

# Human Resource Management

# Session 1

# Brief History of HRM

- **Dave Ulrich** discovered the importance of **Human Resources Management** for successful organizations but people management was crucial even in ancient civilizations.
- The modern history of Human Resources starts with the **British Industrial Revolution**. Large companies came up. New management practices evolved in the 18th century.
- Working for 16 hours a day. No access to basic amenities.

# Brief History of HRM

- The second development of Human Resources began in the **20th century**. Most organizations launched the **Personnel Management** that largely dealt with employee-related issues and was responsible for fully complying with the newly introduced law requirements.
- The significant change was introduced after the 2nd World War because armies developed many training programs for new soldiers. After the Second World War, the **Training Department** became a widely recognized and respected unit in the Personnel Management Department.

# Brief History of HRM

- Moreover, the trade unions evolved almost at the same moment as the Personnel Management.
- The introduction of HR Management began in the 70's of the 20th century. The Personnel Departments turned into Human Resources Departments. They started to manage processes around the globalized workforce.

# Defining HRM

**Human Resource Management can be defined as an integrated and coherent approach to the employment, development and well-being of the people working in organizations.**

**Stewart and Brown (2020:4) : “Field of study and practice that focuses on people in organization.”**

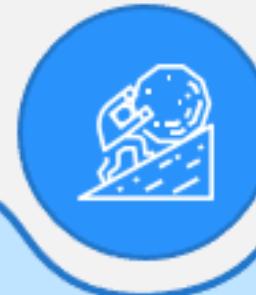
**Boxall and Purcell (2003:1) : “all those activities associated with the management of employment relationships in the firm.”**

# Defining HRM

**Dessler and Varkkey (2011: 4) : “HRM is the process of acquiring, training, appraising, and compensating employees, and of attending to their labor relations, health and safety, and fairness concerns.”**

**Hodgetts and Galen Kroeck (1992:7) : “HRM is the process by which organizations ensure the effective use of their employees in the pursuit of both organizational and individual goals.”**

# Hard versus Soft HRM



## Hard HRM

Treats employees simply as a resource of the business. Strong link with corporate business planning- what resources do we need; how do we get them and how much will they cost.



## Soft HRM

Treats employees as the most important resource in the business and a source of competitive advantage. Employees are treated as individuals and their needs are planned accordingly.

# Dave Ulrich Model

Business Partner

Employee Advocate

Change Champion

Admin Expert

**Strategic Partner:** To effectively serve as strategic partners, HR professionals must develop a **deep understanding of the organization's business, industry, and market dynamics.**

**Change Agent:** HR professionals help the organization **navigate transitions, such as mergers, acquisitions, or restructuring** and ensure that the human capital is equipped to adapt to these changes.

**Administrative Expert**: HR professionals are responsible for **designing, implementing, and managing HR processes and systems** that support the organization's needs. This includes areas such as recruitment, compensation, benefits, and employee relations.

**Employee Champion**: HR professionals advocate for **employees' needs and interests**. They are responsible for creating a positive work environment that promotes **employee engagement, satisfaction, and retention**. HR professionals must possess strong interpersonal and communication skills to build trust and credibility with employees.

They should also be knowledgeable about **employee rights, labor laws, and workplace policies** to ensure employees are treated fairly and equitably. By being an employee champion, HR can help create a culture of trust and inclusivity, ultimately enhancing the organization's performance.

# Functions of HRM

- **Human Resource Planning**
- **Recruitment and Selection**
- **Learning and Development**
- **Performance Appraisal**
- **Benefits and Compensation**
- **Ensuring Legal Compliance**
- **Equality and Diversity**

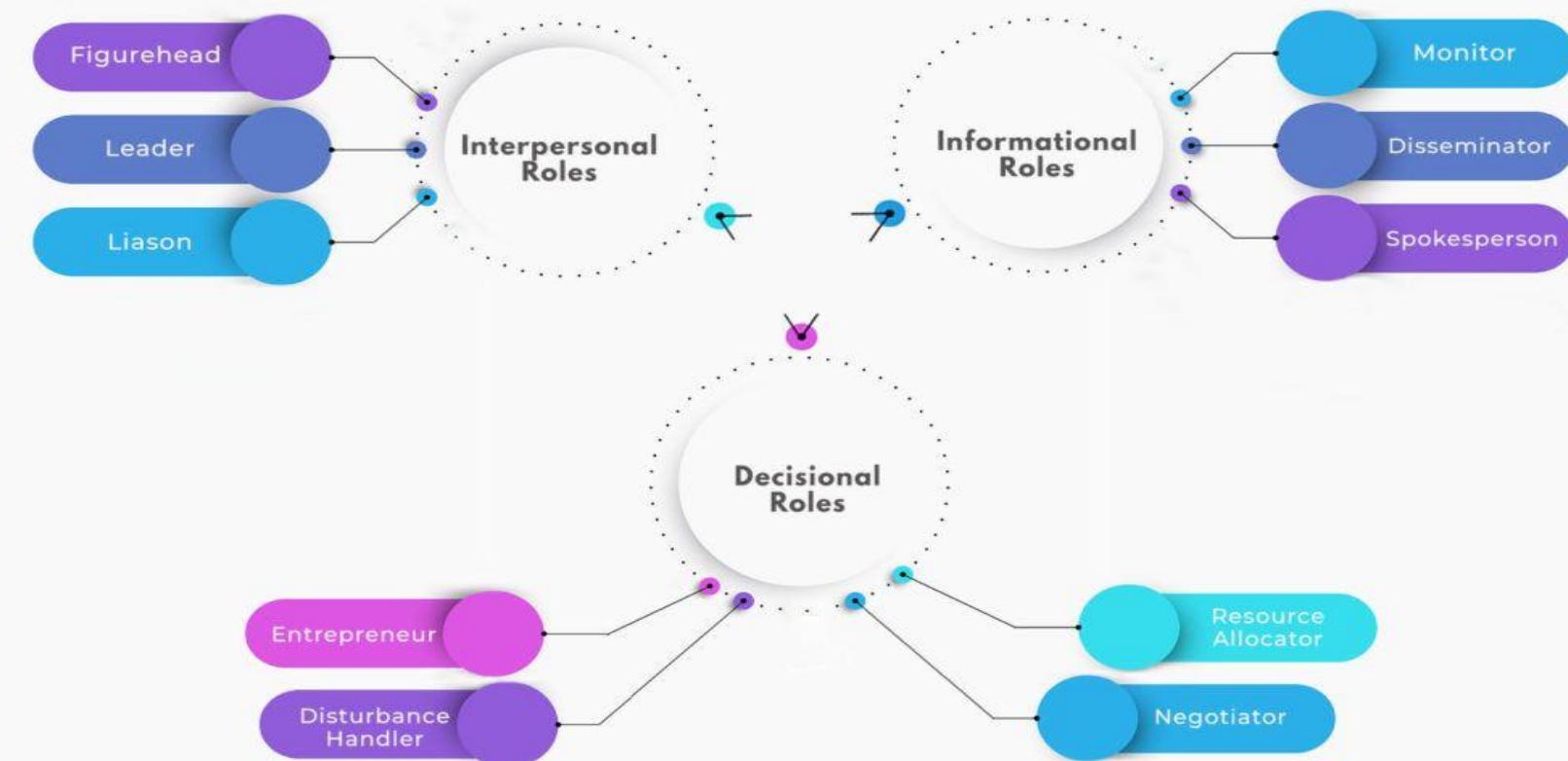


# Roles of HR Manager

# 3 types of managerial roles



# 10 Managerial Roles



**Mintzberg  
Managerial Roles**

# **HRM Skills**

**Technical skills:** The ability to use methods and techniques to perform a task

**Human skills:** The ability to understand, communicate, and work well with individuals and groups through developing effective relationships.

**Conceptual skills:** The ability to evaluate a situation, identify alternatives, select a reasonable alternative, and make a decision to implement a solution to a problem

# The best practices

Pfeffer :

1. Employment security
2. Selective hiring
3. Self-managed teams
4. High compensation contingent on performance
5. Training to provide a skilled and motivated workforce
6. Reduction of status differentials
7. Sharing information

Delery and Dooty :

1. Use of internal career ladder
2. Formal training system
3. Result-oriented appraisal
4. Performance based compensation
5. Employment security
6. Employee Voice

# Ethics of HR Managers

## **1. HR managers should be able to recognize the importance of honoring employee rights and interests.**

Google offers extensive employee benefits, such as on-site healthcare, paid parental leave, and flexible working hours.

Ford and General Motors have implemented strict safety protocols and worker rights to ensure the well-being of their manufacturing employees.

McDonald's have been under scrutiny for labor practices, leading to efforts to improve worker rights. This includes raising minimum wages and providing training.

# Ethics of HR Managers

## **2. HR managers should prepare themselves well by researching the complex issues facing organizations.**

Example - HR managers in healthcare should research and navigate complex issues such as changing healthcare regulations, workforce shortages, healthcare provider burnout, and ensuring diversity and inclusion in a traditionally diverse industry.

# Ethics of HR Managers

**HR managers should constantly refine their understanding of HRM issues**

Example - HR managers in the tech sector need to continually update their knowledge of rapidly evolving technologies, such as AI and machine learning, as these can impact recruitment, employee development, and performance evaluation.

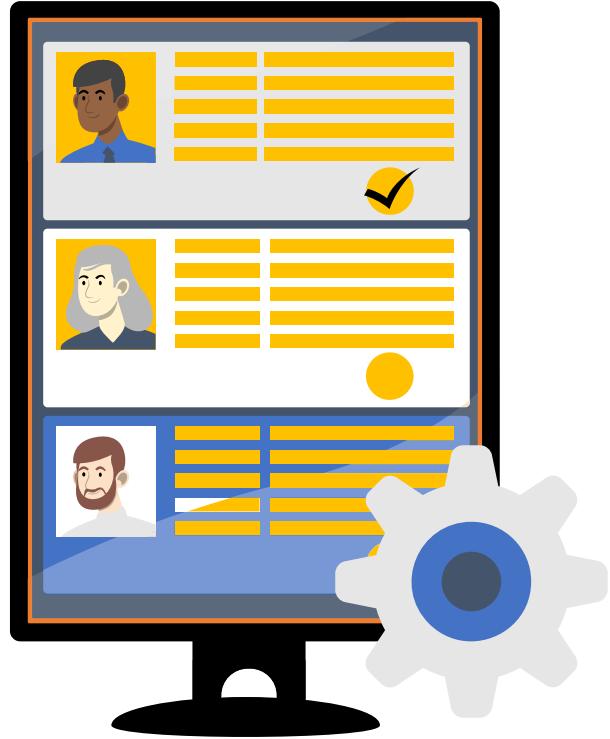
**HR managers should be able to advise Top Management about the long-term consequences of decisions**

HR professionals advise top management on the long-term implications of talent acquisition and retention decisions. For example, they might counsel on the importance of investing in employee development to ensure a steady pipeline of skilled workers, as well as the potential impact on the company's reputation and culture.

# Ethics of HR Managers

**HR managers should strive to create partnerships with employees in optimizing value creation**

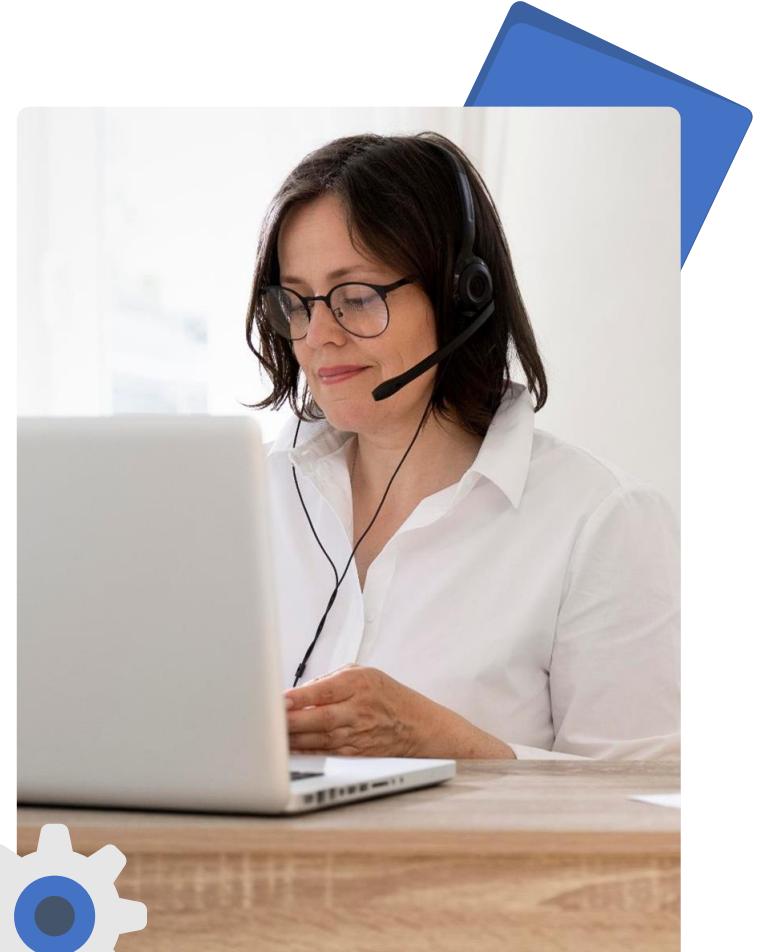
HR managers in manufacturing can work closely with employees to identify process improvements. Employees on the factory floor often have valuable insights into how to increase efficiency and product quality. When HR collaborates with them, it can lead to enhanced value creation by streamlining operations.



# Recruitment and Selection

# Recruitment

Recruitment is defined as ‘those practices and activities carried out by an organization with the primary purpose of **identifying** and **attracting** potential employees.’



# Objectives of Recruitment



Whom to recruit?

Where to recruit?

What recruitment sources to use?

When to recruit?

What message to communicate?

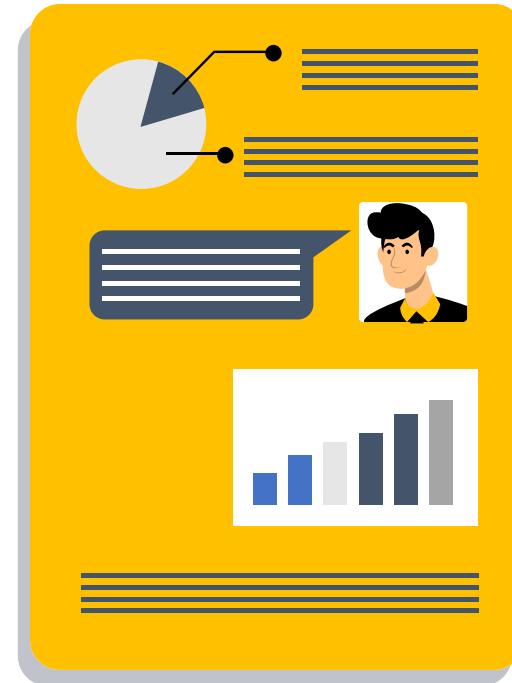
# Application Blank

**FIGURE 19.1** Example of application form (compressed)

| APPLICATION FORM   |             |  |                                     |   |
|--|-------------|--|-------------------------------------|---|
| Surname:   |             | First name:  |                                     |   |
| Address:   |             |  |                                     |   |
| Tel. (home)  | Tel. (work) | e-mail (personal)  |                                     |   |
| Position applied for:  |             |  |                                     |   |
| Education  |             |  |                                     |   |
| Dates  |             | Name of secondary school, college or university  | Main subjects taken                 | Qualifications                          |
| From   | To          |  |                                     |   |
| Specialized training received  |             |  |                                     |   |
| Other qualifications and skills (including languages, keyboard skills, current driving licence, etc)                                     |             |  |                                     |   |
| Employment history   |             |  |                                     |   |
| (Give details of all positions held since completing full-time education; start with your present or most recent position and work back) |             |  |                                     |   |
| Dates  |             | Name of employer, address and nature of business including any service in the Armed Forces | Position and summary of main duties | Starting and leaving rate of pay        |
| From   | To          |  |                                     | Reasons for leaving or wanting to leave |
| Add any comments you wish to make to support your application  |             |  |                                     |   |
| I confirm that the information given on this application form is correct   |             |  |                                     |   |
| Signature of applicant.....  |             |  |                                     | Date.....                               |

# Selection

**Process of choosing one candidate from a list of candidates for the desired role and level in the organization.**



# Difference b/n Recruitment and Selection

|                      | Recruitment   | Selection   |
|----------------------|---|---|
| Meaning              | Recruitment is an activity of searching candidates and <b>encouraging them apply for it.</b>                        | Selection refers to the process of <b>selecting the best candidates and offering them job.</b>                              |
| Approach             | Positive  | Negative  |
| Objective            | Inviting more and more candidates to apply for the vacant post.   | Picking up the most suitable candidate and rejecting the rest.  |
| Key Factor           | <b>Advertising the job</b>  | <b>Appointment of the candidate</b>   |
| Sequence             | First   | Second  |
| Process              | Vacancies are notified by the firm through various sources and application form is made available to the candidate. | The firm makes applicant pass through various levels like submitting form, written test, interview, medical test and so on. |
| Contractual Relation | As recruitment only implies the communication of vacancies, <b>no contractual relation is established.</b>          | <b>Selection involves the creation of contractual relation between the employer and employee.</b>                           |
| Method               | Economical  | Expensive   |

# Attracting Candidates – Identify Sources

## Internal Sources

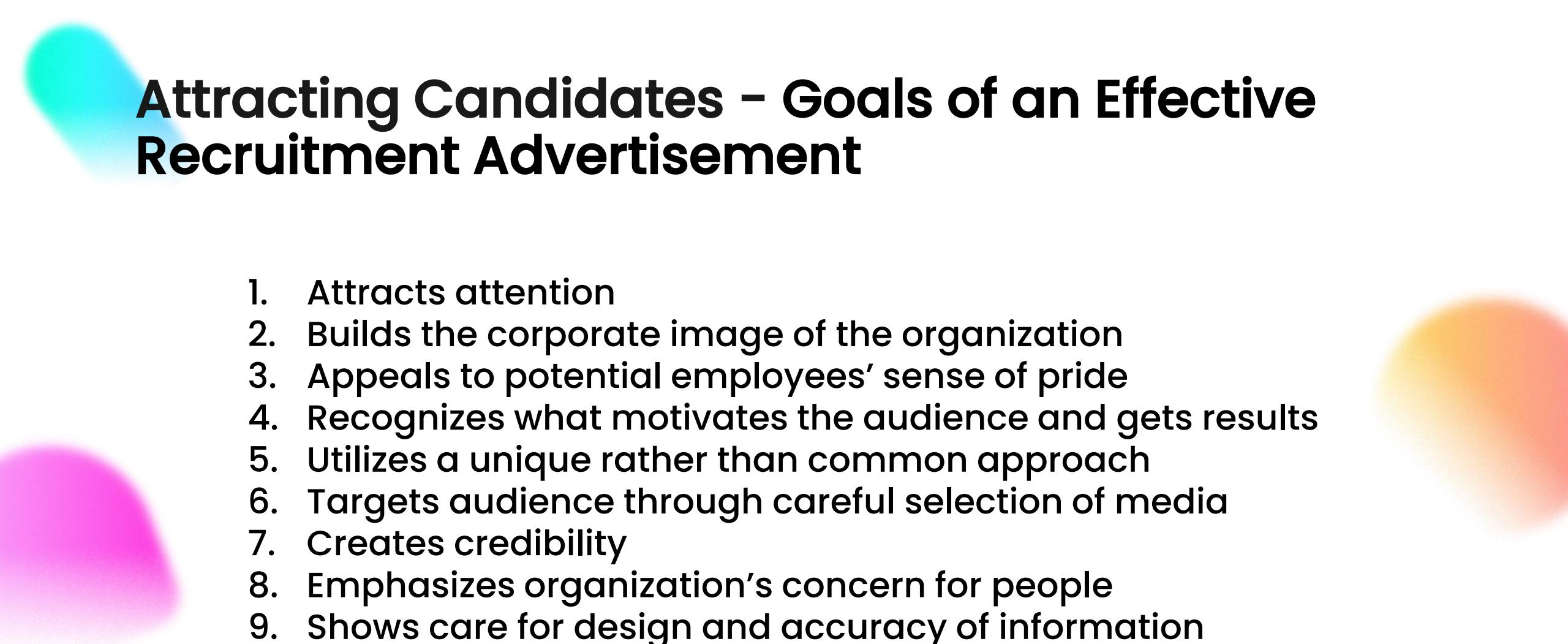
- Posting
- Employee requests
- Seniority lists
- Skills inventories -
- Assessment Centers

A **skills inventory** is a dynamic and comprehensive database that contains a list of employees with their professional skills, experiences and educational qualifications.

## External Sources

- Recommendations and referrals
- Newspaper and advertisements
- Recruitment Agencies
- Educational and training institutes
- Online Recruitment – Corporate websites, Job

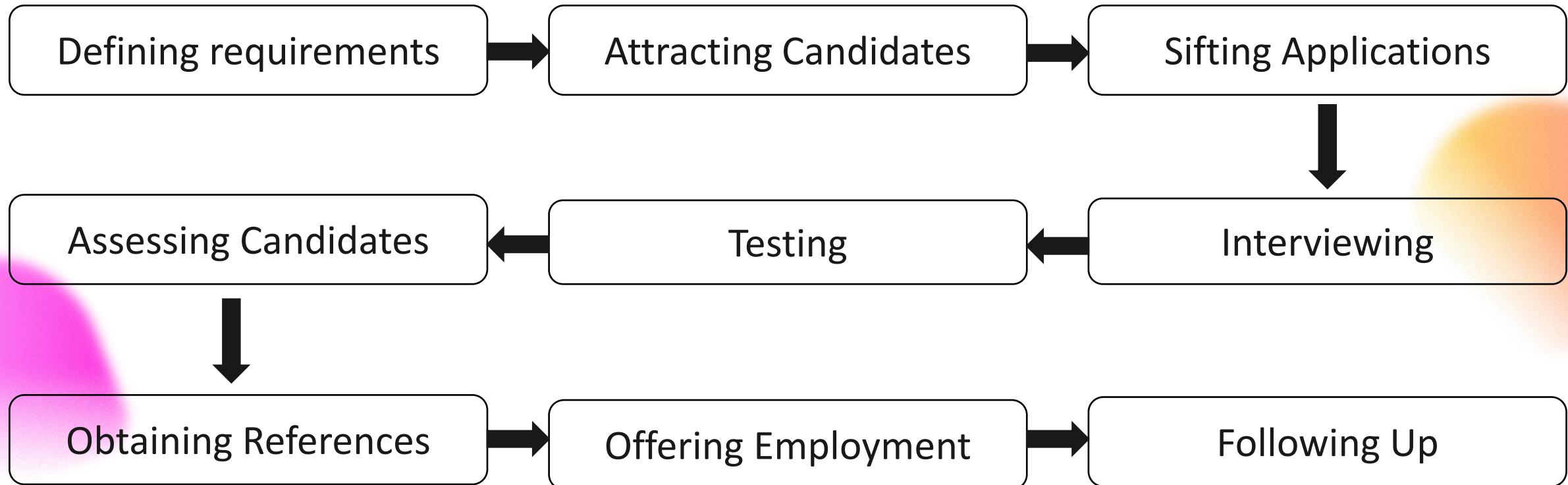




# Attracting Candidates – Goals of an Effective Recruitment Advertisement

1. Attracts attention
2. Builds the corporate image of the organization
3. Appeals to potential employees' sense of pride
4. Recognizes what motivates the audience and gets results
5. Utilizes a unique rather than common approach
6. Targets audience through careful selection of media
7. Creates credibility
8. Emphasizes organization's concern for people
9. Shows care for design and accuracy of information

# Recruitment and Selection Process



# Sifting Applications

1. Examining information from candidates
2. Processing applications
3. Sorting Applications – Essential, Very desirable, Desirable
4. Draw up an interviewing programme
5. Administering the selection programme
6. Selection Methods

# Interviewing

- 1. Unstructured Interview
- 2. Structured Interview

## Closed Ended

- Do you respond well to pressure?
- Have you ever dealt with really unhappy customers?
- What was your favorite part of your last job?

## Open Ended

- Tell me about a time when pressure was really bad at work. How did you respond?
- Tell me about a time when you had to deal with an unhappy customer. What was the situation? How did you handle it?
- Describe your previous role, your favorite part of it and why that was.

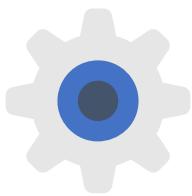
## **Guidelines for Effective Interviewing**

Research has found these techniques to result in more consistent and more accurate interviewing procedures.

1. Identify a set of “musts” regarding characteristics that anyone hired for the job should have.
2. Prepare for the interview by developing a set of structured questions relevant to the job “musts.” Situational questions often provide considerable insight into the candidates’ likely job performance. Confine questions to those directly relevant to the job. Each question should have a purpose, and you should know what you are trying to determine about the candidate. Focus on the “musts.” Review all available information about the job and those applying for it.
3. Establish rapport with the candidate by clarifying information contained in the application blank or résumé, or by making small talk for a few minutes. Even stress interviews require the interviewer-interviewee roles to be established slowly. Consider how the applicant probably views you as the interviewer.
4. Verify dates of employment and determine reasons for any inconsistencies, such as gaps in time where the applicant has provided no information about employment.
5. Use open-ended questions that elicit more than merely a “yes” or “no” response. Show interest in what the applicant says. Avoid leading questions like “Did you major in business because you like sales?”
6. Ask self-evaluation questions that require the applicant to discuss past successes and failures, present strengths and weaknesses, and future objectives and limitations. Better candidates tend to be more specific.
7. Use intentional pauses to find out how the applicant deals with silence. Although this strategy will tend to make the applicant uncomfortable, he or she will reveal more information—information that the candidate believes to be important for the job. Remember that as much as 90 percent of a person’s attitude is conveyed through nonverbal behavior.<sup>44</sup>
8. Control the interview—direct the interview and steer it away from discussions of topics that are not job relevant. Good interviewers are able to participate in and observe the interview process at the same time.

Chapter 10

9. Wind down the interview by giving the applicant the opportunity to ask questions. Honestly and candidly discuss the job, emphasizing the positive aspects yet realistically portraying the job. Remember that as an interviewer you are representing your organization to the public.
10. Close the interview by thanking the candidate and providing information about what will occur next in the process. Soon after the candidate leaves, evaluate the candidate on those characteristics for which the structured interview questions were designed.
11. Evaluate the candidate on the set of “musts” for the job.
12. Compare the agreement of your applicant evaluations with those of other interviewers. Check the validity of your interview evaluations with actual job performance of those hired.



# Interviewing

Figure 7-5 Some Interview Questions Useful in Revealing Applicant Characteristics

## Experience and Skills

What were the job title and duties of your previous boss?  
What was a typical day on the job like for you?  
How long did people you hired work for you? Can you describe them for me?  
How might your subordinates or coworkers describe you?  
What do you consider the most important contribution you made in your last job? What else did you accomplish?  
What do you think it would take for someone to be successful in this job?  
If you encountered this situation (describe a typical problem as identified in job analysis) what would you do to handle it?  
What strengths did you bring to your last job that made you effective? What new ones did you develop to bring here?

## General Aptitudes

Can you tell me about how you make important decisions?  
What things would you have changed in your old company if you could have to make it more effective?  
What do you know about our company?

## Attitudes, Career Motivation

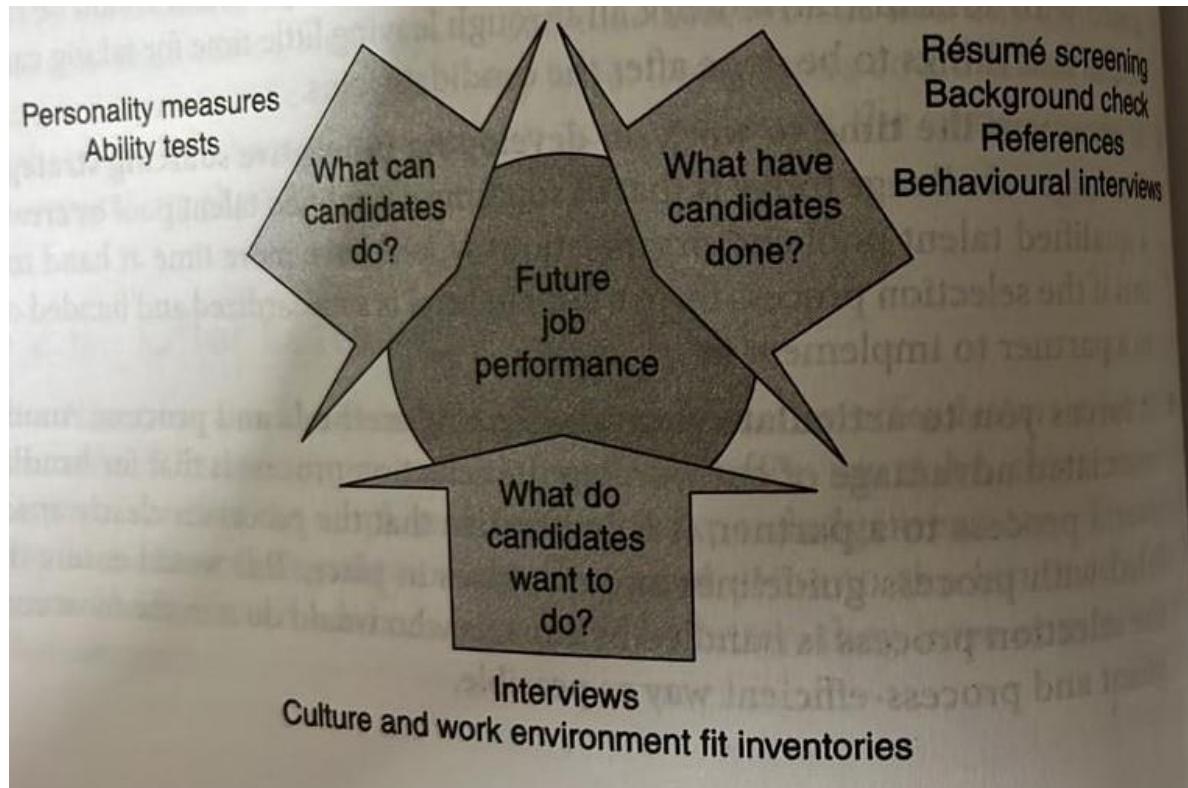
Why are you interested in this job?  
What do you expect to be doing two years from now? Five years? Ten years?  
What have been your biggest failures or frustrations? Why did this occur? What was your responsibility for this?  
Do you consider yourself a risk taker? Describe some risks you have taken.  
What did you like least about your former employer?  
Can you tell me about some of the coworkers with whom you have least liked working?  
What do you do when you have trouble solving a problem?  
Can you describe the best boss you ever had?

## Education

Why did (didn't) you go to college?  
Can you tell me about how well you did in school?  
What were your best and worst subjects?  
What sort of jobs did you have while in school? How did you pay for your education?  
Describe an experience in which you felt especially good (bad) about your education.

# Selection Testing

1. Ability Tests
2. Personality Tests
3. Aptitude Tests



# Provisional offers and obtaining references

A written request for a reference could simply ask the previous employer to confirm the candidate's employment record.

The questions asked on this form should be limited to following:

What was the period of employment?

What was the job title?

What work was carried out?

What was the rate of pay or salary?

How many days' absence were there over the last 12 months?

Would you re-employ (if not, why not)?

# **Offering Employment and Following Up**

# **Factors affecting Recruitment and Selection**

**Internal factors :**

1. Recruitment policy
2. Size of the firm
3. Cost of recruitment

**External factors:**

1. Labour market conditions
2. Unemployment rate
3. Political and legal
4. Sons of soil
5. Image

# Recruitment Policy

The policy of recruitment by the organization, whether recruitment is from internal source (from own employees) or from external sources also affect the recruitment process. Generally, recruiting through internal sourcing is preferred in view of cost consideration, familiarity and in easily finding the most suitable one.

# **Size of the firm**

The organizational size is an influencing factor. Larger organizations find recruitment less problematic than smaller size units.

# Cost of Recruitment

Cost of recruitment needs to be considered. Recruiting costs are calculated per new hire and recruiters must operate within budget. Careful HRP and forethought by recruiters can minimise recruitment costs

# Labour Market Conditions

Labour market conditions, that is, supply of labour is of particular importance in affecting recruitment process. If the demand for a particular skill is high relative to the supply, an extraordinary recruiting effort may be needed.

For example, the demand for programmers and financial analysts is likely to be higher than their supply, as opposed to the demand-supply relationship for non-technical employees

# Unemployment Rate

When unemployment rate in a given area is high, the company's recruitment process may be simple. When unemployment rate drops, recruiting efforts must be increased to find new sources

# **Political and Legal**

Reservations of SCs, STs, minorities and OBCs is a political decision. There are several labour laws and regulations passed by the central and state Governments that govern different types of employment.

# Employer Branding

Image of the company also matters in attracting large number of job seekers.

# Evaluation of Effectiveness of Recruitment and Selection

## 1. Candidate quality:

Analyse the quality of the candidates that are being hired. This includes not just their skills and qualifications, but also their cultural fit within the organization.

## 2. Time-to-fill:

How much time does it take to fill open positions. If it is taking a long time to fill positions, it could indicate that the recruitment and selection process is not effective. This could be due to a variety of factors, such as a lack of qualified candidates, a poorly designed job posting, or a slow or inefficient hiring process.

# Evaluate the Effectiveness of Recruitment and Selection

## 3. Retention rate:

If new hires are leaving the organization shortly after being hired, it could indicate that they were not a good fit for the role or the organization.

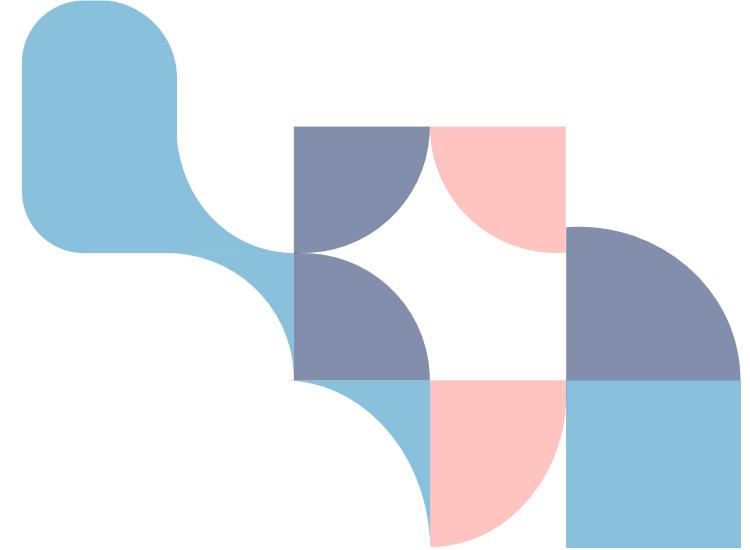
## 4. Cost-per-hire:

It is also important to consider the cost of the recruitment and selection process, including any advertising costs, agency fees, or employee time spent on the process. By calculating the cost-per-hire, organizations can determine whether their investment in [talent acquisition](#) is providing a good return.

## 5. Candidate experience:

If candidates have a negative experience during the process, it could impact their perception of the organization, and potentially discourage them from applying for future roles.

# **Training and Development**



# Definition – Training

Training is the process of **altering employee behavior** and attitudes in a way that increases the probability of **goal attainment**.

# Definition – Development

Development is the process by which individuals obtain **necessary skills, experiences, and attitudes** needed for success in current and future jobs.

# Induction/Orientation

## COMPARISON

Meaning

The process of introducing new employees and welcoming them into the organization

Duration

Short-duration

Involves

Preview of company, organizational hierarchy, policies, etc. given to the employees

Process

carried out in the form of a presentation

## INDUCTION

## ORIENTATION

The process of making new employees familiar with the work environment so that they can adjust to their new position and work environment

Long-duration

Employees are explained about the work processes, team members, tools and equipment they may have to use

carried out as a training program

# Training Process



# Training Need Assessment

Look at training needs from a number of different perspectives:

**Organization:** The organizational analysis consists of considering how training can help attain organizational goals and where in the organization training is needed.

**Person:** Person analysis identifies who, in the organization, will need training and for what purpose.

**Task:** The task analysis focuses on what the employee must learn in order to perform well in the job, and thus, what the training should cover.

# TNA Form

| Training Analysis Overview Report  |                    |          |  |
|--|--------------------|----------|--|
| Purpose: Provides an overall view of the analysis phase.   |                    |          |  |
| Department:  | Date:              |          |  |
| Departmental Supervisor:   | Desired Programme: | Analyst: |  |
| Goals:   |                    |          |  |
| <ol style="list-style-type: none"><li>What organizational goal is driving this training?</li><li>What will the benefit or ROI be?</li><li>What is the skill gap?</li><li>What competencies (KSA) will this programme deliver?</li><li>What factor of evaluation will be used to measure the level of goal achievement?</li></ol> |                    |          |  |
| Target Population:   |                    |          |  |
| <ol style="list-style-type: none"><li>Who will be trained?</li><li>What is the estimated class size?</li><li>How many classes will there be and how long will this training last?</li><li>What are the knowledge and skill prerequisites?</li></ol>  |                    |          |  |
| Type of Training:  |                    |          |  |
| <ol style="list-style-type: none"><li>What type of programme is being proposed?</li><li>What media will be employed?</li></ol>   |                    |          |  |
| Alternatives:  |                    |          |  |
| <ol style="list-style-type: none"><li>What will happen if we do not deliver the training?</li><li>What are the restrictions or limitations for delivering a programme?</li><li>What other methods may be used to reach the goal (include limitations and advantages)?</li></ol>  |                    |          |  |
| Project Planning:  |                    |          |  |
| <ol style="list-style-type: none"><li>Estimated timeline</li><li>Estimated budget</li><li>Personal or resources required</li></ol>   |                    |          |  |

# Training Content

**1. Objectives of Training** - While the aim indicates or provides a general statement of intent, objectives spell out precisely how this is to be achieved.

# Training Content

## 2. Training Methods –

1. **Lecture method**
2. **Case method** – real or fictional, situation is given, and employees are asked to suggest answers.
3. **Syndicate Method** – multiple groups against each other.
4. **Programmed Learning** – the subject-matter is broken down into small, discrete steps and carefully organized into a logical sequence in which it can be learned readily by the employees.

# Training Content

## 2. Training Methods –

### 5. Role plays

**6. Behavior Modelling** – Participants are shown model behavior with the help of a video in which protagonist is handling certain situation in a model manner. After that, the participants are given roles in which they have to model the behavior which they have seen on the video, followed by feedback. Helps to internalize the learning through practice.

# Training Content

## 2. Training Methods –

### 7. T-groups

**8. Job Instruction** – teaches trainees to systematically acquire routine instruction in key processes from a qualified instructor.

**9. Apprenticeship** – trainees learn a craft or trade by hands on experience while working with a skilled worker.

**10. Coaching** – enables the employee from where they are to where they want to be.

**11. Mentoring** – personal development relationship in which a more experienced or more knowledgeable person helps a less experienced or less knowledgeable person.

# Training Content

## 3. Designing Training Content –

**Design** – in sequential manner:

Known to unknown

Simple to complex

Theory to practice

Concrete to general

Part to whole

Logical, chronological, building on previous knowledge

# Training Delivery Mechanisms

- 1. Classroom training
- 2. Audio-visual methods
- 3. Distance learning
- 4. E-learning –
  - 1. Asynchronous learning : self-paced course, multimedia, Book marking, tracking; discussion boards
  - 2. Synchronous Learning : Virtual Classroom.

# Training Evaluation

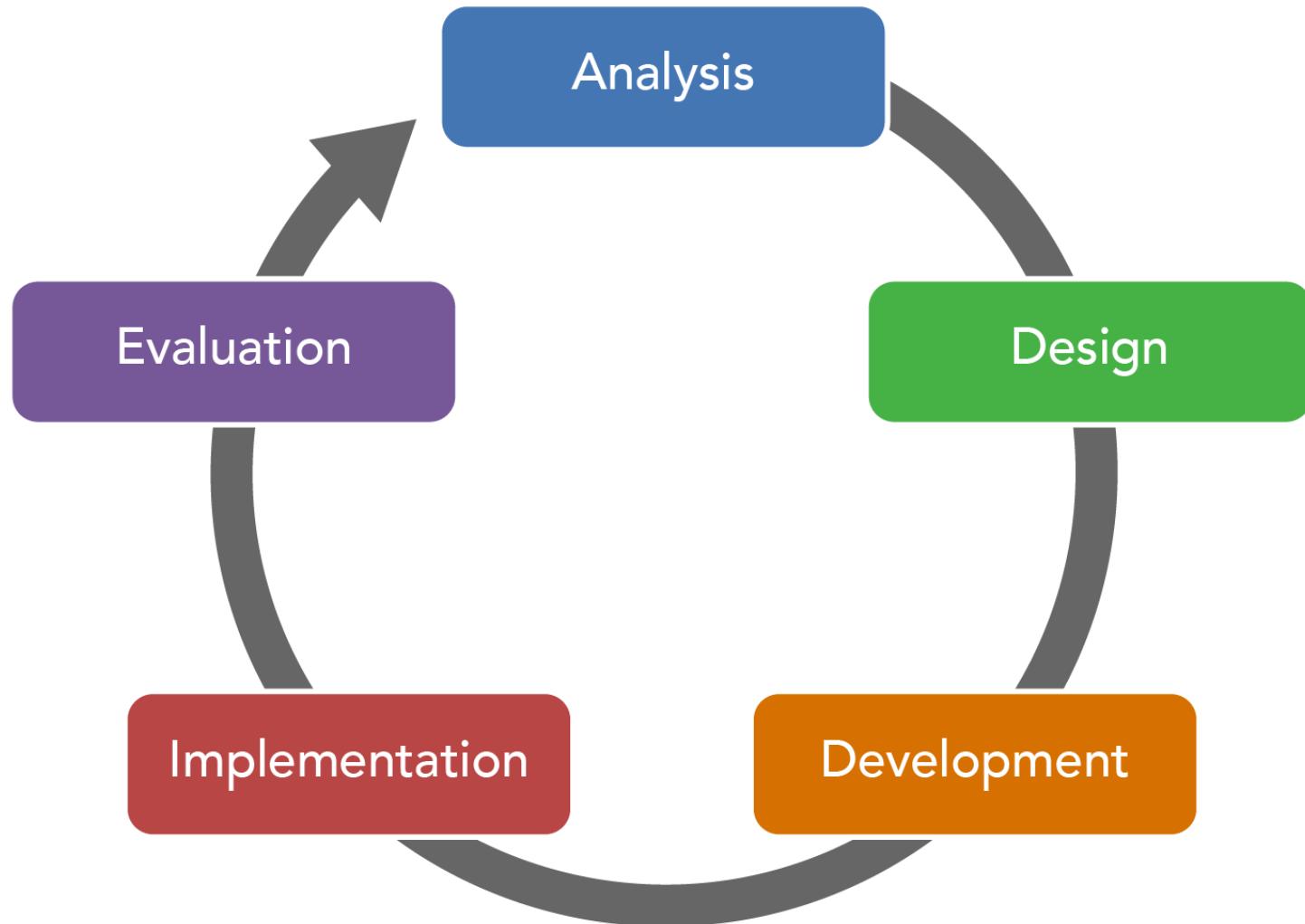
**Reaction:** This level of evaluation takes feedback on the trainee's reaction to the program regarding the coverage, presentation, duration etc. of the program.

**Learning:** The evalution is intended to test the learning of the trainee- whether they have acquired the knowledge, enhanced their skills and changed their attitude.

**Behavior:** evaluation is about whether the trainees have applied their learning to their job or not.

**Result:** evaluation of impact of the training program on overall business.

# ADDIE Training Model



- Analysis – Doing your research to plan for the training session
- Design – Critical decisions will be made about the course and how it will be delivered
- Development – Where the actual course creation occurs
- Implementation – When you will begin delivering
- Evaluation – Based on the findings during the evaluation phase, the trainer will go back to refine their training through analysis, design, development and implementation all over again

## **Training Evaluation and Feedback Form**

Thank you very much for participating in this program If you could dedicate a few more minutes of your time answering the below questions, your comments and suggestions would be highly appreciated. Kindly give your true feedback Your feedback will be useful to your organization to evaluate future training needs, to improve training conditions and to measure the usefulness of the training budget.

1. How did the course meet your learning objectives?

| 1       | 2 | 3 | 4 | 5         |
|---------|---|---|---|-----------|
| Not met |   |   |   | Fully Met |

Comments and suggestions.

*(continued)*



## Field Guide

### Training Evaluation and Feedback Form (continued)

2. How was the duration of the course?

| 1         | 2 | 3 | 4 | 5                   |
|-----------|---|---|---|---------------------|
| Too short |   |   |   | Definitely too long |

Comments and suggestions.

3. How helpful were the lecture materials?

| 1   | 2 | 3 | 4 | 5   |
|---|---|---|---|---|
| Not helpful. Made things more difficult to learn and understand |   |   |   | Were very helpful in learning and understanding |

Comments and suggestions.

4. How knowledgeable was the instructor?

| 1  | 2 | 3 | 4 | 5                                       |
|--|---|---|---|---|
| Not enough for my own technical experience |   |   |   | More than enough for my own experience. |

Comments and suggestions.

5. Did the instructors explanations add value to the lecture materials?

| 1  | 2 | 3 | 4 | 5  |
|--|---|---|---|--|
| No added value to reading the materials. |   |   |   | The instructor really made very useful explanations. |

Comments and suggestions.

6. How well did the instructor answer questions from the participants?

| 1  | 2 | 3 | 4 | 5   |
|--|---|---|---|---|
| Poorly. Didn't try to understand the questions well or rarely managed to find useful answers |   |   |   | Answered very well to questions from the audience |

Comments and suggestions.

Kindly rate the training environment. This can help those in charge of the training facilities to improve their service for future sessions.

7. How do you rate training conditions (room size, equipment.....)?

| 1    | 2 | 3 | 4 | 5         |
|------|---|---|---|-----------|
| Poor |   |   |   | Very Good |

Comments and suggestions.

8. How do you rate the training equipment (mainly computers, audio visual aids)?

| 1    | 2 | 3 | 4 | 5         |
|------|---|---|---|-----------|
| Poor |   |   |   | Very Good |

Comments and suggestions.

9. How well was the course organized (programme, registration, schedule...)?

| 1    | 2 | 3 | 4 | 5         |
|------|---|---|---|-----------|
| Poor |   |   |   | Very Good |

Comments and suggestions.

Overall rating

10. How much did you learn?

| 1        | 2 | 3 | 4 | 5                    |
|----------|---|---|---|----------------------|
| Not much |   |   |   | More than I expected |

Comments and suggestions.

11. How useful should this course be in your regular work assignment, in what aspects?

| 1          | 2 | 3 | 4 | 5                            |
|------------|---|---|---|------------------------------|
| Not useful |   |   |   | Will make my job much easier |

Comments and suggestions.

12. Overall Rating

| 1                  | 2 | 3 | 4 | 5         |
|--------------------|---|---|---|-----------|
| Very Disappointing |   |   |   | Excellent |

Any other comments and suggestions that you couldn't make in the other sections

# Performance Appraisal

# Defining Performance Appraisal

Performance Appraisal means evaluating an employee's current and/or past performance relative to his or her performance standards.

It is an ongoing function that includes the following managerial responsibilities and activities:

- Setting performance goals with employees
- Monitoring employees' progress toward their goals
- Designing strategies with employees to make and sustain improvement
- Providing ongoing feedback and coaching.

# Objectives of Performance Appraisal

- Set employee goals
- Identify mistakes and Improve productivity
- Record employee progress
- Provide insight into training needs
- Provide promotion opportunities
- Boost confidence

# Methods of Performance Appraisal

## Graphic Rating Scale

A graphic rating scale lists traits for each trait.

The supervisor rates each subordinate by circling or checking the score that best describes the subordinate's performance for each trait. The assigned values for the traits are then totalled.

| Sample Performance Rating Form   |   |   |   |   |
|--|---|---|---|---|
| Employee's Name _____  | Level: Entry-level employee   |   |   |   |
| Manager's Name _____   |   |   |   |   |
| Key Work Responsibilities  |   |   |   |   |
| 1. _____   | Results/Goals to be Achieved  |   |   |   |
| 2. _____   | 1. _____  |   |   |   |
| 3. _____   | 2. _____  |   |   |   |
| 4. _____   | 3. _____  |   |   |   |
| 4. _____   |   |   |   |   |
| Communication  |   |   |   |   |
| 1  | 2   | 3   | 4 | 5 |
| Below Expectations<br>Even with guidance, fails to prepare straightforward communications, including forms, paperwork, and records, in a timely and accurate manner; products require minimal corrections. | Meets Expectations<br>With guidance, prepares straightforward communications, including forms, paperwork, and records, in a timely and accurate manner; products require minimal corrections. | Role Model<br>Independently prepares communications, such as forms, paperwork, and records, in a timely, clear, and accurate manner; products require few, if any, corrections. |   |   |
| Even with guidance, fails to adapt style and materials to communicate straightforward information.   | With guidance, adapts style and materials to communicate straightforward information.   | Independently adapts style and materials to communicate information.  |   |   |
| Organizational Know-How  |   |   |   |   |
| 1  | 2   | 3   | 4 | 5 |
| Below Expectations<br><performance standards appear here>  | Meets Expectations<br><performance standards appear here>   | Role Model<br><performance standards appear here>   |   |   |
| Personal Effectiveness   |   |   |   |   |
| 1  | 2   | 3   | 4 | 5 |
| Below Expectations<br><performance standards appear here>  | Meets Expectations<br><performance standards appear here>   | Role Model<br><performance standards appear here>   |   |   |
| Teamwork   |   |   |   |   |
| 1  | 2   | 3   | 4 | 5 |
| Below Expectations<br><performance standards appear here>  | Meets Expectations<br><performance standards appear here>   | Role Model<br><performance standards appear here>   |   |   |
| Achieving Business Results   |   |   |   |   |
| 1  | 2   | 3   | 4 | 5 |
| Below Expectations<br><performance standards appear here>  | Meets Expectations<br><performance standards appear here>   | Role Model<br><performance standards appear here>   |   |   |

# Methods of Performance Appraisal

## Alternation Ranking Method

Ranking employees from best to worst on a trait or traits is another option. Since it is usually easier to distinguish between the worst and best employees, an alternation ranking method is most popular.

**ALTERNATION RANKING SCALE**

Trait: \_\_\_\_\_

For the trait you are measuring, list all the employees you want to rank. Put the highest-ranking employee's name on line 1. Put the lowest-ranking employee's name on line 20. Then list the next highest ranking on line 2, the next lowest ranking on line 19, and so on. Continue until all names are on the scale.

Highest-ranking employee

1. \_\_\_\_\_ 11. \_\_\_\_\_  
2. \_\_\_\_\_ 12. \_\_\_\_\_  
3. \_\_\_\_\_ 13. \_\_\_\_\_  
4. \_\_\_\_\_ 14. \_\_\_\_\_  
5. \_\_\_\_\_ 15. \_\_\_\_\_  
6. \_\_\_\_\_ 16. \_\_\_\_\_  
7. \_\_\_\_\_ 17. \_\_\_\_\_  
8. \_\_\_\_\_ 18. \_\_\_\_\_  
9. \_\_\_\_\_ 19. \_\_\_\_\_  
10. \_\_\_\_\_ 20. \_\_\_\_\_

Lowest-ranking employee

# Methods of Performance Appraisal

## Critical Incident Method

With the critical incident method, the supervisor keeps a log of positive and negative examples (critical incidents) of a subordinate's work-related behaviour. Every 6 months or so, supervisor and subordinate meet to discuss the latter's performance, using the incidents as examples.

TABLE 9-1 Examples of Critical Incidents for Assistant Plant Manager

| Continuing Duties  | Targets   | Critical Incidents   |
|--|---|--|
| Schedule production for plant                                | 90% utilization of personnel and machinery in plant; orders delivered on time | Instituted new production scheduling system; decreased late orders by 10% last month; increased machine utilization in plant by 20% last month |
| Supervise procurement of raw materials and inventory control | Minimize inventory costs while keeping adequate supplies on hand              | Let inventory storage costs rise 15% last month; overordered parts "A" and "B" by 20%; underordered part "C" by 30%                            |
| Supervise machinery maintenance                              | No shutdowns due to faulty machinery  | Instituted new preventative maintenance system for plant; prevented a machine breakdown by discovering faulty part                             |

# Methods of Performance Appraisal

## Narrative Forms

All or part of the written appraisal may be in narrative form. Here the person's supervisor is responsible for assessing the employee's past performance and required areas of improvement. The supervisor's narrative assessment aids the employee in understanding where his or her performance was good or bad, and how to improve that performance.

**Appraisal-Coaching Worksheet**

Instructions: This form is to be filled out by supervisor and employee prior to each performance review period.

Employee: \_\_\_\_\_ Position: \_\_\_\_\_  
Supervisor: \_\_\_\_\_ Department: \_\_\_\_\_  
Date: \_\_\_\_\_ Period of Work under Consideration: from \_\_\_\_\_ to \_\_\_\_\_

1. What areas of the employee's work performance are meeting job performance standards?

2. In what areas is improvement needed during the next six to twelve months?

3. What factors or events that are beyond the employee's control may affect (positively or negatively) his or her ability to accomplish planned results during the next six to twelve months?

4. What specific strengths has the employee demonstrated on this job that should be more fully used during the next six to twelve months?

5. List two or three areas (if applicable) in which the employee needs to improve his or her performance during the next six to twelve months (gaps in knowledge or experience, skill development needs, behavior modifications that affect job performance, etc.).

6. Based on your consideration of items 1-5 above, summarize your mutual objectives:

A. What supervisor will do:  
B. What employee will do:  
C. Date for next progress check or to re-evaluate objectives:  
D. Data/evidence that will be used to observe and/or measure progress.

Employee Signature \_\_\_\_\_ Supervisor Signature \_\_\_\_\_  
Date \_\_\_\_\_

# Methods of Performance Appraisal

## Behaviroally Anchored Rating Scale

A behaviroally anchored scale (BARS) is an appraisal tool that anchors a numerical rating scale with specific examples of good or poor performance.

**BEHAVIORAL EXPECTATION RATING SCALE FOR HOTEL BARTENDER**

| Performance Category              |   | CUSTOMER RELATIONS   |
|-----------------------------------|---|--|
| Extremely Outstanding Performance | 7 | You can expect this bartender to help customers in need.   |
| Good performance                  | 6 | You can expect this bartender to calm down arguments before they erupt into fights.  |
| Fairly Good Performance           | 5 | You can expect this bartender to use direction about whether to continue serving intoxicated customers who are with other patrons. |
| Acceptable Performance            | 4 | You can expect this bartender to stop serving drinks to those who are intoxicated and alone.                                       |
| Fairly Poor Performance           | 3 | You can expect this bartender to make idle conversation with customers who are alone.  |
| Poor Performance                  | 2 | You can expect this bartender to check identification of young customers on their first time in the bar                            |
| Extremely Poor Performance        | 1 | You can expect this bartender to pick up customers' drinks, finished or not, with little or no warning at closing time.            |

# Methods of Performance Appraisal

## **360 degree Feedback**

360-degree feedback, also known as multi-source feedback, is a process in which someone's performance is assessed and feedback is given by a number of people who may include their manager, subordinates, colleagues and customers.

# Methods of Performance Appraisal

## MBO

This type of assessment is a newer method that is gaining in popularity. It involves the employee and manager agreeing to a set of attainable performance goals that the employee will strive to achieve over a given period of time.

At the next review period, the goals and how they have been met are reviewed, whilst new goals are created.

# Performance Appraisal Process

1. An assessment method should be established.
2. Required competencies and job expectations need to be drafted for each employee.
3. Individual appraisals on employee performance are conducted.
4. A one on one interview is scheduled between the manager and employee to discuss the review.
5. Future goals should be discussed between employee and manager.
6. A signed-off version of the performance review is archived.
7. Appraisal information is utilized by human resources for appropriate organizational purposes, such as reporting, promotions, bonuses or succession planning.



# Ethics of Performance Appraisal

## Rewards, punishments and threats

These should be used in a positive way. If they are negatively used, it can affect the morale of the employee.

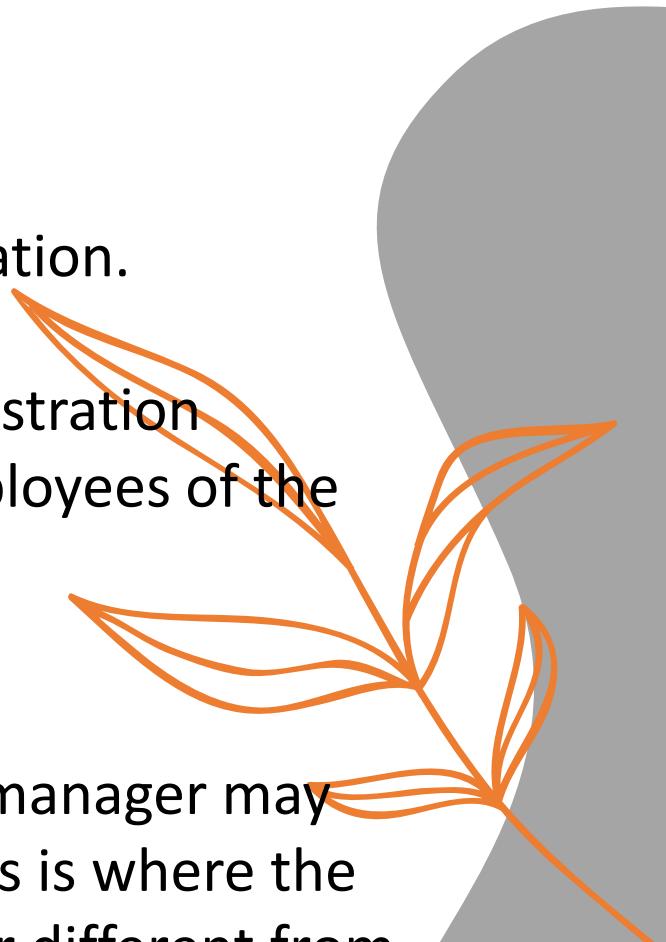
## Reliability and validity

The appraiser should provide consistent, reliable, and valid information.

**Standardization** The performance appraisal process, forms, administration techniques, and ratings should be standardized so it affects all employees of the group.

## Rater Errors/Biases

The person filling out the forms and rating the other employee or manager may distort the information by using their own values or prejudices. This is where the rater creates a bias for a person whose characteristics are similar or different from





# Ethics of Performance Appraisal

## Training and Appraisers

Providing training for the appraisers will help familiarize them with the different rating errors which can improve the rater performance.

## Employee Access to Results

Feedback is necessary for growth or change to occur. Keeping any results away from the employees is unethical

## Confidentiality

The feedback that the appraiser provides should be confidential. Leaking it to unnecessary employees is unethical

