

## Performance Appraisal

### MANAGER'S NOTEBOOK

## Emerging Trends

### Competencies for Beginning Legal Eagles

Common competencies that new associates need to exhibit in order to succeed underlie the dynamic work environment of a law firm. Figure 7.3 shows the competencies identified by a law firm as important to the success of new associates. Each abstract, or conceptual, description is followed by behavioral examples illustrating poor and good levels of performance. The law firm is using the competency framework for performance appraisal and also to drive recruitment, training, and promotion. It has already made performance standards clearer to everyone in the organization.

Figure 7.3.

| Competency  | Behavioral Illustration  |
|---|--|
| <b>Knowledge:</b> Associate has solid grasp of basic legal concepts. Demonstrates intellectual curiosity and commitment to understand. Takes ownership of assignments.  | + Invests time to learn relevant law<br>+ Asks informed questions<br>– Counts on others to know law  |
| <b>Skills and Capabilities:</b> Associate demonstrates strong basic skills in written and oral communication, analysis, organization, and problem solving. Seeks out training and work opportunities to improve skills. | + Produces written work that a partner can send to a client or to the court with limited editing or rewriting<br>– Produces written work that a partner must substantially rewrite |
| <b>Work Management:</b> Associate demonstrates strong work management skills, including time management and timely delivery of product.   | + Submits timesheets daily<br>– Does not deliver work when promised  |
| <b>Character and Commitment:</b> Associate demonstrates ethical integrity and sound judgment.   | + Protects the confidentiality of client and firm information<br>– Careless with client and firm information   |

+ Refers to behaviors indicating strengths  
– Refers to behaviors indicating development needs

1. Which strategy follows “Legal Eagles” (prospector/defender)? Why?
2. Name the stages of the Performance Appraisal Process. Name main components of the Competency Model?
3. Based on the focus of the measure, which type of Appraisal format is used in the example?

## Keys to Effective Performance Appraisal in Small Businesses

The workers in a small business are a critical resource that can make the difference between the success or failure of the business. A small-business employee who makes serious on-the-job mistakes or drives away customers can put a small operation out of business. How do you get people on-board and provide a setting in your small business that will allow them to perform at their best? A survey of almost 18,000 employees of small and medium businesses indicates that performance management is a key driver of employee performance. How do you appraise and manage the performance of workers in a small business in a way that engages them with the business and promotes their best performance? Below are basic suggestions.

### Go for Breadth

Developing job descriptions may seem like a formality that can be put off in a small business, but small businesses are increasingly turning to job descriptions to make sure employees are clear about their duties. However, the job descriptions need to be broad so that workers realize that stepping into different roles or putting on different hats can be part of the job. A small business may not have a sufficient number of specialists on staff. Succeeding as a small business can mean that others have to pitch in a variety of ways. The performance expectations and measures need to reflect that reality.

### Provide a Clear Line of Sight to Strategic Objectives

How does a worker's task make a difference or contribute to what the business is trying to do? Each worker should be provided the big picture about the customers and how their efforts contribute to the goal of serving those customers. Sometimes it is not obvious how performance on some tasks makes a difference. However, if employees understand that a mistake may mean a customer not getting an order or may result in damaged goods, they will understand the importance of their contributions.

5. Why does the concept of "stepping in different roles or putting on different hats" mean?
6. Why is Performance specifically challenging for the small business? Name 3 main sources of the Performance Appraisal. Which one (s) will be more suitable for a small company? Why?

## Training and Development

Tight economic conditions can translate into smaller budgets for training in an organization. Doing away with training altogether may mean losing a competitive edge, or worse, losing the business. It isn't easy to maintain effectiveness when budgets are shrunk, but it is possible. Here are some tactics from training professionals to reduce costs.

- **Look inside.** Employees in the organization may be a rich source of training expertise. Furthermore, the relevance of the training can be built in when it comes from someone inside the organization. A director of training and education at a Florida automotive company had to eliminate training or find a low-cost alternative.<sup>a</sup> The 400-employee company now relies entirely on internal expertise for its training resource. Another internal approach to increasing skill levels is to use coaches and mentors—people in supervisory and management roles or people with particular expertise. Thus, training could be done within the top-down hierarchical structure in the organization or could be a peer-based process.
- **Focus training on what is needed.** What do workers need to know or do on the job? Are workers lacking in any of these areas? If so, training should be focused on those gaps and not waste time or training dollars by including any other topics. For example, a worker who needs to understand and use one function of a piece of software doesn't need to be trained for proficiency in all aspects of that software. Targeting training to specific gaps can make the training budget go further.
- **Give training a strategic alignment.** The investment in training will pay off in moving the organization forward to the extent that it is linked with strategy.
- **Capitalize on reduced costs of online training.** Online training offers the advantages of lower cost and getting training content out to more people at one time than traditional classroom training can. Most of the savings are due to reducing lost work hours and eliminating housing and travel costs.

### Moving from Learning to Doing

**T**raining is meant to make positive changes in the workplace. For those changes to occur, not only must learning happen, but the lessons learned need to be transferred to the workplace.

There are many reasons why training may not transfer. For example, upper management may not visibly support the change being promoted by the training. Furthermore, the lessons may be compelling, but the culture of the workplace may work against any changes. There may simply not be enough time to apply the lessons. The work environment may be too chaotic and unstructured for any lessons from training to take hold and make positive changes.

The following suggestions are steps that can be taken to maximize the chances that lessons from training transfer back to the workplace.

- **Be a teacher.** Be a link between the training and people in your area of the workplace. If you teach others what was learned in the training, you will help to spread the training and will practice and reinforce what you learned.
  - **Assign yourself homework.** Set specific goals that apply the lessons learned in the training.
  - **Develop your own job aids.** Placing a key model, terms, or steps learned in training on a convenient and easily seen spot, such as a tent card on your desk, can help remind you of the core message of the training.
- 
- **Get a training partner.** A partner can help provide support for applying the lessons from training. Overcoming obstacles to transfer of training can be more easily accomplished with a partner than by yourself.
  - **Ask for help.** If you need help in transferring the training lessons, you might ask your manager or the HR department for help. Additional materials, follow-up sessions, or other forms of organizational support may be available.

Source: Based on Janove, J. W. (2002). Use it or lose it: Training is a waste of time and money if managers don't transfer lessons learned to their daily work lives. *HRMagazine*, 47, 99(4). ■■

7. Does employee training create extra costs for the company? Why? (name min 2 reasons). How can the company save on the training costs?

8. Is training always the solution to the problem? What can be the reasons why training does not work? Which steps should be followed by a company to develop an effective and successful Training program?

9. Comment on the Carree path in McDonald's restaurant. What are the main criteria and opportunities?

<https://youtu.be/eWcBipi5VWU>



### Compensation

#### **Challenging perceptions of 'McJob'**

McDonald's has often been at the forefront of arguments that suggest that work in tourism and hospitality is inherently low-paid and with little meaning. For example, Douglas Coupland, the author of *Generation X: Tales for an Accelerated Generation*, coined the term *McJob* to describe a low-paying, low-prestige, low-dignity, low-benefit job, no-future job in the service sector. Recently the company has sought to address these issues head-on with a sustained campaign to change perceptions about the *McJob* descriptor. A key part of this re-branding has been attempting to draw attention to fairness with regard to career opportunities and remuneration. For example, the company has suggested that the proportion of employees who regard their pay as 'fair' is 30 percent higher than comparable companies. Part of the reason for this finding may be the manner in which McDonald's pays well above the lowest rate of the NMW\* for 16–17-year olds. The company has the lowest rate of 4euro per hour for this group of employees, a full euro above the state's 16–17-year old development rate. Of course, McDonald's has a relatively large number of employees who will be in the 16–17 age bracket and so arguably could be seen to be a 'good' employer to that particular segment of the labor market. Interestingly this is in contrast to the rate for 18–21-year olds and those aged 22 years, where the lowest rate is at the level of the NMW, although with increments staff can eventually earn a top hourly rate of 10 euro.

\*National Minimum Wage

Source: Riley, M. (2008). *Human Resource Management for the Hospitality and Tourism Industries*, D. Nickson, Butterworth Heinemann, Oxford (2006), 320pp., £ 24.99 (pbk.), ISBN: 978-0-7506-6572-8.

**10.** Nevertheless, McDonald's is still a place to work for many. Why?

**11.** If not a compensation system. How can the company motivate employees with other HR functions?

**12.** Calculate the salary for 2 different jobs in McDonald's. Fill up Tables 1 and 2. How to know the number <https://www.linkedin.com/salary/>

Table 1 - Employees salaries - numbers

|              | Gross salary, euro | Net Salary, euro |
|--------------|--------------------|------------------|
| specialist 1 |                    |                  |
| specialist 2 |                    |                  |

Note! Consider that employees should pay **Personal income tax** (in Spain it is [IRPF](#) - official source **Agencia Tributaria**) and **social security tax** rates fall between 6.35% (2019). There are some allowances and deductions (in case of different regions, civil status, if the taxpayer has children or lives with parents its). Also, the numbers are changing from year to year. To simplify the calculations use an online calculator, for example, <https://cincodias.elpais.com/herramientas/calculadora-irpf/>

Table 2 - Company's costs per employee for 1-year

|            | Gross salary, euro | Tax (%), euro | Additional Payments | 1-Year salary Total, euro |
|------------|--------------------|---------------|---------------------|---------------------------|
| Specialist |                    |               |                     |                           |
| Manager    |                    |               |                     |                           |

NOTE! The employer is required to pay a **social insurance tax** from the employee's Gross salary of **29.9%**. Also, some other costs can be mentioned, such as benefits, holidays, 13th salary, maturity leave, etc.