Performance Appraisal

Tenth week

Chapter 24
Learning objectives:

• Introduced to the concept of performance appraisal.
• Identify the best way to conduct performance appraisal to motivate the employees.
• Identify the main tools used in the performance appraisal.
• Understand the process of performance appraisal (pre, during, and post).
• Introduced to the 360 degree performance appraisal.
• Identify the coaching strategies to improve the employees’ performance.
Introduction

• Definition: "performance appraisal is the systematic, periodic rating of an employee’s excellence in the matters of his present job and his potential for a better job."

• Performance appraisals let employees know the level of their job performance.

• Performance appraisals also generate information for salary adjustments, promotions, transfers, disciplinary actions, and terminations.
• When used correctly, performance appraisal can motivate staff and increase retention and productivity.

• A manager’s opinions and judgments must be determined in an objective, systematic, and formalized manner.

• The more professional a group of employees is, the more complex and sensitive the evaluation process becomes.
USING THE PERFORMANCE APPRAISAL TO MOTIVATE EMPLOYEES

• Using the appraisal as a tool to promote employee growth did not begin until the 1950s.

• At one time, the appraisal was called a merit rating and was tied fairly closely to salary increases.

• More recently, called performance appraisal because this term implies an appraisal of how well employees perform the duties of their job as delineated by the job description.
Advantages of Performance Appraisal

Appraise

• Reflection on areas of weakness and strengths (Finlay & McLaren, 2009)
• Opportunity to raise issues / obstacles
• Focus on developing individual performance
• Better understanding of goals and requirements
• Identify action plan for future development
• Indication for Salary increment / incentives (Parkin & McKimm, 2009)
Disadvantages of Performance Appraisal

• If not done right, they can create a **NEGATIVE EXPERIENCE**.
• Performance appraisals are very **time consuming** and can be **overwhelming to managers** with many employees.
• They are based on human assessment and are subject to **rater errors and biases**.
• They can create a very **stressful environment** for everyone involved.
Factors Influencing Effective Performance Appraisal

• Appraisal should be based on a standard.
• Employee should have input into development of the standard.
• Employee must know standard in advance.
• Employee must know sources of data gathered for the appraisal.
• Appraiser should be someone who has observed employee’s work.
• Appraiser should be someone the employee trusts and respects.

Prepared by Dr. Mohammad Barahemah
STRATEGIES TO ENSURE ACCURACY AND FAIRNESS IN THE PERFORMANCE APPRAISAL

• Develop self-awareness regarding own biases and prejudices (ex, feminist bias).
• Use appropriate consultation (ex, novice manager).
• Gather data adequately over period of time (ex, annual evaluation).
• Keep accurate records for length of appraisal period.
• Collect positive data and areas where improvement is needed.
• Include employee’s own appraisal of their performance (ex, MBO).
• Guard against halo effect, horns effect, and central tendency trap.
Since the early 1990s, the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) has been advocating the use of an employee’s job description as the standard for performance appraisal.

JCAHO makes it very clear that competence assessments are not the same as performance evaluations. A competence assessment evaluates whether an individual has the knowledge, education, skills, experience, and proficiency to perform assigned responsibilities.
Trait Rating Scales

• A rating scale is a method of rating a person against a set standard, which may be the job description, desired behaviors, or personal traits.

• The rating scale is probably the most widely used of the many available appraisal methods.
• Many experts argue that work performed is a more accurate performance appraisal method than the employee’s personal traits.

• Rating scales also are subject to central tendency and halo-and horns-effect errors and thus are not used as often today as they were in the past.
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Job Dimension Scales

• This technique requires that a rating scale be constructed for each job classification.

• The rating factors are taken from the context of the written job description.

• Although job dimension scales share some of the same weaknesses as trait scales, they do focus on job requirements rather than on ambiguous terms such as “quantity of work.”
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<tr>
<th></th>
<th>1 = Poor</th>
<th>2 = Fair</th>
<th>3 = Satisfactory</th>
<th>4 = Good</th>
<th>5 = Excellent</th>
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<tr>
<td>Renders first aid and treats job-related injuries and illnesses,</td>
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<td>Holds fitness classes for workers Teaches health and nutrition classes</td>
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<td>Performs yearly physicals on workers</td>
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<td>Keeps equipment in good working order and maintains inventory Keeps appropriate records</td>
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<td>Dispenses medication and treatment for minor injuries</td>
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Prepared by Dr. Mohammad Barahemah
Behavorially Anchored Rating Scales (BARS)

• BARS technique requires that a separate rating form be developed for each job classification.

• However, because separate BARS are needed for each job, the greatest disadvantage in using this tool with large numbers of employees is the time and expense.

• BARS also are primarily applicable to physically observable skills rather than to conceptual skills.
Behaviorally Anchored Rating Scale for Nurses

Prepared by Dr. Mohammad Barahemah

This nurse could be expected to put in extra time and care to ensure patient’s comfort.

This nurse could be expected to read nursing journals to improve his or her skill sets.

This nurse would take extra care to memorize patient names.

This nurse would be expected to feel good about being a nurse.

This nurse could not be expected to give patients their medications on time.
Checklists

• The weighted scale, the most frequently used checklist, is composed of many behavioral statements that represent desirable job behaviors.

• Focus on a variety of job-related behaviors and avoid some of the bias inherent in the trait-rating scales.

• A major weakness of all checklists is that there are no set performance standards.

• In addition, specific components of behavior are not addressed.
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<tr>
<th></th>
<th>Yes</th>
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<tr>
<td>1. Does the employee willingly cooperate with others in completing work assignments?</td>
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<td>2. Does the employee have adequate job knowledge to perform duties in a satisfactory manner?</td>
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<td>3. In terms of quality, is the employee’s work acceptable?</td>
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<td>4. Does the employee meet deadlines for the completion of work assignments?</td>
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<td>5. Does the employee’s record indicate unexcused absences?</td>
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<td>6. Does the employee follow safety rules and regulations?</td>
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• **free-form review**, The appraiser describes in narrative form an employee’s strengths and areas where improvement or growth is needed.

• This technique has some strengths because it forces the appraiser to focus on positive aspects of the employee’s performance.

• However, a greater opportunity for personal bias undoubtedly exists.
Self-Appraisals

• **Portfolios** of their work-related accomplishments and productivity as part of the self-appraisal process.

• Advantage, introspection and self-appraisal result in growth when the person is self-aware.

• Disadvantage, Even mature people require external feedback and performance validation.
Management by Objectives (MBO)

• MBO is an excellent method to appraise the performance of the registered nurse in a manner that promotes individual growth and excellence in nursing.

• Advantage of MBO is that the method creates a vested interest in the employee to accomplish goals.

• Additionally, defensive feelings are minimized, and a spirit of teamwork prevails.
Steps of MBO

1. The employee and supervisor meet and agree on the principal duties.
2. The employee sets short-term goals and target dates in cooperation with the supervisor.
3. Both parties agree on the criteria that will be used for measuring and evaluating the accomplishment of goals.
4. Regularly, but more than once a year, the employee and supervisor meet to discuss progress.
Cont.

• 5. The manager’s role is supportive, assisting the employee to reach goals by coaching and counseling.

• 6. During the appraisal process, the manager determines whether the employee has met the goals.

• 7. The entire process focuses on outcomes and results and not on personal traits.
Peer Review

• When peers rather than supervisors carry out monitoring and assessing work performance, it is referred to as peer review.

• Peer review provides feedback that can promote growth. It also can provide learning opportunities for the peer reviewers.

• Peer review involves much risk taking, is time-consuming, and requires a great deal of energy.
Summary of Performance Appraisal Tools

• Trait rating scales: Rates an individual against some standard.
• Job dimension scales: Rates the performance on job requirements.
• Behaviorally anchored rating scales (BARS): Rates desired job expectations on a scale of importance to the position.
• Checklists: Rates the performance against a set list of desirable job behaviors.
• Essays: A narrative appraisal of job performance.
• Self-appraisals: An appraisal of performance by the employee.
• Management by objectives: Employee and management agree upon goals of performance to be reached.
• Peer review: Assessment of work performance carried out by peers
Practice Question

Scenario: A group of registered nurses (RN), with five to ten years of work experience in your department had verbalized that the appraisal they received from another Nurse Manager was unfair. You are asked to re-appraise these RNs.

Describe the strategies that you would undertake to ensure a fair assessment process.
OVERCOMING APPRAISAL INTERVIEW DIFFICULTIES

(Before interview)

• Make sure that the conditions mentioned previously have been met (e.g., the employee knows the standard by which his or her work will be evaluated).
• Select an appropriate time for the appraisal conference.
• Give the employee a two- to three-day advance notice of the scheduled appraisal conference.
• Be personally prepared mentally and emotionally for the conference.
• Schedule uninterrupted interview time. Hold the interview in a private, quiet, and comfortable place.
• Plan a seating arrangement that reflects collegiality rather than power.
During the interview

• Greet the employee warmly.
• Begin the conference on a pleasant, informal note.
• Ask the employee to comment on his or her progress since the last performance appraisal.
• Avoid surprises in the appraisal conference.
• Use coaching techniques throughout the conference.
• When dealing with an employee who has several problems don’t overwhelm him or her at the conference.
• Conduct the conference in a nondirective and participatory manner.
After the Interview

• Both the manager and employee need to sign the appraisal form.

• End the interview on a pleasant note.

• Document the goals for further development that have been agreed on by both parties.

• If the interview reveals specific long-term coaching needs, the manager should develop a method of follow-up to ensure such coaching takes place.
Some experts in human resource management have suggested that annual performance appraisals should be replaced by ongoing performance management.

In performance management, appraisals are eliminated. Instead, the manager places his or her efforts into ongoing coaching, mutual goal setting, and the leadership training of subordinates.

This focus requires the manager to spend more regularly scheduled face-to-face time with subordinates.
• The 360 evaluation feedback method was first used in the 1940s.

• The 360 method provides each employee the opportunity to receive performance feedback from his or her supervisor, peers, staff members, co-workers and customers.
• **Advantages:**
  - Offer a more comprehensive view.
  - Such colleague’s feedback will help strengthen self-development.
  - Increases responsibilities of employees to their customers.

• **Disadvantages**
  - Taking a lot of time, and being complex in administration.
  - Extension of exchange feedback can cause troubles and tensions to several staff.
The word coaching has become a contemporary term to convey the spirit of the manager’s role in informal day-to-day performance appraisals.

Reflective practice and Clinical coaching are both terms to describe a management strategy that fuses both performance coaching and performance management.
Strategies to assist managers in becoming effective coaches:

• Be specific, not general, in describing behavior that needs improvement.
• Be descriptive, not evaluative, when describing what was wrong with the work performance.
• Be certain that the feedback is not self-serving but meets the needs of the employee.
• Direct the feedback toward behavior that can be changed.
• Use sensitivity in timing the feedback.
• Make sure the employee has clearly understood the feedback and that the employee’s communication also has been clearly heard.