

Performance Appraisal System to Improve Construction Productivity paper submitted to International Journal of Scientific and Research Publications

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Abstract- Performance Appraisal is the method of evaluating the behavior of the employees in the workplace, normally including both quantitative and qualitative aspect of the job. How the employee is performing, how the employee can develop, what the superior can do to make it happen and how the job is going.

Performance Appraisal is conducted for the following:

- Provide information about the performance ranks. Decision regarding salary revision, confirmation, promotion and demotions.
- Provide feedback about level of achievement and behavior of the subordinate.
- Provide information which helps to counsel the employees.
- Provide information to diagnose the deficiency of the employees.
- Provide training and development needs of the employees.

I. INTRODUCTION

Performance Appraisal is the systematic evaluation of the performance of employees and to understand the abilities of a person for further growth and development. Performance appraisal is generally done in systematic ways which are as follows:

- The supervisors measure the pay of employees and compare it with targets and plans.
- The supervisor analyses the factors behind work performances of employees.
- The employers are in position to guide the employees for a better performance.

Objectives of Performance Appraisal

Performance Appraisal can be done with following objectives in mind:

- To maintain records in order to determine compensation packages, wage structure, salaries raises, etc.

- To identify the strengths and weaknesses of employees to place right men on right job.
- To maintain and assess the potential present in a person for further growth and development.
- To provide a feedback to employees regarding their performance and related status.
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- It serves as a basis for influencing working habits of the employees.
- To review and retain the promotional and other training programs.

II. IDENTIFY, RESEARCH AND COLLECT IDEA

- Identify construction companies which are using Performance Appraisal system for their employees
- Study and gather information for existing Performance Appraisal system
- Identify the flaws, drawbacks of existing PA system. Also, interview 4-5 employees and take their feedback about the performance appraisal system
- Propose a customized Performance Appraisal System which suits to the organizations existing PA system. Encourage construction companies of the importance of proper Performance Appraisal and explain them the benefits of the new proposed system
- Comparison between proposed PA system and existing system.

III. STUDIES AND FINDINGS

Some Purposes of Performance Appraisal

<p><u>Organizational</u></p> <ul style="list-style-type: none"> • Set and Measure Goals • Measure Individual Performance • Give Feedback • Get Performance Improvement 	<p><u>Administrative</u></p> <ul style="list-style-type: none"> • Award Pay Increases • Promotion Screening/Decisions • Career Advancement • Downsize/Layoff Decisions • Legal Documentation
<p><u>Individual</u></p> <ul style="list-style-type: none"> • Motivate/Provide Recognition • Coaching and Mentoring • Counsel Problem Performers • Development/Training Needs 	<p><u>Control</u></p> <ul style="list-style-type: none"> • Management Direction • Employee Compliance

Characteristics of Performance Appraisal

Virtually all performance appraisal programs have the following characteristics:

1. Outside Judgment- Using the performance standards, each employee’s individual actual work performance, behaviors, production, or traits are compared with the performance standards by someone other than the employee.
2. Specified Time Period- Employee ratings, judgments, and assessments relate to a specific time period rather than a particular work product or project (typically quarterly and/or annually).
3. Standardization- The process is systematically applied to all employees or class of employees.
4. Mandatory- The process is typically mandatory although certain upper-level executives may be excluded.
5. Documented- The results of the ratings, judgments, or assessments are recorded and preserved by someone in the organization other than the rated employee.

Factors Considered for Performance Appraisal

The following factors are considered for Performance Appraisal

- Performance Factor
- Behavioral Factor
- Grading System
- Personal Effectiveness

Performance Factor- Below are the performance related factors considered for Performance Appraisal

1. **Job Knowledge (knowledge of duties and responsibilities of position)**
 - Unable to complete job duties, poor understanding of job
 - Lacks knowledge of some phases of work
 - Has adequate grasp of job requirements, able to learn new aspects of job
 - Understands all phases of work, most job duties mastered

Behavioral Factor- Below are the behavioral related factors considered for Performance Appraisal

1. **Responsibility and Dependability (willingness to take on assignments and be held accountable)**
 - Requires minimum of supervision; seeks additional responsibility; is very reliable
 - Reliable, requires little supervision, carries through effectively
 - Usually takes care of necessary tasks and completes them with reasonable promptness

- Has completely mastered job, strives to learn more/improve job skills

2. **Quantity of Work (amount of work done during workday)**

- Minimum requirements not met, volume of work generally unsatisfactory
- Volume of work is generally below what is expected, does just enough to get by
- Volume of work meets job requirements; when situation requires, production increases
- Volume of work frequently above that expected
- Produces consistently high volume of work, extremely productive and fast

3. **Initiative (origination and development of vital job procedures)**

- Develops new ideas and methods to improve quality of results
- Seeks additional knowledge pertaining to job
- Follows formal instructions as necessary
- Shows little interest in current practices relating to job
- Unwilling to demonstrate interest in gaining new knowledge

- Frequently requires prompting, often fails to meet deadlines
- Unreliable, requires close supervision, does not accept responsibility

2. Attendance and Punctuality (conformity to work hours; timely attendance at meetings)

- Absent often, frequently late, chronic offender
- Lax in attendance or reporting time, allows personal factors to interfere
- Usually present and on time, generally reliable
- Very prompt, shows responsibility toward regular attendance
- Superior attendance and promptness, always dependable

Grading System - Below are the Grading System related factors considered for Performance Appraisal

1. Effective use of time (ability to organize, prioritize and schedule)

- Ineffective in routine tasks, cannot plan or schedule
- Difficulty in determining priority and schedule of duties
- Completes assignments within time expected, meets schedules
- Plans skillfully, handles unusual situations
- Extremely capable in coordinating tasks in changing situations

Personal Effectiveness - Below are the Personal Effectiveness related factors considered for Performance Appraisal

1. Quality (correctness, completeness, and accuracy of work duties performed)

- Requires minimum of supervision, consistently thorough and accurate
- Requires little supervision, is exact and precise most of the time, seldom makes errors
- Usually accurate, makes minimum number of mistakes
- Makes above average number of errors, final product often needs revision or correction
- Makes frequent and recurrent errors

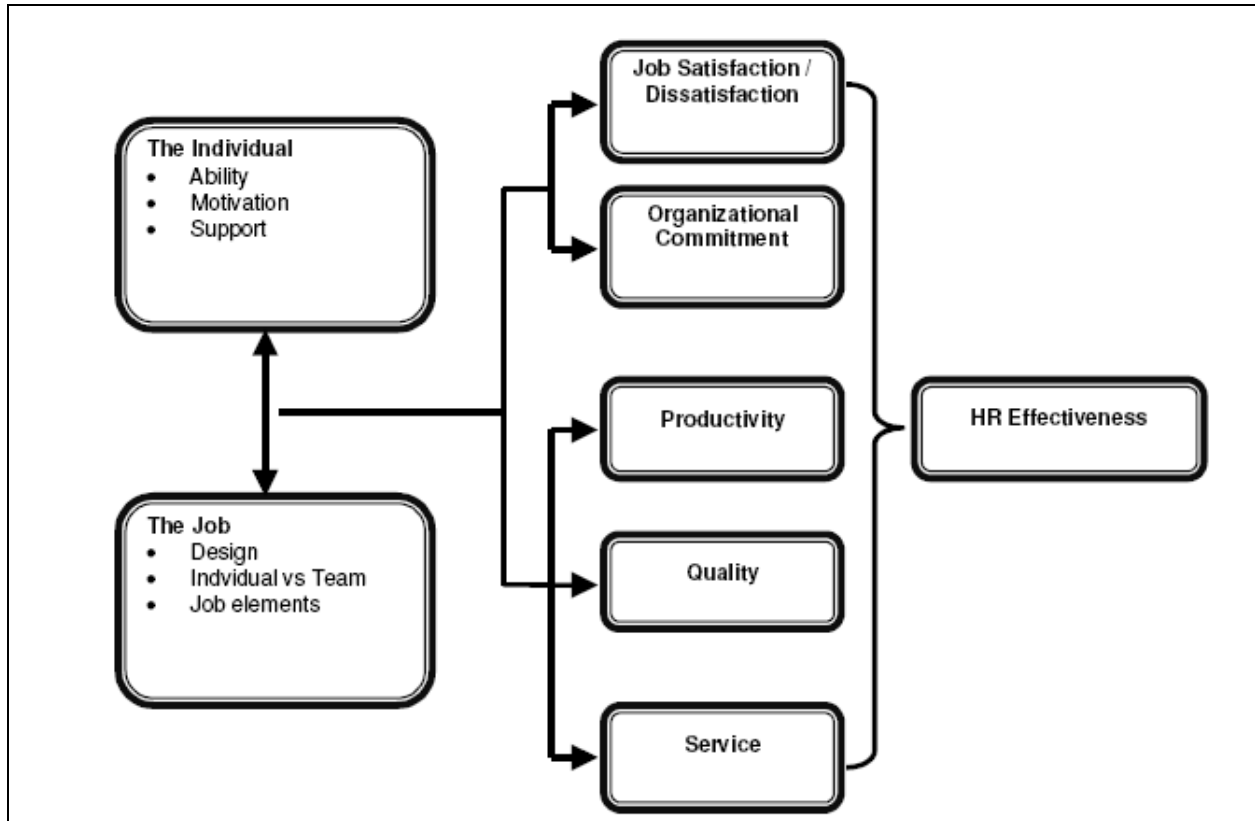
2. Interpersonal Relations (communication and cooperation with fellow employees)

- Goes out of way to promote good interpersonal relations, very cooperative
- Effectively handles difficult interpersonal relations
- Adapts self to others and to most situations, seeks guidance when needed, user friendly
- Sometimes rigid and defensive, does not foster good working environment
- Fails to consider others, not courteous, lacks understanding

3. Internal Control (performance as related to individual's internal control responsibilities)

- Has a minimum understanding of internal control procedures
- Internal control practices are somewhat below normal expectations
- Has an adequate knowledge of internal control practices and procedures
- Internal control practices and procedures are frequently above those expected
- Has completely mastered internal control policies and procedures for department

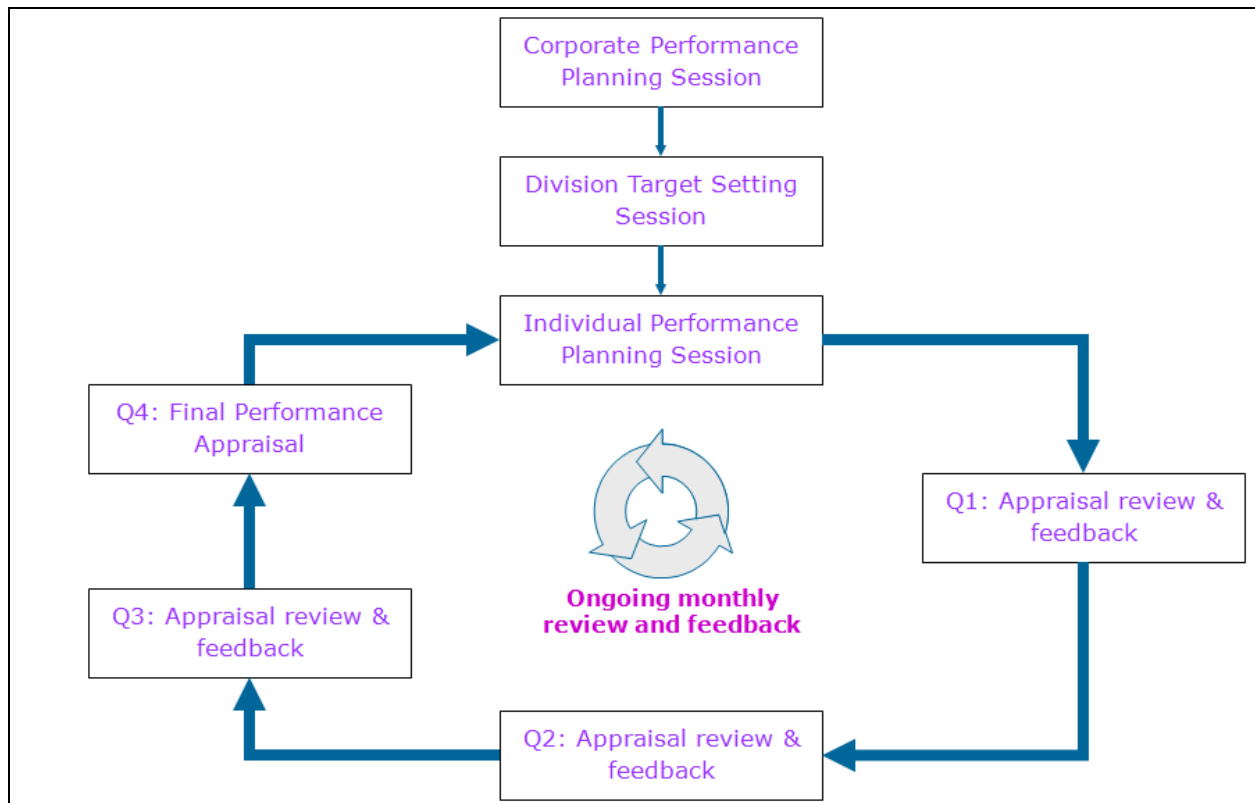
Model of Individual / Organizational Performance



Steps of a Performance Appraisal

- Planning
- Performing
- Evaluating
- Finalization of results

Overall Performance Planning Cycle



Methods of Performance Appraisal

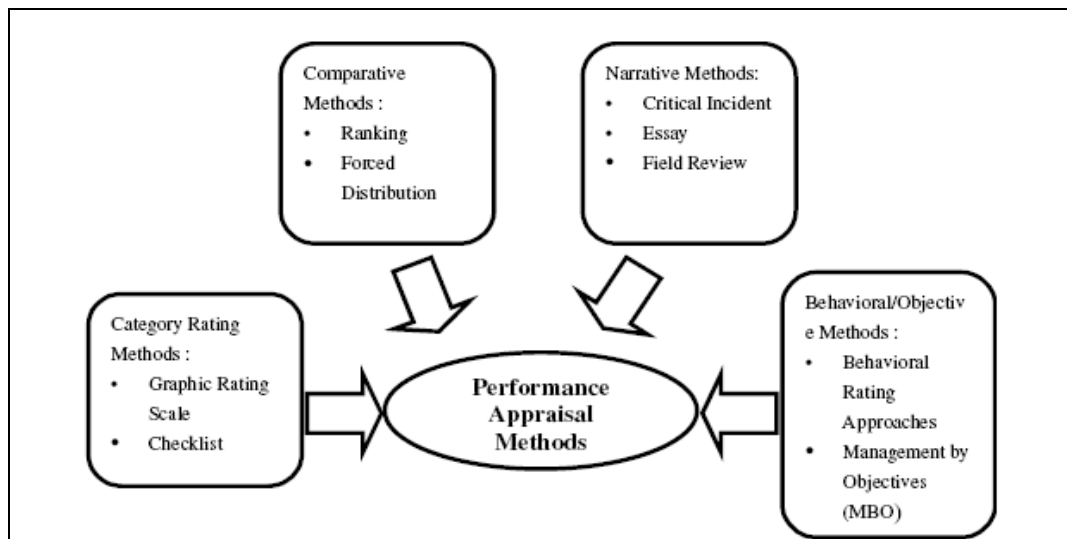


Figure3: Performance Appraisal Methods

Graphic Rating Scales

- A graphic scale 'assesses a person on the quality of his or her work (average; above average; outstanding; or unsatisfactory).'
- Assessment could also be trait centered and cover observable traits, such as reliability, adaptability, communication skills, etc.
- Although graphic scales seem simplistic in construction, they have application in a wide variety of job responsibilities and are more consistent and reliable in comparison with essay appraisal.

- The utility of this technique can be enhanced by using it in conjunction with the essay appraisal technique.

Typical Graphic Rating Scale

Employee Name..... **Job title**

Department **Rate**

Data

Criteria	Unsatisfactory (1)	Fair (2)	Satisfactory (3)	Good (4)	Outstanding (5)
Quantity of work: Volume of work under normal working conditions					
Quality of work: Neatness, thoroughness and accuracy of work Knowledge of job					
A clear understanding of the factors connected with the job					
Attitude: Exhibits enthusiasm and cooperativeness on the job					

Table1: Typical Graphic Rating Scale

Checklist Method

- Another simple type of individual evaluation method is the checklist.

Example:

Is the employee really interested in the task assigned? Yes/No

Is he respected by his colleagues (co-workers)

Yes/No

Does he give respect to his superiors?

Yes/No

Does he follow instructions properly?

Yes/No

Does he make mistakes frequently? Yes/No

Ranking Method

This is one of the oldest and simplest techniques of performance appraisal. In this method, the appraiser ranks the employees from the best to the poorest on the basis of their overall performance. It is quite useful for a comparative evaluation

Forced Distribution

- Unlike the field review method, the forced-choice rating method does not involve discussion with supervisors.
- Although this technique has several variations, the most common method is to force the assessor to choose the best and worst fit statements from a group of statements.
- These statements are weighted or scored in advance to assess the employee. The scores or weights assigned to the individual statements are not revealed to the assessor so that she or he cannot favor any individual.
- In this way, the assessor bias is largely eliminated and comparable standards of performance evolved for an objective.
- However, this technique is of little value wherever performance appraisal interviews are conducted.

Critical Incidence Method

Under this method, the manager prepares lists of statements of very effective and ineffective behavior of an employee. These critical incidents or events represent the outstanding or poor behavior of employees on the job

Essay appraisal method

- The assessor writes a brief essay providing an assessment of the strengths, weaknesses and potential of the subject.
- In order to do so objectively, it is necessary that the assessor knows the subject well and should have interacted with them.
- Since the length and contents of the essay vary between assessors, essay ratings are difficult to compare.

Field review method

- Since individual assessors differ in their standards, they inadvertently introduce bias in their ratings.
- To overcome this assessor-related bias, essay and graphic rating techniques can be combined in a systematic review process. In the field review method, 'a member of the HRM staff meets a small group of assessors from the supervisory units to discuss each rating, systematically identifying areas of inter-assessor disagreement.'
- It can then be a mechanism to help each assessor to perceive the standards uniformly and thus match the other assessors.
- Although field review assessment is considered valid and reliable, it is very time consuming.

Behaviorally anchored rating scales (BARS)

- This is a relatively new technique.
- It consists of sets of behavioral statements describing good or bad performance with respect to important qualities.

- These qualities may refer to inter-personal relationships, planning and organizing abilities, adaptability and reliability.
- These statements are developed from critical incidents collected both from the assessor and the subject.

including his boss, direct reports, colleagues, internal customers and external customers

Management by Objectives

- The employees are asked to set or help set their own performance goals.
- This avoids the feeling among employees that they are being judged by unfairly high standards.
- This method is currently widely used, but not always in its true spirit.
- Even though the employees are consulted, in many cases management ends up by imposing its standards and objectives.
- In some cases employees may not like 'self-direction or authority.' To avoid such problems, the work standard approach is used.



Figure1: 360 Degree Feedback

360-Degree Feedback

360 Degree Feedback is a multi - rater feedback system where an individual is assessed by a number of assessors

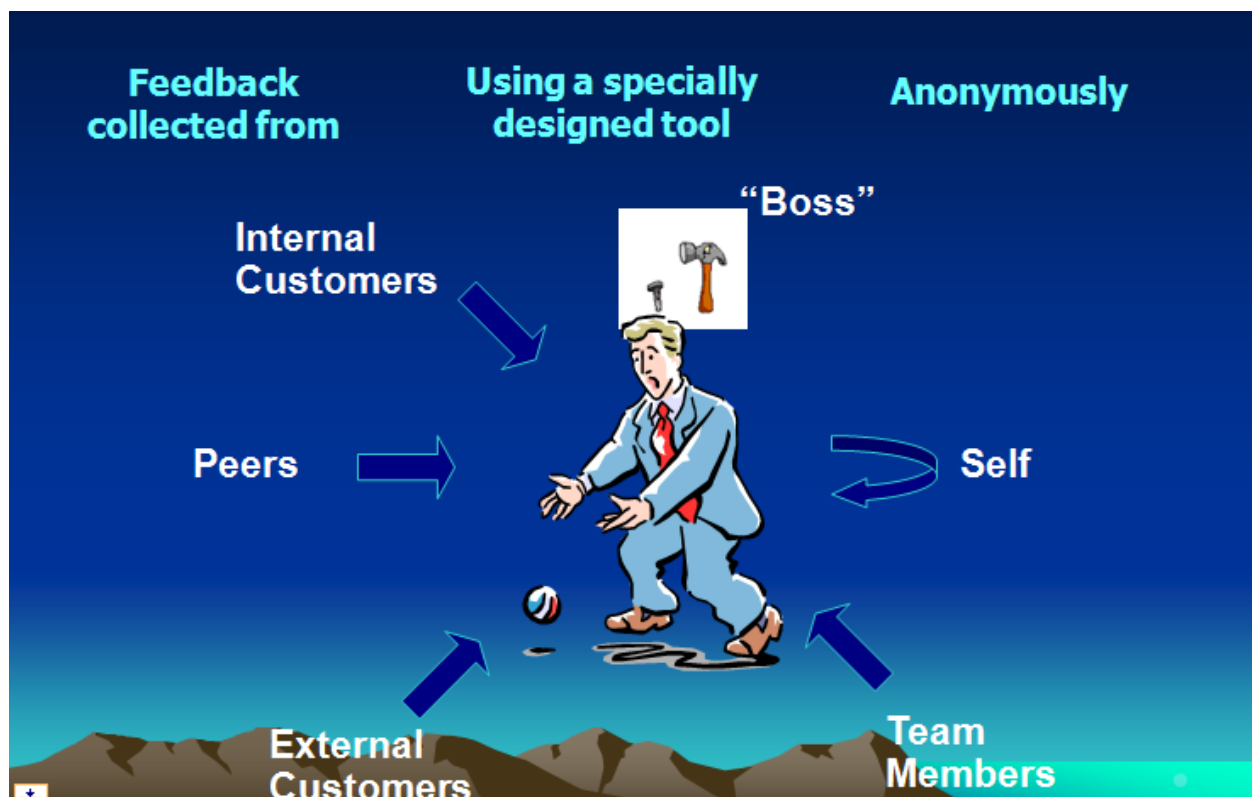


Figure2: 360 Degree Feedback

Case Study on Performance Appraisal System in Construction Industry

In this I will be doing the following activities for 5 construction companies:

- Identify construction companies in Pune area where the Performance Appraisal system is being implemented.
- Gather information for the existing PA system in those companies
- Analysis of their existing PA system

- After thorough evaluation, assess their Performance Appraisal system by sending the appropriate questionnaire to selected employees.
 - Propose a new Performance Appraisal system which removes the drawbacks of current system
 - Comparison between proposed PA system and existing system .Identify advantages of the proposed PA system over the existing system
- Propose to implement this new Performance Appraisal System

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