

PERFORMANCE MANAGEMENT AND APPRAISAL

Learning Objectives

- ▣ At the end of this module, students will:
 - Relate individual performance appraisal to the organizationwide performance management process.
 - Identify a variety of appraisal methods.
 - Explain HR's role in the performance management process.
 - Revise performance appraisal statements.
 - Practice performance appraisal interviewing techniques.
 - Have the skills necessary to use the performance appraisal process as a positive enhancement to employee performance.

Performance Management and Performance Appraisal

- ▣ Performance management:
 - Dynamic, continuous process.
 - Improves organizational effectiveness.
 - Strategic goals.

- ▣ Performance appraisal:
 - Periodic (usually annual) event.
 - Formal review.
 - Last step in performance management process.

Mondy, R. (2008). *Human resource management*, 10th ed. New Jersey: Pearson Prentice Hall, 224-225.

Who's Involved? What Are Their Needs?

- ▣ Organization:
 - Information.
 - Documentation.
- ▣ Supervisor:
 - Documentation.
 - Motivation.
- ▣ Employee:
 - Feedback.
 - Support for career growth.
 - Increased compensation.

Performance Management Goals

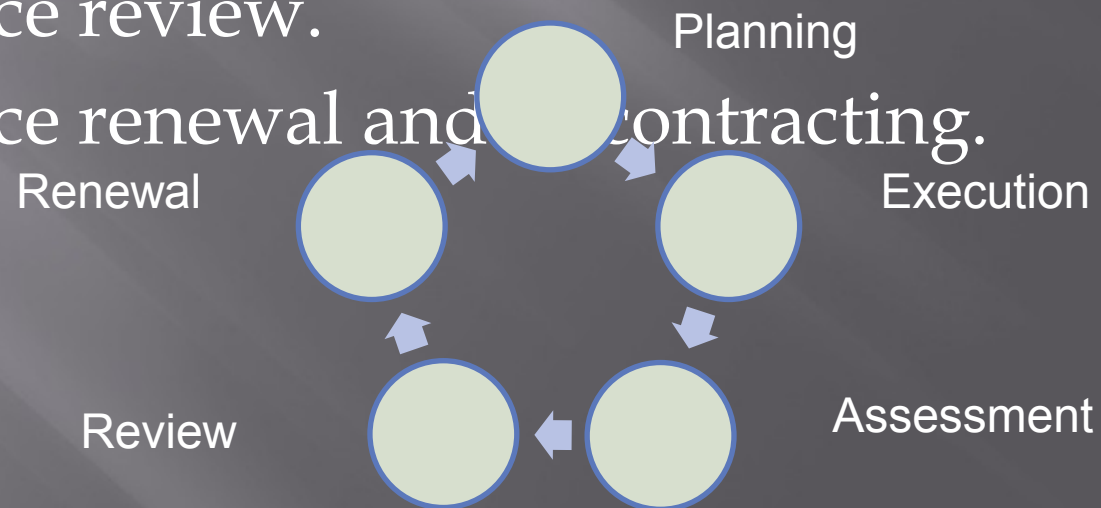
- ▣ Communication between supervisor and employee.
- ▣ Feedback on performance.
- ▣ Documentation.
- ▣ Development Goals.
- ▣ Alignment with strategic planning goals.

HR's Role in Performance Management

- ▣ Participate in strategic planning.
- ▣ Conduct job analysis.
- ▣ Support performance management.
- ▣ Design appraisal system.
- ▣ Train and support managers.
- ▣ Maintain documents.
- ▣ Provide employee due process.
- ▣ Ensure integrity of the system.
- ▣ Ensure compliance with nondiscrimination laws.

Performance Management Process

1. Prerequisites.
2. Performance planning.
3. Performance execution.
4. Performance assessment.
5. Performance review.
6. Performance renewal and recontracting.



1. Prerequisites

- ▣ Prerequisites:
 - Strategic planning.
 - Job analysis.



2. Performance Planning

- ❑ Employees must have thorough knowledge of the performance management system.
- ❑ Meeting between employee and manager.
- ❑ Set SMART goals and measurement standards:
 - Results.
 - Behavior.
 - Developmental plans.



Writing SMART Performance Objectives

- ▣ Practice writing SMART performance objectives:
 - S – Specific.
 - M – Measurable.
 - A – Attainable.
 - R – Realistic.
 - T – Timely.



3. Performance Execution

- ▣ Shared responsibility
 - Employee responsibility:
 - ▣ Commitment to established goals.
 - ▣ Communication and update with manager.
 - Manager responsibility:
 - ▣ Feedback, coaching and reinforcement.
 - ▣ Resource support.
 - ▣ Accurate observation and documentation.



4. Performance Assessment and Appraisal

- ▣ Who should appraise?
 - Supervisors.
 - Peers and team members.
 - Subordinates.
 - 360 degree feedback.



What About the Employee?

Should employees do self-appraisals?



Performance Appraisal Methods

- ▣ Graphic rating scale.
- ▣ Ranking method.
- ▣ Forced distribution method.
- ▣ Critical incident method.
- ▣ Essay method.
- ▣ BARS–behaviorally anchored rating scale.
- ▣ MBO–management by objectives.



Performance Appraisal Problems

- ▣ Appraiser discomfort.
- ▣ Strictness/leniency.
- ▣ Bias and lack of objectivity.
- ▣ Manipulating the evaluation.
- ▣ Halo/horns effect.
- ▣ Central tendency error.
- ▣ Recent behavior.
- ▣ Supervisor unable to observe behavior.

Writing the Appraisal Review Document

Are your comments accurate and meaningful to the employee or just clichés?



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Session 2

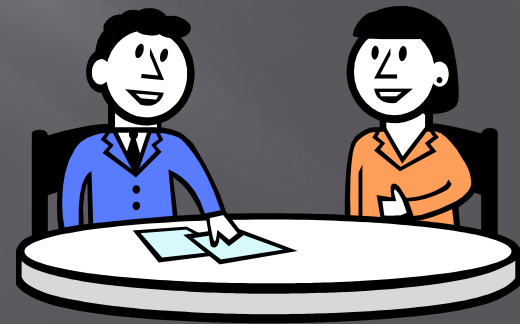
Getting Ready for the Interview

Before you start that interview, what do you need?



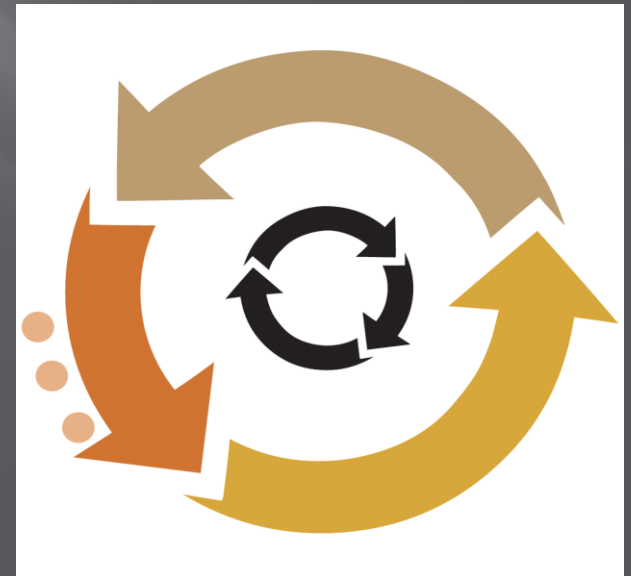
5. Conducting the Performance Interview

- ❑ Explain the purpose of the interview.
- ❑ Discuss self-appraisal.
- ❑ Share ratings and explain rationale.
- ❑ Discuss development plans.
- ❑ Employee summary.
- ❑ Rewards discussion (if appropriate).
- ❑ Set follow-up meeting.
- ❑ Employee signature.
- ❑ Supervisor recap.
- ❑ Appeals process.



6. Performance Renewal and Re-Contracting

- ▣ Final step in performance management process.
- ▣ Readjust based on insight from completed process.
- ▣ Plan for next performance management cycle.



Problems With Assessment/Appraisal

- ▣ Tied to compensation.
- ▣ Employees lack motivation.
- ▣ Manager and employee don't agree on results.
- ▣ Management reluctance.
- ▣ No performance documentation.

Issues With Performance Management

- ▣ Legal issues.
- ▣ Untrained raters.
- ▣ Rater errors.
- ▣ Rater distortion.
- ▣ No grievance procedure.

Poorly Implemented PM Systems

- ❑ False and misleading information.
- ❑ Increased turnover.
- ❑ Wasted time and money.
- ❑ Damaged relationships.
- ❑ Decreased motivation.
- ❑ Job dissatisfaction.
- ❑ Risk of litigation.
- ❑ Unfair standards.

Performance Management Skills

- ▣ Communication.
- ▣ Coaching.
- ▣ Giving feedback.
- ▣ Empathy.
- ▣ Teamwork.

Let's Practice Your Performance Appraisal Skills

