Multimedia Presentation

Power Point Notes

Human Resources

JDT: Task 3

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Performance Appraisal Defined

"The identification, measurement, and management of human performance in organizations" (Gomez-Mejia, 2012).

A performance appraisal is the method mangers us to assess and gauge an employee's performance by comparison to a set of predetermined standards. In general, these appraisals are documented and put into the employee's personal file. Also, feedback is given from the manager to the employee. Performance appraisals are commonly done once a year. However, many individuals, including employees, would like to receive feedback from their mangers more frequently. Through mangers may not opt to do more than one formal appraisal per a year they should be constantly giving feedback to employees throughout each workweek.

It is a common fact that doing performance appraisals are not the high-point of a mangers year. Often the experience can be awkward and uncomfortable. However, the research shows that performance appraisals can be a treasure trove of growth and potential for a company, manger and employee. Proper structuring and execution is necessary to achieve positive results.

Positive Results to Expect

Benefits of the a well-prepared and well-delivered performance appraisal can be separated into three categories: (1) Supervisor; (2) Employee; and, (3) Organization.

Supervisor	Employee	Organization
Builds management skills	Finds out how they're doing	Communicates Corporate goals
Develops and improves rapport with employees	Provides recognition for accomplishments	Provides management with decision-making information on human resources
Identifies and rewards high performers	Allows for two-way communication on goals and performance	Provides objective basis for raises, promotions, training, and other personnel actions
Identifies performers needing improvement for coaching/training	Encourages taking responsibility for their performance and progress	Builds stronger working relationships Improves overall organizational productivity
Improves individual employee productivity	Helps set goals and direct efforts	Provides documentation for inquiries on general promotion policies or individual claims of discrimination
Identifies general training needs	Provides opportunities for career development and improvement	
Demonstrates fairness to	Assures fair individual evaluations	
Improves group morale		

(Armstrong, 2011)

Pre-appraisal Activities

Setting date and time that works for both the manger and employee is a good professional courtesy. Schedule enough time. A good time from is an hour to hour and half.

To be able to successfully perform the evaluation the manger will need to gather the necessary information such as: job description and performance standards, previously set goals, work rules and procedures, past documentations (feedback, letters, disciplinary action, rating definitions, etc.), and any previous performance reviews. Hopefully all of these can be found within the employees personal history file.

The employee should be given as self-review sheet to complete. The employee should be given ample time, 1 to 2 weeks, to complete the document and prepare supporting materials. The manger should collect the employee's self-review sheet before the appraisal and review its contents in preparation. The self-review "consists of a summary of the results, outcomes and contributions related to the employee's key job expectations and even goals. A best practice recommendation is to not have your employee include performance ratings as part of his or her self assessment" by not having the employee include ratings it helps them to stay focused on their contributions and results not the ratings (AgCareers, 2013).

Also it is imperative to understand employment and labor law as to avoid potential lawsuits. Here are a couple laws to be aware of before the appraisal:

Laws:

1. Title VII, 1964 Civil Rights Act: Prevents discrimination against employees on the basis of race, color, religion, sex, or national origin.
2. Age Discrimination: Prevents discrimination on the basis of age against employees who are 40 or older.
3. Pregnancy Discrimination: Prevents discrimination on the basis of pregnancy or related conditions.
4. Americans Disabilities Act: Prevents discrimination on the basis of disability
5. Equal Pay Act: Provides that women must be paid no less than a man for equal work unless the difference in pay is a caused by differences in seniority, merit, or some other factor that is not based on sex.

(Muller, 2009)

Finally, there should be no surprises in your documentation of the evaluation. Your notes should contain the employee's contributions, results and work behaviors. Very specific examples should be given for your comments. Remember it not important document all contributions and results of an employee. However, you should focus on key documented expectations and individual and team goals. All notes and documentation should associate with performance ratings the business uses.

What can go wrong?

Appraiser and Appraisee alike will all to often have two problems: inclined to see only what they anticipate to see and only focus on the immediate. These two behaviors lead us into four possible evaluation flaws: the halo effect, the horns effect, recency error and the cookie cutter effect.

The halo effect is a “tendency to overrate a favored employee, or an employee who had a prior good rating” (UC Berkley, 2013). The Halo gives the employee the power to do nothing wrong in the eyes of the employer. Thus, inaccurately inflating the scores of an employee who might need improvement or benefit from constructive criticism.

The horns effect is the opposite of the halo effect in which an employer has a “tendency to rate an employee lower than circumstances warrant” (UC Berkley, 2013). Often, the lower rating is based on a negative first appearance impression.

Recency Error is “caused by the evaluator's or the interviewer's reliance on the most recent occurrences of the employee's or the applicant's behavior” (Business Dictionary, 2013). Often by focusing on unsatisfactory work that took place right before the appraisal the employer forgets about an entire year of satisfactory to excellent performance. It is important to note that the unsatisfactory work is important to mention. However, it should not be the pinnacle event that defines a years worth of good performance.

Cookie cutter appraisers are often blamed with putting all of their employees on the same scale. This is also called restriction of range error meaning the employer is either to lenient, complacent or severe with all employees no matter the actual individual performance level. For example, John and Jill both front counter employees at O.K. tire are up for their appraisal. John has consistently received praise about his customer service and ability to sell anything for a profit. On the other hand Jill is known for Internet surfing and her ability to text more than she speaks out loud. When their reviews came both received a score of 3 out of 5. This left John unmotivated and Jill’s habits and performance unchanged.

Of course every employer expects each appraisal to run smoothly and be super effective. ☺ However, you have to take into account the behavioral moods of not just yourself but of the employee as well. There are three possible negative behaviors that an employee could exhibit according to UC Berkley: Defensive, Angry, or Unresponsive. The figure on the nest slide from UC Berkeley helps employers know how to react to such behaviors.

Handling Employee Behaviors	
Defensive or Makes Excuses	1. Listen to what the employee has to say and paraphrase back. Remain neutral. Maintain eye-contact. 2. Don't solve the problem. 3. Ask for specifics with open-ended questions. 4. Try to determine the cause: "Tell me more." "How did you reach that conclusion?" 5. Ask how the employee will resolve the problem.
Angry	1. Stay calm and centered. Maintain eye-contact. 2. Listen to what the employee has to say and paraphrase back. 3. Let the employee "run down" for as long as s/he needs until the employee can listen to you. 4. Avoid arguments. 5. Bring discussion and focus back to performance and standards. 6. Say the employee's name, and ask open-ended questions.
Unresponsive or Withdrawls	1. Be patient and friendly. 2. Show concern. 3. Stay silent, and wait for the employee to say something. 4. Ask open-ended questions. 5. Note that the employee is unresponsive. 6. Encourage the employee that you want to hear his or her input, and this input is important to you.

The Appraisal Step-by-Step

The appraisal process can be nerve racking for you as the manger and the employee alike. Try to make the employee feel as comfortable as possible. One way of making an appraisal process more conducive is doing the pre-appraisal activities so neither you or the employee have any surprises. Also, remember that the appraisal is a two-way dialog. A good practice is to open up the discussion for the employee's self-review first. Remember to listen and acknowledge the areas of agreement. However, highlight areas where you have different perspectives. Next, share your review by sharing the employee's strengths and the areas that need improvement. Remember, the evaluation is normally only 60 minutes so highlight just the important points that you want to get across (the good and the bad). Most likely your employee will have questions so leave time to answer them. It is never a bad idea to try and anticipate what an employee may ask so you will not be caught off guard. Always support you comments with specific examples.

When choosing the location, make sure that it is free of distractions (turn off cell phones, computers, no other visitors). Before you rap up the discussion make sure you are in agreement with core points. Also, clarify any areas where you may have disagreements. At this point allow the employee to ask questions and address any concerns.

Setting goals for the up coming year, or for the time period between now and the next appraisal, is crucial to corporation and employee growth. Set goals that align with company procedures and guidelines. It is also a great idea to understand the professional goals of the employee and how those can be aligned with company goals.

Post-Appraisal Activities

At this point you will need to write up the review. Both you and the employee will sign it. You will need to provide a copy for the employee while the original goes in the employee's file. The employee is usually given an opportunity to submit documentation if he or she disagrees with any part of the evaluation.

Follow up with the employee and "exchange feedback about performance goals and standards throughout the year" (UC Berkley, 2013).

Company & Employee Goal Alignment

It is important to understand that employee's will have personal, career and educational goals. Equally important, is understanding how the supervisor can support the employee in his or her goals and align them to corporate productivity. For example, at REI they offer many benefits and incentives. One of those incentives is a "Challenge Grant" which provides an opportunity for an employee to pursue a personal outdoor challenge or goal. Since REI is an outfitter for the great outdoors this incentive aligns perfectly with company goals. The employee that takes advantage of the challenge grant will come back empowered and more knowledgeable of the products he/she sells.

As a supervisor it is important to under stand Maslow's hierarchy of needs. Basic and safety needs must first be meet before an employee can focus on attaining higher aspirations. Therefore, make sure personal needs like salary, benefits, and incentives are sufficient for employee to leave personal needs at home and perform at work.

At work the supervisor can be a huge source or motivation for employees. Supervisors can "give honest recognition for work achievement, make sure job responsibilities are clear and useful, encourage employees to take ownership of their jobs and strive for personal excellence, and provide opportunities for increased responsibility and career advancement" (UC Berkley, 2013).

Besides REI's challenge grant they also offer a tuition reimbursement program. Which gives financial support to the "employee for the purpose of attaining higher education. The course of study could be aimed at growth in a current job or a possible change of career within REI" Incentives (REI, 2013). Educating an employee, whether in or out of the company, can be advantageous; a well-educated employee equals more productivity and more revenue.

However much the supervisor or company does it is important to remember that in the end it the employee's job to pursue his or her career advancement. Four advancement suggestions a supervisor cold provide are: (1) Market yourself. Make yourself known in the organization and industry by attending seminars and conferences; (2) Understand business trends within the industry and market.

Knowing competitors can help in proving your worth to higher-level mangers; (3) keep your resume up-to-date. When advancement opportunities arise you want to be ready; and, (4) improve your communication skills. Take a speech and/or writing class. Being able to give a stellar presentation or communicate effectively in your industry through writing with set you apart from the competition.

Benefits of working with employees to further their career goals include: a more motivated workforce, better educated and informed employees, improved company image, increased ability to attract young talent, less turnover, which equals more cost savings and an increase in productivity and a place to gauge employee performance.

Team Evaluations

Because we're dealing with multiple people, the dynamic of team evaluations varies from that of individual evaluations

As diverse people come together to form a group, the idea of "my" success needs to transfer into "our" success. Evaluating teams helps monitor the dedication of individual members to contributing to the good of the group. Identifying problems through evaluation in team projects can alleviate the issues of role confusion, lack of structure, improper leadership, miscommunication, "group think," and misunderstanding the group standard (Woodcock, 2008).

Teams are still made up of individuals. As the team is evaluated, the needs and responsibilities of individual members must be considered. For example: just as an individual in the workplace needs to know the specifics of their role, a team member must know his/her responsibilities within the team for the unit to function properly. As a team is evaluated, individuals are still evaluated, just as part of the whole. We take it a step further by evaluating how individuals work together to accomplish goals rather than how they accomplish them alone.

Effectively Assessing Team Performance

The TEA Model breaks the components of effective teams into 4 areas, which are then split into 12 components. Core Element components are: Enabling Leadership, Capable Membership, and Full Task Clarity. Facilitative Process components are: Explicit Roles, Extensive Communication, and Agile Structure and Processes. Ongoing Maintenance components are: Exploited Interactions, High Commitment, and Shared Values. Performance Orientation components are: High Standards, Systematic Process, and High Innovation Capacity. This model enables evaluators to take a close look at individual components of teams and to pinpoint areas of success and struggle. By taking the abstract, overall idea of team effectiveness and breaking it into digestible pieces, evaluators can dig deep to see where a team's problems really lie. On the other hand, if a team is very successful, the model helps to monitor the different areas in which the team works together to create their success, possibly helping a business to work on recreating a positive teamwork environment in the future.

Example: Systematic Process - Teams must be certain that processes are in place to ensure completion of tasks and organization. As they meet together, whether face to face or remotely, they need to decide on processes for making decision, organizing knowledge, setting goals, scheduling and planning, and evaluating their work and themselves as a team. As team processes are evaluated, trouble areas can be pinpointed and addressed to get the team running smoothly and coordinating efforts well together.

In using the TEA Model, team members individually complete a questionnaire based on the different areas of the model. Numbered results from the questionnaire are calculated and set to a scale based on team members' answers according to their own perceptions of the team. Areas that score particularly low on the questionnaire are those areas in which the team is weakest. Team scores are compiled to get a group profile and teams can see for themselves where they are strongest and what areas need attention (Woodcock, 2008).

Strategy to Assess Team Performance

Implementation and follow through are generally the most difficult parts of putting any new process into place in a business. The company needs more than just a good idea. They need to know how to apply it. For team evaluation, this will start at the beginning, when the team is formed. A team leader needs to be armed with information when launching into a new project. At the team's formation, a supervisor needs to meet briefly with the team leader to ensure that there is an understanding of general things that make teams successful. If leaders are aware of possible problem areas and processes that are often overlooked, they can prepare for and address many issues before they ever arise. The TEA Model for evaluation addresses 12 components of team success. If leadership is aware of some necessary components for positive teams, there may be less need for adjustment at evaluation time and the team can be more efficient from the start.

Notes: The need for evaluation will differ according to the length of total project schedule. If a team is thrown together to quickly complete a project in a week's time, there will be little to no time for evaluation in the midst of the project. Making team leaders aware of the importance of role separation, etc. would be crucial in this kind of situation. Post-project evaluation would also be an important step in this scenario. Having team members evaluate with they did and didn't do well can be as important to company success as evaluating how they're doing mid-project. Fast-track groups like this will move on to work on other teams. Regardless of the time crunch, the company will want them to take a moment to step back and see what worked and what didn't for future reference. However, in a more traditional kind of group setting, where a team works together for six months or more, mid-project evaluation is helpful and often crucial for success. Team evaluation for this kind of group would first be done 4 weeks after project start. This way, the team has had enough time to meet multiple times, create a group dynamic, and possibly run into a few issues. At this time, the team will use the TEA Model for evaluation, identify areas for improvement, and create a plan to work more effectively together. Depending on the longevity of the team, another evaluation should be completed three months later, at the team's four-month mark. The team can compare notes from the previous evaluation and identify whether or not they met their goals. For long-standing teams (one year or more), a quarterly evaluation check is appropriate. Each of these meetings need not be a lengthy time for filling out questionnaires, etc., but they should be a quick visitation of what the team is and isn't doing well and how changes can be made for efficiency and fulfillment. Evaluation tools, questionnaires, etc. outside the TEA model can be used for a less generic evaluation as teams become more able to identify their general structure, improvement areas, etc., and a need for more specific change becomes apparent.

Difference Between Assessing Individual and Team Performance

When an individual is evaluated, the focus is on just one person. The person asks, "What is my contribution to personal success, growth, and completion of personal tasks? What can I do better?" An evaluator helps individuals to look for answers to these questions and look for ways to better fulfill themselves in their individual role in a company. During a team evaluation, multiple people ask, "What is my contribution to team success, team growth, and completion of team tasks? What is my role? What are the roles of my team members? How do we work well together? How don't we?" An evaluator helps the team take a step back to see how their individual roles contribute to the group. Team evaluations still assess individuals, but the additional step taken is to show the individual that they can look beyond themselves to see how they're working with the group.

In an individual evaluation, the evaluator should act as a mentor in a way. He/she helps people to see where they can improve and how they can play their strengths to be more effective. This one-on-one approach puts the burden of assessment on both the evaluator and the individual. In team evaluation, the evaluator is more of a facilitator. A team leader is already in place, so the evaluator helps clarify steps of evaluation, but the burden of assessment is largely on the team. They come up with individual responses, pool results, and work as a team to come to conclusions about their performance. Evaluators are there to help a team stay on track and make sure that company needs will be met as a result of the team's self evaluation and resultant changes.

Succession Planning

In the event that a company leader (i.e. CEO, VP of Marketing, etc.) has an accident, an emergency, retires, etc., a company needs to have a plan for filling that crucial and suddenly vacant position. This is called succession. Human resources needs to have a contingency plan in the event of an expected change, as well as an unexpected emergency. Succession planning helps ensure smooth transitions and continuity of company goals and objectives in times of change.

Why Have a Plan?

Without a pre-arranged plan for succession, the company is left open to the possibility of having to make a split-second decision about who is the right fit for an open position. Times of leadership transition are the last time a company needs mass uncertainty. Throwing an unsuspecting, ill-fitting person into a leadership role can do irreversible damage to a company. When succession is planned for, potential leaders are aware and more prepared in the event that they suddenly come into a leadership role. Done correctly, succession planning should involve training time in which successors work with their predecessors to understand processes, culture, goals, and other important aspects of their future job. This makes the company more stable in times of uncertainty and change and ensures that the right people are working in the right places.
Bullet 2: Career Planning and Employee Satisfaction

Succession plans give employees who are potential leaders for the company a chance to know what their opportunities are. In a corporate marketplace, the search for talent is aggressive. Other companies will be on the lookout for people with potential within their organization and yours. If employees are unaware that they have the chance for advancement into something more with their current company, they are likely to take advantage of leadership opportunities elsewhere. A proper succession plan decreases employee turnover and keeps talent where you want it: in your company.

How it Can Be Used?

Succession planning identifies future leaders and begins training them up for advancement early on. It “is proactive and works to address the need before it exists” (Atwood, 2007). A plan for succession looks to the goals of an organization and guarantees that those goals will continue to be fulfilled as changes are made in personnel. Crisis hiring uses few resources and is done on the fly, which can generally result in a poor decision for the company.

Leadership roles aren’t the only things that change over time in a company. Company growth, changing markets, changing demand, etc. are all components that succession planning helps a company to consider. How many workers does the company need now? Will divisions be combined/split to meet the needs of a changing industry? How many workers will the company need when these changes take place and who will manage new divisions? How will this affect shareholders and other interested parties? Succession planning looks at the company as a whole and prepares to meet changes in every way.

Succession planning requires that the company be evaluated in the now to see what it needs and will need for the future. If a succession plan is being correctly implemented, it will assist in bringing continuity to the different facets of a company as weaknesses are identified, changes are made, and bridges are built between divisions in preparation for the future.

The Succession Planning Process

To effectively plan for succession, a company needs to appoint people who are specifically assigned to begin the plan. Choosing a team is the first step. Atwood suggests four types of people for a succession planning team: Senior Management, Management Levels, Key Area Representatives, and Long-Time Employees (Atwood, 2007). By having a diverse group, the company will be more likely to choose a diverse pool of possibilities for future leadership, as well as having a more diverse outlook on the company as a whole.

In the beginning stages of succession planning, current employees and leadership levels need to be assessed. Are the current levels of leadership effective? Where is there a need for succession? What kinds of people does each successor position need? Once the needs are assessed, profiles should be created for potential leaders outlining their strengths and other key areas that would identify them as proper fits for succession. Profiles should be kept on file and easily accessible as the need for succession changes arises.

After needs are assessed, profiles are created, and recommendations are made, people can be placed into the succession plan. Holes in succession should all be filled at this point in the process. The succession planning team also needs a plan for when the succession plan will be reviewed and how the company will keep current on planning ahead for future changes.

Implementing the succession plan begins with informing the successors of their potential roles. The possibility of refusals must be dealt with and adjustments made accordingly. Once successors are in place, the gradual training process should begin. Successors spend time with their predecessors in understanding the logistics and goals of the area in which they will be working. How does what they do now differ from what they will be doing in a leadership position? What decisions should they be prepared to make? As successors move into their new leadership positions, new successors are chosen. The succession plan should be an ongoing process of continually making sure that the company is prepared for change at all times.

Evaluation is crucial, especially to a new succession plan. The succession plan team needs to have an evaluation process prepared before the plan is ever implemented. As successors are moved into their positions, they should be individually evaluated. Do they do the job well? Are they really a good fit? Are they keeping with company goals and objectives? As these questions are answered, the effectiveness of the succession plan can be determined. If the answers are in the negative, perhaps profiling or assessment of needs can be adjusted to find better fit in the future. The good of the company depends on evaluation and change to produce a well-oiled succession plan.

Conclusion & Summary

The appraisal performance reviews can be a place of major growth for the company and employees. Benefits include: a more motivated workforce, better educated and informed employees, improved company image, increased ability to attract young talent, less turnover, which equals more cost savings and an increase in productivity and a place to gauge employee performance. However, beware of human error. The halo effect can give unreal positive results inflating certain employees while the horns effect can unrealistically diminish the ability of an otherwise capable employee. Also, remember not to have recent events rule out a whole year of good performance. Recency Error is real and can be demoralizing on employee moral.

Evaluating teams is a crucial process for project success. The TEA model gives us a way to quantify the different aspects of how teams work together. By using a model in evaluation, teams can identify their strengths and weaknesses and make changes to maximize their ability to contribute to the company.

Choosing the proper team is the first step in a succession plan and is the crucial step for its success. Remember to have a diverse group which will give a more diverse outlook on the company and more possibilities for future leadership. Places to look to fill tam vacancies are: Senior Management, Management Levels, Key Area Representatives, and Long-Time Employees (Atwood, 2007). It is also important to consistently evaluate the succession plan to ensure that company goals will continue to be met and crisis hiring will be avoided.

Implementing Individual and Team Evaluation

Step One: What's The Purpose?

- Identify the purpose and objectives for doing evaluations.

Step Two: What Are We Evaluating?

- Analyze positions - What does the company need from the people in the position/team? What are our standards for the position/team? Make measureable standards for the position/team.

Step Three: Does it Make Sense?

- Get feedback from people working in the positions/on the teams. Did we do a good job describing what you do? Are the standards reasonable?

Step Four: What's Our Scale?

- Find a rating system that works for our company. Consistency makes it easier to measure results.

Step Five: What Documents/Processes Will We Use?

- Create questionnaires, surveys, etc. that utilize the rating system decided upon in step four. Create spreadsheets/scorecards that supervisors can use to compile and keep track of responses to evaluations.

Step Six: Train

- Supervisors who are expected to evaluate should be taught the proper way of doing it. Employees being evaluated need to know why and how they will be evaluated. Everyone should be informed on the process before it is ever implemented.

Step Seven: Implement

- Set up a schedule and begin evaluating! Supervisors should have a set schedule for when they evaluate and when they need to submit results. Regular evaluations and goal-setting sessions should be scheduled for a minimum of once a year for each employee.

Step Eight: Compile Results and Evaluate

- Once supervisors have done their part, the company needs to see the effects of the evaluations. Are they effective? What results do we see from setting goals, checking progress, etc. through evaluation? Is there a change we can make in our process to make it more effective?

Step Nine: Update Evaluation Processes Regularly

- Research is constantly ongoing in what works for employee and team evaluation. Keep the company current on best practices and implement them as soon as possible to avoid stagnation and apathy in the evaluation process.

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