

# Potential Appraisal

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- The potential appraisal refers to the appraisal *i.e. identification of the hidden talents and skills of a person.*
- The person might or might not be aware of them. Potential appraisal is a future – oriented appraisal whose main objective is to identify and evaluate the potential of the employees *to assume higher positions and responsibilities in the organizational hierarchy.*
- Many organisations consider and use potential appraisal as a part of the performance appraisal processes.

# Purposes of a Potential Review

- To inform employees of their future prospects
- To enable the organisation to draft a management succession programme
- To update training and recruitment activities
- To advise employees about the work to be done to enhance their career opportunities.

# Techniques of Potential Appraisal

- Self – appraisals
- Peer appraisals
- Superior appraisals
- MBO
- Psychological and psychometric tests
- Management games like role playing
- Leadership exercises etc.

# Requirements and Steps

- Role Description
- Qualities Required
- Indicators of Qualities
- Organising the System
- Feedback

# Potential Appraisal Vs. Performance Appraisal

**Potential Appraisal** is forward looking process whether **performance appraisal** is backward looking process.

Any good or worse assessment results of performance appraisal may not be a good factor for potential appraisal.

But current performance of an employee could show evidence somewhere whether he/she is flexible for new working conditions.

<b>Performance Appraisal</b>	<b>Potential Appraisal</b>
Performance appraisal is an assessment of a person given a job	whereas potential appraisal is an appraisal of his capabilities to handle higher level jobs
Performance Appraisal is appraised by his superiors as well is asked to self appraised himself	whereas Potential Appraisal is a confidential form, not even shown to the appraisee to avoid expectation
Observation on the past performance is available to the performance appraiser	whereas no such data is available to potential appraiser
A performance appraisal system judges the performance of an employee over a given period of time.	A potential appraisal system is done to judge the capability of the person for a future role.

# CONCLUSION

A good potential appraisal system provides opportunities continuously for the employee to know his strengths and weaknesses.

These are done through periodic counseling and guidance sessions by either the personnel department or the managers concerned. This should enable the employee to develop realistic self-perceptions and plan his own career and development.