

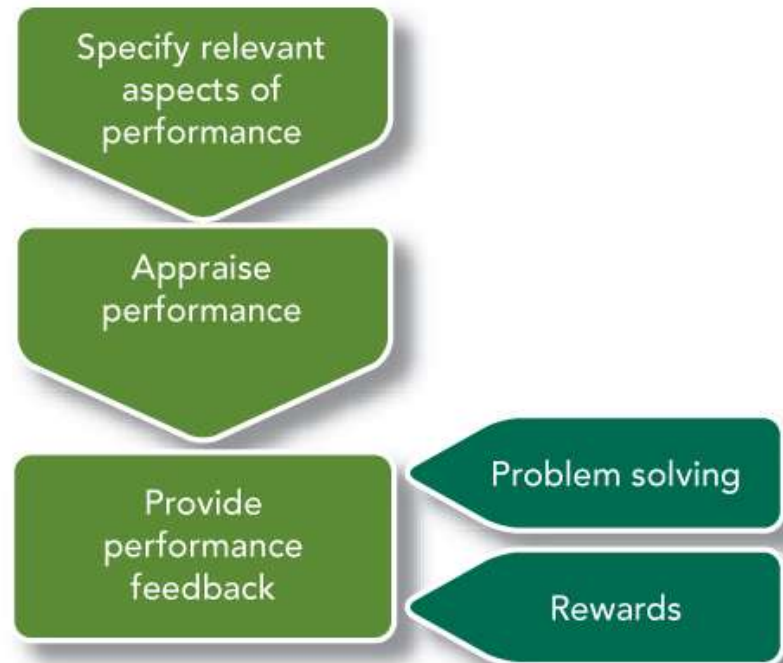


Appraising and Managing Employee Performance

The Process of Performance Management

FIGURE 7.1

Stages of the Performance Management Process



Purpose of Performance Appraisals

Strategic

- Helps organization achieve its objectives
- Links employees' behaviour with the organization's goals

Administrative

- Provides information for day-to-day decisions
- Can have great impact on employees

Development

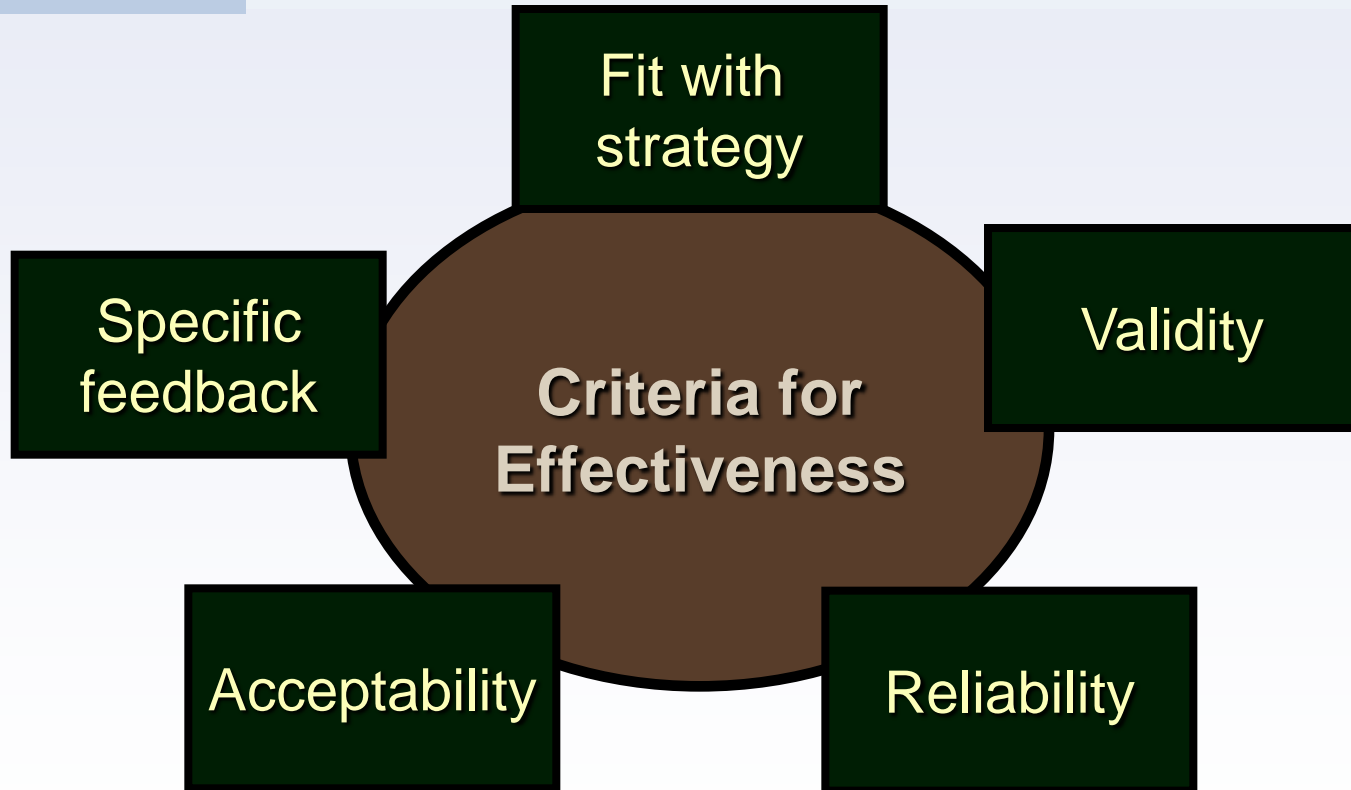
- Basis for developing employees competencies
- Awareness of strengths and areas for improvement

Measuring Performance

Tools can vary in terms of:

- The type of judgment required
 - Relative judgment
 - Absolute judgment
- The focus of the measurement
 - Trait, Behavior, or Outcome

Criteria for Performance Management



Methods for Measuring Performance

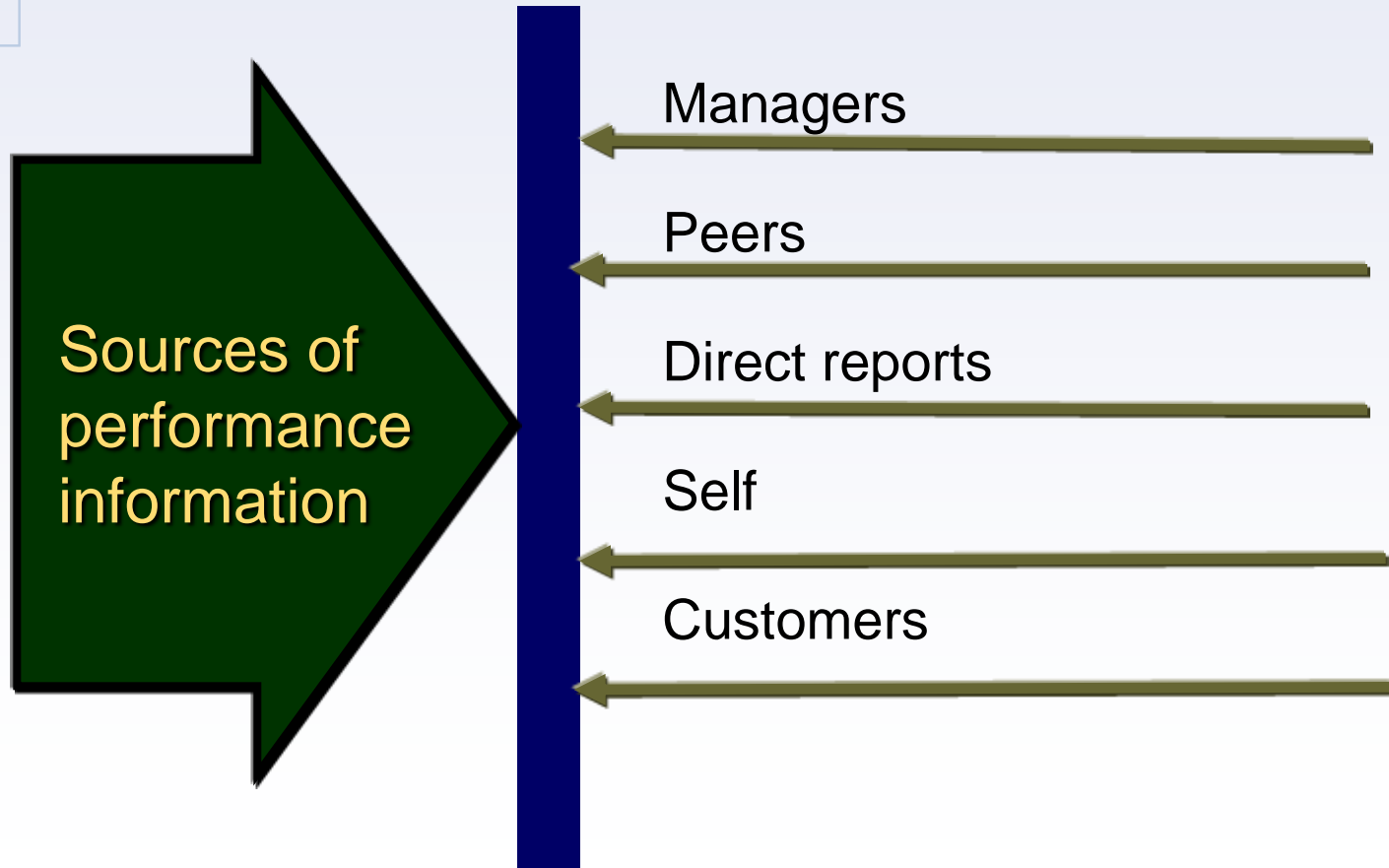
- **Making comparisons**
 - Simple/alternation ranking
 - Paired comparison
 - Forced distribution

Cont...

Rating individuals

Competencies	<ul style="list-style-type: none">• Graphic rating scale• Mixed standard scale
Behaviours	<ul style="list-style-type: none">• Critical incident method• Behaviourally-anchored rating scale• Organization behaviour modification
Results	<ul style="list-style-type: none">• Management by objectives (MBO)• Balanced scorecard

Sources of Performance Information



Challenges to Effective Measurement

- Rater Errors
- Perceptual biases
- Attribution errors
- Implicit personality theories/impressions formation theories
- Organizational politics
- Whether to focus on the individual or the group
- Legal issues

Factors influencing performance

- Poor coordination of work activities among workers.
- Inadequate information or instructions needed to perform a job.
- Lack of necessary equipment.
- Inability to obtain raw materials, parts, or supplies.
- Inadequate financial resources.
- Uncooperative co-workers and/or poor relations among people.
- Inadequate training.
- Insufficient time to produce the quantity or quality of work required.
- A poor work environment (for example, cold, hot, noisy, frequent interruptions).
- Equipment breakdown.

Figure 7–8 Situational (System) Factors to Consider in Determining the Causes of Performance Problems

Dealing with performance shortfalls

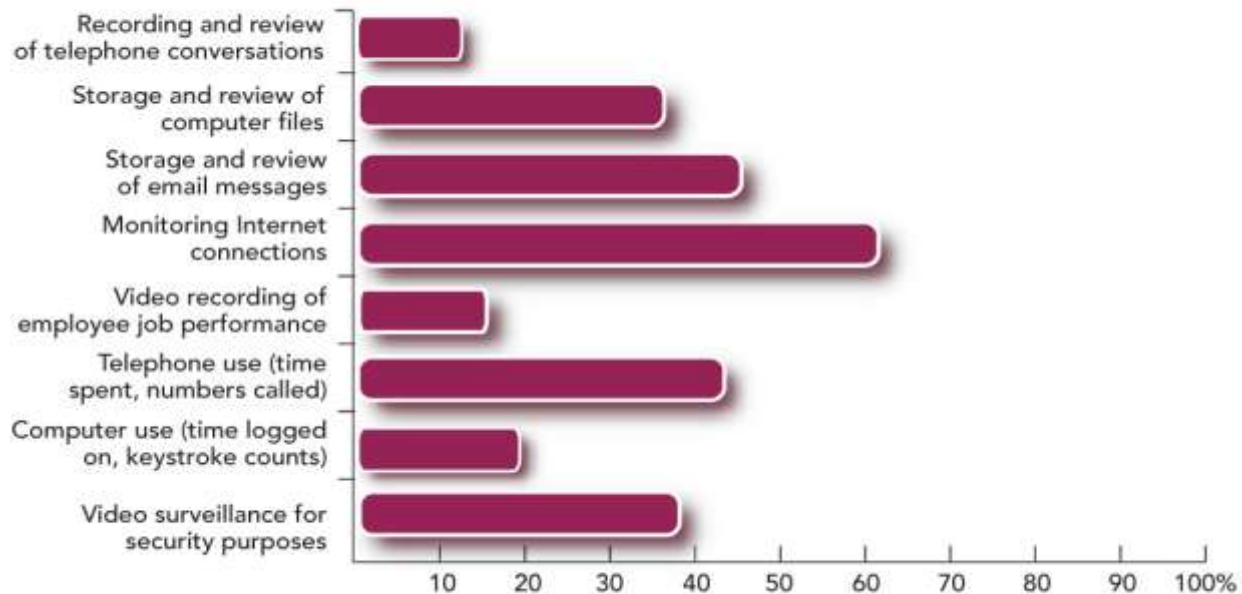
Cause	Questions to Ask	Possible Remedies
Ability	Has the worker ever been able to perform adequately? Can others perform the job adequately, but not this worker?	Train Transfer Redesign job Terminate
Effort	Is the worker's performance level declining? Is performance lower on all tasks?	Clarify linkage between performance and rewards Recognize good performance
Situation	Is performance erratic? Are performance problems showing up in all workers, even those who have adequate supplies and equipment?	Streamline work process Clarify needs to suppliers Change suppliers Eliminate conflicting signals or demands Provide adequate tools

Figure 7–10 How to Determine and Remedy Performance Shortfalls

How Employees Are Monitored

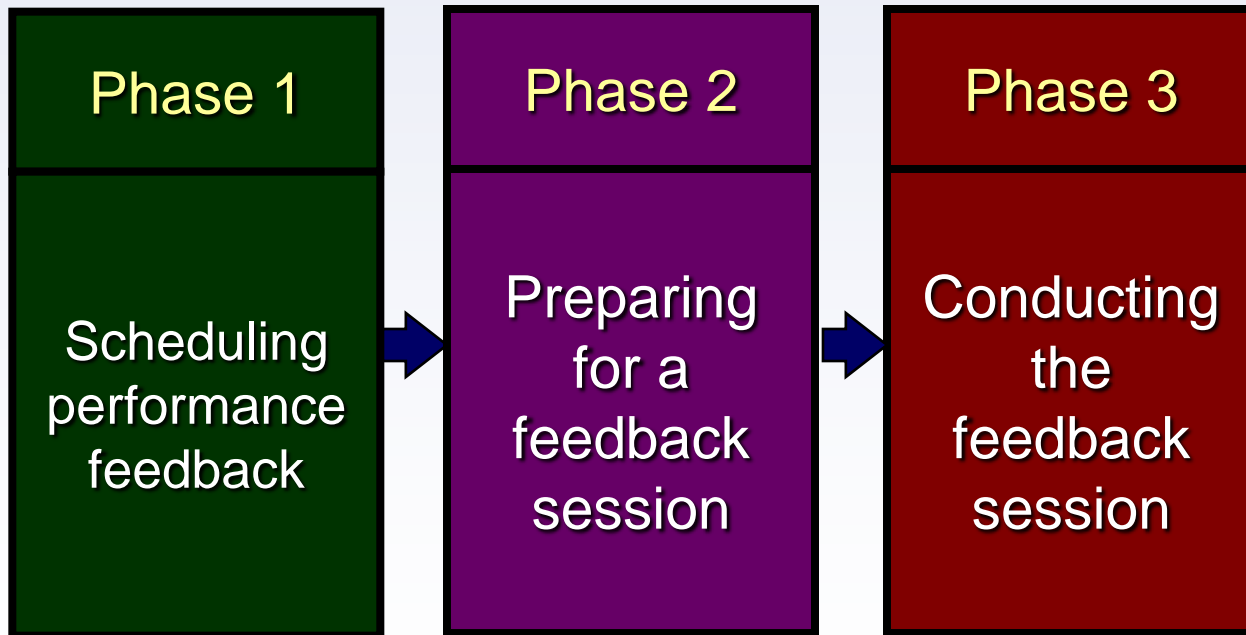
FIGURE 7.9

How Employees are Monitored in the Workplace



SOURCE: "Employee Monitoring Practices—A 2002 Survey of More than 1,600 Large American Employers by the American Management Association Reveals How Employees are being Monitored in the Workplace," *Canadian HR Reporter*, March 8, 2004, p. 2.

Giving Performance Feedback





How to manage performance effectively?