

Performance Management

Q: Comparing Performance Appraisal and Performance Management

➤ Performance appraisal

- Evaluating an employee's current and/or past performance relative to his or her performance standards.

➤ Performance management

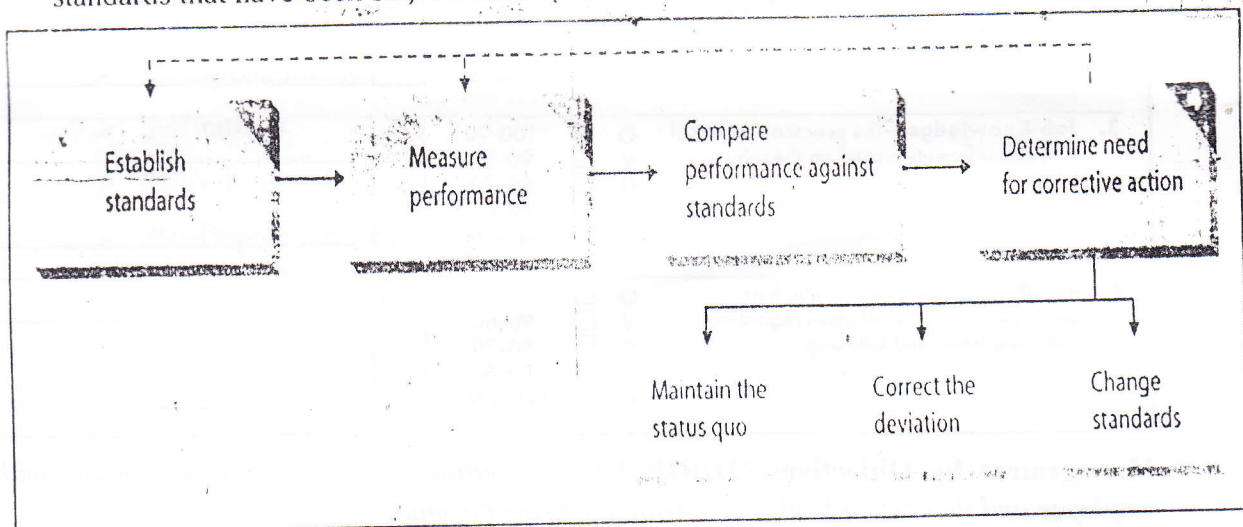
- The process employers use to make sure employees are working toward organizational goals.

Q: Why appraise performance?

- Appraisals play an integral role in the employer's performance management process.
- Appraisals help in planning for correcting deficiencies and reinforce things done correctly.
- Appraisals, in identifying employee strengths and weaknesses, are useful for career planning
- Appraisals affect the employer's salary raise decisions.

Q: Steps in Appraising Performance

1. **Defining the job:** Making sure that you and your subordinate agree on his or her duties and job standards.
2. **Appraising performance:** Comparing your subordinate's actual performance to the standards that have been set; this usually involves some type of rating form.



3. **Providing feedback:** Discussing the subordinate's performance and progress, and making plans for any development required.

Q: What to measure?

Qualitative (quality and quantity)

Q: How to measure?

➤ Graphic rating scales

Q: Performance Appraisal Methods

Graphic rating scale: A scale that lists a number of traits and a range of performance for each that is used to identify the score that best describes an employee's level of performance for each trait.

Performance Appraisal			
Employee Name _____		Title _____	
Department _____		Employee Payroll Number _____	
Reason for Review: <input type="checkbox"/> Annual <input type="checkbox"/> Promotion <input type="checkbox"/> Unsatisfactory Performance			
<input type="checkbox"/> Merit <input type="checkbox"/> End Probation Period <input type="checkbox"/> Other _____			
Date employee began present position ____/____/____			
Date of last appraisal ____/____/____		Scheduled appraisal date ____/____/____	
Instructions: Carefully evaluate employee's work performance in relation to current job requirements. Check rating box to indicate the employee's performance. Indicate N/A if not applicable. Assign points for each rating within the scale and indicate in the corresponding points box. Points will be totaled and averaged for an overall performance score.			
RATING IDENTIFICATION			
O—Outstanding—Performance is exceptional in all areas and is recognizable as being far superior to others.		I—Improvement Needed—Performance is deficient in certain areas. Improvement is necessary.	
V—Very Good—Results clearly exceed most position requirements. Performance is of high quality and is achieved on a consistent basis.		U—Unsatisfactory—Results are generally unacceptable and require immediate improvement. No merit increase should be granted to individuals with this rating.	
G—Good—Competent and dependable level of performance. Meets performance standards of the job.		N—Not Rated—Not applicable or too soon to rate.	
GENERAL FACTORS	RATING SCALE	Points	SUPPORTIVE DETAILS OR COMMENTS
1. Quality —The accuracy, thoroughness, and acceptability of work performed.	<input type="checkbox"/> O 100-90 <input type="checkbox"/> V 90-80 <input type="checkbox"/> G 80-70 <input type="checkbox"/> I 70-60 <input type="checkbox"/> U below 60	<div style="border: 1px solid black; width: 30px; height: 40px; margin: 0 auto;"></div>	<div style="border-bottom: 1px solid black; width: 100%; height: 20px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; width: 100%; height: 20px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; width: 100%; height: 20px; margin-bottom: 5px;"></div>
2. Productivity —The quantity and efficiency of work produced in a specified period of time.	<input type="checkbox"/> O 100-90 <input type="checkbox"/> V 90-80 <input type="checkbox"/> G 80-70 <input type="checkbox"/> I 70-60 <input type="checkbox"/> U below 60	<div style="border: 1px solid black; width: 30px; height: 40px; margin: 0 auto;"></div>	<div style="border-bottom: 1px solid black; width: 100%; height: 20px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; width: 100%; height: 20px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; width: 100%; height: 20px; margin-bottom: 5px;"></div>
3. Job Knowledge —The practical/technical skills and information used on the job.	<input type="checkbox"/> O 100-90 <input type="checkbox"/> V 90-80 <input type="checkbox"/> G 80-70 <input type="checkbox"/> I 70-60 <input type="checkbox"/> U below 60	<div style="border: 1px solid black; width: 30px; height: 40px; margin: 0 auto;"></div>	<div style="border-bottom: 1px solid black; width: 100%; height: 20px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; width: 100%; height: 20px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; width: 100%; height: 20px; margin-bottom: 5px;"></div>
4. Reliability —The extent to which an employee can be relied upon regarding task completion and follow-up.	<input type="checkbox"/> O 100-90 <input type="checkbox"/> V 90-80 <input type="checkbox"/> G 80-70 <input type="checkbox"/> I 70-60 <input type="checkbox"/> U below 60	<div style="border: 1px solid black; width: 30px; height: 40px; margin: 0 auto;"></div>	<div style="border-bottom: 1px solid black; width: 100%; height: 20px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; width: 100%; height: 20px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; width: 100%; height: 20px; margin-bottom: 5px;"></div>

Management by Objectives (MBO): Involves setting specific measurable goals with each employee and then periodically reviewing the progress made.

1. Set the organization's goals.
2. Set departmental goals.
3. Discuss departmental goals.
4. Define expected results (set individual goals).
5. Performance reviews.
6. Provide feedback.

	Excellent	Good	Fair	Poor
Quality of work				
Quantity of work				
Creativity				
Integrity				

2. **Halo effect:** Occurs when a supervisor's rating of a subordinate on one trait biases the rating of that person on other traits.
3. **Central tendency:** A tendency to rate all employees the same way, such as rating them all average.
4. **Strictness/leniency:** The problem that occurs when a supervisor has a tendency to rate all subordinates either high or low.
5. **Bias:** The tendency to allow individual differences such as age, race, and sex to affect the appraisal ratings employees receive.

Q: How to Avoid Appraisal Problems?

1. Learn and understand the potential problems and the solutions for each.
2. Use the right appraisal tool. Each tool has its own pros and cons.
3. Train supervisors to reduce rating errors such as halo, leniency, and central tendency.
4. Have raters compile positive and negative critical incidents as they occur.

Q: Who Should Do the Appraising?

- The immediate supervisor
- Peers
- Rating committees
- Self-ratings
- Subordinates
- 360-Degree feedback