

Do appraisal ratings make sense?

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Ramesh Kohli, who works with a technology company, has been feeling miserable about his three out of five rating in this year's appraisals. The hard work he put in deserves at least a four (out of five), he says. In contrast, Pratibha, his wife, who works with a multinational bank, is pretty happy with the 'exceeds expectations' rating given by her boss.

Employees react differently to appraisal ratings. For some, like Ramesh Kohli, the numbers don't engage but intimidate. While it is important for companies to evaluate and assess employees, once-a-year feedback does not deliver results, they say.

It takes about 14 months for an employee to receive feedback on his performance and take corrective steps, so should the appraisal cycle be made more regular, simple and direct?

Many HR experts say ratings help the human resource department of an organisation and not the employee. By rating them, supervisors are not doing justice to their true talent. Instead

TOP STORY

of grading employees on the specific parameters of their role, it is important to assess their contribution towards achieving the objectives of the company, they say.

According to Kamal Karanth, managing director, Kelly Services India, appraisals ought to be qualitative rather than quantitative. 'Meets expectations' or for that matter 'exceeds expectations' works better than giving an employee a two out of five or a three out of five. Numbers can be extremely putting off.

At senior levels, the traditional rating system could do with a review, with assessments aligned with how an employee helps an organisation achieve its objectives.

Uday Sodhi, CEO, headhonzos.com, says there is currently a debate in corporate circles on whether the rating system should be done away with in favour of a multi-dimensional, 360-degree assessment. This

is a wider definition of the individual's performance that will go far beyond the traditional parameters.

It is important to benchmark employees but appraisals should be kept both simple and comprehensive. It should include soft parameters. Some star performers might do wonderfully well as individuals but could prove to be disasters as team players. "Employers should assess employees on the basis of their collaborative, mentoring and coaching skills, out-of-the-box thinking and innovative ideas," says Ronesh Puri, managing director, Executive Access.

Rekha Sethi, director general, AIMA, agrees, saying though the rating system is demotivating, there is no system yet that can replace. Something, however, can be done to complement it. Companies should look at aligning key result areas (KRAs) with incentives for employees as an alternative.

So, are organisations looking to change the system? Conviva has no plans yet to do so as "it (rating) helps in identifying

Continued on page 2