

## Performance appraisal system for NGO managers

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### ABSTRACT

This article is based on empirical research into performance evaluation systems and lays out five guidelines for best practice in performance appraisal NGO managers : They get tough, They cut to the core, They seek mastery, They check for frequency and They realize that objectivity is a myth. The authors examine each of these with reference to relevant NGO literature and assessed their applicability to the NGO. It was concluded that, NGOs began to resemble for-profit firms (and to a certain extent *vice-versa*), much of the literature on performance appraisal which will become ever more appropriate to an idea-hungry NGO manager.

**Key words :** Appraisal, Performance, NGO managers

NGO managers often shy away from the tough HRM practices, assuming that their lofty missions and philanthropic goals will take care of all staff retention and motivation needs. This is a grave mistake. As NGOs become more and more professionalised, Performance Appraisal will take on an increasingly vital role in reconciling the tensions and conflicts inevitable in a rapidly growing NGO. Jensen (1997) has pointed out the reluctance to assume authority and the hope that the “the lofty missions of their agencies will somehow attract and retain only dedicated, hard-working and efficient employees”. This disinclination to manage can be attributed in part to the fact that managers of NGOs are often trained in liberal arts, social science and professions other than management. Basini and Buckley (1999) found that employees in the voluntary sector identify closely with the goals of the organisation and attribute great importance to their work compared to their private sector equivalents. However, despite the positive culture that these findings can instill in NGOs, it would be a grave mistake to assume that identification with the mission is a sufficient retention and motivational tool – not least because of the higher expectations that NGO staff will have of their work. In NGOs, the employment satisfaction stakes are high, and the performance appraisal system should play a key role in organisational success.

The authors describe five guidelines for a successful performance appraisal system for NGO managers, by

critically evaluating the applicability for the NGO firm. They are:

### **Get tough:**

Organisations increasingly see that the culture of a corporation can be transformed by an effective performance-management system. Performance management is serious business and no organisation wants to be “terrific at managing mediocrity”. Many of the fortune’s most admired list of companies “find the best; cull the rest”. This rank – and remove method is fiercely contested but can be nonetheless effective – rooting out the poorest performers can foster a climate of continual improvement. The over-arching concept here is to look at people the way you look at products – “few managers would urge retaining a non-performing product simply because it had acquired years of tenure and once delivered stellar results”. However, this “leadership Darwinism may have limited use in NGOs.

One of the hallmarks of the non-profit organisation is its high labour intensity. Human resource management is a critical issue in most nonprofits (Oster, 1995). One of the crucial ways in which NGOs differ from for-profit firms is the fact that workers in the nonprofit sector are generally paid less than their for-profit counterparts. In return for less pay, nonprofit workers are said to benefit from greater independence in work, which suits the highly skilled nature of many NGO jobs. This has serious implications for performance appraisal, as it can be difficult to evaluate the work of a highly autonomous professional, especially in an NGO. NGO personnel are also tough to implicitly donate a portion of their wages to the organisation’s mission, which gives rise to the suggestion that different tools for controlling staff should be used in NGO. We can’t just “take the best; cull the

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