

CHAPTER ONE

BASIC CONCEPTS OF PERFORMANCE APPRAISAL

Chapter Objectives:

Upon the completion of this unit, the trainees will be able to:

- Discuss the meaning, purposes and objectives of performance appraisal
- Describe the standards and criteria used for evaluation
- Explain performance appraisal content; and
- Define the work to be done and principal accountability

Introduction

Maintaining and improving employee performance and the performance of other people in the organization will be an important part of your role as a manager to conduct this process, you may rely on appraisal forms and systems that are often designed by human resource personnel.

To appraise effectively, you must also spot performance problems, to get constructive feedback, and take action to improve performance. Mastering these critical skill is not easy. Measuring and managing performance are the most difficult issues that the

manager faces. As a result, many managers become disillusioned and avoid appraisal issues as much as possible. However, managers must measure performance and provide meaningful feedback to employees. We all need, want, and deserve feedback regarding how we are doing in the work place.

As opener suggests, accurate measurement of employee performance is necessary for effective management. Our first goal in this chapter is to acquaint you with the basic concepts of performance appraisal.

1.1 Meaning and Objectives of Performance Appraisal

Specific objectives: at the end of this task, the trainees will be able to concepts of the phrase performance appraisal, identify major objectives of performance appraisal and explain the need for conducting performance appraisal.

1.1.1 Meaning of Performance Appraisal

Performance appraisal has been defined by a number of writers in different ways. These include:

- Performance appraisal is a method of evaluating the behavior of employees in the work spot, normally including both the quantitative and qualitative aspects of job performance.

Performance here refers to the degree of accomplishment of the tasks that make up an individual's job.

- Performance appraisal is the process of evaluating how well employees do their jobs compared with a set of standard and communicating that information to those employees.
- Performance appraisal typically involve measuring how well an individual employee is doing his/her job against a set of criteria by creating a development plan.
- Performance appraisal represent performance evaluation which includes performance review, personnel rating, merit rating, performance appraisal employee appraisal, or employee evaluation.
- Performance appraisal involves the identification, measurement, and management of human performance in the organizations.
 - **Identification:** means determing what areas of work the manager should be examining when measuring performance. Rational and legally defensible identification requires a measurement system based on job analysis. The appraisal system, then, should focus on performance that affects organizational success than irrelevant characteristics such as race, age, or sex.
 - **Measurement:** the centerpiece of the appraisal system entails making managerial judgments of how good or bad employee performance was. Good performance

measurement must be consistent throughout the organization. That is, all managers in the organization must maintain comparable rating standard.

- **Management:** is the overriding goal of any appraisal system. Appraisal should be more than a past oriented that criticizes or praises workers for their performance in the preceding year. Rather appraisal must take a future oriented view of what workers do to achieve their potential in the organization. This means that managers must provide workers with feedback and coach them to higher levels of performance.

The following model circuit shows the process of performance appraisal.

Identification



Measurement



Management

As you could see in the definitions, some of the important features of performance appraisal include:

- Performance appraisal is the systematic description of an employee's job by considering the employee's strengths and weakness.

- The basic purpose is to find out how well the employee is performing the job and establish a plan of improvement.
- Appraisal process should be systematic in the sense that it tries to evaluate performances in the same manner using the same approach.
- Performance appraisal doesn't mean job evaluation. Performance appraisal refers to how well some one is doing an assigned jobs while job evaluation determines how much a job is worth to the organization.
- Performance appraisal is a continuous process in every organization.

In many organizations, there are two evaluation systems which exist side by side; the formal and informal. Immediate supervisors often think about how well employees are doing; this is the informal system. On the other hand, a formal performance evaluation is a system establish by the organization to regularly and systematically evaluate employee performance.

1.1.2 Need for Performance Appraisal

Organizations usually conduct appraisals for administrative and development purposes. Performance appraisals are used administratively when they are the basis for a decision about the employee's work conditions, including promotions, termination and rewards. Developmental uses of appraisal, which are geared

toward improving employees' performance and strengthening their job skills, including counseling employees on effective work behaviors and sending them for training. The need of performance appraisal from both the employers' and employee's perspective are:

Employer Perspective

1. Despite imperfect measurement techniques, individual differences in performance can make a difference to company performance.
2. Documentation of performance appraisal and feedback be needed for legal defense.
3. Appraisal provides a rational basis for constructing a bonus or merit system.
4. Appraisal dimensions and standards can help to implement strategic goals and clarify performance expectations.
5. Providing individual feedback is part of the performance management process.
6. Despite the traditional focus on the individual appraisal criteria can include teamwork and the teams can be the focus of the appraisal.

Employee Perspective

1. Performance feedback is needed and desired
2. Improvement in performance requires assessment.

3. Fairness requires that differences in performance level across workers be measured and have an effect on outcomes.
4. Assessment and recognition of performance levels can motivate workers to improve their performance.

1.1.3 Objectives of Performance Appraisal

Data relating to performance assessment of employees are recorded, stored, and used for several purposes. The main objectives of employee assessment is:

- To effect promotions based on competence and performance.
- To confirm the services of probationary employees up on their completing the probationary employee up on their probationary period satisfactorily
- To assess the training and development need of employees.
- To decide a pay raise where (as in the unorganized sector) regular pay scales have not been fixed.
- To let the employees know where they stand in so far as their performance is concerned and to assist them with constructive criticism and guidance for the purpose of their development.
- To improve communication; performance appraisal provides a format for dialogue between the superior and the subordinates, and improves understanding of personal goals and concerns. This can also have the effect of increasing the trust between the rater and the ratee.

- Finally, performance appraisal can be used to determine whether human resource programs such as selection, training and transfers have been effective or not.

In general, performance appraisal serves four main objectives.

That are:-

- 1.** Developmental uses
- 2.** Administrative uses or decision
- 3.** Organizational maintenance or objectives
- 4.** Documentation purposes

The following table show the multiple purpose of performance appraisal.

No	General Purpose of Performance Appraisal	Specific Purpose of Performance Appraisal
1	Developmental uses	<ul style="list-style-type: none"> • Identification of individual needs • Performance feedback • Determining transfers and job assignment • Identification of individual strengths and development needs
2	Administrative uses/decision	<ul style="list-style-type: none"> • Salary • Promotion • Retention or termination • Recognition of individual performance • Layoffs • Identification of poor performers
3	Organizational maintenance or objectives	<ul style="list-style-type: none"> • Human resource planning • Determining organization training needs • Evaluation of organizational

		goal achievement <ul style="list-style-type: none"> • Information for goal identification • Evaluation of human resource systems • Reinforcement of organizational development needs
4	Documentation	<ul style="list-style-type: none"> • Criteria for validation research • Documentation for human resource decision • Helping to meet legal requirement

1.2 Essential Features of Performance Plan

1.2.1 Performance Agreement-contents

Performances agreements defines the following aspects:

- 1. To Identity Work to be done:** This is defined in the form of principal accountability for key activities.
- 2. To Know Objectives and standard performance:**
Performance standards are the benchmarks against which performance is measured. These standard must be based on job analysis and be directly related to the desired results of each job.
- 3. To Realize Performance measures and indicators:** to assess the extent to which objectives and standards of performances have been achieved.
- 4. Attributes and competencies:** Definitions of the knowledge, skills and the behavior required necessary to get the work done effectively to achieve objectives and to meet standards.

1.2.2 Variation

The focus and content of performance agreements and measures, vary considerably between different occupations and levels of management. The focus for senior managers is based on the definitions of principal accountabilities which emphasize their personal responsibility for growth value added and results. The emphasis will be largely on objectives in the form of quantified targets and which less prominence given to competencies. Their performance will be measured by what they are doing to get results; better to omit the statements an blackest or braces.

The performance of workers may be measured with reference to work standards for output or time taken.

1.2.3 Performance Agreement (Defining the Work to be done)

A) Overall Purpose

The first step is to ensure that there is an agreement on the overall purpose of the job. In general terms this states that why what the job exists for, how it contributes to the achievement of the objectives of the team or department and, ultimately the mission and objectives of the organization. The of purpose of the job with in the organization is to provide a basis for making an overall assessment of the job holder's contribution.

B) Principal Accountabilities

Principal accountabilities define the key results of the job. They spell out the areas in which job holders are accountable for the achievement of objectives, which will normally be quantified as targets, or expressed in the form of projects to be accomplished. Some principal accountabilities may not be quantifiable for defining performance or observable outcomes.

The list of principal accountabilities should cover all the key aspects of the job which together contribute to achieving its overall purpose. The area of accountabilities should normally be limited to seven or eight. However, there are very few jobs where the area of accountabilities exceed from the required number.

C) Defining Principal Accountabilities and Main Tasks

The approach to define principal accountabilities and main task is basically the same. In introducing performance management, it is probably best to abandon any existing job description and start from scratch.

Employees should be asked by their manager to answer questions such as:

- What do you think about the most important things you have to do?
- What do you believe or expected to achieve in each of these areas?
- How will you know whether or not you have achieved them?

The answers to these questions you need to sort out results in a mass of jumbled information which has to be analyzed so that the separate accountabilities or tasks can be distinguished and refined to the seven or eight key area. This process of job analysis, and defining the accountability or task requires some skills which needs to be developed through training and practices. This is an area in which human resource specialists can be carefully coach and follow-up on one to one bases after an initial training session. Once the statement of accountabilities or main tasks has been agreed, it will need to be updated as changes in responsibilities occur. The performance agreement or review meeting provides a good opportunity for updating to takes place.

1.2.4 Performance and Development Plans

The performance and development plan should provide answers to the following questions which can be discussed with job holders:

- What areas of your performance do you feel in need of development?
- What do you think you need to develop your performance in particular area?
- Do you think you need further training in any aspect of your work?
- How can improve your performance?
- What development and training actions should you agree?

1.2.5 Work Plan

A work plan states that how objectives are to be attained. They define programs of work for achieving targets, improving performance or completing projects. They also establish priorities about the key aspects of the job in which attention has to be given or it provides the order of importance of the various projects or programs of work the individual is expected to undertake. The aim is to ensure that the meaning of the objectives and performance standard the basis for converting aims into action.

1.2.6 Preparing and Recording Performance Agreement and Plans

Performance agreements and plans should be prepared on the basis of the outcome of periodical review meetings. These should compare performance with the agreed objectives, standards, the

outcome and effectiveness of previously agreed development and work plans. New agreements and plans can be made in light of these reviews which may be held at any time of the year, especially when new situations or requirements arise which means that previously agreed plans need to be changed or priorities have to be revised.

In launching performance management, the initial meeting may concentrate on the agreement of accountabilities, task, objectives and standards. It is helpful to record agreements and plans for reference during the year and as a basis for progress reviews and revision in light of changing circumstances. The performance agreements should not be recorded as it were, on tables of stone. It is almost inevitably to be updated during the year if it is to retain its value as a basis for setting the direction. Then measuring progress and establishing priorities are given due attention.

1.3 Setting Criteria of Performance and Appraisal

Evaluating the Appraisal Period

Specific Objectives: After completing this task, the trainees will be able to discuss the different criteria of performance appraisal.

1.3.1 Criteria of Performance Appraisal

The dimensions of performance appraisal upon which employees can be evaluated refers to the criteria of evaluation. Examples, quantity of work and cost of work, etc. One of the major problems

of performance evaluation is that it require supervisors to make personal evaluation rather then performance evaluations. A criteria is standard or principle by which something is judged with the help of a decision to be made. A standard is a level of quality that is normally acceptable for a particular persons in a particular situations. A standard is level of behaviors that some body considers to be morally acceptable. An effective criteria should possess the following characteristics:

1. Reliability:- a measure of performance must be consistent.

Perhaps the most important type of consistency for a performance measure is inter-raters reliability. Raters view for the same work should arrive at similar conclusions about the quality of that workers out put.

2. Relevance:-a measure of performance must be related to the actual out put of an incumbent as logically as possible.

3. Sensitivity:- any criteria must be able to reflect the difference between high and low performers, that is, high and low performers must receive criteria scores that accurately represent the difference in their performances.

4. Practical:- the criteria must be measurable and efficient for the enteripse.

5. Unbiased:- the criteria must evaluate the characteristics, not the person.

In short, single performance measures are ineffective because it is multifaceted. Thus, multiple criteria are necessary to measure performance completely.

1.3.2 Evaluating The Appraisal period

Before developing and using a performance evaluation system, several important recommendation are summarized here under:

- Procedures for human resource decisions should not differ as a function of race ,national origin, religion, or age of those of employees where affected by such decisions.
- A formal system of review or appeal should be available for disagreement over appraisals.
- Non-biased objective and un contaminated data should used when ever available.
- More than one independent evaluator of performance should be used.
- A formal and standardized systems for evaluation should be used .
- Rating on traits such dependability, aptitude, and attitude should be avoided.
- Performance appraisal data should be empirically validated.
- Specific performance standards should be communicated to employees.

- Raters should be provided with written instructions on how to complete the performance evaluations.
- Employees should be evaluated on specific work dimension rather than a single overall or global measure. Behavioral documentation should be required for extreme ratings.
- Employees should be provided an opportunity to review their appraisal.

Different organizations may follow different time period for evaluating performance of their employees. Some evaluate on annual basis, other twice a year and even others implement quarterly evaluations.

For those organizations that continue to rely on annual evaluations, there are two choices to actually conduct the evaluations. In many organizations, performance evaluations are scheduled for arbitrary dates, such as the date the person was hired. Alternatively, all employees may be evaluated on or near a single calendar date. Although, the single date approach is convenient administratively.

It makes more sense to schedule the evaluations at the completion of a task cycle for those people or organizations without a clear task cycle based on data, one way to set the data is by setting goals. Goals can be set in such a way that the manager and

employee agree on task cycle, which terminates with an evaluations of the employee's performance during that cycle.

Self Assessment Exercise One

I. Say "True" if the statement is True and "False" it is False.

- _____ 1. The main purpose of performance appraisal is to find out how well the employee is performing the job and establish a plan of improvement.
- _____ 2. Documentation of performance appraisal and feedback may be need to the organization for legal defense.
- _____ 3. Performance appraisals provide the information needed by the employees to reduce the quality of their work.
- _____ 4. Appraising employee performance is one of the most difficult and important parts of the supervisors job.
- _____ 5. Different organizations may follow similar time periods for evaluating performance of their employees.

II. Choose the Correct Answer from the Following Alternatives

- _____ 6. All are criteria of performance appraisal except:
 - A. Relevance
 - B. Practical
 - C. Unbiased
 - D. None

- _____ 7. One of the following is a developmental use of performance appraisal
- A. Criteria for validation research
 - B. Human resource planning
 - C. Identification of individual needs
 - D. Retention or termination
- _____ 8. _____ spell out the area in which job holders are accountable for the achievement of objectives, which will normally be quantified as targets or expressed in the form of projects to be accomplished.
- A. Main tasks
 - B. Principal accountabilities
 - C. Work plans
 - D. None
- _____ 9. Performance appraisal criteria that is measurable and efficient for the enterprise is known as:
- A. Practical
 - B. Sensitivity
 - C. Unbiased
 - D. All
- _____ 10. Performance appraisal aims at attaining:
- A. To create and maintain a satisfactory level of performance
 - B. To contribute to the employee growth and development
 - C. To facilitate fair and equitable compensation
 - D. All

CHAPTER TWO

PERFORMANCE APPRAISAL PROCESS

AND METHODS

Introduction

The performance appraisal process can be concisely summarized by three basic steps; define the job, appraising performance, and provide feedback. Defining the job means making sure that you and your subordinates agree on his/her duties and job standards. Appraising performance means comparing your subordinate's actual performance to the standard that have been set: this usually involves some type of rating form. The third performance appraisal usually require one or more feedback sessions.

In order to have a good insight in to the performance of employees, various methods of performance appraisals are developed. Even if a number of performance appraisal techniques are listed an enterprise is subjected to use one or more that one according to its context.

2.1 The Performance Appraisal Process

To provide information that can serve the organization's goal and that complies with the relevant law; a performance evaluation systems must provide accurate and reliable data. The ability to generate reliable data is enhanced if a systematic process is followed:

The following main steps can provide the basis for such a systematic process:

1. Establish Performance Standard for each Position and the Criteria for Evaluation

The critical issue in this step is to determine what is and who should be evaluated? Examples of such criteria include factors as the quality of work, quantity of the work, the cost of the work, etc.

Standards and criteria are set based on job description and job specification. The standards should be clear, and incorporate all the other factors.

2. Inform the Standards to all the Employee including Appraisers

Both the employee to be appraised as well as the appraiser should know the specific criteria that should be used for evaluation. This would help the employee to understand what is expected of him/her. On the other hand, the appraiser would know the objectives and its results expected from the employee.

3. Measurement of Employee Performance through the Appraisers by Gathering Data through Observation, Interview, Record and Reports.

The data the appraisers gather are influenced by the criteria used to evaluate. The primary purpose of the evaluation, and the technique used to do the evaluation.

4. Finding out the Influence of Various Internal and External Factors on Actual Performance

The impact of these factors may be either inducing or hindering the employees performance. The measured performance may be adjusted according to the influence of external and internal

factors. The performance derived at this stage may be taken as actual performance.

5. Comparing the Actual Performance in relation the with other Employees Previous Performance and Others

This gives an idea where the employee stands. If performance of all the employees is ranked either too high or too low, there may be something wrong with the standards and job analysis.

6. Comparing the Actual Performance in relation to the Standards and Finding out Deviations

Deviations may be positive or negative. If employees performance is more than the standards then their will be positive deviations and if employees' performance is below the standards then there will be negative deviations.

7. Communicating with the Employees

This step involves communicating the actual performance of the employees and other employees doing the same job and discuss with him or her about the reasons for positive or negative deviations from the pre-standard according to the case.

8. Suggesting Necessary Changes in Standards, job Analysis, and the Internal and Environment

Both the appraisers and employees give suggestions to bring change in performance standard criteria, job analysis and the environment in general.

9. Follow-up of Performance Appraisal Reports

This stage includes guiding, counseling, coaching and directing the employee or making arrangements for training and development of the employee in order to ensure improved performance. If the actual performance is very poor and beyond the scope of improvement, it may be necessary to take steps for demotion or retrenchment or any other suitable measures.

2.2 Methods for Appraising Performance

Specific Objectives:- After completing this topic, the trainees will be able to discuss the various methods of performance appraisal.

Numerous performance appraisal methods have been devised to measure the quantity and quality of employee's job performance. Each of the methods discussed could be effective for some purposes, organizations. None should be dismissed or accepted as appropriate except as they relate to the particular needs of the organization or of a particular type of employees.

Broadly, all the approaches to appraisal can be classified in to two major classifications:

- i. Past oriented methods
- ii. Future oriented methods

2.2.1 Past Oriented Performance Appraisal

Method

The different component of past oriented performance appraisal method are:

1. Rating Scales

Rating scale is the simplest and most popular technique for appraising employee performances. The typical rating scale system consists of several numerical scales, each representing a job related performance criterion such as dependability, initiative, output, attendance, attitude, cooperation and the like.

- Each scale ranges from excellent to poor
- The rater checks the appropriate performances level on each criterion, and computes employees total numerical scores.
- Rating scale offer the advantages of adaptability. It is relatively easy to use and low cost.

- Nearly every type of job can be evaluated with the rating scale, the only requirement is that, the job performance criteria should be changed.
- In this method, a large number of employees can be evaluated in a short time and the rater does not need any training to use the scale.
- The disadvantages of this method are given below:
 - The rater's biases are likely to influence evaluation; and
 - The biases are particularly pronounced on subjective criteria such as cooperation, attitude and initiatives.

Rating scale

Instruction: For the following performance factors, please indicate on the rating scale your evaluation of the employee named below.

Employees Name _____ Department _____

Rater's Name _____ Date _____

No.	Evaluation criteria's	Excellent 5	Good 4	Acceptable 3	Fair 2	Poor 1
1	Dependability	-	-	-	-	-
2	Initiative	-	-	-	-	-
3	Overall output	-	-	-	-	-
4	Attendance	-	-	-	-	-
5	Attitude	-	-	-	-	-

6	Co-operation	-	-	-	-	-
.	.	-	-	-	-	-
.	.	-	-	-	-	-
.	.	-	-	-	-	-
20	Quality of work	-	-	-	-	-
Total		+	+	+	+	+

2. Check List

Under this method, checklist of statements on the traits of the employee and his/her job is prepared in two columns this is “yes” column and a “No” column.

- All that the rater (immediate supervisor) should do is tick the “yes” column if the answer to the statement is positive and tick the “No” column if the answer is negative.
- A typical checklist is given, to employee after using the check list against each item, the rater forwards the list to the human resource department where the actual assessment of the employees takes places.
- In this method, the rater only does the reporting, while actual valuation is done by human resource department.
- The human resource department assigns certain points to each ‘yes’ where the total score is arrived at.

- When points are allotted to the checklist, then the techniques is said to be a weighted checklist.
- The advantages of checklist are:
 - Economy/economical
 - Ease of administration
 - Limiting training of rater and standardization
- The advantages of a checklist include:
 - Susceptibility to rater's biases (especially the halo effect)
 - Use of personality criteria instead of performance criteria
 - Misinterpretation of checklist items and
 - The use of improper weights by human resource department
 - Another disadvantage of the approach is that it does not allow the rater to give up relative rating.

Examples of a checklist for operators

	Yes	No
1. Is the employee really interested in the job?	-	-
2. Does he/she posses adequate knowledge about the job	-	-
3. Is his/her attendances satisfactory	-	-
4. Does he/she maintain his/her equipment in good condition?	-	-

5. Does he/she co-operate with co-workers?	-	-
6. Does he/she keep his/her temper?	-	-
7. Does he/she obey orders?	-	-
8. Does he/she complete what he/she commences?	-	-
9. Does he/she observe safety precautions?	-	-
10. Does he/she evade responsibility?	-	-

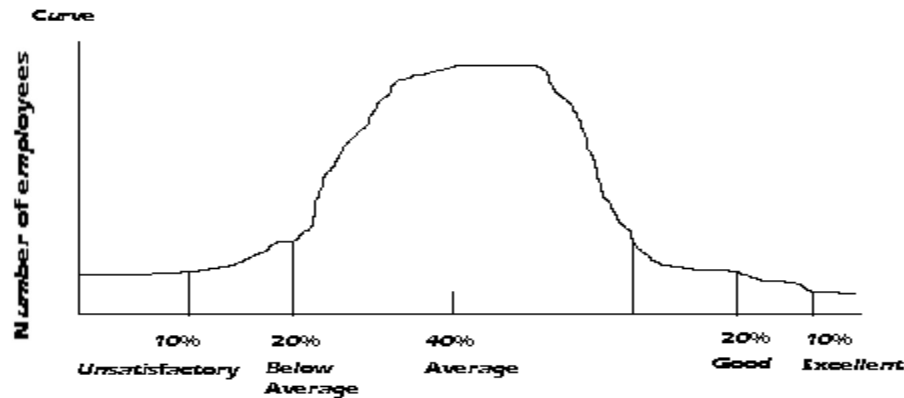
3. Forced Distribution Method

One of the errors in rating is leniency clustering a large number of employees around a high point on a rating scale.

- The forced distribution method seeks to overcome the problem by compelling the rater to distribute the rater on all points on the rating scale.
- The methods operate under an assumption that the employee performance level conforms to a normal static distribution.
- Generally, it is assumed that employee performance levels conform to a bell shaped curve.

For example, the following distribution might be assumed to exist: excellent 10%, good 20%, average 40%, below average 20%, and unsatisfactory 10%.

Example of forced distribution on a bell shaped curve is given below:



The major weakness of the forced distribution method lies in the assumption that employee performance levels always conform to a normal (or some other) distribution.

- In organizations that have done a good job by selecting and retaining a good performers, then the use of forced distribution approach would be unrealistic as well as destructive to the employee morale.
- The error of central tendency may also occur, as the rater resists from placing an employee in the lowest or in the highest group.
- Difficulties also arise for the rater to the ratee when he/she has been placed in a particular group.
- One merit of this approach is that it seek to eliminate the error of leniency. However, the forced choice method is not acceptable to raters and ratees, especially, in small groups or when group members are of all of high ability.

4. Critical Incident Method

The critical incidents method of employee assessment has generated a lot of interest these days. This approach focuses on certain critical behavior of an employee that makes all the difference between effective and non-effective performance of a job such incidents are recorded by the supervisors when they occur.

Example of critical incidents of a plant manager are given below:

Continuing duties**Targets****Critical****incident**

- Schedule production for plant	- Full utilization of personnel and machinery in the plant, order delivered on time	- Instituted new production scheduling system decreased late orders by 10% last month increased machine utilization
- 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, over ordered parties 'A' and 'B' by 20%; hinder ordered part 'C' by 30%.
- Supervise machinery Maintenance	- No shutdowns due to faulty Machinery	- Instituted new preventive maintenance system for plant; Prevented a machine breakdown by discovering faulty part

- The advantages of critical incident method are:
 - The evaluation is based on actual job behavior\

- This approach has descriptions in support of particular rating of an employee.
- It reduces the recency bias if raters record incidents throughout the rating period.
- Giving job related feedback to the rate is easy
- This approach can increase the chance that the subordinates will improve because they learn more precisely what they expected of them.
- The method, however has significant disadvantage (limitations). These includes:
 - Negative incidents are generally more noticeable than positive ones.
 - The recording of incidents is a core to the supervisor and may be put off and easily not separated
 - Close supervision may result
 - Managers may unload a series of complaints about incidents during an annual performance review session.
 - The feedback may be too much at one time and thus appear as a punishment to the rate.
- In short, the management should use incidents of poor performance as opportunities for immediate training and counseling.

5. Field Review Method

This is an appraisal by someone outside the assesses is own department, usually someone from the corporate officer or the human resource department.

- The outsider reviews employee records and holds interviews with the rate and his/her superior.
- The method is primarily used for making promotional decision at the managerial level.
- Field reviews are also useful when comparable information is needed from employees in different units or locations.
- The two disadvantages of this method are:
 - An “outsider” is usually not familiar with conditions in an employee’s work environment which may affect the employee’s ability or motivation to perform.
 - An “outsider” review does not have the opportunity to observe employee behavior of performance over a period of time and in a variety situations, but an artificially structure interview situation extends over a very short period of time.
- Being independent of the work, they normally have less bias for or against the rate than does the immediate supervisor. Even when a supervisor or others concerned supply biased information, the rater may be able to pinpoint areas requiring training and development assistance.

6. Performance Tests and Observations

- With a limited number of jobs, employee assessment may be based up on a test of knowledge or skills.
- The test may be of the paper and pencil variety or an actual demonstration of skills.
- The test must be reliable and validated to be useful.
- Performance tests are apt to measure potential than actual performance.
- In order for the test to be job related, observations should be made under circumstances likely to be encountered.
- Practically it suffer from if costs of test development or administrations are high.

7. Confidential Records

- Confidential records are maintained mostly in government department;
- The annual confidential report, approach has 14 items:
 - I. Attendance
 - II. Self-expression (written or oral)
 - III. Ability to work with others
 - IV. Leadership
 - V. Initiative
 - VI. Technical

VII. Technical ability (job skill)

VIII. Ability to reason

IX. Originality and resource fullness

X. Areas of work that suits the person best

XI. Judgment

XII. Integrity

XIII. Responsibility and

XIV. Defect indebtedness and memo served, etc

- The first twelve of these were filled upon a four point grade scale (excellent, good, fair and poor)
- For integrity, there must be special instruction from the management. Justification is required for out standing or poor rating.
- Recommendations for promotion and signature of the rater and the head of the department should be made.
- The system is highly secretive and confidential
- Feedback to the assessment is given only in the case of an average entry
- The annual confidential report is highly subjective.
- Rating can easily be manipulated because the evaluation is linked to promotion.

8. Essay Method

- In the essay method, the rater must describe the employee within a number of broad categories such as:

- The rater's overall impression of the employee's performance.
 - The promotability of the employee
 - The jobs that the employee's now able or qualified to perform a job.
 - The strengths and weakness of the employee, and
 - The training and development assistance required by the employee.
- Although this method may be used independently it is most frequently found in combination with others.
 - It is extremely useful in filling information gaps about the employees that often occur in the better structured checklist method.
 - The strength of the essay method depends on the writing skills and analytical ability of the rater. However, many raters do not have good writing skills.
 - They become confused about what to say, how much they should be state and depth of the narrative.
 - The essay method can consume much time because the rater must collect the information necessary to develop the essay and then he/she must write it:
 - The essay method also depends on the memory of power of the rater.

- A problem with this method is that the ratees may be rated on the quality of the appraisal that they give.
 - The quality standard for the appraisal may be unduly influenced by appearance rather than content.
- Thus, a high quality appraisal may provide little information about the performance of the ratee.

9. Cost Accounting Method

This method evaluates performance from the monetary returns of the employee yields to his/her organizations.

A relationship is established between the cost which included in keeping the employee and the benefit the organization derives from his/her performance of the employee is evaluated based on the established relationship between the cost and the benefit.

10. Comparative Evaluations Approaches

These are a collection of different method that compares one worker's performance with that of his/her co-workers.

- Comparative appraisals are usually conducted by supervisors

- As these appraisals can result in a ranking from best to the worst, they are useful in deciding merit, pay increases, promotions and organizational rewards.
- The usual comparative forms used in this kind of evaluation are the ranking method and the period comparison method.

A) Ranking Method

In this method the supervisor ranks his/her subordinates in the order of their merit, starting from the best to the worst. The human resource department knows that “A” is better than “B”. The “How” and “Why” ‘Wh’ server are not questioned, nor answered.

- No attempt is made to fractionalize what is being appraised in to component elements.
 - This method is subject to the halo and recency effects, although ranking by two or more raters can be averaged to help reduce biases.
- Its advantage includes:
 - ease of administration and explanation

B) Paired-comparison Method

Under this method the appraiser compares each employee with every other employee, one at a time. For example, there are five employees named A, B, C, D and E. The performance

of “A” is first compared with the performance of “B” and a decision is made about whose performance is better. The same procedure is repeated for other employees.

The number of comparisons may be calculated with the help of a formula which reads as, $\frac{N(N - 1)}{2}$, where N = stands for the number of employees to be compared. If there are 10 employees, the number of comparison will be $\frac{10(10 - 1)}{2} = 45$.

After the completion of comparison, the results can be tabulated, a rank is created from the number of times each person is considered to be superior.

2.2.2 Future Oriented Appraisals

It is not enough if only past-performance is assessed. How an employee can perform in the day to come is equally important. This can be assessed by focusing on employee potential or setting future performance goals.

The commonly used future oriented techniques are management by objectives, psychological appraisals and assessment centers.

1. Management by Objectives (MBO)

- The MBO concepts, was conceived by Druker who reflects a management philosophy which values and utilizes employee contributions.
- Application of MBO in the field of performance appraisal is a recent thinking.
- MBO works can be described in four steps
- The first step to establish and attain organizational the goals for each subordinate
- Superiors and subordinates work together to establish goals. In other words superiors establish goals for subordinates. The goals typically refers to the desired out come to be achieved. These goals can then be used to evaluate employee performance.
- The second step, involves setting the performances standard for the subordinates in the previously arranged time period. As subordinates perform their activities they know fairly well what they can do, what has been done, and what remains to be done.
- On the third step, the actual level of goal attainment is compared with the goals agreed up on. The evaluator explores reasons for the goals that were not met and the goals that were exceeded. This step helps to determine possible training needs. It also alerts the superior to conditions in the

organization that may affect the subordinates over which the subordinate has not controlled.

- The final step involves establishing new goals and possibly, new strategies for goals not previously attained. At this point, subordinates and superior involvement in goal setting may change. Subordinates who successfully reach the established goals may be allowed to participate more in the setting process for the next time.
- Under MBO programme, an employee and his/her supervisor meet together and define, establish, and set certain goals or objectives which the employee would attempt to achieve within the prescribed period of time.
 - They also discuss, the ways and methods of measuring employee progress.
 - The goals which are set are work related and career oriented.
 - The employee periodically meets his/her supervisor to evaluate the employee's goal progress. If necessary, these goals may be revised.
 - Frequent feedback and supervisor subordinates interaction are the other key features of this method.
 - The supervisors play supportive, counseling and coaching roles.
- In sum, the three foundations of MBO are:

1. Goal setting

2. Feedback

3. Participation

- This method emphasizes the value of the present and future instead of that of the past, and focuses attention on results that are accomplished and not on personal traits or operational methodology.
- An employee is not judged in terms of operational methodology, or in terms of “initiative, co-cooperativeness, attitude, emotional stability or any other human quality, but on the basis of achievement of the targets that have been set.
- This method is largely applied to technical, professional, supervisory or executive personnel and not to the hourly paid workers because their jobs are usually too restricted.

Benefits of MBO Programme

MBOs are an important performance tool. It has certain advantages:

1. MBO helps to increase employee motivation because it relates overall goals to the individual's goals and helps to increase an employees understanding of where the organization is and where it is heading.
2. Managers are more likely to complete with themselves than with other managers. This evaluation reduce internal conflicts

that often arise when managers with each other to obtain scarce resources .

3. MBO provides more objective appraisal criteria. The targets that emerge from the MBO process provide a sound set of criteria for evaluating the employees performance.
4. MBO reduces conflict or ambiguity role conflict which exists when a person is faced with conflicting demands from two or more supervisors and the role ambiguity exists when a person is uncertain as how he/she will be evaluated or what he/she has to achieve.
5. MBO identifies problems better and early. Frequent performance review sessions make this possible.
6. MBO identifies performance deficiencies and enables management and the employees to set individualized self-improvement goals and thus proves effective in training and development of people.
7. MBO helps the individual manager to develop personal leadership, especially the skills of listening, planning, counseling, motivating and evaluating.

2. Psychological Appraisal

- Large organizations employee full-time industrial psychologists are used for evaluations, they assess an individual's future potential but not past performance.

- The appraisal normally consists of in depth interviews, psychological test, discussions with supervisors and a review of other evaluations.
- The psychologist then writes an evaluation of the employee's intellectual, emotional, motivational and other related characteristics that suggest individual potential and may predict future performance.
- The evaluation of the psychologist can be for a specific job opening for which the person is being considered, or it may be for a global assessment of his/her future potential.
 - From these evaluations, placement and development decisions may be made to shape the person career.
 - Since this approach is slow and costly, it requires a bright young members who, may have considerable potential with in the organization.
 - Since the quality of the appraisal depends largely on the skills of the psychologists then some employees object to this evaluation, when there exists a cross-cultural differences.

3. Assessment Centers

- Mainly used for executive hiring assessment centers are now being used for evaluating executive or supervisory potential

- An assessment center is a central location where managers may come together to have their participation in job related exercises evaluated by trained observers.
- The principal idea is to evaluate managers over a period of time, say one to three days, by observing their behavior across a series of select exercises or work samples.
- Assesses are requested to participate in basket exercises, work groups, computer simulations, role playing, and other similar activities which requires the same attributes for successful performance, as in the actual job. After recording their observations of rate behaviors, the rater meet to discuss these observations. The decision regarding the performance of each assess is based up on this discussion of observations. Self appraisal and peer evaluation are also thrown in for final rating.
- The characteristics assessed in a typical assessment centre include assertiveness, persuasive ability, communicating ability, planning and organizational ability, self confidence, resistance to stress, energy level, decision-making, sensitivity to the feeling of others, administrative ability, creativity and mental alter ness.
- The problem with the assessment centre is their cost. Not only are the assesses away from their job while the company pays for their travel and lading but the evaluators are often company managers who are assigned to the assessment

centre for short durations. These managers are often supplemented by psychologists and human resource specialists who run the centre. Hence this approach is cost-effective only in large organizations.

- Assessment centre staff are often influenced by subjective elements, such as personality of the candidates. Raters tend to evaluate the quality of individual's social skills rather than the quality of the decisions he/she makes. Assessment centre rating seem to be strongly influenced by the participants interpersonal skills.
- The approach also involve real hazards. One of the most obvious is the examination taking syndrome. Another drawback is its potential adverse effect of those not selected to participate in the exercise.
- Employee who receive poor report from the centre may be react in negative ways. Thus, a poor report demoralize an employee who was once an asset.
- Other problems include strong and unhealthy sense of competition among the assesses; difficulty of conducting the test frequently, and the possibility of over emphasizing the test performance.
- But a well conducted assessment centre can and does achieve better cast for of future performance and progress than other method of appraisal. Also, reliability, content

validity, and predictive validity are said to be high in the assessment centers.

- The test also make sure that the wrong people are not hired or promoted. Finally, the assessment centre test clearly define the criteria for selection and promotion.

2.3 Performance Standards of Performance Appraisals

2.3.1 Standards and a Planned Approach

Appraisal and Development

In management by objectives and results in public sector they defined standard as “a gauge of effective performance in achieving objectives.” Here we are referring to its specific applications as a part of the controlling function.

A planned approach to appraisal and development involves the following basic steps:

- i) Know what you expect
 - Tasks/responsibilities, key result areas or critical elements.
 - Performance standards, objectives or assignments.
- ii) Observe job performance
- iii) Compare performance expectations with results
- iv) Develop plan to improve performance results
- v) Use progress or development interview to motivate employee.
- vi) Carryout development plans and evaluate results

There are several reasons we frequently give for not doing a more effective job of developing and implementing performance standards. Some of them are:

- The job cannot be measured
- The work is unpredictable; it is constantly changing
- Standards tend to measure the wrong things
- Standards are too restrictive; they stifle innovation.
- Standards can be easily manipulated

There are three primary reasons why most people tend to avoid or pay lip service to the use of performance standards.

- The first is fear of people who may have observed or been victims of negative use of standard or who are reluctant to be held accountable for some thing they may not be able to achieve.
- The second reasons reflect two different sides of the same issue impatience and resistance to change
- The third reason why people may not do an effective job of establishing and using standards is, very simply, lack of sufficient knowledge and skill to do it properly.

2.3.2 Advantages and use of Standards

While the use of standards for performance evaluation may be one of the more obvious use of standards, there are many potential advantages to their use some of them are:

- Yard stick for determining the probability of reaching objectives.
- Means of measuring individual performance for purpose of :
 - Compensation
 - Employee development
 - Work assignments
 - Promotions
 - Down grading or disciplinary action
- Incentive for individual improvement
- Incentive for unit improvement
- Incentive for innovative approaches to work performance
- Means of self-measurement and correction
- Means of making realistic forecasts for
 - Staff-loading purposes
 - Facility, equipment and material needs
 - Evaluating and making trade off on objectives
 - Cost purposes
- Incentive and means for continuous and consistent reevaluations of method and results.
- Means of comparison with the performances of other organization or units

2.3.3 How do we Establish Performance Standards

There are literally thousands of measurable factors that could be used as performance standards. Note that some of these examples of measurable performance factors. Such as, degree of acceptance ideas generated, problems, opportunities are quite subjective, where as others employee varying degrees of objectivity (subjectivity). The fact remains that some form of measurement can be placed on each of them so that each can serve as an indicator of successful performance. The same applies to the thousands of other factors that can be used as measuring devices. You must decide which factors will be the best indicators of successful performance to ward the achievement of your objectives.

Once the measurable factors have been identified, the manager must determine the point of measurement that constitutes effective performance. This is usually expressed as one of the following:

- Number (hours, units, requests)
- Dollars (unit costs, maintenance costs)
- Percentages (overtime, errors, equipment utilization)
- Time lapse (flow time, setup time, turn around time)
- Completion point (mile stones, acceptance, problems overcoming)

The process of determining the specific point of measurement may be influenced by many considerations:

- Past history, the manager's personal capabilities, organizational requirements or limitations and supervisor or employee recommendations, to mention a few.

By whatever means this measurement point is defined, the manager must accept the result as:

- i) A reasonable indicator of effective performance and
- ii) A point that will provide adequate visibility in a timely fashion with a minimum expenditure of time and effort.

2.3.4 Who must Understand and Accept the Standards?

To be meaningful, standards must be both understood and accepted primarily by three organizational levels most concerned with the objective related performance the accountable manager, his/her supervisor and his/her employee. This is particularly critical as it related to the employees. Employees are the ones who probably will contribute most to the achievement of organizational objectives.

The secret, about understanding and acceptance on the part of employees is to get their active participation in the determination of

standards against which they will be measured. The degree of this participation will vary substantially, depending on the nature of the work, the knowledge and capabilities of the concerned employees, and the degree of sensitivity of the standards to be established.

2.3.5 Levels and Types of Standards

There are two distinctly different levels of standards that most supervisors will take in to considerations. The first is the ideal, which states that point to which the supervisor hopes all employees will aspire recognizing that relatively few are likely to reach. The second is the standard of acceptability states that points below which performance is not considered satisfactory and points above which need for some sort of corrective action. As an analogy, par in golf would represent the ideal and a handicap would represent acceptability.

The following factors should be kept in mind in setting performance standards:

- It must be realistic and achievable
- It should be set slightly above average; and
- It should be subject to change.

2.3.6 Observing Job Performance

Once the job expectations have been established, there is a point of departure for evaluation. However, if the supervisor relies entirely on memory at the time of the evaluation, there is a strong risk of an incomplete and inaccurate analysis. There is tendency to remember recent events more vividly than earlier ones and they may exercise a disoriented weight in the evaluation. To ensure fair consideration at time of review, the supervisor should document relevant factor as memory joggers along the way. The supervisor documentation should include:

- Record of achievement
- Critical comments received about the employee
- Specific evidences of workout put
- Spot-check observations of performance
- Attendance report
- Records of any disciplinary action, etc

2.3.7 What if Performance not Meet the Standards Established?

Basically, if standard is not reached, the cause of deviation might be traced to any one or combination of three contributing factors.

1. There was carelessness and negligence on the side of employees.
2. The supervisor may be the real culprit, without realizing it.

3. The situation may present some circumstances that are literally beyond the employee's control.

In order for an employee to satisfactorily meet a performance standard, three conditions affecting that employee must exist. The employee must clearly understand what is expected be capable of performing the work and be willing to do it.

2.4 Who should appraise? What should be rated?

2.4.1 What should be rated?

One of the steps in designing an appraisal program is to determine the evaluation criteria. It is obvious that the criteria should be related to the job. The six criteria for assessing performance are:

1. **Quality:** The degree to which the process or result of carrying out an activity approaches perfection in terms of either conforming to some ideal way of performing the activity, or fulfilling the activity's intended purpose.
2. **Quantity:** The amount produced, expressed in monetary terms, number of units, or number of completed activity cycles.
3. **Timeliness:** The degree to which an activity is completed or a result produced, at the earlier time desirable from the standpoints of both coordinating with the outputs of others and of maximizing the time available for other activities.

4. **Cost effectiveness:** The degree to which the use of the organization's resource (Example human, monetary, technological and material) is maximized in the sense of getting the highest gain or reduction in loss from each unit or instance of use of a resource.
5. **Need for supervision:** The degree to which a job performer can carryout a job function without either having to request supervisory assistance or requiring supervisory intervention to prevent an adverse outcome.
6. **Interpersonal impact:** The degree to which a performer promotes feeling of self-esteem, good will and co-operation among co-workers and subordinates.

Coming to the six criteria, it may be stated that the first four- quality, quantity, timeliness and cost effectiveness are objective in nature and the last two need for supervision and interpersonal impact are subjective. Objective measures are quantifiable and are therefore highly useful in measuring the performance of an employee. But performance of employees should not always be evaluated against quantifiable measures. Example, the performance of the manager of a bank should not always be evaluated against the amount of deposit mobilized for his or her bank. The effort put in by him/her, the contacts he/she has established, the image about the bank he/she has created in the

eyes of the public; and relationships he/she maintained with subordinates speak more reliable about manager's performance. Here comes the relevance of the subjective criteria. However, as subjective measures are prone to different kinds of errors. To be useful, subjective measures must be based up on a careful analysis of the behaviors viewed as necessary and important for effective job performances.

2.4.2 Who will appraisal?

Traditionally, the person's direct supervisor appraises his/her performance. However, other positions are certainly available and are increasingly used. The major appraisers include:

1. The Immediate Supervisor

Immediate supervisor is the most fit candidates to appraise the performance of his/her subordinates. There are three reasons in support of this choice.

- I. No one is more familiar with the subordinate's performance than his/her superior.
- II. Another reason is that the superior has the responsibility of managing particular unit. When the task of evaluating a subordinate is given to another person, the superior authority may be undermine seriously.
- III. Finally, training and development of subordinates is an important element in every manager's job. Since appraisal programs are often clearly linked to training

and development, the immediate supervisor may be the logical choice to conduct the performance evaluation.

2. Peers/Teams Appraisals

Peers rating are especially useful when:

- Supervisors do not have the opportunity to observe each employee's performance but other work group members do.
- The work group is stable over a reasonably long period of time and performs tasks that require interactions.
- When there is high trust among team members and a non-competitive reward system.

Some of the disadvantages of peer evaluations are:

- Unfortunately, friendship or animosity may result in distortion of evaluation.
- When reward allocation is based on peer evaluations, serious conflicts among co-workers may develop
- All the peers may join together to rate each other is high.

3. Appraisals by Subordinates

More firms today let subordinates anonymously rate their supervisor's performance, a process some call upward feedback or upward appraisal.

The primary advantages of having employee (subordinates) rate managers are:

- Where manage/employee relationship is critical, subordinate rating can be quite useful in identifying competent managers.
- It can help generate unique information about the manager
- This type of rating program can help the manager more responsive to subordinates
- It can reduce power and status differences and makes the workplace more democratic.
- Improve managerial performance (especially of poorly performing managers)

The following are some of the limitations associated with the use of subordinate rating of managers:

- Information may be limited to situations involving personal interactions with the employee.
- The authority and status of some managers may be undermined, and reducing their effectiveness.
- The proper nature of manager/subordinate may be violated by having subordinates (workers) rate managers.
- The fear of reprisal often compels (forces) a subordinates to be dishonest in his/her ratings

- Workers (subordinates) may rate the manager only on the way the manager treats them and not on the critical job requirements.

4. Self Appraisal/Self Rating

Employees first complete an appraisal form, and then discuss their assessment with their immediate supervisor. Organization using this method have found that subordinates are generally less defensive when discussions are self-appraisal, and self rating more often resulted in superior on the job performance than did traditional appraisals.

There are certain positive aspects related with the use of self-appraisal. These include:

- Self –evaluation produces more satisfying and constructive performance review discussions.
- Less defensiveness among employees regarding the appraisal process; and

However, there are some problems associated with the use of self-appraisal. These include:

- Employees may not rate themselves as supervisory would rate them (leniency)
- The employee's preference to be rated by the supervisor.

- Lack of agreement between supervisor rating and self rating; and
- Bias when the rating are being used for salary and promotion purposes.

5. Appraisals by outsiders

Sometimes consultants may be engaged for appraisal when employees or employers do not trust supervisor appraisal and management does not trust the self-appraisal, peer appraisal or subordinate appraisal. In this situation, consultants are trained and they observe the employee at work for sufficiently long time for the purpose of appraisal.

Outsiders may furnish managers with professional assistance in making appraisals. However, there are obvious disadvantages. The outsiders may not know all the important contingencies with in the organization. In addition, outsider appraisals are time consuming and expensive.

6. Multi Source (360-degree) Appraisals

In 360-degree appraisals, multiple rates are involved in evaluating performance. The technique is called 360-degree appraisal. The 360-degree technique is understood as systematic collection of performance data on an individual or group, derived from a number of stakeholders the stakeholders

being an immediate supervisor, team members, customers, peers and self. In fact, any one who has useful information on “how an employee does the job” may be one of the appraisers.

There are a number positive aspects related with the use of 360-degree appraisal. These include:

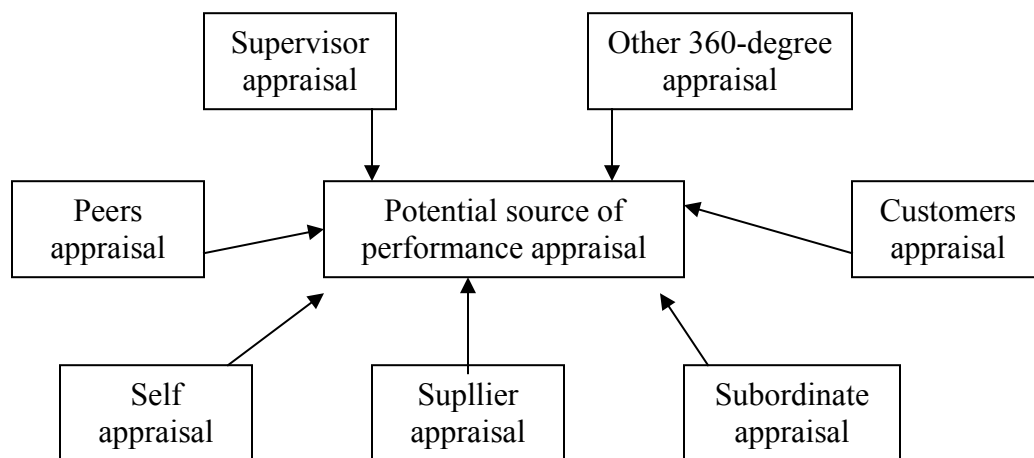
- The 360-degree appraisal provides a broader perspective about an employee’s performance.
- The technique facilitates greater self-development of the employees. For one’s development multi-source feedback is more useful. It enables an employee to compare his/her perceptions about self with perceptions of others.
- The 360-degree appraisals provides formalized communication links between an employee and his/her customers. It makes the employee feel much more accountable to his/her internal or external customers.
- The technique is particularly helpful in assessing soft skill possessed by an employees.
- By design the 360-degree appraisal is effective in identifying and measuring interpersonal skills, customer satisfaction, and teambuilding skills.

However, there are drawbacks (disadvantages) associated with the 360-degree appraisals. These include:

- Receiving feedback on performance from multiple sources can be intimidating.

- The firm that use the technique take a long time on selecting the rater, designing questionnaires, and analyzing the data.
- Multiple raters are less adapt at providing a balanced and objective feedback than the supervisor who are sought to be replaced.
- Raters can have enormous problems separating honesty observations from personal differences and biases.

The following diagrams show that an example of 360-degree appraisal techniques:



Self Assessment Exercise Two

- I. **Say “True” if the statement is True and “False” it is False.**

- _____ 1. Rating scale is the simplest and popular techniques for appraising employee performance.
- _____ 2. Critical incident method focuses on certain critical behaviors of an employee that makes all the difference between effective and non-effective performance of a job.
- _____ 3. The common use future oriented techniques of performance appraisals are field review method, confidential records and essay method.
- _____ 4. Quality is one of the criteria for assessing performance appraisals.
- _____ 5. Immediate supervisor is the most fit candidates to appraise the performance of his/her subordinates.

Choose the Correct Answer from the Following Alternatives

- _____ 6. All are the advantages of check list except
- A. Economy C. Misinterpretation of check list items
- B. Easy of administration D. None
- _____ 7. In the essay method, the rater must describe
- A. Overall impression of the employee's performance
- B. The promotability of the employee; and
- C. The strength and weakness of the employee
- D. All
- _____ 8. One of the following criteria for assessing performances are subjective in nature.

A. Quality

C. Interpersonal

impact

B. Quantity

D. Cost effectiveness

_____ 9. _____ appraisals, multiple raters are involved in evaluating performance:

A. Peer rating

C. 360-degree appraisals

B. Self rating

D. Subordinate rating

_____ 10. The appraisal consists of in depth interviews, psychologies test, discussions with supervisors and a review of other evaluations known as:

A. Management by objective

B. Psychological appraisals

C. Assessment centers

D. None

CHAPTER THREE

PERFORMANCE APPRAISAL PROBLEMS

AND SOLUTIONS

Introduction

Few of the things a manager does are fraught with more peril than appraising subordinates' performance employees in general tend to be overly optimistic about what their rating will be. You and they

know their raises, career progress and peace of mind may well things on how rate them. This alone should make it difficult to rate performance; even more of a problem, however, as the numerous technical problems that can cast doubt on just how fair the whole process is.

In order to give correct feedback to subordinates, managers should be aware of such problems. Then, they should know how to avoid these problems. Therefore, in this chapter, we will discuss the challenges of performance appraisal in detail. We will also see the techniques used to avoid them.

3.1 Challenges or Problems of Performance

Appraisal

3.1.1 Dealing with Appraisal Problems

Performance appraisal are subject to a wide variety of in accuracies and biases referred to as “rating errors”. These errors occur in the rater’s observation, judgment, and information processing, and can seriously affect assessment results. The most common rating errors are leniency or severity, central tendency, halo effect, rater effect, primary and recency effects, perceptual set, performance dimension behavior, spill over effect and status effect.

1. Leniency or Severity

Leniency or severity on the part of the rater makes the assessment subjective and it defeats the very purpose of performance appraisal. Rating are lenient for the following reasons:

- The rater may feel that any one under his/her jurisdiction who is rated unfavorably will reflect poorly on his/her own worthiness
- He/she may feel that any one who could have been rated unfavorable has already been discharged from enterprise.
- He/she may feel that a derogatory rating will be revealed to the rater to the detriment of the relations between the rater and the rate.
- He/she may rate leniently in order to win promotions for the subordinates, and therefore, indirectly increase his/her hold over others
- He/she may be projecting
- He/she may feel it necessary to always approve of others in order to gain approval for him or her self
- He/she may be operating on the premise, "Whoever associated with me is meritorious, therefore, I am meritorious."

- He/she may rate leniency because there exists, in the culture, a response set to approve rather than disapprove.

Leniency bias is a bias the rater give more favorable result for ratee than their performance merits where as severity bias, that is rating employees more severely result than their performance merits. New supervisors are especially susceptible to this error, because they may feel a need to be taken seriously.

2. Central Tendency

Central tendency occurs when employee are incorrectly rated near the average or middle of the scale. The attitude of the rater is to play safe. This safe-playing attitude stems from certain doubts and anxieties which the raters have while assessing the raters. Such doubts and anxieties are:

- Do I know the man sufficiently well to be able to give affair assessment of him?
- If I rate him/her the way I think I should what will be its influences on his/her relations with me and on his/her performance in the future?
- If I rate him/her the way I think I should, what will be its effect on my relations with the other subordinates.
- If rate him/her the way I think I should, will be accused to partial? And the like.

Naturally, the raters use such expressions as “satisfactory” and “average” to describe the performance of the ratees. Example, a college giving character certificates to the out going students describe the character of each student as “satisfactory”. Obviously, it becomes difficult to distinguish between excellent performance and good performance.

3. Halo Error

A halo error takes places when one aspect of an individual’s performance influences the evaluations of the entire performance of the individual, jus as the assessment of the performance of the students in his/her examination being influenced by the opening paragraph of every answer. If the introductory paragraph is poorly written the chances of scoring high marks in that answer are diminished, however good the subsequent portion of the essay may be.

In an organization, a halo occurs when an employee who late constantly might be rated high on productivity and quality of outputs as well as oh motivations. Similarly an attractive or popular employee might be given a high overall rating. Rating employees separately on each of a number of performance measures and encouraging raters to guard against the halo effects are the two ways to reduce the halo effects.

4. Rater Effects

This includes favoritism, stereotyping, and hostility. Excessively high or low scores are given only to certain individuals or group based on the rater's attitude towards the rate, not on actual outcomes or behaviors. Sex, age, race and friendship biases are examples of this types of errors.

5. Primacy and Recency Effects

The rater's rating are heavily influenced either by behavior exhibited by the rate during the early stages of the review period (primacy) or by the outcomes (behaviors) exhibited by the rate near the end of review period (recency).

One way of guarding against such an error is to ask rater to consider the composite performance of the rate and not to be influenced by one incident or one achievement. The raters must also be aware of the tendency on the parts of the ratees to improve odds in their favor or suppress weak points during the rating periods.

6. Perceptual Set

Perceptual set occurs when the rater's assessment is influenced by previously held beliefs. If the supervisor, for

example has a belief that employees hailing from one particular region are intelligent and hard working, his subsequent rating of an employee hailing from the region tends to be favorable high.

7. Performance Dimension Order

Two or more dimensions on a performance instrument follow or closely follow each other and both describe or rotate to a similar quality. The rater rates the first dimension accurately and then rates the second dimension similar to the first because of their proximity. If the dimensions had been arranged in a significantly different order, the rating might have been different.

8. Spill Over Effect

Spill over effects refers to allowing past performance appraisal rating to unjustifiable influence current rating. Past rating, good or bad, result in similar rating for the current period although the demonstrated behavior does not deserve the rating, good or bad.

9. Status Effects

Status effect refers to over rating of employees in higher-level jobs or jobs held in high esteem, and underrating employee in lower level job or jobs held in lower esteem.

It is not the rater's errors to accurate and valid measurement of employee performance. Barriers lie deep within the genetic and acquired make up of all people concerned with performance appraisal. A wide variety of emotional, psychological intellectual and physical factors that, at the first glance, may appear to be separate and irrelevant may combine in any number of ways during the appraisal process to completely neutralize or nullify any programme designed to measure employee performance.

Would an employee not be better off with no appraisal than with a seemingly objective but actually biased one? Problems like these are not inevitable, though, and you can minimize them.

First, learn and understand the potential problems and the solutions (like formulating clarifying standards) for each. Understanding the problem can help you avoid it.

Second, use the right appraisal tool. Each tool has its own pros and cons. For example, the ranking methods avoids central tendency but can cause bad feelings. When employees

performance are in fact all high and the ranking and forced distribution methods both provide relative, not absolute ratings.

Third, train supervisors to reduce rating errors such as halo, leniency, and central tendency. In one training program, raters watched workers. Packaging training programs are available.

In practices, several factors including the extent to which employees' pay tied up to performance ratings, unions pressure, employee turnover, time constraints, and the need to justify rating may be more improving appraisals accuracy calls not just for training, but also for factors such as union pressure, time constraints and the like.

A fourth solution diary keeping is worth the effort. Dairy keeping is preferred but not fool proof. In one study, raters were required to keep a diary, but the diary keeping actually undermined the performance appraisals objectives. Some attended a special training program on diary keeping.

3.1.2 Legal issues associated with performance appraisal

Performance appraisal is used to make many important human resource decisions (examples, pay promotion, training, transfer and termination). The appraisal system is a common target of legal disputes by employees involving charges of unfairness and bias. An employee may seek the legal recourses to obtain relief from a discriminatory performance appraisal.

There are several recommendations to assist employees in condong fair performance appraisal and avoiding legal suits. Gleaned from case laws, these recommendations are intended to be prescriptive measures that employees should take to develop fair and legally defensible performance appraisal systems.

A. Legally defensible appraisal procedures

- All personnel decision should be based on a formal standardized performance appraisal.
- Any performance appraisal process should be uniform for all employees with in a group and decision based on those performance appraisals should be monitored for differences according to race, sex, national origin, religion, or age of the employees. While obtained differences as a function of any of these variables are not necessarily illegal, an organization will have more difficulty defending an appraisal system with rating related to these variables.

- All specific performance standards should be formally communicated to employees.
- All employees should be able to review their appraisal results.
- There should be a formal appeal process for the rate to rebut rater judgments.
- All raters should be provided with written instructions and training on how to conduct appraisals properly to facilitate systematic, unbiased and appraisals.
- All personnel decision-makers should be well-informed of anti-discrimination laws.

They should be made aware of the fine distinctions between legal and illegal activities regarding decisions based on appraisals.

B. Legally defensible appraisal content

- Any performance appraisal content should be based on a job analysis
- Appraisals based on traits should be avoided
- Objectively verifiable performance data should be used whenever possible
- Constraints on an employee's performance that are beyond the employee's control should be prevented from influencing the appraisal to ensure that the employee has an equal opportunity to achieve any given performance level.

- Specific job-related performance dimensions should be used rather than global measures or single overall measures
- The performance dimensions should be assigned weights to reflect their relative importance in calculating the composite performance scores.

C. Legally defensible documentation of appraisal results

- A thoroughly written record of evidence leading to termination decisions should be maintained.
- Written documentation for extreme rating should be required and they must be consistent with the numerical ratings.
- Documentation requirements should be consistent among the raters

D. Legally defensible raters

- The raters should be trained in “how to use an appraisal system.”
- The raters must have the opportunity to observe the ratee first hand or to review important rate performance products.
- Use of more than one rater is desirable in order to lessen the amount of influence of any one later and to reduce the

effects of biases. Peers, subordinates, customers, and clients are possible sources.

3.2 Potential Appraisal

Specific objectives: After completing this topic, the trainees will be able to discuss the objectives of potential appraisal; and explain the characteristics of potential appraisal.

3.2.1 The Objectives and Characteristics of Potential Appraisal

1. Objectives

The objectives of potential appraisal is to assess an individual in terms of the highest level of work the individual will be able to handle comfortable and successively future without being over stretched.

2. Characteristics of potential appraisal

The basic characteristics that representing potential appraisals includes:

- Ability to foresee future opportunities and assess impact of any initiative or decision taken to day.
- Has an institutionalized way of working to ensure continuity and consistency of approach.

- Ability to identify resource gaps by the use of basic intelligence/subject knowledge or analytical and quantitative skills and further.
- Finds ways and means of overcoming these so as to ultimately create higher value
- Personal quality to be level headed and to respond in an effective and measured manner even under conditions of severe stress.
- Ability to function in varied environments with confidence and deliver high performance.
- Ability to see the larger picture as well as recognize the need to get in to micro details.
- To display high degree of personal and intellectual integrity at all times.

3.2.2 Potential Appraisal Attributes

The following qualities determine the potential of an employee:

- **Analytical power:** This indicates the ability to:
 - Breakdown or reformulate an apparently complicated problem into workable units.
 - Continue the analysis of the problem until all the aspects have been thoroughly and critically examined.

During the assessment of these qualities, the following factors should be considered:

- The relevance of problem and situation analyzed
- The speed with which the analysis is undertaken
- The weight and nature of problem and situations to be analyze
- **Creative imagination:** The quality relates to the ability of an individual to discern the various useful possibilities and alternatives, which are inherent in a problem area and are normally not obvious to less prospective observers.
- **Sense of reality:** This implies ability to interpret the reality of the situation. This can be viewed from a detached position:
 - Speed of insight
 - Approach to problems or situations
 - Actions
 - Seeing the relative nature
 - Judgment
- **Effective leadership:** this calls for the ability to energize and make positive impact on the teams to facilitate the achievement of goal. Therefore, in order to lead people in the organization effectively, the leader has the following qualities:
 - High level of energy and drive
 - Excellent job knowledge and competence
 - Excellent relationship skill
- **Conceptual skill:** To understand and visualize one's role in the larger context to the organization and articulate the

content and context of the future, one should possess conceptual skill.

- **Technical skills:** This skill relate to the conceptual know-how with regard to the subject's able to articulate future needs with in a given context.
- **Commercial skills:** One should be able to identify the opportunities in the business environment with in socioeconomic and legal frame work.
- **Communication skills:** These require the ability to articulate thoughts, ideas and situations in the most appropriate manner so as to ensure complete understanding by recipient.
- **Planning and organization ability:** This indicates that one should have the ability, in the context of organizational objectives, to clearly define the requirements or course of action so as to achieve goals/targets.
- **Willingness to take additional responsibilities:** This refers to the inherent quality in an individual of being self-motivated to be accountable for area of adjacent to one's own as well as at levels higher than where the individual is positioned.
- **Initiative:** This means the display of an entertaining the role/job assigned to the individual. Is a self-starter and requires very little direction/advice in getting started.
- **Result orientation:** For this, one should be extremely focused and single-minded in achieving the goal, and

prioritize multiple tasks simultaneously to leverage the resources, and should not adopt shortcuts while adhering to time target and should always abide by company policy and business.

- **Teamwork:** This need display of sensitivity towards personal behavior of the members/participants in a group. Making interventions with the objectives to add value, adopting open communication on all matters related to group/team and display of accountability to other members in the group/team.
- **Subordinate development:** This requires understanding subordinates with respect to their personal and professional needs. The superior should be able to provide them with a role model and guide them, properly with a role model and guide them, properly with the objective of enabling the subordinate to achieve order of job skills and competence.
- **Negotiation skills:** These are required to ensure a transaction, which is mutually beneficial to the parties. Possessing clarity of purpose, practical creativity, and market orientation along with a high order of quantities skills are essentials for successful negotiation.
- **Problem solving and decision making:** Ability to evolve a solution on a difficult issue by adopting a solution after due

consideration to all intervening factors in an objective manner is what should possess to be a good decision maker.

- **Process orientation:** To adhere to and abide by the norm and specifications provided such as 'standard operating procedure' one has to have a mindset to abide by the standard protocol, work-systems and procedures.

Based on these criteria employees need to be assessed during the annual performance appraisal.

3.2.3 Distinction between Performance Appraisal and Potential Appraisal

Performance appraisal is designed to look backward in order to look forward. The best prediction of potential, using performance appraisal as the basis is made when the next job is quite similar to the previous one. But, in many cases the next job may be quite different and thus past performance will not be adequate as predictors of future performance.

Most performance appraisal forms have a column for potential appraisal refers to an employee's abilities to fit into future role.

Self Assessment Exercise Three

I. Say "True" if the statement is True and "False" if it is False.

- _____ 1. Halo error occurs when employees are incorrectly rated near the average or middle of scale.

- _____ 2. Training is a “cure-all” for all the ills of appraisals systems.
- _____ 3. Any performance appraisal content should be based on a job analysis.
- _____ 4. To display high degree of personal and intellectual integrity at all times is considered as characteristics of potential appraisals.
- _____ 5. During performance appraisals documentations requirements should be consistent among the raters.

II. Choose the Correct Answer from the Following Alternatives

- _____ 6. One of the following does not help to avoid appraisal problems:
- A. Understand the potential problems C. Diary keeping
B. Train supervisors D. None
- _____ 7. _____ occurs when the rater’s assessment is influenced by previously held beliefs.
- A. Spill over effect C. Rater effect
B. Status effect D. Perceptual set
- _____ 8. One of the following is not a legal defensible raters.

- A. The raters should be trained how to use an appraisal system
- B. The raters should not have the opportunity to observe the ratee first hand
- C. Use of more than one rater is desirable
- D. None

_____ 9. All of the following are major characteristic of potential appraisal:

- A. Sense of reality
- B. Technical skills
- C. Analytical power
- D. All

_____ 10. The raters generally remember the recent actions of the employee at time of rating known as:

- A. Central tendency
- B. Recency effect
- C. Leniency and strictness biases
- D. Halo effects

CHAPTER FOUR

THE POST APPRAISAL INTERVIEW

Introduction

The last stage of the appraisal process the stage at which a supervisor reinforces performance or provide remedies. The performance appraisal interview occurs in an interview between supervisor and employee. At this time, a supervisor describes what he/she observed and discusses this appraisal with the employee. Together they agree on area for improvement and development. If you have been a supervisor apply the questions to the way your current or most recent supervisor has appraised your performance.

Supervisors often dread conducting appraisal interview. Pointing out another person's short coming can be an unpleasant experience. To overcome these feelings, it helps to focus on the benefits of appraising employees. Supervisors can cultivate can cultivate a positive attitude by viewing the appraisal interview as an opportunity to coach and develop employees.

4.1 Purposes and Preparations Need to Conduct Post Appraisal Interview

An appraisal typically culminates in an appraisal interview. Here, supervisors and subordinate review the appraisal and make plans to remedy deficiencies and reinforce strengths. Interviews like these are potentially uncomfortable. Since few people do not like to receive or give negative feedback. Adequate preparation and effective implementation are therefore essential.

4.1.1 Purposes of the Interview

The purpose of holding an appraisal interview is to communicate information about an employee's performance. Once a supervisor has evaluated the performance, the supervisor need to convey his/

her to the employee. An interview is an appropriate setting for doing so because:

- It sets a side time to focus on and discuss the appraisal in private.
- The interview is an opportunity for upward communication from the employee side and
- By contributing his/her view points and ideas, an employee can work with the supervisor on devising ways to improve performance.

4.1.2 Preparation for Performance Appraisal

Before the appraisal interview, a supervisor should allow plenty of time for completing the appraisal form. The form should be completed carefully and thoughtfully, not in a rush during the hour before the interview. Besides filling out the form, a supervisor should think about the employees likely reactions to the appraisal and should plan to handle them. A supervisor should be ready with some ideas for correcting problems noted in the appraisal.

A supervisor should notify the employee about the appraisal interview ahead of time. Giving a few day's or weeks notice allows the employee to think about his/her performance. Then the employee can contribute ideas during the interview.

In addition, a supervisor should prepare an appropriate meeting place. The interview should take place in an office or other room where supervisor and employee will have privacy. The supervisor should arrange to prevent interruptions such as telephone calls.

4.1.3 Performance Review Issues

The main performance review issues are:

- Why have them at all?
- If they are necessary, what are the organizational issues?
- On whom performance review focus?
- What criteria should be used to review performance review?
- What skills are required to conduct reviews and how they can developed?

4.2 How to Conduct the Appraisal Interview

4.2.1 Types of Appraisal Interviews

There are three basic types of appraisal interviews, each with its own objectives:

Appraisal Interview Type	Appraisal Interview Objectives
1. Performance is satisfactory Employee is promotable _____	Make development plans
2. Satisfactory – not promotable _____ performance	Maintenance
3. Unsatisfactory correctable _____	Plan correction

If the employee is unsatisfactory and the situation is uncorrectable, you can usually skip the interview. You either tolerate the person's poor performance for the time being, or dismiss the person.

Satisfactory – promotable is the easiest of the three appraisal interviews: the person's performance is satisfactory and there is a promotion ahead. Your objective is to discuss the person's career plans and to develop a specific action plan for the educational and professional development the person needs to move to the next job.

Satisfactory – not promotable for employees whose performance is satisfactory but for whom promotion is not possible. Perhaps there is no more room in the company. Some employees are also happy where they do not want a promotion. Your objective here is to

maintain satisfactory performance this is not an easy. The best option is to find incentives that are important to the person and enough to maintain satisfactory performance. These might include extra time off, a small bonus, additional authority to handle a slightly enlarged job, and reinforcement, perhaps in form of an occasional “well done!”

When the person’s performance is unsatisfactory but correctable, the interview objective is to lay out an action plan for correcting unsatisfactory performance.

4.2.2 How to Conduct the Appraisal Interview

First, prepare the interview and assemble data for interview. Study the person’s job description, compare performance to the standards, and review the employee’s previous appraisals. Next, prepare the employee. Give the employee at least a week’s notice to review his/her work, read over the job description, analyze problems, and gather questions and comments. Finally, choose the time and space.

Find a mutually agreeable time for the interview and allow enough time for the entire interview. Interviews with lower level personnel like clerical workers and maintenance staff should take no more than an hour. Appraising management employees often takes two

or three hours. Be sure that the interview is done in a private place where you will not be interrupted by phone calls or visitors.

There are four things to keep in mind in actually conducting the interview:

1. *Be direct and specific:* Talk in terms of objective work data.

Use examples such as absences, tardiness, quality records, inspection reports, scrap or waste, orders processed, productivity records, materials used or consumed, timelines of tasks or projects, control or reduction of costs, number of errors, customers' comments, product returns, inventory level, accuracy, accidents reports, and the like.

2. *Do not get personal:* Don't say, "You are too slow in producing those reports." In steady, try to compare the person's performance to a standard (These reports should normally be done with in 10 days). Similarly, do not compare the person's performance to that of other people.

3. *Encourage the person to talk:* Stop and listen to what the person is saying; ask open ended questions such as, what do think to improve the situation? Use a command such as "Go on", "Tell me more", "Restate the person's last point as a question, such as, you do not think you can get the job done?"

4. Do not tiptoe around: Do not get personal, but to make sure the person leaves knowing specifically what he/she is doing right and doing wrong. Give specific examples; make sure the person understands; and get agreement before he/she leaves on how things will be improved, and by when. Develop an action plan showing steps and expected results.

4.2.3 How to Handle a Defensive Subordinate

Defenses are an important and familiar aspect of our lives. When a supervisor tells someone his/her performance is poor, the first reaction is often denial. By denying the fault, the person avoids having to question his/her own competence. Others react to criticism with anger and aggression. This immediate problem until they are able to cope with it still others react to criticism by retreating in to a shell.

In any event, understanding and dealing with defensiveness is an important appraisal skill. In his book effective psychology for managers, Mortimer Feinberg suggests the following:

1. Recognize that defensive behavior is normal.
2. Never attack a person's defenses. Try to concentrate on the act itself rather than on the person.
3. Postpone action.
4. Recognize your own limitations.

4.2.4 How to Criticize a Subordinate

When criticism is required, do it in a manner that lets the person maintain his/her dignity and sense of worth. Criticize in private, and do it constructively. Provide examples of critical incidents and specific suggestions of what could be done and why. Avoid once – a – year “critical broadsides” by giving feed back on daily basis, so that at the formal review there are no surprises. Never say the person is always wrong. Finally, criticism should be objective and free of any personal biases on your part.

4.2.5 How to Insure the Interview Leads to Improved Performance

You should clear up job – related problems and set improvement goals and a schedule for achieving them. The researchers found that whether or not subordinates expressed satisfaction with their personal interview dependeds mostly on three factors:

1. Not feeling treating during the interview.
2. Having an opportunity to present their ideas and feelings and to influence the course of the interview.
3. Having a helpful and constructive supervisor conduct the interview.

Clearing up job – related problems with the employee and setting measurable performance targets and a schedule for achieving them – an action plan – were the actions that consistently led to improved performance.

4.2.6 How to Handle a Formal Written Warning

There will be times when an employee's performance is so poor that a formal written warning is required. Such written warning has two purposes:

1. They may serve to shake your employee out of his/her bad habits, and
2. They can help you defend your rating, both to your own boss and to the courts.

Written warnings should identify the standard by which the employee is judged, make it clear that the employee was aware of the standard, specify any violation of the standard, and show the employee had an opportunity to correct the behavior.

4.3 Ethics and Features of Effective Performance Appraisal

4.3.1 Managerial Ethics in Performance Appraisal

Performance appraisal is a critical part of the overall human resource management activities. It has got tremendous repercussions on the success or failure of organizations. As such it

requires care and commitment. Furthermore, performance appraisal has implications to the continued existence of the employee in the firm. Thus, every manager should be concerned with ethics. Let he/she may encounter several problems in appraising performance of subordinates. A manager should follow ethics in performance appraisal a manager should:

- Appraise on the basis of representative, sufficient, and relevant information.
- Be honest, in assessing all the facts he/she has obtained.
- Pass on appraisal information only to those who have a good reason to want it.
- Make it crystal – clear that this is only your personal opinion of the facts that can be discernible, and as you perceive them.

4.3.2. Essential Characteristics of an Effective Appraisal System

Performance appraisal system should be effective as a number of crucial decisions are made on the basis of score or rating given by the appraiser, which in turn, is heavily based on the appraisal system.

Appraisal system, to be effective, should possess the following essential characteristics:

1. Reliability and validity: Appraisal system should provide consistent, reliable and valid information and data, which can be used to defend the firm – even in legal challenges.

If two appraisers are equally qualified and competent to appraise an employee with the help of same appraisal technique, their rating should agree each other. Then the technique satisfies the conditions of inter – rater reliability.

Appraisals must also satisfy the conditions of validity by measuring what they are supposed to measure. Example, if appraisal is made for potential of an employee for promotion it should supply the information and data relating to potentialities of the employee to take up higher responsibilities and carry on activities at higher level.

2. Job relatedness: The appraisal technique should measure the performance and provide information in job related activities.

3. Standardization: Appraisal forms procedures, administration of techniques, rating etc., should be standardized as appraisal decisions affect all employees of the group.

4. Practical viability: The techniques should be practically viable to administer, possible to implement and economical regarding cost aspect.

- 5. Legal sanction:** It should have compliance with the legal provisions concerned of the country.
- 6. Training supervisors:** It would be useful to provide training to appraisers, insights and ideas on rating, documentation appraisals and conducting appraisal interview. Familiarity with rating errors can improve rater performance and this may inject the needed confidence in appraisers to look in to performance rating more effectively.
- 7. Open communication:** Most employees want to know how well they are performing on the job. A good appraisal system provides the needed feedback on a continuing basis. The appraisal interview should permit both parties to learn about the gaps and prepare themselves for future.
- 8. Employee access to results:** Permitting employees to review the results of their appraisal allows them to detect any errors that may have been made. If they disagree with the evaluation, they can even challenge the same through formal channels.
- 9. Due process:** It follows that formal procedures should be developed to enable employees who disagree with appraisal results. They must have the means for pursuing their grievances and have them addressed objectively.

Self Assessment Exercise Four

I. Say “True” if the statement is True and “False” it is False.

- _____ 1. The purpose of holding an appraisal interview is to communicate information about an employee's performance.
- _____ 2. Performance appraisal are used to make many decisions such as promotion, transfer, training, terminations, etc.
- _____ 3. Assemble data, prepare the employee and choose time and place is not a must in conducting an appraisal interview.
- _____ 4. Valid job performance criteria tend to be reliable, but reliable criteria are not necessarily valid.
- _____ 5. The desired end result of performance appraisal is to objectively find and get rid of poor performers.

II. Choose the Correct Answer from the Following Alternatives

- _____ 6. All of the following are things to keep in mind in conducting the appraisal interview except:

- A. be direct and specific C. encourage the employee to talk
- B. do not get personal D. None

_____ 7. One of the following appraisal interview cannot match its objectives.

- A. Satisfactory-promotable
- B. Satisfactory-not promotable
- C. Unsatisfactory-promotable
- D. Unsatisfactory-correctable

_____ 8. One of the following is come first to compare with others.

- A. Assemble the data C. Choose time and place
- B. Prepare the employee D. None

_____ 9. Employees want to know how well they performing on the job. This appraisal characteristics refers to:

- A. Validity C. Communication
- B. Reliability D. All

_____ 10. Which of the following is not a characteristics of an effective appraisal system?

- A. It is valid
- B. Raters have been trained
- C. Standards are acceptable to employees
- D. All

