

# Performance Appraisal In Construction Industry

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**Abstract:-- Organizations are set up to achieve certain objectives. The objectives can be fulfilled when the tasks are assigned to the employees and they perform the tasks. The performance standards regarding quality, quantity, cost and behaviour have been achieved or not. So it becomes necessary to carry out the performance appraisal of every one for smooth working of the organization. Thus, performance appraisal forms an important part of Human Resource Management.**

**Keywords – Leadership Quality, Employee performance standards, Initiatives, Expected performance behaviour, Effective manpower utilization**

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## I. INTRODUCTION

Performance appraisal is one element of performance management, which involves different measurements throughout the organization. Performance appraisal is the most important if the organizations are to take the advantage of their most important asset, employees, and gain human capital advantage. Performance appraisal is a method of evaluating the job performance of an employee. It is an ongoing process of obtaining, researching, analyzing and recording information about the worth of an employee. The process by which a manager or consultant i) examines and evaluates an employees work behaviour by comparing it with preset standards ii) documents the results of the comparison and iii) uses the result to provide feedback to the employees to show where improvements are needed and why.

‘Performance management is not achievable unless there are effective processes of continuous development. This addresses the core competencies of the organization and the capabilities of individuals and teams. ‘Performance Management’ should really be called ‘performance and development management.’

Performance appraisal is one element of performance management which involves different measurements throughout the organization. Performance appraisal is the most important if the organizations are to take the advantage of their most important asset, employees, and gain human capital advantage.

Performance appraisal facilitates the determination of incentives, perquisites, fringe benefits and piece rate wages. It is also helpful for the development of organization, as company’s objectives and development programmes can be matched with employee’s competence. By identification and correction action taken under performance appraisal the

productivity of the employees, systems and of organization as whole can be increased. It gives clear picture into the work being done and the employees who have contributed in work achievement.

Through feedback from the managers and supervisors, the employees get clear ideas about the competencies, difficulties faced and the performance achieved. On the basis of this, the employees take the responsibility for their improvement. The performance appraisal is a regular opportunity to find out and deal with the important issues employees facing while performing jobs.

SPSS (Statistical program for social sciences) is a comprehensive and flexible statistical analysis and data management solution. SPSS can take data from almost any type of file and use them to generate, tabulate reports, charts and plots distributions and trends, descriptive statistics and conduct complex statistical analysis.

## II. MATERIAL AND METHODOLOGY

The scope of performance appraisal is as follows:

- i. To study the performance appraisal system in construction industry using SPSS Technique.
- ii. To diagnose the strengths and weaknesses of the individuals so as to identify the training and development needs of the future in construction industry.
- iii. To review the performance of an employees over a given period of time with the help of SPSS technique.
- iv. To help the management in exercising organizational control.
- v. To study the characteristics of performance appraisal process in construction industry.
- vi. To review the different areas to be improved in appraisal system.
- vii. To study the different methods of performance appraisal.

There are a number of methods that are used to evaluate employee's performance. It may be evaluated on the basis of his traits and attributes as well as on the basis of his work or results and objectives achieved by him. Thus, his performance may be measured in terms of standards of his traits and general behaviour on the job or in terms of results and goals. Some of the common techniques are given below. Each method has its merits and demerits but one thing is clear that the technique employed has to evaluate mainly his job related performance. The appraisal methods can be classified as follows:

- (a) Individual appraisal, group appraisal and other methods
- (b) Traditional and modern methods

**(a) Individual Appraisal Method**

Below is the method, which is widely used to evaluate an individual employee against the standard:

- (a.i) Rating scale
- (a.ii) Checklist method
- (a.iii) Forced choice method
- (a.iv) Critical incident method
- (a.v) Field review method
- (a.vi) Performance test and observation method
- (a.vii) Annual confidential reports (ACR)

**(b) Group Appraisal Methods**

There are a number of methods that are used to appraise the performance of groups of employees. Generally, these methods are used to rank various employees in a group or groups in accordance of their merits and hence they are, useful for deciding merit, promotion, pay increments, rewards etc.

- (b.i) Factors and points method
- (b.ii) Ranking method
- (b.iii) Paired comparison method
- (b.iv) Forced distributions

**(c) Other Methods Including MBO System**

There are some methods, which are future-oriented. They evaluate employee potential for future performance. They also aim at setting future performance objectives. The two important techniques that may have a bearing on future performance goals are self-appraisal, management by objectives approach, BARS, 360-degree appraisal method etc.

- (c.i) Self-appraisal
- (c.ii) Appraisal by results or management by objectives (MBO)
- (c.iii) 360° Performance appraisal
- (c.iv) behaviourally anchored rating scales (BARS)

- (c.v) Cost accounting method

**(d) Traditional and Modern Methods**

The traditional methods are almost similar to individual and group appraisal methods.

### III. RESULTS AND TABLES

The objectives of performance appraisal are as follows:

- (a) To review the performance of the employees and find out the impact of action plans on performance of employees over a given period of time.
- (b) To gather, record and measure and analyze the information relating to the performance given in the current year.
- (c) To find out the strengths, weaknesses, difficulties faced during work, performance standards achieved and the deficiencies available.
- (d) To judge the gap between the actual and the expected performance standards, behaviour, leadership quality, competencies, initiatives for problem solutions.
- (f) To support in improving communication process and relationship between people working at different levels.
- (g) To identify the need and areas for further training and development of the employees on the basis of deficiencies in competencies of employees.

The success of any performance management system is influenced by the effectiveness of its appraisal system. The fairness of a performance appraisal system has been recognized as an important effect on the success of any organization because perceived fairness was connected to the acceptance of this system and eventually, the performance of employees and organization. Employees create conclusions about a system's (e.g. appraisal system) fairness based on the system's results, outcomes and procedures and how supervisors treat employees when applying those procedures.

The understanding and perceptions of performance appraisal purpose have been connected to employee satisfaction with both appraisal and supervisor. Therefore, the purpose of performance appraisal may affect all dimensions of employee's perception and reactions toward performance appraisal. Finally, this will directly affect the organisation, as the performance of a company is the performance of its employees.

#### IV. CONCLUSION

With the globalization of world markets, the level of competition is increasing day by day. It is very difficult for everyone to survive, grow, stabilize and excel in the performance. For improvement in performances, the focus has gone to performance appraisal methods. The success of any performance management system is influenced by the effectiveness of its appraisal system. This paper has had the objective of profiling the trends in performance appraisal, competency and skills development and considering how appraisal systems can be more effectively implemented.

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