**What is the difference between formal and informal assessment?**

**Formal assessments** are the systematic, data-based tests that measure what and how well the students have learned.  Formal assessments determine the students’ proficiency or mastery of the content, and can be used for comparisons against certain standards.

Examples:

* standardized tests
* criterion referenced tests
* norm referenced test
* achievement tests
* aptitude tests

**Informal assessments** are those spontaneous forms of assessment that can easily be incorporated in the day-to-day classroom activities and that measure the students’ performance and progress. Informal assessments are content and performance driven.

Examples:

* checklist
* observation
* portfolio
* rating scale
* time sampling
* event sampling
* anecdotal record

**Informal assessment** cannot completely replace the **formal assessment**. We need both, as one complements the other, in depicting accurate pictures of our students.  We can use either type (depending on the intended purpose) to improve teaching and learning. The type of assessment we should use should match the intended purpose of the assessment. For example, if we want to assess the students’ academic achievement and compare it with other students, then we can use the formal assessment. If we want to use assessment to monitor students’ progress and help them maximize their own learning, or use assessment to improve instruction, then we can use the informal assessment.

**PERFORMANCE APPRAISAL**

At the end of lecture the students will be able to:

-  Explain the concept of Performance Appraisal

-

Examine Types of Performance Appraisal

-  Examine the need for performance Appraisal

-

Understand the concept of Compensation

-

Understand the need for promotion, demotion and transfer and the 4 C's model

**What is Performance Appraisal**

Performance Appraisal means to evaluate, judge or check the work of employee over a period of

time, and then inform whether the employee achieved the objectives in that time period.

Following are the characteristics of the Performance Appraisal:

1.  Agreed Objectives related to the assigned job/standard (job and position description)

2.  Time period

3.  Skills required to achieve objectives

4.  Check that objectives are achieved or not

5.  Inform the employee if the objectives were achieved or not

6.  If not achieved why these were not achieved

7. If achieved, reward and motivate

In the above characteristics, 6 and 7 constitute "feedback"

**Importance of Performance appraisal**

Performance appraisal is important task of managers to help other employees to improve their

performance. The manager who supervises the work of subordinate, knows the knowledge, skills and

attitudes required for accomplishing jobs and whether these are possessed by employees.

Performance Appraisal of employees is important for the organization because the appraisal of

work completed by each employee determines whether the organization is moving in the direction of its

objectives. However, most managers find it difficult to help others to coach ( guide) and appraise

performance of employee. Judging an employee's performance accurately is not always easy, because it

requires constant watch on the work of employees.

**Types of Appraisal**

There are mainly two types of appraisal in the organization. Which are:

* Formal Appraisal
* Informal Appraisal

**Formal Appraisals**

Formal systematic appraisal usually occurs semi-annually or annually. Formal appraisal has four

major purposes:

1. To let employees know formally how their current performance is being rated;
2. To identify employees who deserve merit raises;
3. To locate employees who need additional training; and
4. To identify candidates for promotion

**How is Formal Appraisal Done?**

As we know Human Resource manager have job and position descriptions for all jobs in the organization. The objectives to be achieved are mutually agreed between the `supervised' and `supervisor'.

The agreed objectives are written down on a `form'. This form is a special form which contains following information:

1. Name of employee

2. Job title

3. Job/position description

4. Objectives/goals to be achieved in a year or six months or three months

5. training received

6. Training to be received

7. Does the employee require special guidance

8. Strengths and weakness of employee

9. Signature of immediate boss

The performance appraisal forms are different in different organizations but most of the form will have the above information.

**Informal Appraisals**

Informal appraisal is a day to day routine appraisal, when managers meet their subordinate almost daily. In this process they use following methods:

1. Observe
2. Communicate
3. Check work
4. Give immediate feedback

So informal performance appraisal means continual process of feed back to employees. It is information about how well employees are doing their work for the organization. Informal appraisal can be conducted on a day-to-day basis.

**Compensation**

Compensation is the monetary return given to employee for the work they do in a position/job in an organization. There are three types of compensation:

1. Standard salary/ wage that one receives for being in that particular position

2. Additional compensation for doing work not defined in the job and position description

3. Fringe benefits/perquisites (like provision of transport, utility bills etc.)

Compensation has traditionally been linked to a particular job or job description. The general idea is that more the responsibility a manager has, the more compensation he or she should earn. Often times salary for jobs are rated by a job evaluation system which takes into account such variables as:

1. The number of subordinates supervised by manager/supervisor,

2. Level in the organizational hierarchy, and

3. Complexity (level of difficulty) and importance of job functions.

In a bureaucratic structure, senior organizational executives are paid very well, as compared to low

level employees. They are also paid perquisites and other benefits.

Some organization pay wages and salaries in accordance with the difficulty and risk of life involved

in the jobs, e.g. Commercial Pilot are paid more.

**Promotions, Transfers, Demotions, and Separations (Lay Off)**

Employees are promoted to next higher position when their performance is in accordance with

standards laid down by the organizations, i.e. when employees achieve targets over a given period of time,

for certain number of years.

Employees are transferred for variety of reasons. When employee is promoted, they can be

transferred because the higher level position may be available at some other places. Employees are

transferred because the performance may not be satisfactory and organization cannot lay-off employee,.

Employees may be transferred for personal reasons or they are transferred because of on ­the-job training.

Demotion is a kind of punishment. When employees have not performed according to the laid

down standards, or show indiscipline or disobedience or negligence or irresponsibility etc. they may be

demoted

In case of extreme and continuous negligence and indiscipline employees can be laid-off. The

movement of personnel within an organization ­ their promotion, transfer, demotion, and separation ­ is a

major aspect of human resource management. The actual decisions about whom to promote and whom to

fire can be the most difficult, and important, which a manager has to make.

**The Four C's Model**

The Four Cs model forms the basis of HRM. It addresses areas that must be focused when

selecting people for organization. These are:

1. *Competence.*How competent are employees in their work? Do they need additional training?

Performance evaluations by managers can help determine what talent is available. To what

extent do HRM policies attract, keep and develop employees with skills and knowledge needed

now and in the future?

2. *Commitment.*How committed are employees to their work and organization? Surveys can be

conducted through interviews and questionnaires to find answers to this question.

3. *Congruence.*Is there agreement, between the basic philosophy and goals of the organization

and its employees? Is there trust and common purpose between manages and employees? Incongruence can be detected in the frequency of strikes, conflicts

between managers and subordinates, and grievances. A low level of congruence results in low levels of trust.

4. *Cost effectiveness.*Are HRM policies cost-effective in terms of wages? benefits, turnovers, absenteeism, strikes, and similar factors

**Conclusions**

The process of performance appraisal both formal and informal was discussed. The formal

method of performance appraisal helps organization to determine if the employees are working to achieve

the goals of organization. And if they are unable to do so then what are the gaps in skills or knowledge for

which training should be imparted training. Performance also helps in determining the compensation and if

promotion, demotion or lay-off is to be done. All the processes of HRM are interconnected and interrelated.