

the first party and needs money for her husband's treatment? The law is quite silent and there is no special provision. In such a case a law implemented without discretion will result in defeating the very purpose of the law i.e. to protect the interest of the incapable person. A banker therefore must be aware of his responsibilities as he is the implementation authority of many such laws and he must be aware of the spirit of the law and the consequence of his action. One would say that the objective of such a book could be to make the banker aware of his above responsibilities. Unfortunately it does not come out that clearly. It would have been better if through a thematic summary after each chapter, the salient theoretical points could have been discussed.

Another series of problems this book discusses is the relationship with a minor. A minor, by virtue of the status given to him through the Indian Legal System, can enter into a contract and bind everyone else except himself. The nuances of this peculiar status may create a few queer problems as has been aptly described. But in any such collection can only contain a limited number of such problems. The success of such a collection of problem solution will, therefore depend on whether the reader is able to grasp the subject of the problem i.e. the particular aspect of law and is able to apply the skill developed to solve them independently. Had there been any generalisation of the application through any method (such as a thematic summary suggested earlier) one could be more sure about it, but without such an integration, there is a danger that it may be used as a 'cook-book' of problem-solution, where the intention of the author seems to be far from that.

The production is good and the language is lucid. The appendices contain useful information about selected pieces of banking laws. In spite of the few weaknesses mentioned above, it is quite readable, an aspect greatly enhanced by innovative names of characters. For example, as soon as a problem starts with two partners Bholaram and Chalakram, the reader can expect Chalakram to do something which may trouble Bholaram and invariably he does so. Again when Mr. Guptavai requests for additional secrecy about his account, the reader is perhaps supposed to understand a little more than the told facts of the case.

Although the author targets this book at practising bankers, it would do no harm to bank's customers to take a look at some of the problems and try to understand the other side of the story. Limited utility it might be of, but nevertheless any improvement in banker-customer relationship would be most welcome and we feel that this book will contribute favourably towards that.

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Performance Appraisal Systems in Public Enterprises — An Evaluation. N. Chatterjee, New Delhi, Scope, 1978, 6 Rs. 10.00. **Performance Appraisal,** Malabar, Ed. New Delhi, Vikas, 1978, 20 Rs. 45.00

The book by Prof. Chatterjee is based on a study of appraisal forms of 24 public sector enterprises, and on data from intensive interviews as well as participation in performance appraisal seminars. He strongly indicts the cult of confidentiality

respect to the contents of appraisals, and asserts that an open system would be much more productive (p. 7). The author also thinks that a perfunctory acquaintance of managers with certain behavioural science concepts does not permit as much attention towards the traits of appraisees as is paid even today (p. 9). Although all organisations have adopted the appellate procedure (as in government, for adverse appraisals which have been communicated, yet in only rare cases that such appeals do succeed (p. 9). In the author's own words "as long as an open system of communication is not developed by way of pre-appraisal interview or post-appraisal interview, or both, by evolving the forms of appraisal by wide consultation, by developing a culture of mutual trust and supportiveness at all levels of the organisation, the predominant civil service culture with all its limitations would continue to haunt the management system in public enterprises". (pp. 9-10).

These words constitute in a nutshell the prescription for an Eldorado in the world of performance appraisal. But what is open communication? Is open abuse or open praise productive? How are mutual trust and all round supportiveness to be brought about which will act as *causal* variables for the objective of effective performance appraisal? Will exhortation by professors like us achieve the miracle? What happens to the entire previous training, education and build up of Indian managers right from home to the organisation? What is the nature of accountability of public enterprises at the macro level, and how far does its manifestations aid or stall the openness of communication within enterprises? Not that I know the answers to these questions. But they do sweep across a

reader's mind trying to wend its way through the slushy waters of performance appraisal.

On the issue of objectivity in performance appraisal, Prof. Chatterjee feels that an open culture is the answer. But in its absence a system of moderation might be a substitute (p. 10). He rightly criticises the failure of points rating system to ensure objectivity. Once again it is not clear what is the cause-and-effect sequence: could an appraiser be more open because he is objective; or could an appraiser be more objective if he is open? I think the first sequence is the more common reality. In other words, what are the possibilities of a system which brings in more objectivity and thus leads to more openness? On p. 18 the author quotes two examples of points-rating, and his remarks about their precision etc. seem to run against his earlier apathy towards such a system on p. 10. If a reporting officer, for example, would not invite trouble for himself by giving a 'below average' or 'poor' rating and explaining it with incidents and facts (p. 22), what remains of the practical side of the much sought-after openness?

The author's gleanings regarding the variety and fuzziness about the interpretation of 'potential' in appraisal forms are interesting and pertinent (p. 21). He brings to light later that in one organisation, which ostensibly uses, 'psychologically sound' and 'psychometrically valid' rating scales for potential assesment, no evidence of their use in actual practice was available (p. 25). He sounds a wise caution that "this kind of counsel of perfection given by experts hardly helps, but can do some harm" I quite agree that most managers cannot become deft and conscientious wielders of psychological tools or principles or concepts. But the author

does not offer his own view about potential and its assessment.

With respect to 'self-appraisal' the author thinks that in a competitive situation at least 'what are your weaknesses?' part of the reporting can hardly be meaningful (p. 38 p. 53). In his view, self-appraisal should remain confined to writing a job description, listing the activities, assessing own achievements, and which new skills he needs to acquire. While it is possible to agree with his last two points, the first two do not appear to constitute any kind of appraisal.

As regards the adaptation of MBO to appraisal by objectives (ABO), the author is unable to report the case of even one enterprise which had done so in full measure (p. 41). The author cites here the case of MBO and ABO in a private sector company, where he found that individual objectives were accepted in far better light after they had participated in groups in divisional objective setting (43). He also quotes at length the emphasis put by the Home Ministry on 'planned performance appraisal' through specific target-setting (pp. 44-45). Though this path is bestrewn with formidable difficulties, yet the author hails the shifting trend away from 'intangibles' to 'tangibles' in performance appraisal (p. 48).

Finally, the author touches on the issue 'non-appraisal'. Formal appraisals only for the 'outstanding' and 'worst' persons, and none for the rest. If there are no outstanding or worst subordinates below an appraiser for a given year, then no appraisal form need be filled up. This would really serve the needs of a reward-penalty thrust in performance appraisal system. But this reasoning is rightly questioned by him because this misses the whole point about 'management development'

through the vehicle of performance appraisal (p. 49).

It seems that the author did not attempt to discover the perceptions about performance appraisals from the other side of the court i.e. the appraisees, especially those who are only appraisees, and have none to appraise. Interesting reactions might have been collected on such aspects as 'openness', 'self-appraisal', 'objectivity' etc.

Bolar's books is a collection of six essays (three by herself and the rest by others) three cases, and a survey of performance appraisal practices (presumably in the private sector). She rightly begins by stating the fact of very poor inter and intra-organisational mobility in India, and then bemoans the fact that in India employees generally enjoy only two or three promotions in their entire career which in turn robs the effectiveness of promotion as a reward-punishment device. Moreover, such promotions almost always turn out to be seniority-based, although pretensions exist for acknowledging merit. Promotions are not the only means to individual growth; the latter is more a function of matching individual aptitudes with the requirements (pp. 6-8). But for the last point, the rest seem to be based on a study of appraisals in the government. They are not necessarily true to the same extent perhaps in industrial organisations. Moreover, the practical emphasis on seniority, despite honest intentions for acknowledging merit, seems to arise out of visible unreliability, power play and distortion wrought to the appraisal system in the name of 'merit' assessment. A high degree of integrity, shorn of groupism and clannishness, is a pre-requisite for creating confidence in the merit based systems. Seniority on the other hand is a yardstick until

inished by the fancies and foibles of many an appraiser. Moreover, while in the absolute sense, individual growth is served by 'aptitudes — job content' matching, in an organisation with a hierarchy and multiple membership *relative growth* is also a major issue — whether based on seniority or merit.

Another crucial point raised by Bolar is to shift the emphasis from comparative evaluation of performance per se to an *analysis of the employees* demonstrated performance (pp. 11-13). As we understand the matter, *performance* evaluation cannot be based on anything else but *performance* analysis. If a superior has, say, six appraisees under him, and has analysed their job performances and aptitudes, what does he do next with these data? If such data are to be used for career planning as she suggests (p. 13), then this exercise necessarily has vertical as well as lateral components. The vertical dimension has to be scaled at one time or the other. How does a superior then escape making *comparative* evaluation, based of course on performance *analysis*, amongst his six subordinates?

According to Bolar difficulties with MBO-based evaluation systems arise when they are used for giving reward. Discussions then turn to bazaar haggling instead of concentrating of counselling and development (p. 15). The sequence in practice is not an inevitable one. Interim performance reviews during the year are held solely with the development and performance objectives in view. Salary, reward etc. are not discussed at all. The year-end appraisal for reward purposes does not then need to be based on face to face communication.

Bolar's second contribution in the book takes up the subject of 'ethics of employee

evaluation' in its normative aspect. With highly restricted alternative job opportunities, the organisation's manner of evaluating and rewarding or penalising its members has a significant impact on their lives (pp. 30-31). Of course, it does ultimately boil down to individual proclivities, as she herself recognises a class amongst them by dubbing it as 'responsibility shifters' who evade the unpleasant task of communicating their own evaluations, or decisions based thereon, directly (pp. 34-35). We do not think this problem can be solved just by training evaluators to focus on their responsibility. The issue is deeper and probably has two underlying causes: one, the superior's frequent doubt about his own competence on the job which turns him defensive and externally aggressive in matters of incidental details but not in terms of the hard core job content; and two the lack often of factual and data-based information for communication. Unless these two weaknesses are also taken care of, mere training in counselling will not bring about the necessary change.

It should be easy to agree with Bolar on points such as; the ultimate responsibility for evaluation rests on the evaluators themselves (not analysers?), discussions based on previously agreed upon performance expectations and not personality traits, right of employees to appeal against unfair practices, superiors to be evaluated on their evaluation and development of subordinates etc. (p. 37).

Dayal's contribution deals with 'cultural factors in designing performance appraisal systems'. Initially he labours the point that MBO and performance appraisal are not identical, and that MBO cannot replace appraisal (pp. 39-40). But this is not

putting the matter in its right perspective. MBO provides one of the basic foundation materials for improved performance appraisal, namely, agreed performance objectives and actual performance data against them. We cannot conceive of an MBO system which remains confined to the realm of corporate objectives only, and does not cascade down to individual managers. The idea of MBO replacing performance appraisal is to deny MBO the right to one of its fundamental or key result areas.

Dayal, however, appears to accept that in performance appraisal 'evaluation' is inescapable (p. 41). But in the task of such evaluation the difficulties arising out of the Indian social ethos are many e. g., lack of self-awareness of decision-makers, inherent problems of acting as a team, singular inability to accept uncomplimentary judgment, evaluation not for individuals per se but with reference to the group to which he belongs, promotion as a reward for loyalty to superior, performance with greater enthusiasm on a person-to-person relationship than on a role-to-role relationship, poor capacity to see and acknowledge one's shortcomings, community's acceptance of an evaluator as one who accepts and not rejects sentiments and values etc.

We cannot claim the same insight into these socio-psychological variables as Dayal may, and we also do not know whether quite a few items in the above list are not prevalent in the western societies also. But accepting that Dayal's diagnoses are correct, the resultant picture seems, in a sense, to be very dismal. Thus, the single shortcoming in respect of teamwork might cut across the whole concept of large sized organisations in the Indian social milieu. Again, if loyalty

to the superior is founded on wrong planks — mutually fostered — then what hope is there for a minimum degree of health and fairplay in organisations? Requirements in performance appraisal systems then become a far cry. Thus, if 'dependency' is such a strong undercurrent in Indian social life, then obviously self-appraisals are a non-starter.

Dayal's own conclusions are that in India the very idea of appraising individuals will not find easy acceptance, one way to gain acceptance is to make the appraisal system accepted by opinion leaders, the appraisal system should not be threatening to the individual, and loyalty has somehow to be given recognition (pp. 50-52). These points are generally acceptable.

But we feel that some deeper and more serious inferences are suggested by Dayal's diagnoses. If loyalty and person-to-person relationships are more productive, what is the implication of these features for leadership in organisations? We see that they are just two facts of our social milieu — neither good nor bad in themselves. Why not capitalise on them? Organisational leaders and superiors then have a tremendously onerous task of 'modelling' — exemplary integrity, dedication, fairness, hardwork. It is such people who have always taken society and organisations major steps forward. If superiors and leaders respond to these traits of the Indian social ethos then we do not see any damage from loyalty or person-to-person relationships. And if such models are available in larger numbers, there will be an increasing chance of critical evaluations being acceptable to employees. Nobody likes to hear a devil quoting scriptures. Of course, it is another long and hard path for the society to produce more of such

people for its organisations and institutions. May be today's emphasis on role-to-role relationships in organisations has arisen out of the steady erosion of the quality of persons over the decades in all walks of life. To imbibe Gandhi's message of 'all life is a trust and all power carries with it obligations' (a la Bolar), one has to carry out one's 'experiments with truth'. How many of us can even think of attempting it? We only hope that when behavioural scientists speak of self-awareness, they put this kind of social and moral sense in it.

The contribution by Niazi narrates a training approach to the discovery of problems with respect to performance appraisals through the participation of both appraisers and appraisees (p. 56). After producing an inventory of views and anxieties from both groups, the solutions that emerged were: appraise individuals on work done i.e., objectives-based; agree and clarify objectives with individuals, review frequencies should be more than once a year, communicate to the appraisee the process of appraising and hear his disagreements, and appraise only direct subordinates (by implication) (pp. 59-60). It is good to find a reinforcement of such basic thoughts from Niazi's experiment. He concludes by suggesting that the performance appraisal system should be developed by its user participation on as wide a basis as possible (and possibly, by implication, not by just the personnel people) (pp. 61-62). We agree with this conclusion.

In her last essay in the volume Bolar makes several prognoses about the future of appraisal systems in India. Of these the most

crucial one seems to be 'A switch over from the present managerial approaches to ones more in harmony with the socio-cultural traditions' (p. 65). We wonder whether the ideological and practical implications of this suggestion are clear to all. Thus, if Indian tradition is what has earlier been identified in this volume by Dayal, then Theory Y practice seems a remote possibility in India. And if this is so, confidentiality should be preserved (people do not accept critical assessment), loyalty should be highly weighted, superiors have to be people of unimpeachable moral stature to capitalise on person-to-person relationships for organisational effectiveness, Conscionable and benevolent authority figures would be the most prized possessions of any organisation, and formalised appraisal systems may after all be redundant (the idea of appraisals is not easily acceptable to individuals). These are too many bitter pills to swallow. And finally, what is the design of an appraisal form and system which after all makes a switch to India socio-cultural traditions? It would be extremely interesting to see side by side two appraisal forms one of which is westernised, the other completely infused with our social ethos.

Both the volumes by Chatterjee and Bolar are useful and welcome additions to indigenous literature on the subject of performance appraisal, although the second one contains mostly previously published material.

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