

APPROACHES TO THE TERM “APPRAISAL” IN THE AREA OF HUMAN RESOURCE MANAGEMENT

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Abstract: *Managers recognise that people are a company’s main resource, which raises the question of how best to appraise their employees.*

Experts in the area of human resource management define appraisal in different ways depending on their approach to this concept. This article is concerned with a comparative analysis of the construct of appraisal in the area of human resources, based on the approach of Czech and international authors in using this term as one of the internal resources of a company.

On the basis of secondary sources of information the article divides definitions of the concept of appraisal of employees by Czech and international authors into three separate groups. One of the conclusions of this article is that the majority of authors cited (Czech and international) agree that appraisal in the area of human resources is a process which enhances the quality of human resources.

Keywords: *Employee appraisal, Process of evaluation, Instrument of management, Performance of employees, Human resources.*

JEL Classification: *M 12.*

Introduction

In the 21st century people are recognised as the most important resource of a company. It is also recognised that it is important to appraise them effectively [2, 3, 9, 13, 16].

Appraisal according to Kocianova [11] and Hronik [9] is an important factor for personal development and for encouraging increased performance of employees. They represent the internal resources in a company and it is important to use appraisal system to enhance their quality.

The concept of appraisal in Czech and international literature is defined in a systematic way. Some Czech authors [13, 15, 18] differentiate appraisal into formal and informal, and then they focus solely on the formal appraisal of employees.

According to the experts concerned with human resource management, their concepts of appraisal differ not only in breadth but also in content.

Czech authors only have one word „hodnoceni“ to translate the three english words “appraisal”, “assessment” and “evaluation”.

According to Waldt [20] the difference between the words “assessment” and “appraisal” is that assessment is concerned with comparison of measurable performance of employees against a set standard, whereas appraisal concerns itself with a decision about the past performance of employees before planning action for the future. Waldt [20] also defines

appraisal also as a process that involves summarising, evaluating and developing the work performance of a an employee.

According to Kansal and Rao [10] the “performance appraisal” is a complex personnel activity, which includes both lines - managers and personnel specialists. The differences between appraisal and evaluation are illustrated in Tab. 1.

Tab. 1: Differences between the Concepts “Job Evaluation” and “Performance Appraisal”

Job evaluation	Performance appraisal
Appraisal of work not employees.	Focused on Appraisal of employee.
Useful in employee selection, work is evaluated prior to employee selection.	Appraisal is done after the selection of employees, Appraisal is introduced into the function at the start of work.
Purpose is setting relative value of given work task.	Aimed on identification of relative value of a person in a given position Employees relative performance is assed (employees quality, attributes and characteristics) so that we can identify diferent individual abilities and skills of individuals.
The main aim is evaluate the work to make a decision about pay for given work in the company.	Main aim is to develop an employee, to avoid gaps in performance and offer opportunities for improvement in the future.

Source: [20]

In this article we consider “assessment” as meaning “performance appraisal”, with reference to people as being one of the internal resources of a company.

1 Statement of a Problem

Main aim of this article is critically evaluate the concept of appraisal of employees.

1.1 Theoretical Background

The definition of employee appraisal differs according to different professionals in different geopolitical domains. Three individual definitions of the term can be summarised as follows:

- Appraisal is a process which enhances improved quality of human resources (employee interview and comparison of performance with reference to expected performance),
- appraisal is one of the processes in an organization and can be viewed as a human resources management tool,

- appraisal is a process which enhances the quality of human resources as well as being a human resource management tool.

1.1.1 Approaches by Czech Experts to the Concept of Appraisal in the Area of Human Resources

Štěpaník [18] defines the term “appraisal” from the viewpoint of a manager as a management tool. This places very high requirements on preparation, data analysis and active participation of all involved. This author further states that appraisal is an important part of personnel management.

According to Plamínek [16] appraisal is a process which starts with a definition of what should be done and states the requirements for a reward at the end.

Bělohávek [3] states that appraisal is an important part of human resource management in a company.

According to Pilařová [15] appraisal is a process and this process which usually contains following information:

- Date of appraisal,
- time sequences of appraisal,
- who is appraising whom,
- method of recording of appraisal,
- relationship between appraisal system and other personnel systems,
- instructions as to the method,
- other duties of appraisers and appraisees.

According to Kociánová [11] appraisal is defined as an important activity, which gives the company information about the performance, behaviour and work abilities of individuals thus providing feedback to employees as to their activity in an organisation.

Employee appraisal is defined according to Koubek [13] as a significant personnel activity, concerned with:

- Ensuring that employee carries out his work tasks and requirements of his work place (depending on his abilities and potential for development),
- what is the employee’s behaviour and what are his relationships with co-workers, customers and other people with whom he comes into contact,
- sharing the outcomes of the findings with individual workers and discussing these findings with him,
- finding ways to improve work performance, behaviour and to achieve the actions leading to it.

It follows from the above mentioned studies, that appraisal is a part of personnel management, human resource management in an organization. It is an activity providing an overview of performance, abilities and employee behaviour which can lead to the improvement in the quality of human resources in an organization.

Most of above mentioned group of Czech authors prefer the first approach to the term of appraisal, where they restrict the concept of appraisal to a process which enhances quality of human resources.

1.1.2 Approaches of International Experts to the Concept of Appraisal in the Area of Human Resources

In the international literature and in the Czech literature we encounter different approaches to appraisal. Appraisal is seen as a formal organisational process carried out on a systematic basis offering comparison between the expected individual (or group) performance and the actual performance.

Performance appraisal is a formal organizational process carried out on systematic basis to provide a comparison between individual (or group) performance expected and the performance provided [8].

Performance appraisal is an evaluative process whereby managers rate and delivery feedback regarding employee's performance. It is typically conducted as a formal, discrete event occurring annually or semi-annually to assist with administrative decisions (pay raises etc.) and employee development (e.g. identifying training opportunities and areas for improvement)[17].

Del Po [7] confirms these definitions stating that performance appraisal is a process, not a form. A good appraisal system includes observation, documentation, and communication and structures the employer's relationship with employees.

According to authors Lyster and Arthur [14] performance appraisal is defined in a similar way to the above mentioned authors, namely that it is a formal process that managers and employees typically engage in on an annual or semiannual basis. The performance appraisal itself is a tool that managers can use to evaluate an employee's work performance and identify his or her strengths and weaknesses. This process involves free phases-planning, performance Appraisal and employee appraisal.

Performance appraisal is a process that is commonly used throughout many organizations to evaluate or appraise employee's performance in the past and to consider how to maximize the employees' future contribution. The process usually includes a preparation stage (completed by both the employee and the manager), the appraisal itself (a meeting between the employee and his or her manager) reviewing his or her last performance, giving feedback and focusing on future possibilities of employee development, setting new objectives. The final phase is a completion of documentation (an appraisal review record) [2].

Performance appraisal has been defined as a process of evaluation by the above mentioned authors which corresponds to the definition proposed by de Andrés, García-Lapresta, González-Pachón [6]. They note that this process is used by some firms to evaluate their employees' efficiency and productivity in order to plan their promotion policy, salary policy etc. Their appraisal process is based on the opinion of different reviewers, supervisors, collaborators, customers and the employees themselves.

The appraisal process is consist of free phases, normalization, aggregation and rating.

Dessler in Kondrasuk [12] defines the term performance appraisal in the following terms:

- An instrument or process to assess an employee's job performance,
- an interview where an employee's job performance is assessed and feedback is given to the employee,
- a system of comparing an employee's job expectations and their actual job performance, assessing that performance and giving feedback to the employee on how to improve it in future, before finally setting new goals and expectations for another period,
- performance management with job performance appraisal a part of it.

Roberts [19] consider that performance appraisal is one of the most complex and controversial human resource techniques. Participatory performance appraisal is an essential and proven attribute of an effective performance appraisal system.

These studies by international authors conclude that appraisal is a process carried out on a systematic basis, in which employee efficiency is evaluated and their next development is planned. It can also be concluded that appraisal is considered by some to be a human resource management technique. One author however prefers a third approach, stating that appraisal is a process of ongoing quality improvement in HR, as well as a tool of human resource management.

2 Methods

The method adopted for analysis of the secondary sources in the professional literature (books, articles in professional databases) is to examine the concept of appraisal defined first by Czech authors and then by international workers.

Furthermore using the method of comparative analysis on the basis of chosen criteria individual formulations of the concept of appraisal are logically split into several groupings according to the author's understanding of the concept of employee appraisal. They may consider this concept either a process which enhances improved quality of human resources (employee interviews, comparison between current and expected employee performance and identification their strengths and weaknesses) or as a human resource instrument. The third approach to the concept of appraisal is as a human resource instrument as well as process which enhances quality of human resources (employee interviews, comparison between current and expected employee performance and identification their strengths and weaknesses).

3 Problem Solving and Discussion

Czech authors describe the concept of employee appraisal as a part of personnel and human resource management in an organization, but especially as an activity providing an overview of the organizational assessment of employees in a particular area, thus enhancing the quality of human resources. International authors define employee appraisal as a process carried out on a systematic basis, where employee effectiveness is evaluated in order to identify further development. They refer to this approach to the concept of appraisal, but not so frequently as Czech authors.

International authors approach the term of appraisal in the area of human resources in abstract terms as well as concretely, specifying an appraisal criterion. Kondrasuk [12] defines the appraisal in abstract terms as a structure (process), and not as a form of a specific tool. However Dessler in Kondrasuk [12] clearly define that the appraisal is one of the important process in enhancing a company's intrnal resources (human resources). Dessler's definition [12] corresponds to Armstrong's definition [1] that appraisal is one of the typical processes carried out in organizations, according to a match model. This model helps human resource management.

The approaches of individual authors (both Czech and international) to the definition of the term appraisal differ. Some authors clearly charakterisethe substance of the term appraisal as an important process for ongoing improvement in human resources, this being one of the most important internal company resources. Others choose a more abstract approach to this term, describing it as an important part of human resource management and a tool for human resource management.

On the basis of this comparative analysis, the results are sumarised for Czech authors in Tab. 2 and for international authors in Tab. 3. indicating the criteria adopted (i.e. tools of human resource management, ongoing improvement in quality of humen sources or as a tool for management of human resources).

Tab. 2: Criteria for Comparison to Approaches to the Concept of Appraisal in the Area of Human Resources (Czech authors)

Czech authors			
Criteria	Author	Year	Definition of concept of appraisal in the area of human resources
Ongoing improvement in quality of human resources	Plamínek	2009	A constituent of the process which starts with a definition of what should be done and a statement of requirements; at the end there should a reward.
	Pilařová	2008	A process which usually contains following information: <ul style="list-style-type: none"> • date of appraisal, • time sequences of appraisal, • who is appraising whom, • method of recording of appraisal, • relationship between appraisal system and other personnel systems, • instructions for method to be applied, • other duties of appraisers and appraisees.
	Kociánová	2010	An important activity, which provides information about the performance, behaviour and work abilities of individuals (in the area of appraisal of workers), thus providing feedback to employees as to their activity in an organisation.
	Koubek	2007	As a significant personnel activity concerned with: <ul style="list-style-type: none"> • Ensuring that an employee carries out his work tasks and requirements of his work place, depending on his abilities and potential for development). • What is his behaviour and what are his relationships with co-workers, customers and other people with whom he comes into contact with. • Sharing of outcomes of the findings about individual workers and discussions of such findings with him. • Finding ways to improve work performance, behaviour and achievement of actions which will lead
Human resource management tool	Štěpaník	2010	A management tool, which places very high requirements on preparation , data analysis and active participation of all involved, stating that appraisal is an important part of personnel management.
	Bělohávek	2009	An important part of human resources management.

Source: Author's own analysis

Tab. 3: Criteria for comparison to approaches to the concept of Appraisal in the area of human resources (international authors)

International authors			
Criteria	Author	Year	Definition of concept of appraisal in the area of human resources
Ongoing improvement in quality of human resources	Giagrecco et al,	2010	A formal organizational process carried out on systematic basis to provide a comparison between individual (or group) performance expected and the performance provided.
	Spence, Keeping	2011	Performance appraisal is an evaluative process whereby managers rate and deliver feedback regarding employee's performance.
	Lyster, Arthur	2007	A formal process that managers and employees typically engage in on an annual or semiannual basis. The performance appraisal itself is a tool that managers can use to evaluate an employee's work performance and identify his or her strenghts and weaknesses.
	Banfield, Kay	2007	A proces that is commonly used throughout many organizations to evaluate or appraise employees' performance in the past and to consider how to maximize the employees' future contribution.
	DelPo	2009	A process, not a form. It structures the relationship with employees. A good appraisal system includes observation, documentation and communication.
Human resource management tool	De Andrés, García-Lapresta, González-Pachón	2010	A process used by some firms to evaluate their employees' efficiency and productivity in order to plan their promotion policy, salary policy etc. This appraisal process is based on the opinion of different reviewers, supervisors, collaborators, customers and the employees themselves.
	Roberts	2003	One of the most complex and controversial human resource technique. Participatory performance appraisal is an essential and proven attribute of an effective performance appraisal system.
	Armstrong	2007	One of the typical processes carried out in organizations (according to a matching model).
Human resource management tool Ongoing improvement in quality of human resources	Dessler	2011	<ul style="list-style-type: none"> • an instrument or form to assess an employee's job performance, • an interview where an employee's job performance is assessed and feedback is given to the employee, • a systém of putting employee job expectations/employee actual job performance/asse ssing that performance/feedback to the employee on the performance assesment and how to improve it in the future/setting new goals and expectations for another period, • performance management with job performance appraisal a part of it.

Source: Author's own analysis

The Tab. 2 shows, that none of above mentioned Czech assesses the employee performance as a combination of approaches, so that appraisal is a tool of management of HR, an important process to ongoing enhancement of HR. It only illustrates that it is a tool of Human resource management leading to an ongoing increase in quality of HR.

By contrast, international authors (Tab. 3) agree that appraisal is a formal process in the organisation; only three authors state that appraisal is a tool of HR management. Differently from Czech authors, a third approach is advocated by international authors in defining appraisal in the HR area, namely that appraisal is both a tool for HR management as well as a process for improving quality of performance. Appraisal is a formal process in organizations; only three state that appraisal is a human resource management tool.

Clarification of the concept of the term appraisal in the area of human resources, particularly in agriculture, is important because there is an economic need to balance the expectations of workers and employers in order to ensure continued enhancement of work performance.

Employee appraisal in agriculture is at the present time is less formal than in other economic areas [5]. According to Billikopf [4] employees in primary sectors such as agriculture need to gain appraisal feedback from their employers, in order to give them some motivational vision and thereby shape their future performance.

Conclusion

We cannot clearly ascertain whether appraisal of employees is a management tool or a process, but it is possible to identify several approaches to the concept.

These approaches can be classified in three groups, according to different author's approaches to the concept: appraisal can be taken as a process leading to the development of employees; or it can be seen as a tool of HR management; thirdly it can be viewed both as a process of employee development and as a tool of HR management.

Most of the authors cited, including the Czechs, agree that appraisal in HR forms part of the process of ongoing improvement in the quality of HR. Appraisal focuses not only on improvement in the quality of performance by employees, but also strengthens the development of the whole company, given that HR is an integral part of the company's internal resources.

On the basis of of this literature survey we can conclude that appraisal of employees is both a process of ongoing enhancement in the quality of employee performance, and a tool for HR management. Thus appraisal can be seen as a complex process of ongoing improvement in the quality of HR, constituting an important part of the internal resources of a company.

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