

Performance appraisal(PA)

- The systematic review and evaluation of job performance
- PA refers to the entire process of collecting and integrating these criteria to arrive at an evaluation of an employee's performance
- Three primary purposes:
 - personnel decisions
 - * making decisions
 - development purpose
 - * providing feedback
 - * help employees understand what is expected and how they can improve
 - documentation
 - * demonstrating that decisions are merit-based
 - * provides legal protection
 - Employee Comparison Methods
 - * compare employees – determine rank order
 - * decisions must be made regarding the allocation of finite resources
 - Three comparison methods
 - * rank order
 - ranking employees from lowest performer to the top performer
 - difficult to
 - * Paired comparison
 - comparing each employee to every other employee
 - makes it easier to compare
 - becomes untenable with more than 4 or 5 employees
 - * Forced Distribution
 - assumes performance is normally distributed
 - limits number of highest/lowest score
 - PA research was devoted to determining how rating format affected the accuracy of performance ratings
 - * the rating format is not the primary determinant of accuracy
 - * BARS is preferred method, the effect is not large
 - * cognitive and social influences on rating accuracy
 - performance appraisal is both a cognitive and social process
 - **Cognitive:** Raters must rely on memory when providing ratings
 - **Social:** work is a social environment; raters often have goals besides accuracy when completing PA

Rating formats

- subjective ratings of performance are typically collected using one of several types of rating scales
- The target's on the job behaviour is observed and recorded by one or more sources
- three types of scales:
 - graphic rating scales
 - behaviourally anchored rating scales (BARS)
 - weighted checklists
- groups of subject matter experts(SMEs) identify the critical dimensions of the job
- the purpose is to identify the most critical aspects of the job as the job are multidimensional

Graphic rating scale

- each employee is rated on each dimension on a scale using simple anchors
- raters provide a rating for each employee on each dimension
- advantage:
 - they are relatively simple to create and easy to use
- disadvantage:
 - the anchors are ambiguous
 - * raters often have different understanding of what "below expectations", "exceeds expectations"

behaviourally anchored rating scales (BARS)

- contains examples of specific behaviours that indicate low, moderate, and high level of performance
- advantage:
 - provide higher quality assessments of performance relative to graphic rating scales
- disadvantage:
 - far more expensive and time consuming to construct compared to graphic rating scales

- need four groups of SMEs
 - SMEs identify most critical job dimension
 - SMEs generate a list of behaviours that are exhibited on the job, ranging from poor performance to good performance. (**critical incidents**)
 - New group of SMEs matches each critical incident to the job dimensions, avoiding any overlap
 - final group of SMEs rates each critical incident for effectiveness

Weighted checklists

- rater needs to check a box indicating if the employee exhibited the behaviour
- both positive behaviours and negative behaviour
- weighted checklist are relatively simple to complete as they minimize rater judgement
- each performance dimension has weights associated with it
 - weight represent the valence and importance of each dimension

Error in PA

- there are many points during which error can be introduced into the PA process due to cognitive failures
- **Halo errors:** one of the most common and most studied of these errors
 - Halo error is the tendency to use overall impressions to guide ratings of specific dimensions, rather than differentiating.
 - Halo errors may also occur when a rater has not observed all dimensions, yet “fills in the gaps” based on their knowledge of the employee’s performance on other dimensions
- True halo is a situation in which an employee does indeed perform well across all dimensions of the job
 - this can often occur, as people who perform one task well are often likely to perform other tasks as well too
 - bc job performance on multiple dimensions share common antecedents
- Social factor also affect the accuracy of PAs
 - Harmony – Raters may not want to give poor performance ratings, as doing so might lead to hard feelings

- Impression management – If managers are rating their subordinates, they may be motivated to make their team “look good” by giving high performance evaluations

- **Leniency**

- Leniency errors occur when raters give higher ratings than would be expected
- Leniency is a distributional error – it results in a skewed distribution of scores, such that they “pile up” at the high end

- **Severity**

- an opportunity to “look tough” to their subordinates
- severity is also a distributional error.
- scores “pile up” at the low end of the distribution
- effects:
 - * Managers may also provide severe ratings in an attempt to motivate their subordinates.
 - * That is, some managers believe telling subordinates they are not performing well will lead to increased effort and performance.
 - * However, this is more likely to lead to feelings of unfairness among subordinates, and thus, decreased effort

- **central tendency error**

- Raters tend to commit this error out of laziness
- rate most people as “average,” rather than take the time and effort to differentiate among subordinates.

- **error conclusion**

- reduce the sensitivity of the criterion
- reduces variance in the ratings
- reduces the usefulness of the criteria

minimize errors and improve accuracy

Rater Training

- **Rater Error Training (RET):**

- Describe errors (e.g., halo, leniency) to raters in order to help them avoid such errors
- this type of training does not necessarily improve accuracy

- Raters given RET tend to avoid giving high scores across dimensions, even if the employee does in fact excel across dimension
- RET can lead to decreased “leniency,” even when most members of the group are indeed high performers
- RET can cause raters to “second-guess” their ratings, even when their initial ratings were relatively accurate
- rater-of-reference (FOR):
 - Enhance raters’ observation and categorization skills such that raters share a common view and understanding of performance
 - procedures:
 - * shown examples of performance
 - * provide a rating of performance
 - * given feedback on their ratings emphasizing the job relevant behaviours that should be noted when making ratings
 - * process is repeated until raters are “calibrated” and share a common “reference” for what constitutes low, moderate, and high levels of performance

Multisource Rating

- As the number of raters increases, so does the reliability of the ratings
- diosyncrasies of one rater (e.g., how much they like the person being rated) are balanced out by the idiosyncrasies of the other rater(s)
- Accuracy can also be improved by using feedback from multiple raters at different levels of the organization
- 60-degree feedback. As the name implies, it is often used for developmental purposes
- Predicting attitudes towards the PA system: Participation
 - the degree to which employees are able to participate in the PA system is an important determinant of the degree to which they will find the system to be fair
 - e.g.
 - * Completing self-assessment
 - * Expressing ideas during PA meetings
 - degree of participation in a PA system is associated with
 - * satisfaction with the PA system
 - * Motivation to improve based on feedback
 - * Beliefs in the fairness of the appraisal
 - * Beliefs in the usefulness of the appraisal

Job analysis(JA)

- JA describes a collection of procedures that are used to describe what it means to perform a given job
- JA includes
 - Work activities: how, why, and when these activities are conducted
 - Personal characteristics: knowledge, skills, and abilities (KSAs) needed to perform the job
 - Tools and equipment:
 - work context: time pressure, exposure to hazards, and the physical working conditions
- JA lays the foundation for essentially all other activities undertaken by personnel psychologists
- the primary purpose of JA:
 - Providing a clear description of the job
 - Developing criteria/standards of performance to represent employee success
 - Identifying predictors that can be used to make hiring decisions
- JA is critical for demonstrating that decisions are merit-based

For whom

- JA information is collected from subject matter experts
 - SMEs are often incumbents
 - SMEs can be anyone with detailed knowledge of the job.
- way to collect JA information
 - interviewing SMEs
 - * SMEs are asked to describe the tasks and behaviours performed on their job
 - * KSAs necessary to perform the job, as well as information about the work context.
 - * interviews have the advantage of yielding “richer” data, as they allow for probing follow-up questions
 - JA questionnaires are often used as an alternative
 - * be custom-built for an organization

- * JA questionnaires contain a list of behavioural statements
 - * SMEs may also be asked about the level difficulty involved in learning to perform the task
 - * questionnaires are useful for identifying the most important tasks for a given job
 - * Questionnaires have an advantage over interviews in that they are easier to disseminate to large numbers of SMEs. (more efficient)
- job analysts can establish rules for identifying the most important tasks based on the data collected from SMEs
 - means, SDs, and frequencies
 - critical incidence technique involves having SMEs generate specific instances of behaviour on the job
 - SMEs are asked to generate examples of low, moderate, and high levels of performance
 - critical incidences derived from JA are typically used to develop criteria, such as BARS
 - drawback:
 - critical incidences technique is that SMEs may not identify all of the critical aspects of the job
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- JA data are used to identify the important personal characteristics that are needed on the job
 - JA is used to identify the predictors that will be used during personnel selection