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3 P S APPROACH OF PERFORMANCE EVALUATION

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Abstract

Performance Measurement helps to align individual employee with the Organizational performance goal. Organizations use modern or conventional methods of evaluating an employee's performance. For most practiced way to measure the employees output is to get feedback rating from his/her direct managers. Direct managers will be the most appropriate person to comment on employees potential and areas in which one has to develop. The best fit rating scales will help line managers to rate employees. As a result performance appraisal is a considered as a diagnostic tool, the data generated in the process shall be used for employee training, rewards and recognition, to provide pink slip to employees. Organizations started christening as competency level or proficiency level of the employee. The paper elucidates the need for comprehensive measurement of employees based on Performance, Potential and Productivity.

Keywords: Performance measurement; Multidimensional approach.

Introduction

Many an organization use Performance appraisal to measure the employee's productivity in the particular role against bench mark output that is expected for that role. Employee's readiness for next higher responsibilities is analyzed. In addition to one's performance measurement this appraisal process helps the organization to come up with the inventory of strength areas (Skills and competencies) and areas in which employees need to improve. The output of Performance evaluation helps the organization to develop plan, prioritize the activity of up- skilling and re-skilling employees in relevance to business context.

Secondary Research

There are many types of performance appraisal methods. Some of them are:

- Job results/outcome
- essay method
- Ranking
- Forced Distribution
- Graphic Rating Scale
- Behavioral Checklist
- Behavioral Anchored Rating Scales (BARS)
- Management by Objectives (MBO)

Every measurement techniques have its own merits and limitations. The challenging questions to any researcher is do we having the practice of measuring employees using novel techniques , whether is it scalable to implement optimum measurement yielding techniques with cheaper cost and in mean time .

Performance appraisal: A Uni- Dimensional approach?

Especially in IT industry the most common method of performance evaluation through direct manager and Skip level manager / profit center head provides his /her rating on the list of technical, behavioral, domain, tools and standards, business acumen, process oriented skills required to perform the particular role. Though Modern performance measurement techniques like 360 degree appraisal system, assessment center approach, BARS techniques are available to measure the employee's performance and capability, how far these techniques are well adopted and implemented in every organization is a question to ponder. The interpretation and understanding of the buzzing words "Performance measure of an employee "or "output delivered by an employee " will not be same across the organization . Unless an organization quantifies the output the evaluation will be a subjective one. Every business unit as a final step in the process normalizes the ratings provided by the managers. In order to fit every employee in bell curve, by ratings of the employees are downgraded or upgraded. Feedback rating given by employee's direct manager alone wills a subjective one until and otherwise we compare employees in multiple dimensions like productivity, performance.

For want of organizations standards there are business units which are lean and mean in structure. Applying normalization procedure for business units / teams which have very few employees in their units / teams.Having said Performance appraisal is not a comprehensive system to measure the performance levels of employees, using data

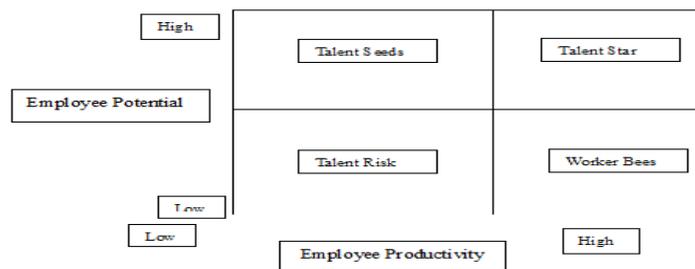
generated in this process like employee’s strength areas and areas to improve for up skilling and re skilling employees will not yield optimum results in enhancing competency levels of employees. In an IT scenario measuring the current competency levels of any employee is a challenge.

In a Manufacturing industry, example: In an assembly line setup, a technically skilled employee has the ability to paint 100 per day in the paint shop .It is always difficult in an IT scenario to measure the output generated or delivered by employees on per day / weekly basis. The volatile, ambiguous, ever changing nature of business will be an impediment to define what is the bench mark level for each role?. Change in business landscape will not allow the one to define the competency level required to perform the task.

3P’s approach to employee measurement

- Performance – Performance appraisal output
- Productivity – Measurable and quantifiable units of delivery by an employee
- Potential – Identify the employees potential to deliver the task

Table 1: Comparing employee Potential against Productivity.



The 2*2 matrix compares what employee has delivered to the organization in business objectives and his potential to perform a job.

Talent Star – Employees whose output are consistent and reliable and they posses high potential to perform similar role or higher roles. These employees carry the success flags of the business unit and non-replaceable skill set holders.

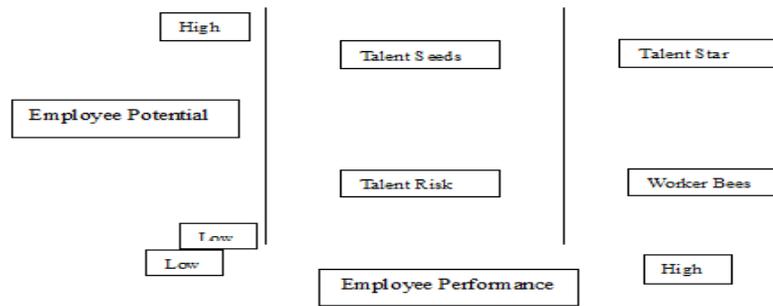
Talent Risk – Employees neither have the ability to do a job nor has the capability to get trained. These employees are .business risk of the organization. Employees in this quadrant shall be awarded with pink slips.

Talent Seeds- Good seeds fallen in dry land may be.

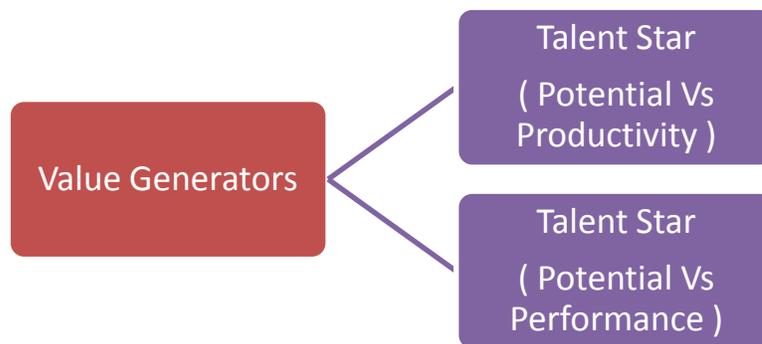
Employees having superior skill sets placed in roles which do not provide opportunity to demonstrate his / her skill.

Worker Bees – High productive engines which needs overhauling periodically. The skills which are business critical for the roles needs to be sowed, if sowed already then this has to be nurtured properly.

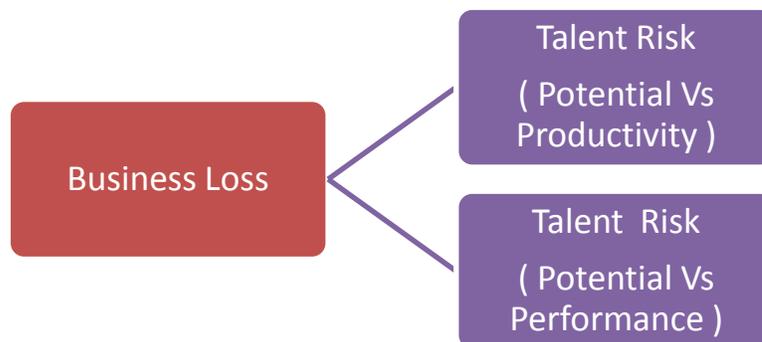
Table 2: Comparing employee Potential against Performance.



The description of four quadrants and the definitions for the key words shall be interpreted as given in the table number 1. Deductions from Table 1 and Table-2(IV Quadrant) elucidates that Value Generators are highly skills and high revenue generators for a company who are called as “HIGH PERFORMERS”



Deductions from Table 1 and Table2 (I Quadrant) elucidates that Value Generators are highly skills and high revenue generators for a company who are called as “POOR PERFORMERS”



Measuring Potential of an employee

Optimum measure of employee potential shall be done using 360 degree technique appropriately... Rather than using this technique as a tool to measure the performance of an employee this shall be used us a mirror to understand how other

stakeholders looks employees as a whole and employees potential. This will help employee to develop Individual

Development Plan (IDP) for his / her growth.

Conclusion

Measuring employee on Uni directional parameters will not yield a logical and quantifiable output which shall be used by organization for employee developmental initiatives. Measuring employee through multi directional employees indicators like 3Ps will help in objective measurement. This will help the organization to identify employees who needs training and coaching (Talent seeds and Work bees) rather than imparting customized training to all employees in the organization which will consume huge cost and time.

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