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Performance management system in educational institution using Management by Objectives (MBO) and 360^0 appraisal method

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Abstract

Performance management is the management activity through which an institution ensures that employees are working effectively and efficiently towards achievement of institutional goal. To ensure that, performance appraisal i.e. evaluating employee's current or past performance relative to the standard set by institution, is carried on. The data obtained from appraisal is used to take decision of promotion, salary, training and development and for other purposes too. The appraisal is generally done using different appraisal methods or tools like graphic rating method, essay method, critical incident method MBO, 360^0 appraisal *method etc. MBO is now one of the most used a popular tool which is used as appraisal tool, motivational technique as well as planning and control device. Likewise, 360 degree appraisal method is another popular method which is gaining popularity nowadays where all round feedback is taken from all the staffs around the staff going to be appraised. Whatever the method is used, if the appraisal is carried on properly by minimizing common problems like biasness, unclear standards, halo effects etc., any institution can achieve goal through motivated staff with good working environment.*

Keywords: Performance appraisal, educational institution, goal, achievement, standards, management by objective, 360 degree appraisal

Introduction

Every organization is established with specific set of goal. Out of which, educational institution is also one of them. The goals of the educational institution may be high pass out rate, practical education, preparing qualified manpower for the contemporary market creating good image with renowned courses and so on. The achievement of the goal depends on the performance of each and every stakeholders involved in an institution like teachers, management committee, owner, students, parents and even government. The effort of an individual or only certain specific person may not be sufficient for achieving such goal i.e. every academic staff and administrative staff and students' joint effort can only help in the achievement of academic goal. Thus, it is important for the principal, vice principal, coordinator to know whether their academic staffs and students has reached to the performance level that the institution has considered desirable or not. Such a process of searching, measuring, and developing the performance of individuals and teams and directing their performance towards organization's goal is performance management system (Dessler, 2011).

Performance management can be also taken as a process of assisting managers and staffs to improve their performance through training, motivation and other incentives (Afful, 2002). Performance management is the key process through which works are made to be done smoothly and effectively (D.Pulakos, 2009). Thus Performance management is a goal-oriented process directed toward ensuring that organizational processes are in place to maximize the productivity of employees, teams, and ultimately, the organization (Eisalou, 2014).The primary objective of performance management is to improve performance by raising individual effectiveness. Many organization uses performance appraisal method as a basis for decision making tool for taking different decisions such as pay, bonuses, promotions, assignments and reductions in forces and fewer even to guide in employee development (D.Pulakos, 2009). In educational institution too, proper performance management required either for decision making by administration or for guiding them for proper development. Until each teacher s are not effective in the field of his or her subject matter, the students can't get proper knowledge i.e. knowledge transformation is disturbed and as a result one can't imagine about quality education, high pass out rate, qualified manpower for contemporary situation. Besides being effective in subject matter, s/he also needs to be able deliver properly in front of the student using different new and new tools available or by discovering themselves.

Likewise s/he needs to be motivated to express what he or she has got and use all those available tools effectively.

Thus, effective performance appraisal i.e. evaluating an employee's current and/or past performance relative to his/her performance standards (Dessler, 2011) is very important. Through performance appraisal qualities like spirit of cooperation, self-confidence, initiative, intelligence can be appraised (Shrestha, 2004). It helps to know the current performance level of teachers as well as students which helps to develop a plan for correcting any weakness present in them by counseling and coaching, training and development, improving communication etc.(if required). Besides, performance appraisal too, can be used for administrative uses like compensation determination, promotion decision, transfer, dismissal and lay off decision, reward and punishment decision, validate selection criteria etc. so, through performance appraisal, whether teaching staffs are fully using the capability to transfer knowledge through different ways for effective teaching learning process or not on time basis, whether teachers are being able to use different tools as per time and situation or not, whether class is being live or not whether students are learning effective or not, can be known. So Performance appraisal is often a negative, disliked activity and one that seems to elude mastery (Russell & Russell, 2010). After appraisal, as there may need to provide negative feedback which is very difficult talk for any appraiser. But also for the betterment of the organization or improvement of the performance of teachers, appraiser i.e. principal need to provide negative feedback too in proper way i.e. negative information followed by positive information.

How to appraise the performance?

Evaluating performance of others is no easy task. There are significant evidences that both those performing the evaluation and those receiving performance evaluation (PE) often find the process unpleasant (Mayer, 1991). Though, it needs to be done as performance appraisal also aids in determining success and effectiveness of training programs and workshops according to current level of individual participation and its impact on performance (Javidmehr & Ebrahimpour, 2015). The appraisal process begins with the establishment of performance standards on the basis of which comparison is done. So, first of all the head of educational institution should be clear that what is to be done and how well it is to be done. The standard may be number of classes to be taught in a session, resources to be used,

commitment made by teachers in the beginning pass out rate, tools to be used etc. Once, the standard is established, it should be communicated to all staff, making them clear what is expectation that the organization is expecting from them and what they need to do. Then only the actual performance of teaching staff should be measured. Different methods can be used in order to measure the performance depending upon time and situation of the institution. The rater of appraisal process may be head of department, coordinator, vice-principal or principals for teachers and teachers of students. Evaluation errors and biases may occur in judgment observations or information process stages (Javidmehr & Ebrahimpour, 2015). Some evaluation errors are like hallo error (tendency of misjudgment of any person simply because of person's single characteristics (Gautam & Gautam, 2075)) , contrast error(comparing employees instead of focusing to standard while evaluating) central tendency error(evaluating all as average due to lack of information or be free from controversy), recency error(focusing to current performance rather than overall performance) etc. Whoever may be the rater, s/he must be free from bias and must have opportunity to observe the full spectrum of activities and behavior over an extended period.

After measuring actual performance, it should be compared with the standard performance developed or the expectations set by the organization in the beginning and try to find the deviations (if any). After this, the appraisal should be discussed with the staff which is very challenging task because conveying good news or report is less difficult but negative report is very difficult as it has a strong impact on the staff's self-esteem. However, discussion and feedback is very important. According to HR management theories providing employees with feedback enables them to set specific high goals and help them see the relationship between what they are doing and the outcome they can expect, that is goal attainment (C.Ford, Latham, & Lennox, 2011). Then immediate corrective actions by counseling and development should be taken. According to (Latham, Almost, Mann, & Moore, 2005), employees should be evaluated and then coached by a process where their performance is observable, under an employer's control, critical to implementation of organization's strategy, based on factors both the coach and employee know ahead of time, provided to an employee using objective descriptive behavioral statements, and documented for future reference of performance changes. On doing this, educationalists may know in which path it is moving and can take corrective action immediately. The corrective action may providing training to the staff where

they are lacking, providing tools for effective teaching learning process or changing the performance standard if it is found to be vague, coaching and counseling. In case if everything is going well management need to encourage for the continuation of the same activities. The above mention activities can be represented in the flow chart model as given below:

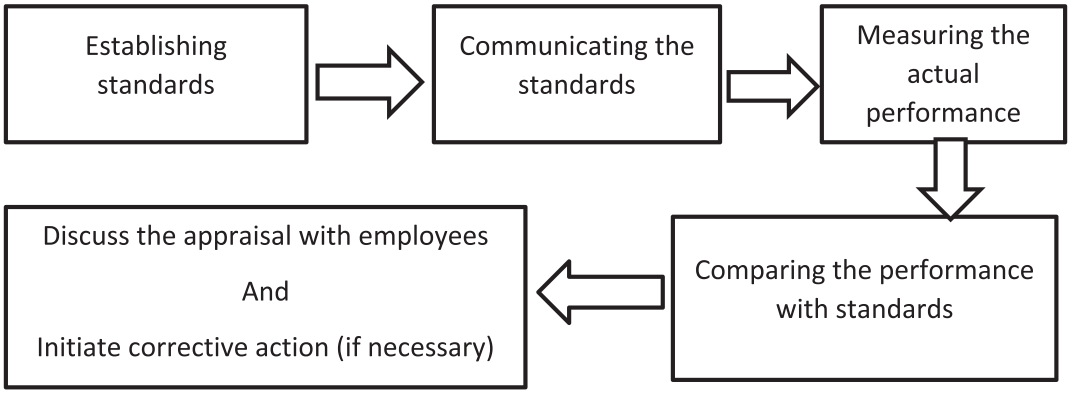


Fig. Performance appraisal process

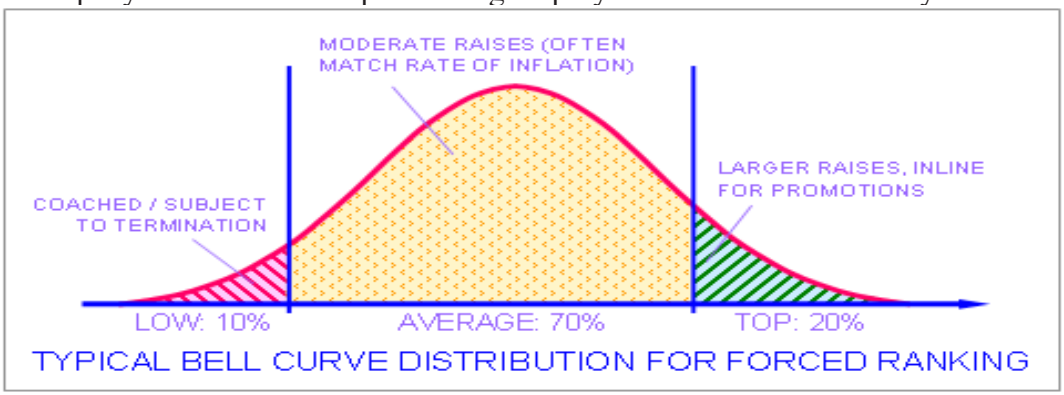
What are the methods of performance appraisal?

There are various methods of performance appraisal. Each method could be effective for some purposes, for some organization i.e. there is no one best method. Some of the methods are discussed below:

The essay method which may be the simplest method of appraisal in which rater describes in his own words what he perceives about the teachers/ students' performance in essay form. In this method appraiser observe the staff and explain about his traits, qualities, performance level etc. Another method i.e. critical incident method, which focuses the evaluator's attention on those critical or key behaviors that separate effective from ineffective job performance. The appraiser i.e. principals or coordinators describe whatever the teachers or students did that was especially effective or ineffective in certain circumstances. The key here is that only specific behaviors are cited, not vaguely define personality traits. Likewise, graphical rating scale is another popular method of appraisal in which certain performance factors such as job knowledge, co-operation, loyalty, attendance, honesty, initiative etc. are listed and is provided with the range of performance for each, which evaluator rates by circling the score that best describes the person like very good, good, average,

bad and very bad.

BARS (Behaviorally Anchored Rating Scales) method which combines some elements from the critical incident and some of graphical rating scale method is in order to appraise performance. Under this method, the appraiser rates a person according to items along a numerical scale but the items are examples of actual behavior on a given job rather than general descriptions or traits. Paired comparison may be another method where the rater compares each person with other usually in terms of overall performance. In educational institution each teacher/student is compared with each teacher/student present in school in term of regularity, interaction with students, pass or fail number of students etc. Forced ranking method is also one performance management tool which is used for evaluations to identify a company's best and worst performing employees where each and every one is



Similarly,360^0 appraisal method is the new method invented in which performance feedback is taken from difference sources for the person being rated (Robbins, Decenzo, Bhattacharya, & Agarwal, 2009). Like to appraise one student/ teacher feedback can be taken from all subject teacher for students and with coordinators, head of department, vice principal, principal for teacher. Management by objective (MBO), forced distribution method, alternative ranking method, group order ranking method etc. are also some methods which can be used for performance appraisal.

Methods	Advantages	Disadvantages
Essay method	Simple to use	More a measure of evaluator's writing ability than of employee's actual performance

Critical incident method	Rich examples, behavior-ally based	Time consuming, lack quantification
Graphic rating method	Provide quantitative data Less time consuming then others	Do not provide depth of job behavior assessed
BARS	Focus on specific and measurable job behavior	Time consuming, difficult to develop measures
Paired comparison meth-od	Gives reliable ranking	More complicated
360^0 appraisal method	More thorough	Time consuming
MBO	Focuses on end goals, result oriented	Time consuming

Adopted from (Robbins, Decenzo, Bhattacharya, & Agarwal, 2009, p. 174)

Management by objective (MBO)

It is one approach of appraisal which is also known as result oriented appraisal. MBO has two different backgrounds – organizational and developmental. The organizational root of MBO was developed by Peter F. Drucker in 1954 when his 'The practice of management' was first published. Similarly, the credit for development root of MBO goes to Mc Gregor who stressed the qualitative nature of MBO and its use for job development and growth (Afful, 2002). Now a days MBO is now in practice around the world. Some people think, it as an appraisal tool, some as motivational technique, still other consider MBO a planning and control device (welhrich, Cannice, & Koontz, 2009). According to Peter Drucker, "MBO is regarded as a system for improving performance both of the individual manager and the enterprise as a whole by setting of objectives of the corporate, developmental and managers level." It can also be defined as a system in which specific performance objectives are jointly determined by subordinates and their supervisors, progress toward objectives is periodically reviewed and rewards are allocated on the basis of that progress (Robbins, Decenzo, Bhattacharya, & Agarwal, 2009). Thus MBO is a process or system designed for supervisory managers in which a manager and his or her subordinate sit down and jointly set specific objectives to be accomplished within a set time frame and for which the subordinate is then held directly responsible (Thomson, 1998). In educational institutions too, the concept of

MBO can be used by participating faculty members in setting common goal, making responsible for their activities themselves. This helps in effective performance too and results the achievement of the goal set by institutions.

MBO consists of different steps which are carried on continuously in a cyclic order. First of all organizational goal i.e. SMART (Specific, Measurable, Achievable, Realistic and Time bounded) goal is set by joint effort of all level staff. On the basis of organizational goal, individual/employees objectives are defined which will be familiar with what the organizational expect from him/her. Then, the continuous monitoring of performance and process is done from each level and that is evaluated /reviewed continuously in order to provide feedback for improvement/betterment in specific set period of time. After that he or she may be rewarded for success by promotion or salary increases or he or she may be fired or transferred to a job that will provide needed training or supervision (Thomson, 1998). This technique appraises the performance of employees by comparing actual performance with specific predetermined goal. The conclusion is based on observation and evidence of performance, rather than the superior's opinion of the subordinates (Acharya B. S., 2011). The above mentioned things can be shown in flow char as below:

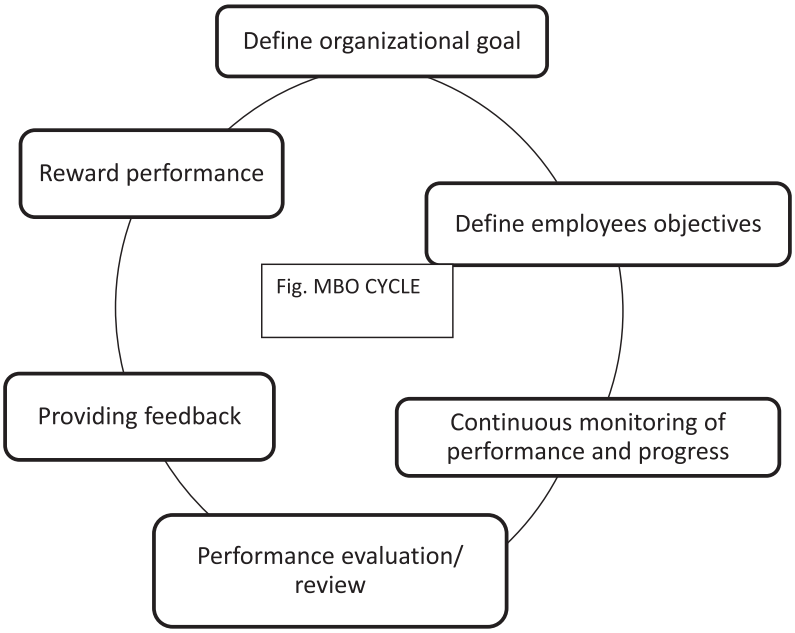


Fig. MBO CYCLE

In educational institution too principal and faculty members can set one target for the session, divide responsibility to each member and continue above mentioned process for each session continuously. The adoption of MBO approach in an

institution can encourage innovation and creativity in educational world. There may be also active participation pf each staff which can motivate them for better performance which is also the main goal of MBO. Thus MBO uses goal of an institution to motivate rather than to control staffs. It can even help to change the attitude of staff i.e. develop positive attitude on them which deal to proper planning of teaching activities and utilization of available teaching tools. In this 21st century simply chalk and talk method won't work to make student learn. To attract them for study and make teaching learning effective new and new teaching methodology need to be used which may be possible through management by objective method. Likewise MBO approach encourages every member of teaching faculty to share the ideas and even guide too incase of any confusion or mistakes. Thus there will be continuous appraisal of each staffs by each one may after each examination or pre decided time. Even after such review of activities, management can reward for good outcome or encourage for further better performance. Despite of these advantages, it has certain weakness. The situation in which superior i.e principal or department heads or coordinators are decisive in nature, MBO approach can't be used. MBO is based on the concept of self-control and self-direction. Thus the failure to teach this philosophy of MBO to staff may be its one weakness. Likewise, over use of quantitative goals, excessive time consuming are also its some limitations. Despite of these weaknesses, if there is top management's commitment to MBO process; it is confirm that it can increase teaching staffs performance and output as well as there will be proper performance management in educational institution.

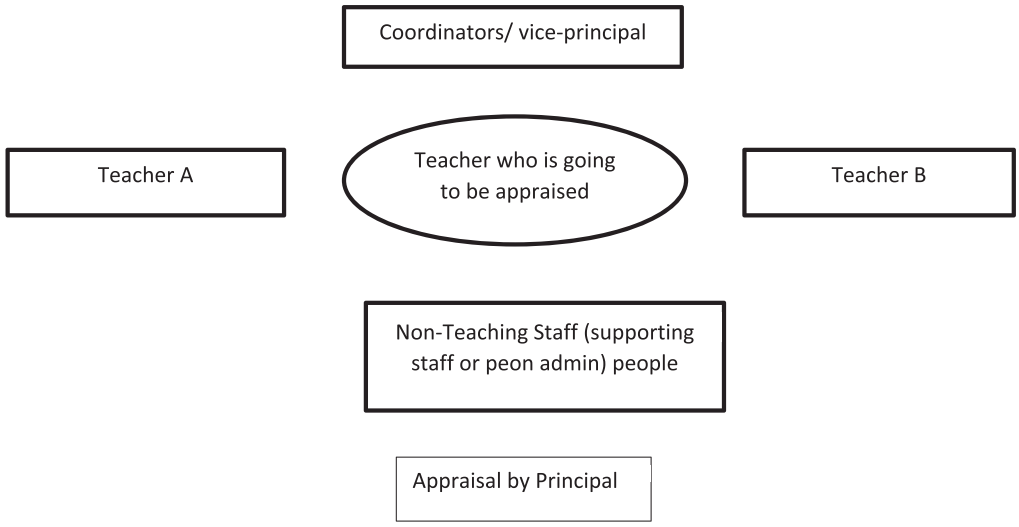
360 degree appraisal method

360-Degree feedback is an appraisal that incorporates feedback from all who observe and are affected by the performance of a candidate (Chopra, 2014). 360 degree appraisal is also known as multi-rater feedback, multi-source feedback, full-circle appraisal and performance review (Acharya, 2011). As appraisal from only one appraiser can't provide real fact, the concept of 360 degree appraisal may be the best one. Feedback from multiple sources, such as superiors, peers, subordinates and others has a more powerful impact on people than information from a single source, such as their immediate supervisor (Eisalou, 2014).

Most of the organization has started to use this tool for the appraisal of their employees as the information gathered with 360-degree feedback taps the collective wisdom of people from within a person's own circle of influence (Nystrom, 2001).

It is simply more reliable, honest, and valid than traditional appraisals, which few praise (Maroney & Buckely, 1992). In 1996, 90% of Fortune 1000 companies used 360-degree feedback (Edwards & Ewen, 1996). Of those, about 70% used it for development and 30% for both development and administrative purposes (evaluation, rewards, and promotion systems). 360-degree feedback is usually introduced as a development tool to allow the organization time to adjust and gain trust in the system (Nystrom, 2001). More recently, (Denisi & Kluger, 2000)reports that usage of 360-degree feedback for administrative purpose has increased from 30% to 50%. This shows that the importance of 360 degree appraisal is increasing day by day for fair and accurate information. This method not only provides information but also help to minimize the biasness problem of evaluation. The more appraisers an employee has, the more likely the biases of the raters will tend to cancel one another out, and the more their perspectives will combine to give a complete, accurate and honest picture (Eisalou, 2014)

In educational institution too, it can be the best tool for the appraisal of the teaching, non-teaching staffs as well as of the students. While appraising the teachers by principle or vice-principal, he or she can take information about the specific teacher from his immediate superior i.e. coordinator, his peers working in the same department as well as non-teaching staffs (for behavior) which can be shown in diagrammatic form as below:



In this method the information provided by one can be cross checked too. Suppose, there is no good relation between coordinator and the teacher who is going to be appraised, he may not provide real information about him or her. In such situation, if appraisal is done the appraisal won't be correct which may lead to frustration or demotivation on that staff. In order to prevent this, if information is collected from his/ her peer as well as those staffs below him like peon, administration staffs etc. the real fact about him or she can be obtained. Thus this may be the best one for the appraisal of staff. Even in the case of students also especially about the behavioral appraisal we can follow the same process. Though this method is time consuming, the reality can be known. Even the application of 360 degree appraisal method may help to develop good relation among all the staffs in an organization as all will be appraised by all. The sense of helpfulness, cooperation, team work proper communication will be developed in all teaching and non- teaching staff which may lead to sharing of new and new teaching methodology among all. Even it helps to reinforce corporate culture, openness and trust in staff (Acharya B. S., 2015)

In order to use this method, we need to prepare individual participants for a 360-degree process by educating them about how the appraisal is done and how their feedback will be used (Ward, 1995) and so on. Otherwise, the goal which an organization wants to achieve that cannot be achieved.

What are the criteria's for appraisal?

There are different criteria's which can be used for performance appraisal of the employees. The management must select performance evaluation criteria carefully as it pertains to achieving corporate goals (Watson & Hill, 2009). Whatever the criteria's are there, the selection of criteria for performance appraisal may depend on the situation; evaluator or the type of an organization i.e. there is no specific set of criteria which may be applicable for every institution. Some of the criteria which may be used for performance appraisal are traits/qualities of the employees, training obtained by employees, goal achievement by employees, behavior or actual performance outcome, improvement potential length of service in specific institution and so on.

In educational institution, the performance shown by the teacher in the classroom to clarify the students, commitment made by teachers in the beginning, number of students passed in his/her subject, tools used by the teacher during teaching learning, interaction with students about subject matter during teaching

process, acceptance of students, attitude towards institution, staffs and so on etc. may be criteria for teacher's appraisal. Likewise, marks scored by students in exam, discipline, involvement in extracurricular activities, response to the teachers, completion of activities given to him, attitude towards school etc. may be criteria for appraisal of students.

Finally, the overall aim of performance management system is to improve the performance of each and every human resources working in an organization for the achievement of the goal. There are different methods of performance appraisal out of which MBO method and 360 degree appraisal method is gaining popularity nowadays. Whatever the methods are used it should be free of bias and errorless. Proper or errorless performance appraisal motivates a person for better performance in future or vice-versa. So, one should be very careful while appraising performance of any one under him/her because there are certain problems which make appraisal fruitless like unclear standards, halo effect i.e. tendency to rate high or low on all factors on the basis of impression created by a person, central tendency problem i.e. tendency to rate all employees about average, leniency or severity problem i.e. tendency to rate all employees high or low, personal bias error i.e. individual difference in term of age, gender, sex etc. Instead of using the appraisal process for just compensation decision purposes or for the seek of just appraisal, it should be used for improvement and motivation of staff of an organization. After appraisal too, whatever the result comes whether it is positive or negative, feedback must be provided. Though it is easy to provide positive feedback and very difficult to provide negative feedback. Appraiser should provide it tactfully because appraisal without feedback is useless and waste of time. So if proper performance appraisal is ensured, any organization including educational institution can have happy, satisfied, positive attitude motivated staff which results to the high achievement as well as the goal set by any organizations.

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