



Congruence between Strategic Appraisal and Rating Procedure - A Case Study

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Abstract

Subject area: The case is positioned in the domain of building, conducting and communicating employee appraisal system. It discusses the situation of a HR manager preparing an appraisal form where the superiors/raters faced rating challenges. Such as definition of the corporate appraisal strategy which was developed to bring technical and potential growth in the company. The case would be appropriate for courses on performance management, organizational behavior and compensation promotional management.

Study level/applicability: The case is targeted to management students, HR consultants, research scholars and the developers of appraisal system.

Case Overview: The case brings out the associated performance appraisal problem faced by the raters and the ratees. The problem relates to the appraisal system developed by the HR manager which is not feasible to rate the employees attitude, aptitude, skill, knowledge and potential growth during their performance in particular assignments. How will the HR manager deal with the issue to support the raters to appraise the ratees

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without being biased or confused through the information provided by the ratee. The case presents the challenges and discusses the strategies adopted by HR manager of the company, to bring about a change in the existing perceptions of raters and ratees.

Expected learning outcomes

1. To discuss strategies for developing the appraisal format for particular job assignment.
2. To critically examine and analyze the ratees ability and originality.
3. To understand the ratee's suitability to their present assignment, potential for growth and training and development needs.

Ivan-Dave Limited, an Indo-Russian International Company, was established by Silas Group, in the year 1896 as a Banking business. Subsequently it started its trading and manufacturing activities. The Group is into 2 core areas of operations:

- Engineering
- Consumer goods

Its head office was in Delhi and had branches in many important cities in India. With the changing pattern of the country's economy, Ivan-Dave Ltd expanded very quickly, relying less on imports and more on selling indigenous goods.

In 1954, suddenly the company's management changed wherein Russians in senior and middle management posts were replaced by their immediate Indian subordinates. This was the first time that Indians had held these positions, though they had been technically qualified to do so. Since the new managers had never expected to reach these positions they were caught unprepared. The due training for the posts was also not given. But the business, however, did not suffer because of the efficiency and commitment of the management team. In fact, it grew tremendously in what was essentially a seller's market point of view.

In April 1962, the management of Ivan-Dave Ltd appointed a General Manager named Mr Caleb, a management graduate from Bombay, Caleb had about 15 years hardcore HR experience in various companies including consumer durables. Caleb was appointed to look after human resource- an area which they recognized as of growing and vital importance. He was to deal with industrial relations, human resource administration and management development.

The new General Manager Caleb attacked his job with zest, framing new human resource policies and streamlining procedures. He brought in a management consultant who conducted training sessions on organization and human relations. Group discussions with the senior and middle-level management helped Caleb to understand the existing appraisal system.

The current appraisal was done in an old format listing various attributes such as Appearance, Personality (convincing, impressive, pleasant-unconvincing and unimpressive), Initiative, Judgment, Resourcefulness, Open-mindedness, Character, Loyalty, and so on. All these characteristics were to be appraised on a three-point scale. Caleb felt that the managers usually 'played safe and marked the middle of the scale' when using this format. He wanted to provide a form which looked into these weaknesses.

As a first step in the new appraisal policy, a cyclostyled sheet was attached to the old appraisal form. This sheet had open-end responses on the strengths and weaknesses of the ratees, specific instances of outstanding and deficient performance, limiting factors such as health, habits, character, organizational obstacles which impeded the ratee's performance, capacity for further development, and so on which was accepted and practiced in the Company.

At the end of 1971, a new General Manager named Mr. Arun was appointed to look after human resource. He revised the existing appraisal form on the basis of job description and introduced a new format which was to be used by Department Managers (who were senior managers) to appraise their middle management subordinates. These new appraisal forms were introduced on an experimental basis, in April, 1973.

The new Appraisal Form (for Assistant Department Managers) covered basically two areas-knowledge and skills. In the area of knowledge, it covered product, job, operational and business knowledge. In the area of skills it covered interpersonal skills, and communication skills. The form also appraised the ratee's analytical ability and originality, and asked questions on the ratee's suitability to his present assignment, his potential for growth and his training needs. The close ended responses were based on 4 point scale and the form also had open-end responses for some of the attributes. The idea was that the rater had to evaluate his ratees on the 4 point scale, and he had to back the rating with evidence, or otherwise elaborate on his rating. With all the thought process the appraisal form was completed and circulated amongst raters.

In April 1974, Arun HR manager studied the filled in appraisals sent to him by the Department Managers. He was greatly disappointed. He felt there were a large number of contradictions in the ratings, and most of the open-end responses were too circumspect to have any meaning. He wondered why the rating system had not worked satisfactorily. He definitely wanted to know the drawbacks of the appraisal form for which further steps were incorporated.

On his instructions, a quick survey was made about the appraisal form. A cross-section of Department Managers were interviewed and asked the same questions. Some of them felt the appraisal system was working properly. One of them however felt that specific incidents should not be mentioned on the form as it could influence the whole rating. Some were of the opinion that the appraisal system was conveyed to them only through a circular and not through a training session. Some raters suggested that the Human Resource General Manager should give illustrations against each attribute to help the rater use the form. All of them maintained an Incidents Diary though only three of them used it while filling in the appraisal form. Three of them discussed the appraisal with their subordinates. One of them used it only to counsel his ratees. Arun HR Manager of Ivan-Dave Ltd felt his problem has become even more acute, now he has to come out with a appraisal system which suits the recommendations of the raters and also rectify the drawbacks identified.

As the Company is performing well in the business and also is facing stiff competition. The HR manager has to accordingly work out on the appraisal system to incorporate the rightful human resources in the right jobs with the right recognition and reward. So that the human resource will boost the company's performance to sustain and compete the market

Legend:

Congruence: The state of agreement, the quality of agreeing, being suitable and appropriate.

Strategic Appraisal: Carefully designed long term assessment system which is planned to serve a particular purpose or advantage, used to evaluate or rate someone.

Rating Procedure: An official assessment of someone in an orderly manner by comparing their quality, standard and performance

Raters: The superiors at every level of management, who are expected to evaluate their subordinates.

Rates: The subordinates at every level of management under a superior/rater who evaluates them.

Organizational Behavior: Actions and attitudes of individuals and groups toward one another and toward the organization as a whole, and its effect.

References

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