

SAMPLE

Literature Review on Performance Appraisal

Although performance management is only one of the forms of a developed type of management, the history of its development dates back to the third century when the dynasty Wei evaluated the performance and efficiency of its family members to make it easier to choose the prestigious president. It is not easy to find only one definition that can describe the performance management system in detail. The most deserving of the introduction of performance management and performance was Robert Owen, who followed the performance of his cotton mills in Scotland in the early 1800s using "silent monitors". Monitors were cubes of wood of different colors on each visible side that were displayed above the workstation of each employee (Banner & Cooke, 1984). Performance management is an integral part of performance management as a new and increasingly important task management. Performance management refers to all management activities and instruments, including performance appraisal, which ensure achievement of the organization's performance goals and strategic goals. Performance management can be defined as a systematic process that serves to improve organizational performance through improving the performance of individuals and teams. It is a means of achieving better organization outcomes and helping to understand and manage performance within set goals, standards, and workforce capability (Armstrong, 2006). Performance Management is a set of activities that systematically change the whole organization, and use it managers to match company goals with employee goals and thus increase productivity. It is a process of evaluating and evaluating employee performance as well as the characteristics each employee has, so that they can be improved in the future and aligned with the goals to be achieved to achieve the planned / set business outcome. It should be considered a flexible process, not necessarily a "system". Using the term "system" implies a rigid, standardized and bureaucratic approach that is not consistent with the concept of managing success as a flexible, variable and coherent process that applies managers working with their teams in accordance with the circumstances in which they operate.

SAMPLE

Through history, performance tracking has gradually evolved through many different methods and ways of introducing either into everyday life, the army, or the business. The term "performance tracking and performance" is experiencing its peak in 1980 when General Electric's CEO Jack Welch developed an employee performance rating system called "rank-n-yank". The system was based on annual employee performance analysis, release of the most inefficient and bringing new ones to their place. Monitoring and evaluation of performance is a prerequisite for carrying out a whole series of human resource management tasks. It is a continuous process of evaluating and directing the behavior and results of work in the work situation. It assumes the development of systems, indicators and methods of monitoring performance, and continually and systematically evaluating and evaluating the performance of each individual. Estimation can take place through a formal process consisting of several steps or through an informal conversation between an employee and his supervisor. It's important to keep track of performance so that managers are confident that all the activities and outcomes that employees achieve match the set goals of the organization. Unless there is a developed performance tracking system, organizations are unable to distinguish success from failure and cannot affect the improvement of individual employee results as well as the overall results of the organization.

Performance evaluation is a process in which systematically assesses the relevant characteristics of employees, how they are manifested, how much is consistent with job performance, and what to do to align them. The performance appraisal process starts with work analysis to determine which set of skills and knowledge is needed to perform the job effectively. It then assesses the performance the employee owns and compares them to the determined work analysis. In this way it is determined whether the performance of the individual matches the performance of the work. Planning and developing success should be tailored to the organizational structure and human resources. An adequate plan should be drawn up in which the goals of the organization with the individual goals of the employees are to be equalized and with the appropriate training and training of the staff to achieve the best organizational result. Evaluation or performance evaluation is the last stage in which the performance of a job is evaluated by an individual employee or team in achieving the planned goals. It is a key

SAMPLE

stage in which a company can make good quality decisions regarding employee rewards, helping employees who do not achieve results, discovering causes that hinder the achievement of goals, etc. This phase has two roles; evaluative and developmental. The evaluative function enables real people to choose for the real job, or to set up work units for employees whose individual characteristics and knowledge correspond to the simplest job. This maximizes employee and job performance. The development function enables future improvements through analyzing the work, employees and their performance, and setting realistic and achievable goals and development plans. This enables employees to develop through trainings and education programs that will improve the current employee performance and raise them to a new level.

Monitoring and evaluation of performance is a continuous process that periodically analyzes and plans activities for its improvement. However, when it comes to performance appraisal, it is mostly thought of a formal process of periodic analysis and evaluation of the success of all members and the process of planning goals and activities for its improvement and development. Managers evaluate the performance of all employees directly or indirectly responsible for them. It is important to keep track of the tasks that employees perform to determine their performance and based on that they give a grade that is the compensation that a worker receives for the task to be performed. Evaluating performance is an important part of monitoring and improvement overall organizational performance, and involves assessing one's work as well as the quality of work performed. Such estimates can be made by analytical or synthetic methods. The synthetics method is evaluated on the basis of one evaluation, while analytically using the parsing to the smaller parts that are evaluated separately, and they are subjected to statistical methods to obtain the final performance evaluation value. The appraisal interview is the last stage of the performance appraisal process. Providing feedback to employees is often a key aspect that managers forget, causing dissatisfaction by employees as well as leaving the job. Feedback or feedback is a type of communication that enables an employee to provide information about a job he or she has accomplished successfully or unsuccessfully. It can be formal or informal. Feedback is a golden thread link and a mirror of organizational concerns about successful or unsuccessful human resource management in building long-term competitive abilities. It

SAMPLE

works just like a material reward, recognizes a well done job, encourages further effort and motivation. However, unlike the material rewards, the employee can gain insight into those competencies that are well-developed as well as the competencies that need to be further developed. If the feedback is provided in a proper manner it can have a significant impact on the employee. Therefore, the manager must pay attention to how the information is provided. After evaluating the success, the manager should talk to the employee about the grade he has earned. It is necessary to create an atmosphere in which the employee will be comfortable and will be able to undisturbedly receive concrete feedback on work performance. Manager must make an adequate comparison of the achieved results with expected standard results, and see where problems have arisen resulting in reduced performance. The conversation will allow the employee to present their opinions and justify their results, while allowing the manager to present all aspects of the work that the employee needs to improve, but also praise him for other positive results. The manager must listen to you and allow the employee to express their opinions and point to any problems or ambiguities. The purpose of the conversation is to identify the future goals with the common forces, which will enable the employee to correct the previous actions and direct him to the right direction to achieve maximum performance.

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