

Unit 2. Human Resources Management (HRM)

Topic 2.3 Performance Appraisal, Training and Development

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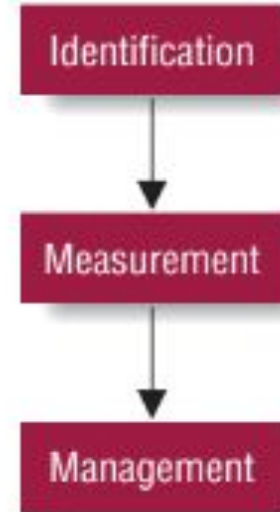
Main issues.

1. **Performance Appraisal** and its components.
2. The **Role** of Performance Appraisal
3. Training vs. Development
4. Developing Careers

1. Performance Appraisal

What is performance appraisal?

- **Performance appraisal** - is the process
- identification,
- measurement, and
- management
- of human resources performance in organizations.



2. The Role of Performance Appraisal

Why Performance Appraisal is important?

If done effectively Performance Appraisal is

- the criteria against which selection systems of Hiring process are validated
- the key to train and develop employees and improving their performance.
- the typical basis on which personnel decisions, such as terminations, are legally justified.
- the measure of practical control of the company's strategy.



Case. he Manager's Notebook,

2. The Role of Performance Appraisal

Appraisal Formats

RELATIVE judgment - supervisors compare an employee's performance to the performance of other employees doing the same job (compare coworkers).

	<u>Team 1</u>	<u>Team 2</u>	<u>Team 3</u>
Actual	Ranked Work	Ranked Work	Ranked Work
10 (High)		Jill (1)	Frank (1)
9			Julien (2)
8		Tom (2)	Lisa (3)
7	Marcos (1)	Sue (3)	
6	Uma (2)		
5			
4	Joyce (3)	Greg (4)	
3	Bill (4)	Ken (5)	Jolie (4)
2	Richard (5)		Steve (5)
1 (Low)			

2. The Role of Performance Appraisal

Appraisal Formats

ABSOLUTE judgment - supervisors make judgments about an employee's performance based solely on performance standards.

Review period: From _____ To _____

Department/Division _____

For each applicable performance area, mark the box that most closely reflects the employee's performance.

1 = unacceptable

2 = needs improvement

3 = satisfactory

4 = above average

5 = outstanding

PERFORMANCE AREA	1	2	3	4	5
Ability to make job-related decisions					
Accepts change					
Accepts direction					
Accepts responsibility					
Attendance					
Attitude					
Compliance with rules					
Cooperation					
Cost consciousness					
Dependability					

PERFORMANCE AREA	1	2	3	4	5
Effective under stress					
Initiative					
Knowledge of work					
Leadership					
Operation and care of equipment					
Planning and organizing					
Quality of work					
Quantity of acceptable work					
Safety practices					
SUPERVISOR'S OVERALL APPRAISAL					

2. The Role of Performance Appraisal

Appraisal Formats

TRAIT appraisal - supervisor make judgments about worker personal traits / characteristics that tend to be consistent and enduring.

“-” have been criticized

- too ambiguous
- create conscious or unconscious bias.

Rate each worker using the scales below.

Decisiveness

1	2	3	4	5	6	7
Very low			Moderate			Very high

Reliability

1	2	3	4	5	6	7
Very low			Moderate			Very high

Energy

1	2	3	4	5	6	7
Very low			Moderate			Very high

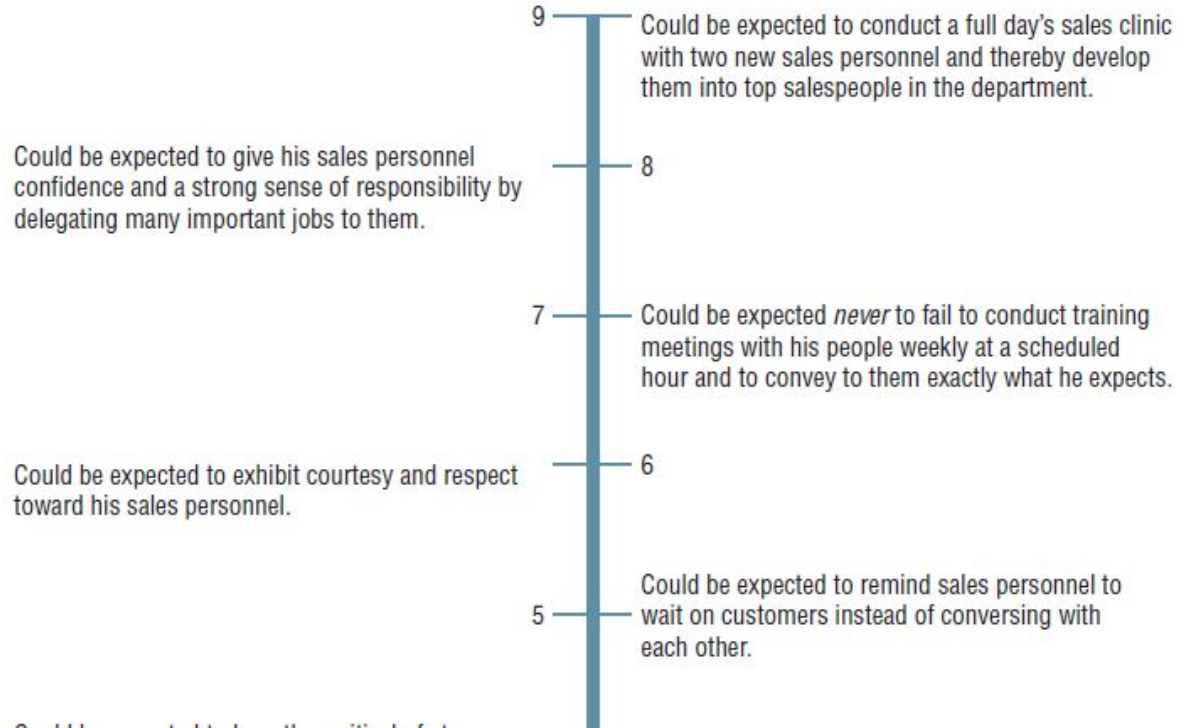
Loyalty

1	2	3	4	5	6	7
Very low			Moderate			Very high

2. The Role of Performance Appraisal

Appraisal Formats

BEHAVIOURAL
appraisal -
supervisors assess a
worker's behaviors.



2. The Role of Performance Appraisal

Appraisal Formats

OUTCOME appraisal -

supervisors assess the results achieved by worker.

Normally based on the objectives:

- *number of total sales*
- *number of products produced*
- *number of tables served*

2. The Role of Performance Appraisal

Source of the Appraisal

- self-review
- peer review
- subordinate review



<https://youtu.be/cEvOGhVStZE>

Manager - Worker Relationships

- **past-oriented** activity - criticizes or praises workers for their performance in the preceding year
- **future-oriented** view - what workers can do to achieve their potential in the organization.

Managers must provide workers with feedback and coach them to higher levels of performance. *Not aggressive communication.*

CQ 2.3

Very often employees claim that companies develop very strict performance standards and misuse performance appraisal in order not to pay employee bonuses or fire them.

Strict Performance Appraisal. Is it an ethical question? What are the +/- for the company and employee? What is the solution?

Challenges to Effective Performance Measurement

- Rater errors and bias (*halo error , the tendency to rate similarly across dimensions*)
- The influence of liking (*like or dislike for other reasons*)
- Organizational politics (*continues evaluations*)
- Whether to focus on the individual or the group
- Legal issues (*clear and written instructions*)



2. The Role of Performance Appraisal

Performance Appraisal Improvements - 360 degrees Feedback

- Explore the **causes** of performance problems.
- **Direct attention** to the causes of problems.
- Develop an **action plan** and empower workers to reach a solution.
- Direct communication at performance and provide **effective feedback**.



<https://www.youtube.com/watch?v=jepY-WUXUkU>

2. The Role of Performance Appraisal

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 may 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 levels across workers be measured and have an effect on outcomes.
4. Assessment and recognition of performance levels can motivate workers to improve their performance.

3. Training and Development

	Training	Development
Focus	Current job	Current and future jobs
Scope	Individual employees	Work group or organization
Time Frame	Immediate	Long term
Goal	Fix current skill deficit	Prepare for future work demands

training

The process of providing employees with specific skills or helping them to correct difficulties in their performance.

development

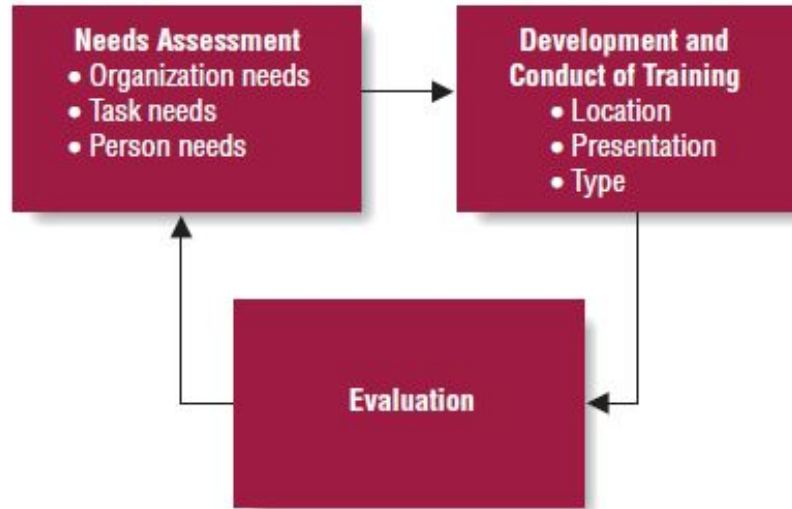
An effort to provide employees with the abilities the organization will need in the future.

3. Training and Development

Key Training Challenges

- **Identify** - Real Business Impact
 - How can training **keep pace** with a changing organizational environment and companies strategy at the same time?
- **Analyse** - Skill Gap
 - How make it the **training** to be perceived **positive**?
- **Develop** - Layer Training
 - Should training take place in a **classroom setting or on the job**?
 - How to **save** on training costs.
- **Evaluate** - Managing effectiveness
 - Is training always the **solution** to the problem?
 - How can training be delivered so that trainees are **motivated to learn**?





The training process

	<i>Defender</i>	<i>Prospector</i>
Training	<ul style="list-style-type: none">• Individual training• On-the-job training• Job-specific training• "Make" skills	<ul style="list-style-type: none">• Team-based or cross-functional training• External training• Generic training emphasizing flexibility• "Buy" skills

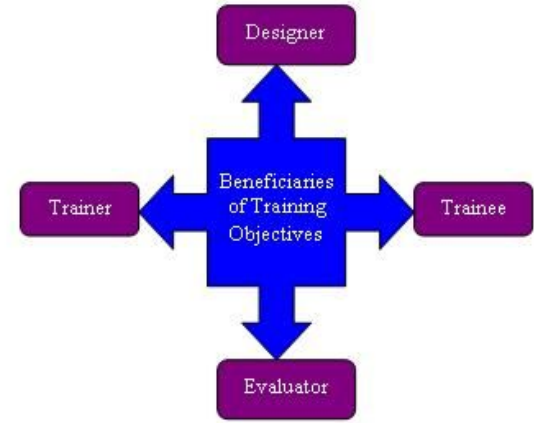
3. Training and Development

The Needs Assessment Phase

Clarifying the Objectives of Training

THE LEVELS OF NEEDS ASSESSMENT

- Organizational needs
 - Ex. how will training help to improve performance (customer satisfaction)?
- Task needs
 - Ex., the performance of which task will training help to improve (work with the software)?
- Person needs
 - Ex. which personal skills will the training help to improve (communication skills)?



3. Training and Development

TYPES OF TRAINING

- Team Training
- Cross-cultural training

<https://vimeo.com/88245684>

PRESENTATION OPTIONS

- Virtual Reality
- Simulations

LOCATION OPTIONS

- Off-the-job training
- on-the-job training (OJT)



3. Training and Development

The Evaluation Phase

Four Measurement Levels

Level	Type of Measurement
1	Participants' reaction to the training at the time of the training.
2	Participants' learning of the content of the training.
3	Participants' use of their new skills and knowledge back on the job.
4	Company's return on the training investment.

3. Training and Development

Talent Development Process

1. The Assessment Phase

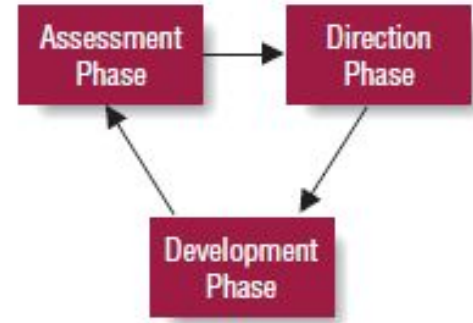
- organizational assessment
- self-assessment

2. The Direction Phase

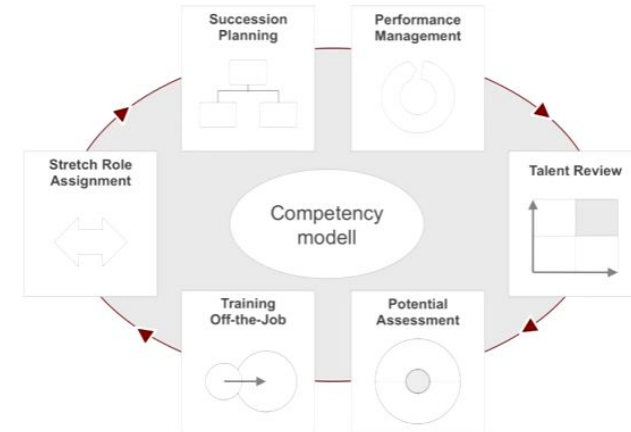
- information services
- individual career counselling

3. The Development Phase (based on competency model)

- COACHING - giving a training (**knowledge**)
- JOB ROTATION - giving responsibilities (**experience**)
- MENTORING - giving an example (**personality**)
- TUITION ASSISTANCE PROGRAMS - self-responsibility



Classic Approach of Talent Development



4. Developing Careers

Expert-Career versus Management-Career



- ▶ More responsibility for people and budgets
- ▶ Career-moves up the hierarchical ladder



- ▶ More task complexity
- ▶ Deepen professional knowledge within a narrowly defined field
- ▶ No responsibility for people
- ▶ Internal consultant for top-level executives

<https://youtu.be/eWcBipi5VWU>



Career in the company with flat and hierarchical organizational structure. What will be the difference?

CQ 2.4

Some companies reimburse the educational expenses of employees who take classes on their own. In an era when people can count less and less on a single employer to provide them with work over the course of their careers, do you think employers have ethical responsibilities in front of their employees?

Is the reimbursement of training costs is “A question of Ethics”?

+/- for company

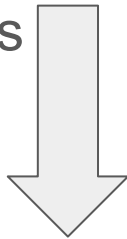
+/- for employee?

Suggest solution

Case 2.3

Questions

Definitions



Definitions

Performance Identification is determining which 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 rather than performance-irrelevant characteristics such as race, age, or sex.

Definitions

Performance Measurement entails making managerial judgments of how “good” or “bad” employee performance was.

Performance measurement must be consistent throughout the organization.

That is, all managers in the organization must maintain comparable rating standards.

Definitions

Performance Management is a process by which managers and employees work together to plan, monitor and review an employee's work objectives and overall contribution to the organization.

Definitions

Source of the Appraisal

- **self-review**
 - A performance appraisal system in which workers rate themselves.
- **peer review**
 - A performance appraisal system in which workers at the same level in the organization rate one another.
- **subordinate review**
 - A performance appraisal system in which workers review their supervisors.