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| **Activity** |
| **Activity: Performance Appraisal** |
| **Activity #1:**  Performance appraisal means evaluating employee’s current or past performance relative to the person’s performance standards. Appraisal involves: 1) setting work standards; 2) assessing the employee’s actual performance relative to these standards; and 3) providing feedback to the employee with the aim of motivating that person to eliminate deficiencies or to continue to perform above par.  Your textbook described several types of performance appraisals. Match each the type of performance appraisal in the left column with its description in the right column.   |  |  | | --- | --- | | Graphic rating scale    Alternation ranking method    Paired comparison method    Forced distribution method    Critical incident method    Behaviorally anchored rating scale (BARS)    Management by objectives (MBO) | Ranking employees from best to worst on a particular trait, choosing highest, then lowest, until all are ranked. (alternation ranking method)  Involves setting specific measurable objectives with each employee and then periodically reviewing the progress made. (MBO)  A scale that lists a number of traits and a range of performance for each. The employee is then rated by identifying the score that best describes his or her performance for each trait. (graphic rating)  Ranking employees by making a chart of all possible pairs of the employees for each trait and indicating which is the better employee of the pair. (Paired comparison)  Similar to grading on a curve; predetermined percentages of ratees are placed in various performance categories. (forced distribution)  An appraisal method that aims at combining the benefits of narrative and quantified ratings by anchoring a quantified scale with specific narrative examples of good and poor performance. (bars)  Keeping a record of uncommonly good or undesirable examples of an employees work-related behavior and reviewing it with the employee at predetermined times. (critical incident) |     Answers:  Graphic rating scale - Ranking employees from best to worst on a particular trait, choosing highest, then lowest, until all are ranked. (alternation ranking method)  Alternation ranking method - An appraisal method that aims at combining the benefits of narrative and quantified ratings by anchoring a quantified scale with specific narrative examples of good and poor performance. (bars)  Paired comparison method - Keeping a record of uncommonly good or undesirable examples of an employees work-related behavior and reviewing it with the employee at predetermined times. (critical incident)  Forced distribution method - A scale that lists a number of traits and a range of performance for each. The employee is then rated by identifying the score that best describes his or her performance for each trait. (graphic rating)  Critical incident method - Ranking employees by making a chart of all possible pairs of the employees for each trait and indicating which is the better employee of the pair. (Paired comparison)  Behaviorally anchored rating scale (BARS) - Similar to grading on a curve; predetermined percentages of ratees are placed in various performance categories. (forced distribution)  Management by objectives (MBO) - Involves setting specific measurable objectives with each employee and then periodically reviewing the progress made. (MBO)      **Activity #2**  Now consider the following case.  LearnInMotion.com: The Performance Appraisal  Jennifer and Mel disagree over the importance of having performance appraisals. Mel says it’s quite clear whether any particular LearnInMotion employee is doing his or her job. It’s obvious, for instance, if the salespeople are selling, if the Web designer is designing, if the Web surfer is surfing, and if the content management people are managing to get the customers’ content up on the Web site in a timely fashion. Mel’s position, like that of many small-business managers, is that “we have 1,000 higher-priority things to attend to” such as boosting sales and creating the calendar. And in any case, he says, the employees already get plenty of day-to-day feedback from him or Jennifer regarding what they’re doing right and what they’re doing wrong.  This informal feedback notwithstanding, Jennifer believes that a more formal appraisal approach is required. For one thing, they’re approaching the end of the 90-day “introductory” period for many of these employees, and the owners need to make decisions about whether they should go or stay. And from a practical point of view, Jennifer just believes that sitting down and providing formal, written feedback is more likely to reinforce what employees are doing right, and to get them to modify what they might be doing wrong. “Maybe this is one reason we’re not getting enough sales,” she says.  Before you can help solve Mel and Jennifer’s problem, consider the following question.    What is the purpose of a performance appraisal?  Answer: The purpose of a performance appraisal is to provide employees with feedback on how they are doing, as well as give them an opportunity to give feedback. There are 4 reasons for appraising performance: 1) appraisals provide information upon which promotion and salary decisions are made; 2) they provide an opportunity for you and your subordinate to review his or her work-related behavior; 3) it provides an opportunity to review the subordinate’s career plans in light of his or her strengths and weaknesses; and 4) they help you better manage and improve your firm’s importance.  Several problems can occur during the appraisal process. Take a look at the following scenarios. Determine what type of appraisal problem is being described and indicate how this problem can be avoided.  You are the HR Director of a medium-sized computer software company. You have received several complaints from employees about how they were rated by certain managers.  Scenario 1: JoEllyn Kelly argues that her manager does not like her, therefore she received a poor evaluation. After discussing the issue with JoEllyn and her manager, you discover that while JoEllyn is a good worker, she does not get along well with others.  What type of appraisal error is being described here? How can it be avoided in the future?  Answer: This scenario is describing the halo effect. Because JoEllyn is unfriendly, she is being rated lower on all traits, rather than just for the trait “gets along well with others.” Being aware of this problem is a major step toward avoiding it. Supervisory training can also alleviate this problem.  Scenario 2: Jeff Beyer is very angry at the evaluation he received from his manager. In his opinion, he is the hardest and best worker on the team. However, he received the same or similar evaluations as did his co-workers.  What type of appraisal error could this be? How can it be avoided in the future?  Answer: This scenario is describing central tendency. Some supervisors stick to the middle when filling in rating scales. This may distort evaluations, making them less useful for promotion, salary, or counseling purposes. Ranking employees instead of using graphic rating scales can reduce this problem, since ranking means you can’t rate them all average.  Scenario 3: Jennifer Barrett is arguing that she was evaluated poorly because she and her manager had different ideas about the definitions of performance. For instance, she said that her manager rated her “fair” at “quantity of work”, while Jennifer rated herself “good”. What is meant by “fair,” “good,” and “quantity of work” anyway? This conflict occurred in more than one instance in the appraisal.  What type of appraisal error could this be? How can it be avoided in the future?  Answer: This scenario is describing unclear standards. The graphic rating scale may result in unfair appraisals because the traits and degrees of merit are ambiguous. For example, different supervisors would probably define “good” performance, “fair” performance, and so on, differently. To avoid this problem, develop and include descriptive phrases that define each trait. For example, “good = competent and dependable level of performance. Meets performance standards of the job.” |