

PERFORMANCE APPRAISAL

- ✘ The HRM activity that is used to determine the extent to which an employee is performing the job effectively and efficiently.
- ✘ Part of the employment exchange: personal accountability
- ✘ Formal vs. Informal

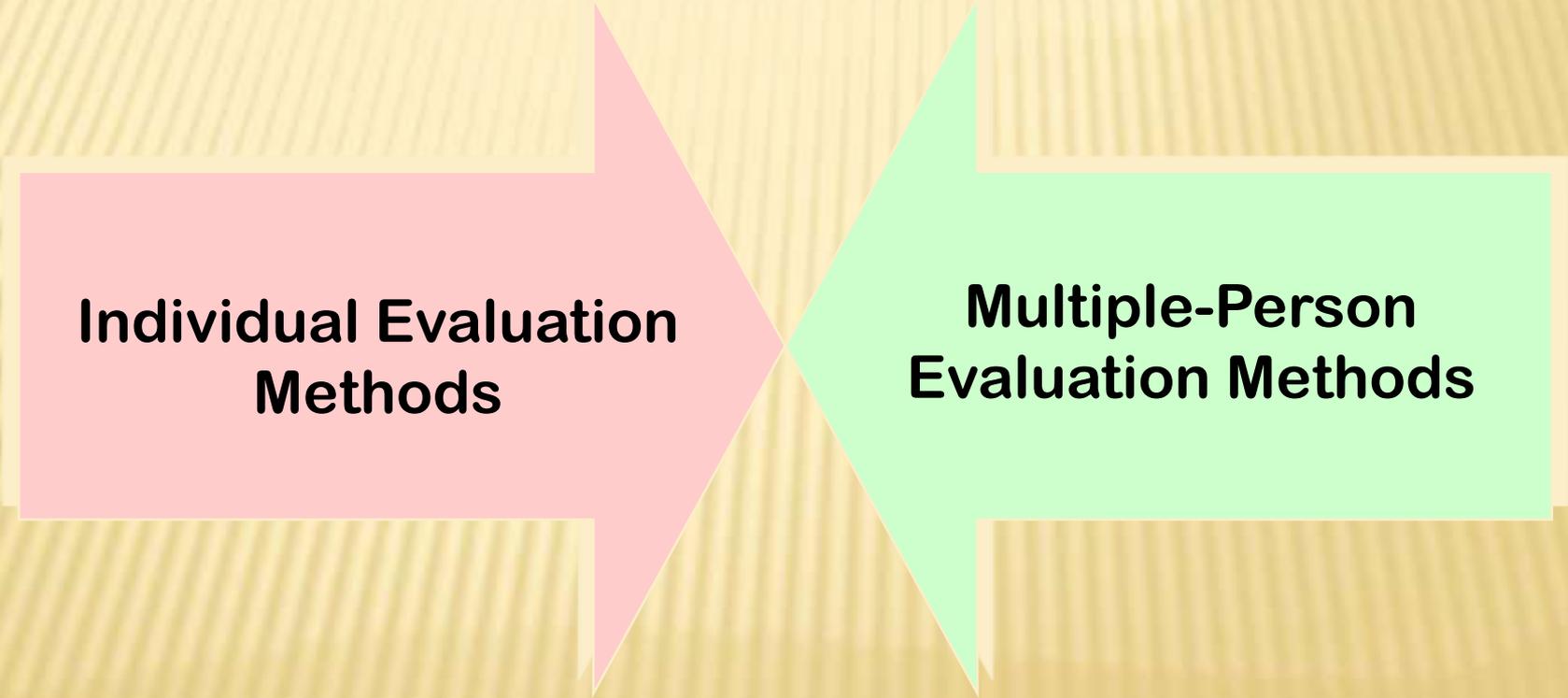
OBJECTIVES OF PA

- × Guide to personnel actions
- × reward
- × data for personal development
- × training needs
- × integrate human resource functions
- × Motivation
- × compensation
- × communication

WHO CONDUCTS PA

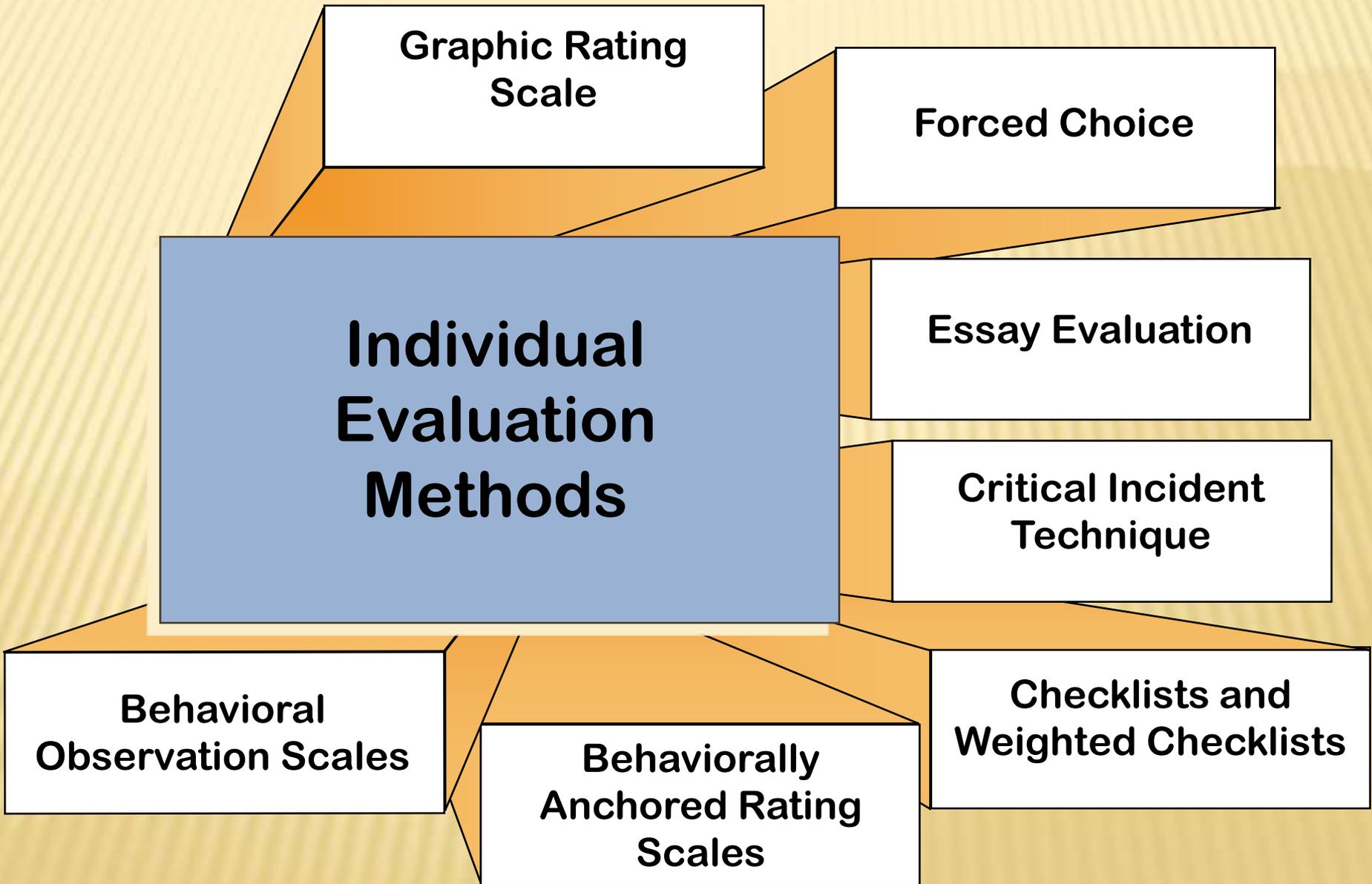
- ✘ Supervisors
- ✘ Coworkers
- ✘ Self Evaluation
- ✘ Subordinates
- ✘ Customers

PERFORMANCE EVALUATION METHODS



**Individual Evaluation
Methods**

**Multiple-Person
Evaluation Methods**



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 (CONT'D)

- ✘ Forced distribution method
 - + Similar to grading on a curve; predetermined percentages of ratees 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

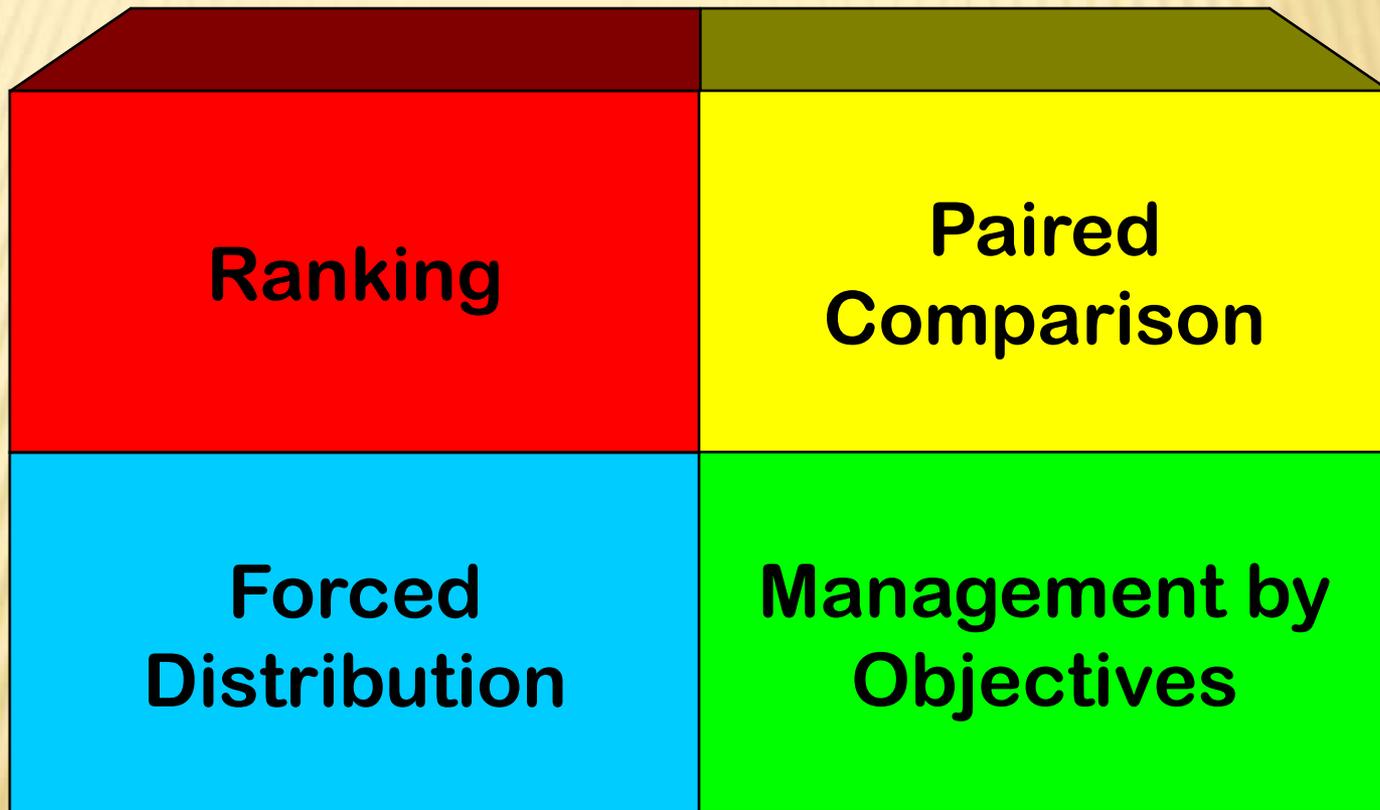
PERFORMANCE APPRAISAL METHODS (CONT'D)

- ✘ Behaviorally 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

ADVANTAGES AND DISADVANTAGES OF SOME INDIVIDUAL METHODS OF PERFORMANCE EVALUATION

Individual Methods	Comments
Rating Scales	Easy to use, easy to complete, relatively low cost; focuses too much on person instead of on performance.
Forced Choice	Selectively low cost, easy to use; difficult to explain to those evaluated.
Essay	Good in providing specific feedback if evaluator is a good writer; difficult in making comparisons across those being evaluated.
Critical Incidents	Time consuming, must be disciplined to log in incidents, reveals critical behaviors that can be fed back easily.
Behavior Scales	Difficult to develop, time consuming, great for providing specific feedback to aid in improving performance.

MULTIPLE-PERSON EVALUATION METHODS



PERFORMANCE APPRAISAL METHODS (CONT'D)

- ✘ 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.

MANAGEMENT BY OBJECTIVES (MBO)

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

ADVANTAGES AND DISADVANTAGES OF SOME MULTIPLE-PERSON METHODS OF PERFORMANCE EVALUATION

Multiple-Person Methods	Comments
Ranking and Paired Comparisons	Hard to use for providing feedback, good for making comparisons among employees.
MBO	Focuses on results that are important, sometimes too short-term oriented, does not engage in comparisons among employees.

CRITICISMS OF PA

- × Individual Threat
- × Threat to Supervisors
- × Performance definition
- × Halo Effect
- × Stereotypes
- × Attributions
- × Recency Errors
- × Leniency/Strictness Errors
- × Central Tendency Errors
- × Sequencing Effect

MINIMIZE ERRORS BY:

- ✘ Address a single job activity
- ✘ Observe behaviour regularly
- ✘ Avoid terms that allows subjective bias
- ✘ Evaluate only a small number of people
- ✘ Use meaningful, clearly stated dimensions

THE APPRAISAL INTERVIEW (CONT'D)

- ✘ How to ensure the interview leads to improved performance
 - + Don't make the subordinate feel threatened during the interview.
 - + Give the subordinate the opportunity to present his or her ideas and feelings and to influence the course of the interview.
 - + Have a helpful and constructive supervisor conduct the interview.
 - + Offer the subordinate the necessary support for development and change.