

## 2.4 Motivation and demotivation

# Appraisal (HL)

An employee's performance appraisal is also referred to as a performance review or performance evaluation. The employee and the manager meet to discuss the employee's performance, identifying any areas for improvement and any professional development or training needs.



**Figure 1.** Performance appraisals are an important process for ensuring that employees are furthering the business's objectives and developing their own skills.

Credit: teekid, Getty Images

How does the performance review process work at Google? Google management has adopted an innovative grading system known as 'objectives and key results' (OKRs) for employees' performance reviews. Employees set their own goals and outline a series of quantifiable results that will be used to measure their achievement of that objective. Employees are then rated by their managers on a five-point scale from 'needs improvement' to 'superb'. Google employees also select a group of peer reviewers, including junior employees, who evaluate their performance. In order to reduce manager bias, groups of managers meet to review their employees' ratings together and to explain their decisions to each other.

# Role of appraisal

Performance appraisal is carried out in order to:

- help improve the employee’s performance
- provide feedback on performance
- identify training needs
- improve motivation and job satisfaction
- identify potential for promotion
- decide on any salary increase

The role of the appraiser is to lead or facilitate the process of deciding how well an employee is performing. A problem with appraisal is that the employee may hesitate to discuss any problems because it may jeopardise their pay rise or promotion.

In the past, performance appraisal was often done in an unstructured way where the employee’s supervisor used their subjective opinion for the appraisal. However, unstructured reviews are highly unreliable. Modern appraisal systems use preset criteria or gather data from employees and their results to gain a deeper understanding of the employee’s performance.

## Appraisal methods

**Table 1** outlines different appraisal methods. It is likely that in your time as an IB student you have experienced some or all of these types of appraisal in your school. The IB learner profile attribute of being ‘reflective’ is relevant in appraisal processes.

**Table 1.** Types of appraisal methods.

Type of appraisal	Explanation	Example
-------------------	-------------	---------

Type of appraisal	Explanation	Example
<b>Formative appraisal</b>	The employee receives this type of appraisal on an ongoing basis, even while training. The supervisor provides feedback to the employee on their skills and progress and proposes modifications on the work.	A teacher mentor watches a new student teacher conduct a lesson and gives some tips on classroom management.
<b>Summative appraisal</b>	This type of appraisal usually occurs at the end of a period or project. It consists of evaluating the overall performance of the employee to deliver a final verdict for a period of time. A summative appraisal is usually needed to determine certain types of financial rewards.	A junior architect meets with their supervisor at the end of a building project to discuss project performance against established metrics, such as on-time delivery and cost.

Type of appraisal	Explanation	Example
<b><u>360-degree feedback</u></b>	This method of appraisal uses surveys to gather information about an employee's performance from different people involved in their work. The employee is rated by supervisors, subordinates and peers. Customer ratings and self-ratings can also be used.	A communications consultant gets feedback from colleagues with whom they work closely, from clients who the consultant has advised and from the head partner in the company who manages the consultant. All of the feedback is used in the formative and/or summative appraisal.
<b><u>Self-appraisal</u></b>	The employee uses preset criteria to assess their own performance. This helps the employee prepare for the performance appraisal discussion and identify their own needs for training. However, the self-appraisal method does not usually replace appraisal by the supervisor.	An administrative assistant uses the summative appraisal criteria to self-assess their own performance before a formal appraisal meeting. This way the assistant has time to consider the criteria to engage in a productive discussion about strengths and areas for improvement.



**Figure 2.** Time for self-appraisal is an important part of a performance review process.

Credit: MoMo Productions, Getty Images

## International Mindedness

Different countries and organisations within those countries will have different cultures. In different cultures, the formality or informality of relationships between managers and employees may have an impact on what kinds of appraisal systems are used.

## Activity

**Learner profile:** Inquirers

**Approaches to learning:** Thinking skills (transfer, critical thinking)

Ask a working adult you know how they are appraised in their work.

- Which method(s) are used in their workplace?
- Do they find appraisal useful for their own and the business's development? Why or why not?