



# SNS COLLEGE OF TECHNOLOGY

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## DEPARTMENT OF AEROSPACE ENGINEERING

### 19MEE304 Total Quality Management

#### Topic: Performance appraisal

#### Introduction

- **Definition:** A systematic evaluation of employee performance against predefined standards.
- **Purpose:**
  - To assess **employee productivity and efficiency**.
  - To provide **feedback for improvement**.
  - To determine **promotions, training needs, and rewards**.
- **Importance in TQM:**
  - Encourages a culture of **continuous improvement**.
  - Aligns **individual goals with organizational objectives**.
  - Enhances **motivation, accountability, and engagement**.

#### Objectives of Performance Appraisal

- ✓ **Assess work quality and effectiveness.**
- ✓ **Identify training and development needs.**
- ✓ **Motivate employees through constructive feedback.**
- ✓ **Support HR decisions (promotions, salary increments).**
- ✓ **Facilitate career planning and professional growth.**

#### Performance Appraisal Methods

##### A. Traditional Methods

1. **Ranking Method:** Employees are ranked from best to worst based on performance.
2. **Paired Comparison Method:** Each employee is compared to others in pairs.
3. **Forced Distribution:** Employees are categorized into top, middle, and low performers.
4. **Checklist Method:** A list of behaviors/traits is used to evaluate employees.
5. **Critical Incident Method:** Performance is assessed based on specific significant actions.

##### B. Modern Methods

1. **Management by Objectives (MBO):** Employees set measurable goals aligned with organizational objectives.

2. **360-Degree Feedback:** Performance is evaluated by peers, subordinates, supervisors, and customers.
3. **Behaviorally Anchored Rating Scale (BARS):** Performance is rated using pre-defined behavioral statements.
4. **Psychological Appraisal:** Focuses on potential future performance and leadership abilities.
5. **Self-Appraisal:** Employees evaluate their own performance before feedback discussions.

### Key Performance Indicators (KPIs) in Performance Appraisal

- **Productivity Metrics:** Output vs. target achievement.
- **Quality of Work:** Error rates, rework, and defect levels.
- **Customer Satisfaction Ratings:** Service effectiveness.
- **Innovation and Initiative:** Problem-solving and creative contributions.
- **Teamwork and Collaboration:** Ability to work with others effectively.

### Performance Appraisal Process

1. **Setting Objectives:** Define goals based on job roles.
2. **Monitoring Performance:** Regular tracking and documentation.
3. **Providing Feedback:** Formal and informal discussions.
4. **Training & Development Recommendations:** Identifying skill gaps.
5. **Rewarding and Recognizing Employees:** Salary hikes, promotions, or incentives.
6. **Continuous Improvement Plan:** Encouraging ongoing development.

### Case Study: General Electric's (GE) Performance Appraisal System

- Moved from **annual performance reviews to real-time feedback**.
- Used a **digital performance tracking system** for continuous assessment.
- Improved **employee engagement and productivity**.

### Challenges in Performance Appraisal

- ⚠ **Subjectivity & Bias:** Personal opinions may affect evaluations.
- ⚠ **Lack of Clear Metrics:** Poorly defined performance criteria.
- ⚠ **Employee Resistance:** Fear of negative feedback.
- ⚠ **Inconsistent Feedback:** Irregular or unclear performance reviews.
- ⚠ **Overemphasis on Past Performance:** Lack of focus on future growth.

### Solutions to Overcome Challenges

- ✓ Use **objective, data-driven KPIs**.
- ✓ Implement **360-degree feedback** for a balanced evaluation.
- ✓ Train managers on **effective performance evaluation techniques**.
- ✓ Encourage a **continuous feedback culture** rather than annual reviews.

## **Benefits of an Effective Performance Appraisal System**

- ✓ **Increases employee motivation and engagement.**
- ✓ **Improves organizational productivity and quality.**
- ✓ **Helps identify training and career development opportunities.**
- ✓ **Supports strategic decision-making in HR and management.**

## **Conclusion**

- **Performance appraisal is critical for quality management and employee growth.**
- **Modern appraisal methods provide real-time, constructive feedback.**
- **A well-structured appraisal system ensures alignment between individual and company goals, driving overall business excellence.**