

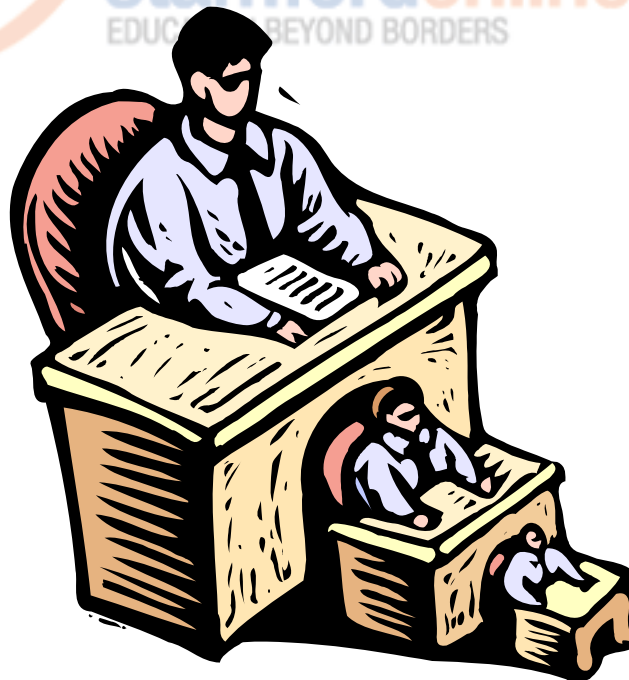
PERFORMANCE APPRAISALS

Week 1 - 3



Performance Appraisal

- Evaluating an employee's current and/or past performance relative to his or her performance standards.



An Introduction to Appraising Performance

- Why appraise performance?
 - Appraisals play an integral role in the employer's performance management process.
 - Appraisals help in planning for correcting deficiencies and reinforce things done correctly.
 - Appraisals, in identifying employee strengths and weaknesses, are useful for career planning
 - Appraisals affect the employer's salary raise decisions.

Performance Appraisal Roles

- Supervisors

- Usually do the actual appraising.
- Must be familiar with basic appraisal techniques.
- Must understand and avoid problems that can cripple appraisals.
- Must know how to conduct appraisals fairly.

Performance Appraisal Roles

- HR department

- Serves a policy-making and advisory role.
- Provides advice and assistance regarding the appraisal tool to use.
- Prepares forms and procedures and insists that all departments use them.
- Responsible for training supervisors to improve their appraisal skills.
- Responsible for monitoring the system to ensure that appraisal formats and criteria comply with EEO laws and are up to date.

Steps in Appraising Performance

- **Defining the job**
 - Making sure that you and your subordinate agree on his or her duties and job standards.
- **Appraising performance**
 - Comparing your subordinate's actual performance to the standards that have been set; this usually involves some type of rating form.
- **Providing feedback**
 - Discussing the subordinate's performance and progress, and making plans for any development required.

Designing the Appraisal Tool

- **What to measure?**
 - **Work output (quality and quantity)**
 - **Personal competencies**
 - **Goal (objective) achievement**
- **How to measure?**
 - **Graphic rating scales**
 - **Alternation ranking method**
 - **MBO**

Performance Appraisal Methods

- **Graphic rating scale**
 - A scale that lists a number of traits and a range of performance for each that is used to identify the score that best describes an employee's level of performance for each trait.

Performance Appraisal Methods

- Alternation ranking method
 - Ranking employees from best to worst on a particular trait, choosing highest, then lowest, until all are ranked.
- Paired comparison method
 - Ranking employees by making a chart of all possible pairs of the employees for each trait and indicating which is the better employee of the pair.

Performance Appraisal Methods

- Forced distribution method
 - Similar to grading on a curve; predetermined percentages of rates are placed in various performance categories.
 - Example:
 - 15% high performers
 - 20% high-average performers
 - 30% average performers
 - 20% low-average performers
 - 15% low performers
- Narrative Forms



Performance Appraisal Methods

- Behaviourally anchored rating scale (BARS)
 - An appraisal method that uses quantified scale with specific narrative examples of good and poor performance.
- Developing a BARS:
 - Generate critical incidents
 - Develop performance dimensions
 - Reallocate incidents
 - Scale the incidents
 - Develop a final instrument



Management by Objectives (MBO)

- Involves setting specific measurable goals with each employee and then periodically reviewing the progress made.
 - Set the organization's goals.
 - Set departmental goals.
 - Discuss departmental goals.
 - Define expected results (set individual goals).
 - Performance reviews.
 - Provide feedback.



Computerized and Web-Based Performance Appraisal

- Performance appraisal software programs
 - Keep notes on subordinates during the year.
 - Electronically rate employees on a series of performance traits.
 - Generate written text to support each part of the appraisal.
- Electronic performance monitoring (EPM)
 - Having supervisors electronically monitor the amount of computerized data an employee is processing per day, and thereby his or her performance.



Potential Rating Scale Appraisal Problems

- **Unclear standards**
 - An appraisal that is too open to interpretation.
- **Halo effect**
 - Occurs when a supervisor's rating of a subordinate on one trait biases the rating of that person on other traits.
- **Central tendency**
 - A tendency to rate all employees the same way, such as rating them all average.

- **Strictness/leniency**

- The problem that occurs when a supervisor has a tendency to rate all subordinates either high or low.

- **Bias**

- The tendency to allow individual differences such as age, race, and sex to affect the appraisal ratings employees receive.



How to Avoid Appraisal Problems

- Learn and understand the potential problems, and the solutions for each.
- Use the right appraisal tool. Each tool has its own pros and cons.
- Train supervisors to reduce rating errors such as halo, leniency, and central tendency.
- Have raters compile positive and negative critical incidents as they occur.



Who Should Do the Appraising?

- The immediate supervisor
- Peers
- Rating committees
- Self-ratings
- Subordinates
- 360-Degree feedback



The Appraisal Interview

- Types of appraisal interviews
 - Satisfactory—Promotable
 - Satisfactory—Not promotable
 - Unsatisfactory—Correctable
 - Unsatisfactory—Uncorrectable
- How to conduct the appraisal interview
 - Talk in terms of objective work data.
 - Don't get personal.
 - Encourage the person to talk.
 - Don't tiptoe around.

The Appraisal Interview

- How to handle a defensive subordinate



- Recognise that defensive behaviour is normal.
- Never attack a person's defenses.
- Postpone action.
- Recognise your own limitations.

The Appraisal Interview

- How to criticise a subordinate
 - Do it in a manner that lets the person maintain his or her dignity and sense of worth.
 - Criticise in private, and do it constructively.
 - Avoid once-a-year “critical broadsides” by giving feedback on a daily basis, so that the formal review contains no surprises.
 - Never say the person is “always” wrong
 - Criticism should be objective and free of any personal biases on your part.

The Appraisal Interview

- How to handle a formal written warning
 - Purposes of the written warning
 - To shake your employee out of bad habits.
 - Help you defend your rating, both to your own boss and (if needed) to the courts.
 - Written warnings should:
 - Identify standards by which employee is judged.
 - Make clear that employee was aware of the standard.
 - Specify deficiencies relative to the standard.
 - Indicates employee's prior opportunity for correction.

