


# Managing for Maximum Performance

## UCSD Extension Business & Technology

### Chapter 19 – Appraising and Rewarding Perf. – Fall 07

**Goal Financial**

Performance Appraisals  
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November 15, 2007

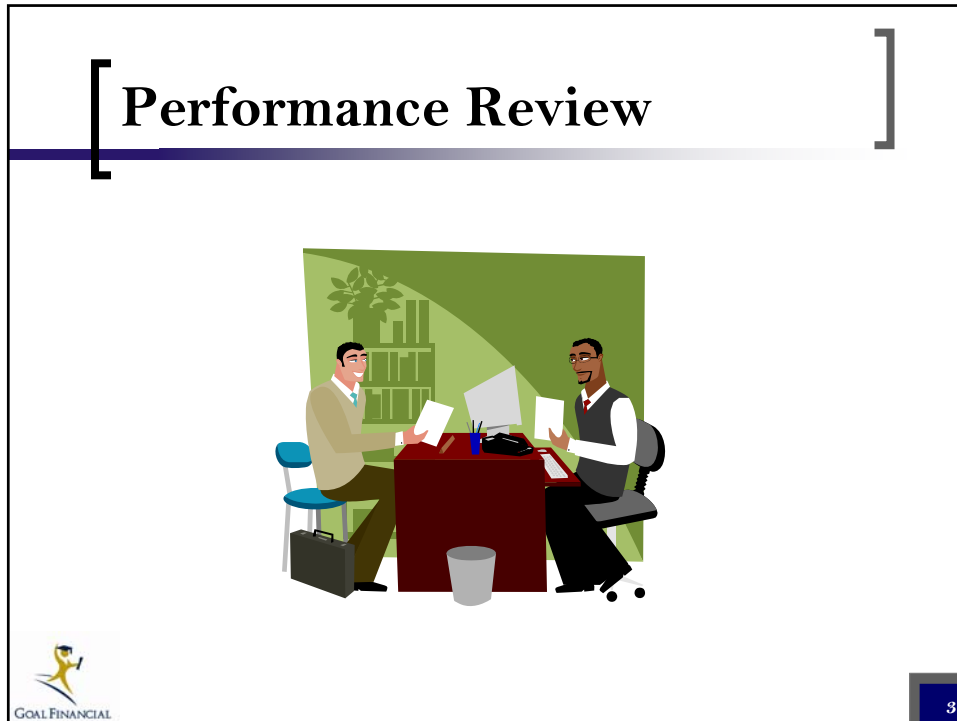


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## [ Performance Review Process ]

- **A process for:**
  - Summarizing performance results for the current rating period
  - Determining the direct report's ratings
  - Providing feedback and discussing your assessment with the direct report
  - Determining individual & corporate training.
  - Encouraging performance improvement

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## [ Performance Review ]

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- **Benefits**
  - Recognizes the direct report's contribution to the business
  - Helps the direct report understand how you determined the ratings
  - Encourages ongoing development and improvement
  - Begins planning for the next performance year
  - Documents performance against measurement goals and competencies

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## [ Performance Review ]

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- **Answers these questions for your Direct Reports:**
  - How did my manager determine ratings?
  - How effectively did I demonstrate competencies?
  - What were my performance strengths?
  - What areas do I need to improve/develop further?
  - What are the next steps for my development?
  - What are my goals for the next year?

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#### Gathering Information on Performance



- Do your homework & get data!
- Encourage direct reports to inform you of accomplishments
- Gather specific examples
- Solicit input from others
- Review your notes from coaching discussions
- Keep an ongoing performance log



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#### Appraisal Methods



- **Goal Setting or MBO** – linking corporate objectives to the appraisal.
- **Production Standards Approach** – setting a standard or expected level of output and comparing the results
- **Essay Appraisal** – requires the manager to describe an employees performance in narrative form.
- **Critical Incident** – requires the manager to keep a written record of incidents as they occur that illustrate job performance.
- **Graphic rating scale** – assessment based on quantity, knowledge, attendance and accuracy.
- **Checklist** – manager answers yes or no to a series of questions.



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#### Additional Appraisal Methods

- **Behavioral Anchored Rating Scale** – the focus is not on performance outcomes but on behaviors demonstrated on the job. (Ex: Communicates effectively 1-10 rating)
- **Forced Choice Rating** – requires the manager to rank a set of statements describing how the employee carries out the duties.
- **Ranking Method** – useful when comparing the performance of two or more employees.
- **Multi-rater Assessment or 360-degree Feedback** – the evaluation process is expanded to other individuals who have knowledge of the employees work performance. (Ex: co-workers, subordinates, customers,) The person being evaluated typically completed a self evaluation using the same form as the evaluators.



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#### Evaluating Performance

- **Potential Rating Errors**
  - **Halo Effect** – occurs when the interviewer allows a single prominent characteristic to dominate judgment of all other traits.
  - **Central Tendency** – occurs when raters rate most employees as doing average or above-average work.
  - **Leniency** – grouping of ratings at the positive end of the scale instead of spreading them throughout the scale.
  - **Recency** – occurs when evaluations are based on work performed most recently, not the entire review period.



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## Performance Appraisal Key Points




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- Appraisals should never be a surprise
- Appraisals should be fair, impartial, and objective. Does this always occur?
- Appraisals should be based on job performance only & not other factors unrelated to the job.
- Appraisals should encourage employees to speak and address issues in the evaluation process themselves.
- Appraisals should provide specific examples to support your ratings
- Appraisals be proactive and not reactive. Why? What's the danger of being reactive?
- Ask for the direct report's ideas on how performance can be improved
- Appraisals should be a positive experience
- Set goals


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## Performance Appraisals Key Points (cont.)



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- **Don't...**
  - Sidestep problems
  - Negotiate
  - Be vague or generalize the reasons for performance ratings
  - Minimize the direct report's concerns
  - Raise expectations unrealistically regarding career and advancement opportunities
  - Make the session into a monologue
  - Compare the person's performance to other people's performance

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## Development Planning

- End appraisal by outlining specific development objectives for the next year.
  - Identify:
    - Development Activities
    - Resources/Support
    - Measures
    - SMART Goals
    - Supervisor Actions
    - Time Frame
    - PASS OUT GOALS/OBJECTIVES SCORECARD & SAMPLE PERFORMANCEE REVIEW FORM

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## Questions/Comments



It's **QUESTION TIME!!**

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