

Human Resource Management And Development

Topic:
Performance Appraisal



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What is Performance Appraisal



Performance Appraisal

- ***Performance appraisal*** is the process by which organizations evaluate individual job performance.
- Performance appraisals are about employee performance and accountability.

Performance Appraisal

- PA should create an accurate picture of an individual's typical job performance.
- Appraisals are not done just to uncover poor performance but acceptable and good results also must be identified.
- **Appraisals and Feedback:** On the basis of performance appraisal, employees need feedback on their performance as a guide to future behavior.

PA and other HR activities

Specific feedback enables them to help with

- ◆ career planning,
- ◆ training and development,
- ◆ pay increases,
- ◆ promotions,
- ◆ Other placement decisions.

HR department also use the information gathered through performance appraisal to evaluate the success of

- ◆ recruitment,
- ◆ selection,
- ◆ orientation,
- ◆ placement,
- ◆ training,
- ◆ and other activities.

Benefits of Performance Appraisal

- ◆ Performance improvement
- ◆ Compensation adjustment
- ◆ Placement decision
- ◆ Training and development needs
- ◆ Staffing (selection) process deficiencies
- ◆ Job design errors
- ◆ Equal employment opportunities

Elements of Performance Appraisal Systems

A performance appraisal system of an organization include,

- A. Performance standards
- B. Performance measures

A. Performance Standards

- ◆ Appraisal systems require performance standards, which serve as benchmarks against which performance is measured.
- ◆ To be effective, standards should relate to the desired results of each job.
- ◆ To hold employee accountable, a written record of the standards should exist and employees should be advised of those standards before the evaluation occurs.
- ◆ **Example: A Teacher's performance standards**

B. Performance Measures

- ◆ Performance evaluations also requires dependable performance measures, the ratings used to evaluate performance.
- ◆ To be useful, these measures must be easy to use and be reliable.
- ◆ **Example: A Teacher's performance Measures**

Challenges in Performance Appraisal

- Performance appraisal is very critical activity in HRM. Some of the major challenges faced during performance appraisal include;
 1. LEGAL CONSTRAINT
 2. RATER BIASES
 - a. The halo effect
 - b. The error of central tendency
 - c. leniency and strictness biases
 - d. cross cultural biases
 - e. personal prejudice
 - f. the regency effect.
 3. APPRAISAL ACCEPTANCE

Challenges in Performance Appraisal

1. LEGAL CONSTRAINTS:

- Performance appraisal must be free of illegal discrimination.
- It should be reliable and valid.
- Otherwise placement decisions may be challenged because they violate equal employment opportunity laws or other laws.
- HR management or Organization may be called at the court of law for such violations.

Challenges in Performance Appraisal

2. RATER BIASES:

- Biases (by rater) is one of the biggest challenge faced during the process of Performance Appraisal. **Rater** is the person who carries out appraisals.

Rater biases

Some common rater biases include;

a. The halo effect:

- The halo effect occurs when the rater's personal opinion of the employee influences the measurement of the performance.
- **For example**, if a supervisor likes an employee, that opinion may distort estimates of the employee performance.

Rater biases

b. The error of central tendency:

- Some raters do not like to rate employees as effective OR ineffective, and so they distort the ratings to make each employee appear average.
- They avoid checking extremes on rating forms, such as very poor or excellent. In stead, they place their marks near the center of the rating sheet.

Rater biases

c. Leniency and strictness bias:

- The ***leniency bias*** results when raters tend to be easy in evaluating the performance. Such rates see all employee performance as good and rate it favorably.
- The ***strictness bias*** is the opposite; it results from raters being too harsh in their evaluations. Sometimes the strictness bias results because the rate wants others to think he or she is a "tough Judge"

Rater biases

d. Cross-cultural biases:

- Every rater holds expectations about human behavior that are based on his or her culture.
- When people are expected to evaluate others from different cultures, they may apply their cultural expectations to someone who has different set beliefs or behaviors.

Rater biases

Examples of cross cultural biases:

1. In many Asian cultures the **elderly** are treated with greater respect and are held in higher esteem as compared to western cultures. If a young worker is asked to rate an older subordinate, this cultural value of “respect and esteem” may bias the rating.
2. In Arabic culture, **women** may receive biased ratings because of the cross-cultural differences.

Rater biases

e. Personal prejudice:

- A rater's dislike for a group or class of people may distort the ratings those people receive. Such prejudice may be based on gender, language, religion, race etc.
- Sometimes the raters are unaware of the prejudice.

Rater biases

f. The recency effect:

- It occurs when the ratings are affected strongly by the employee's most recent actions.
- Recent actions—either good or bad—are more likely to be remembered by the rater.

Challenges in Performance Appraisal

3. APPRAISAL ACCEPTANCE

- Based on different reasons, the lack of acceptance of appraisal among employees is always a big challenge for raters and HR department of an organization.
- The more PA process is reliable, valid and accountable, the more acceptability increases.

Reducing Rater Biases

How rater biases can be reduce in performance appraisal systems.





THANK YOU