, major lapses on the part of the employee to rate his performance.

Field review method- In this method a Human resources specialist conducts the appraisal by asking a series of questions about the employee to the superior.
Checklist method: In this method a checklist consisting of objective statement is prepared such as “Is the worker regular at work” and so on.

Graphic rating scales - The Rating Scale is a form on which the manager simply checks off the employee’s level of performance.

Forced ranking - Forced ranking is a method of performance appraisal to rank employee but in order of forced distribution.

MODERN METHODS

MBO - MBO stands for management by objectives. MBO appraisals are based on predetermined objectives which are decided and agreed upon by the superior and the employee. It is a process of goal setting and feedback.

360 degree feedback - This method enables the employee to receive feedback from his superior, his peers, and his subordinates. This feedback provides information about the skills and behavior of an individual.
Assessment centre-An assessment centre typically involves the use of methods like social/informal events, tests and exercises, assignments being given to a group of employees to assess their competencies to take higher responsibilities in the future.

BARS (Behaviorally anchored rating scales)-Behaviorally Anchored Rating Scales (BARS) is a relatively new technique which combines the graphic rating scale and critical incidents method. It consists of predetermined critical areas of job performance or sets of behavioral statements describing important job performance qualities as good or bad.

Human Resource Accounting-Human resources are valuable assets for every organization. Human resource accounting method tries to find the relative worth of these assets in the terms of money. In this method the Performance appraisal of the employees is judged in terms of cost and contribution of the employees.
# Performance Appraisal vs Performance Management

<table>
<thead>
<tr>
<th>Basis for Comparison</th>
<th>Performance Appraisal</th>
<th>Performance Management</th>
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<tbody>
<tr>
<td><strong>Meaning</strong></td>
<td>Performance Appraisal, means the analysis of an employee's performance and their caliber for future growth and development.</td>
<td>Performance Management is the management of human resources in an organization.</td>
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<tr>
<td><strong>What is it?</strong></td>
<td>It is a system.</td>
<td>It is a process.</td>
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<tr>
<td><strong>Nature</strong></td>
<td>Rigid</td>
<td>Supple</td>
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<tr>
<td><strong>Type of tool</strong></td>
<td>Operational Tool</td>
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<td><strong>Owned by</strong></td>
<td>Human Resource Department</td>
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<td><strong>Corrections</strong></td>
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TRAINING & DEVELOPMENT

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INTRODUCTION

In today’s dynamic world of change, it is vital be a sustainable organization in the long run and for achievement of this status, organizations have to ensure that their employees are well-equipped with the necessary changing skills due to the technological development.

The employees must be imparted adequate training to enhance their capabilities, improve their efficiency and achieve their personal as well as organizational goals.

In broader sense, training is given to employees for improving their technical skills, so that productivity is increased, waste is reduced and accidents are avoided whereas supervisors, executives and managers are developed to successfully carry out their tasks as team leaders.
DEFINITIONS

According to Dale S. Beach, “training is an organized procedure by which people learn knowledge and skill for a definite purpose”.

Edwin B. Flippo defines training as – “an act of increasing knowledge and skill of an employee for doing a particular job”.

In short training is a short term educating and learning process by which an employees learn knowledge and skill to do particular job.
The scope of training rely on the type of staff is being trained for the definite purpose.

Training is a continuous process and it is not restricted to only new jonnies but is but also for organizations existing employees at all levels of the organization for doing particular job.
ROLE OF TRAINING IN ORGANIZATIONS (IMPORTANCE)

Increases productivity: The employees can utilize their acquired skills for improvement in processes, thus resulting in increased productivity.

Optimum utilization of human resources: Training and development process ensures proper assessment of training needs of individuals thus warranting that the right person gets the right training.

Improves human relations: Training helps to create positive attitude among employees. It also provides guidelines for work, which reduces conflicts and improves human relations.

Increases profitability: Training and development improves the decision-making and problem-solving capabilities of the employees. This leads to reducing the various costs. Training also reduces waste, eliminates errors and avoids accidents.
Improves quality and safety at work: Employees are able to apply newer techniques which would improve quality and safe working practices at work.

Improves employee morale: Training and development encourages self-confidence in an employee which improves their morale and in turn motivates them for a long term commitment towards the organization.

Training also helps in handling conflicts, thereby helping to prevent stress and tension.

Training also play a vital role in change process.

It also helps in developing labour management relations.

It also helps to improve relationship between supervisor, managers and employees.
OBJECTIVES

The significant part of the human resources management is to retain employees safe, productive in organizational activities.

HR training objectives support this role by educating employees and managers and focuses on what the organization should achieve and how to help employees achieve the company objectives.

1. To prepare the employees new and old to meet the present as well as the changing requirement of the organization.
2. To prevent obsolescence.
3. To prepare employees for higher level of task.
4. To assist employees to function more effectively.
5. To ensure economical output of required quality. (Learning time Reduction)
6. To ensure smooth and efficient working of the department.
7. Labor turnover Reduction
The training program consists of five steps:

1. **Needs Assessment**
2. **Setting Objectives**
3. **Designing Training Programme**
4. **Implementing Training Programme**
5. **Evaluating Training Programme**
Needs Assessment - Training need is the difference between standard performance and actual performance. The needs assessment is done at two levels – Individual and Group. At individual level, training enhances individual’s performance whereas at group level it prepares the group to adapt to new changes in the organization’s strategy.

Setting Objectives - The objectives must be properly determined to ensure that the primary purpose of training to bridge the gap between standard performance and actual performance is met.

Designing Training Programme - Designing a training programme includes answers to questions like – Who are the trainees? Who are the trainers? Where to conduct the training programme? What would be the level of the training? What methods and techniques to use for training? And so on.
Implementing Training Programme - Implement the training plan i.e. the actual conduction of the training programme.

Evaluating Training Programme - Evaluation of training programme is important since organizations spent a huge amount on these programmes. The organization needs to understand whether the organizational objectives have been accomplished. Evaluation of training programme ensures that there are changes in the trainees’ capabilities as a result of the training programme.
TYPES OF TRAINING

There are a number of training methods used to train employees as shown in Fig:

- On-the-Job training
  - Apprenticeship training
  - Job rotation
  - Coaching
  - Job Instruction Training

- Off-the-Job training
  - Lecture method
  - Simulation method
  - Role playing
  - Case study method
  - Sensitivity Training
  - Vestibule Training
ON-THE-JOB TRAINING

On-the-job training is the most common method in many organizations, which involves ‘learning by doing’. In this method, the trainee is placed on a job and trained for certain skills by an experienced employee or supervisor while doing his task. The major advantage of this method is that it provides a first-hand experience for the trainee. There are many benefits of on-the-job training:

- It gives a first-hand experience to the trainee.
- It is inexpensive.
- No additional arrangements like place of training, facilities etc. are required.
- Regular work is not disrupted.
- Immediate feedback can be given to the trainee.
**Apprenticeship Training** - This training is generally offered in technical areas or certain trades like – electrician, machinist, printer, draughtsman etc. According to the Apprentices Act, 1961, it is mandatory for the employers to place apprentice in certain designated trades as mentioned in the Act.

**Job Rotation** - Job rotation is the method in which trainees are moved from one job to another making them aware of the job and its interdependences on the other job.

**Coaching** - In coaching method, a trainee is placed under a supervisor or senior employee who coaches the trainee, providing him all the necessary inputs to carry out tasks.

**Job Instruction Training** - In this method the trainer provides all the necessary information related to the job i.e. general description of the job, duties and responsibilities involved in performing the job, its significance in context with other jobs and so on.
Off-the-job training is the method of training conducted away from the workplace. This method improves the concentration of the trainees since they are not distracted by their regular work.

A wider range of skills can be obtained

Opportunity to learn from outside specialists or experts

But more expensive
**Lecture Method** - Lecture method is a one-way communication wherein the instructor gives a verbal presentation to the audience. This is a direct learning method. This method is useful when the trainees are in large numbers.

**Simulation** - Simulation is a creation of mock environment of the organizational circumstances i.e. duplicates the actual conditions on the job. This method presents various problem situations and possible alternatives to the trainees. The trainees are expected to look into the problem from various perspectives and through various roles.

**Role Playing** - In role playing the trainees are given a business situation and a role to play, as in any drama, different persons play different roles are act or behave accordingly; similarly, in role playing, trainees are expected to play the role assigned to them. Moreover, role playing is helpful in attitudinal change.
Case Study Method - Case study is a written document of actual business situation is provided to the trainees. The trainees are expected to have a good theoretical background, so that they can apply their knowledge to solve case. Case study method gives an opportunity to the trainees to develop their analytical and judgmental ability.

Sensitivity Training - Sensitivity training is also called Laboratory Training or T-group (Training-group). It is a small group interaction in an unstructured manner. Since it is a small group activity, generally, ten to twelve persons are involved. Sensitivity training aims at develops empathetic ability, listening skills, conflict resolution skills and increase tolerance levels of the participants. One drawback of this training is that after the training, the participants may resort to their old habits.
Vestibule Training—Vestibule training is a method in which actual working conditions are simulated in a special room. The set-up of actual work environment is replicated with all the materials and equipment, used to perform the job. This training gives an hands-on experience to the trainee without disrupting the on-going work as well as relieves him of the pressure to learn and perform simultaneously.
## DIFFERENCE BETWEEN TRAINING & DEVELOPMENT

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<tr>
<th>Basis for Comparison</th>
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<th>Development</th>
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</thead>
<tbody>
<tr>
<td><strong>Aims at</strong></td>
<td>Specific job related</td>
<td>Conceptual ideas</td>
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<td>Technical and Non-managerial personnel</td>
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<tr>
<td><strong>Content</strong></td>
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<td><strong>Term</strong></td>
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<tr>
<td><strong>Objective</strong></td>
<td>To meet present need of employee</td>
<td>To meet future need of employee</td>
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<tr>
<td><strong>Orientation</strong></td>
<td>Job-oriented</td>
<td>Career-oriented</td>
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E-LEARNING

- E-learning is learning to use electronic technology beyond the traditional classroom.
- E-learning means teaching and training through digital resources.
- Although e-learning is based on formal education, it is provided through electronic devices such as computers, tablets and cellular phones connected to the Internet.
- It makes it easy for users to learn anytime, anywhere, if any, with restrictions.
- Basically, e-learning is a training, online through a computer or any other digital device.
BENEFITS OF E-LEARNING IN THE WORKPLACE

**Suitable and flexible access** The key advantage of the e-learning is that training is suitable and flexible access. The same can be accessed anytime from mobile device, laptop or desktop. So employees can train from trainer any time and anywhere.

**Cost effective** Setting up your e-Learning course can be really expensive, depending on how complicated it is. But this is an investment that saves you money. Online training cut out the costs of travel expenses, catering and venue hire costs of facilitators and physical training materials.
Diversity of learning styles- Not everyone learns the same way. Some may retain more knowledge through videos, others may prefer written notes, and some may require real opportunities to practice before they can actually acquire new skills. Through e-learning most of training types can be adopted.

Measurement outcomes and reports- Training is conducted for effectiveness. When training online, it's quick and easy to pull the data you need to measure its effectiveness.
The evaluation of training can be done by using any of the methods at four levels – Reaction, Learning, Behavioural change and Organizational Performance (Results). This four level model of evaluation is propounded by Donald Kirkpatrik.
Reaction signifies the degree to which the participants think or feel positive about the learning event. The same indicates has the training programme met the expectations of the trainees. This is done by post-training reaction survey.

Learning measures whether the trainee has acquired the proposed knowledge, skill or attitude after undergoing the training. This measurement is done by some knowledge tests, survey of self-perceived communication skills and attitude tests.

Behaviour level measures whether the training has resulted in any change in the behaviour of the participants when they are back to workplace. The same can be done by observation at work.

The last level of evaluation i.e. Organizational Performance(results) evaluates whether the training has affected the outcomes at work in terms of increased production, decrease in cost, reduction of waste, improvement in quality and so on.

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REFERENCES


THANK YOU