

## REVIEWS

**Performance Appraisal: Theory and Practice, T. V. Rao, Vani Educational Books, New Delhi, Rs. 50.**

This book is mainly based on the approach to performance appraisal jointly developed by the author and his former colleague Prof. Udai Pareek of Indian Institute of Management Ahmedabad while they were working together with Larsen and Toubro Ltd. to develop the latter's performance appraisal system. Their objective was to build up a human resource development-oriented performance appraisal system. Subsequent discussions with managers, officers and supervisor of several other organisations with which the author had the opportunity to work as a consultant and trainer reinforced, modified and developed the system into the form finally presented in this book. Thus an essential merit of the book lies in the combination of theory and practice in the environmental context and practical constraints in organisations in India. However, the author makes it amply clear that the book is not a review of published literature on each aspect of performance appraisal. Accordingly those who need, or look for an overall survey of different approaches to performance appraisal in India or abroad should, in addition to this book, look elsewhere as well.

While presenting the development-oriented approach to performance appraisal, the author anticipates some of the objections and disposes off them in the preface as well as in a separate chapter (Chapter 16). The most formidable of such objections appears to be one based on the obstacles presented by the existing organisation culture on the way of creation of a development-oriented appraisal system, which must be based on trust and openness. Here the author argues that performance appraisal itself may be used as an instrument of change towards a desired organisational culture, "rather than waiting for the culture to change and changing appraisals to suit such change". This appears to be a worthy argument in view of the considerable time that is necessary for adequate change in culture of an organisation.

Moreover, organisational culture does not change automatically, or just by mere exhortations for such a change. Effective and systematic steps are to be taken in different directions within the organisation and obviously the changes in performance appraisal system may be helpful in this respect due to the importance attached to it by the employees as well as management on account of its implications for promotion, transfer, training and fulfilment of corporate goals.

The book starts with a brief review of the objectives of performance appraisal in the past and pleads for a new set of objectives. This is followed by a chapter on Human Resources Development and Performance Appraisal. Mechanisms are identified for developing capabilities of different categories of people in an organisation and the author emphasises that the responsibility for developing employee capabilities to suit its requirements lies with the organisation itself. In this context, in the next few chapters (Chapters 3-9), the author unfolds his strategy and tries to show that the performance appraisal system can be an effective instrument for developing employee capabilities.

Four chapters of the book (Chapters 10-13) are then devoted to describe the development-oriented performance appraisal systems in 4 Indian organisations, viz., Voltas Ltd., Larsen and Toubro Ltd., the State Bank of India and an unnamed large engineering company. These case studies give credibility to the author's contention regarding the practicability of introducing his proposed system in Indian organisations. They also identify the problems on the way of its introduction, explain the steps followed in the organisations concerned and, in general, evaluates the systems introduced in each such organisation. These cases and the appraisal forms actually used in these organisations are likely to be of great practical use to the organisations which may desire to introduce something similar to the performance appraisal system recommended in this book.

The chapter on "Appraisal Practices in India" and the following chapter on "Appraisal Practices in some Asian Countries" also would be useful to the practising managers and academics interested in performance appraisal in the organised sector of the developing countries in the Third World. However, in the chapter on India the author appears to have relied mainly on the performance appraisal practices followed by 45 different organisations covered in a survey conducted by himself and also on his consultancy and training contacts in different Indian organisations. No doubt valuable information on the appraisal practices has been provided even on the basis of the limited coverage of organisations in this chapter. But a critical mind would be naturally interested to know the extent to which general conclusions may be drawn about the appraisal practices in India on the basis of practices in 45 organisations covered in his survey. Obviously information on the basis of the choice of the 45 organisations and further details about their background could be more helpful in identifying the extent to which the conclusions of this chapter might be generalised. Possibly the usefulness of this chapter could be further enhanced if the author could draw upon the materials on performance appraisal practices

in other Indian organisations presented by other Indian authors on this subject, in order to supplement the information collected by himself. It was not necessary by the author to review the quality of presentation or contentions made by the other Indian authors (the ground on which he justified his reluctance to use other contributions by some Indian authors on this subject). But a comparison of his own conclusions with those drawn by others and supplementing his own data-base on Indian practices with the information presented in other contributions would have enhanced the value of this book.

On the whole, Prof. T. V. Rao has done a good job in presenting his experience and ideas on performance appraisal in this book. The price of the book could be lowered in order to increase its circulation particularly when it is jointly sponsored by All India Management Association and Vikas Publishing House (P) Ltd. under the joint publishing programme of AIMA-Vikas Management series.

Subratesh Ghosh  
*Professor of Personnel Management*  
*Indian Institute of Management*  
*Calcutta*