

Human Resource Management

MBA

Master of Business Administration
University of Wales Trinity Saint David

Instructor - Dr Alice Te

Day 5 – November 30, 2024

Human Resource Management

Seven key topics

Global HRM: Globalization, Strategic Roles

Culture, Law, Ethics, AI

Staff Planning and Recruitment

Training and Development

Performance Management

Compensation and Benefits

Employee Relations



Human Resource Management

Course Components

8-day classes

Nov 2, 10, 16, 23, **30**

Dec 7, 14, 22, 2024

Essay (50%)

Submitted by

Jan 6, 2025

Individual Presentation

(50%)

on Dec 22, 2024



Outline of the eight days

- 
- Day three: Nov 16** Staff Planning and Recruitment
- Day four: Nov 23** Training and Development
- Day five: Nov 30** **Performance Management**
- Day six: Dec 7** Compensation and Benefits
- Day seven: Dec 14** Employee Relations
- Day eight: Dec 22** Your Individual Presentations

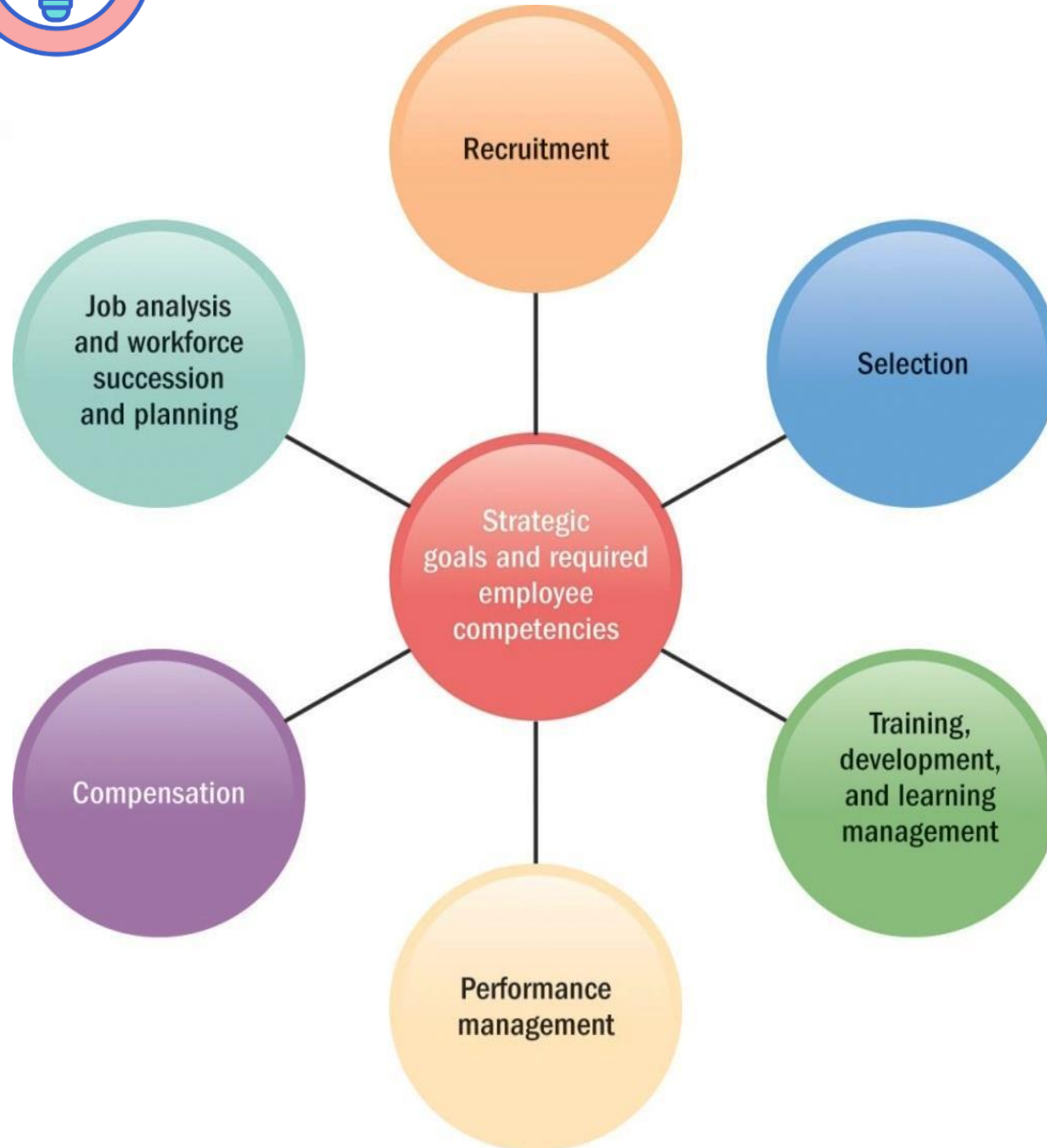
Day 5

Performance Management





Integrated view of HRM



1. **Planning** - Decide what positions to fill
2. **Recruitment** - Build a pool of job candidates
3. **Selection** - Decide to whom to make an offer
4. **Training** - Orient, train, and develop employees
5. **Performance management** - Assess employees work results
6. **Compensation** - Remunerate employees for desirable performance



What we will cover today

1. Relationship between performance appraisal and performance management (**What**)
2. Three-step Performance Appraisal cycle (**How**)
3. Six key parties to evaluate performance (**Who**)
4. Six performance appraisal techniques
5. Seven potential rating problems
6. Guide to conduct Appraisal Interviews
7. Performance Management in International context



Discussion - General Perception of PM

- Effectiveness
- Quality of Performance
- Performance Vs Reward
- Performance – Merit – Reward
- How Often is RIGHT?
- Formality? Paperwork ONLY
- Evaluator – Bias, Lenient, tough
- KPI Vs OKRs - Hard objectives ONLY?



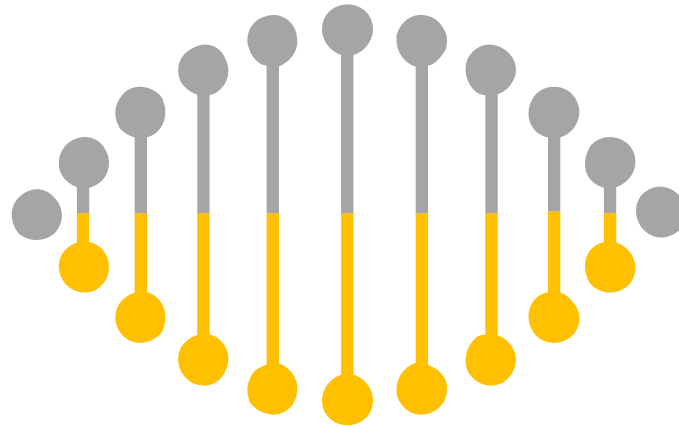
Performance Management

An **“on-going” process** to define, measure, motivate and develop employee’s **performance**, in so doing to ensure employees' activities and outcomes are congruent with the organisational goals





What did the supervisor do well / do ineffectively?
How did the appraisee respond to their supervisor's behaviour?



Relationship between performance appraisal and performance management **(What)**

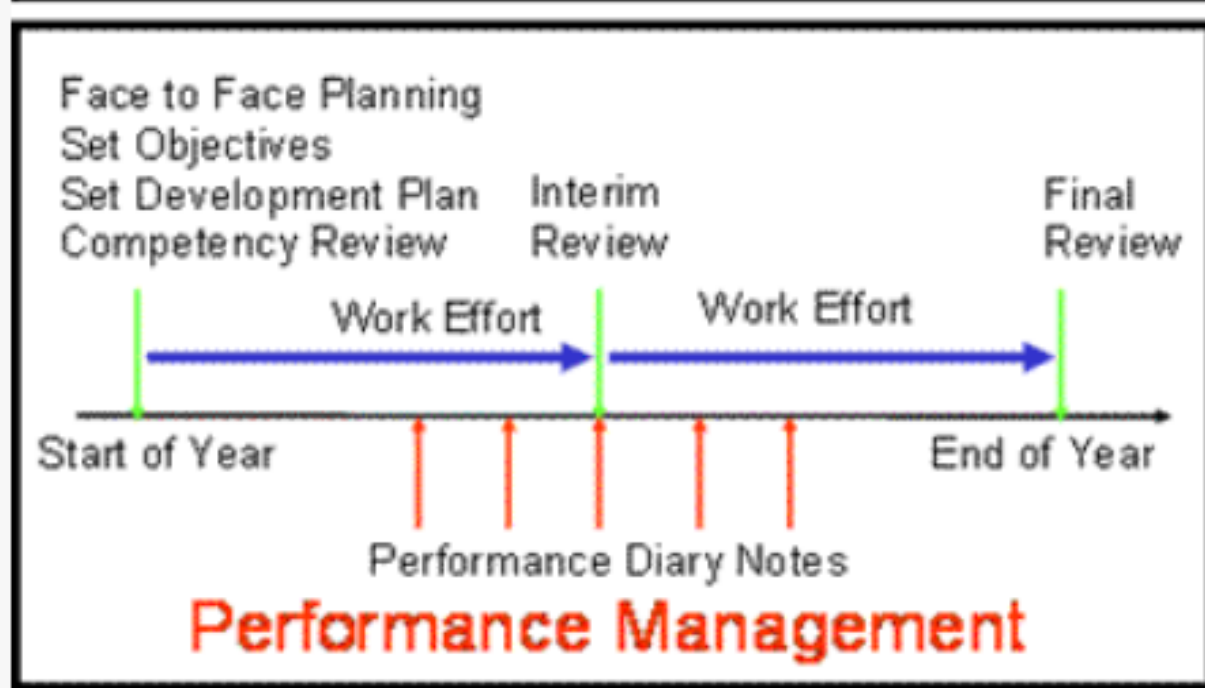


Relationship between performance appraisal and performance management

Comparing Performance Appraisal and Performance Management

- **Performance appraisal**
 - Evaluating an employee's current and/or past performance relative to his or her performance standards.
- **Performance management**
 - The **process** employers use to make sure employees are working toward organizational goals.

Performance Management

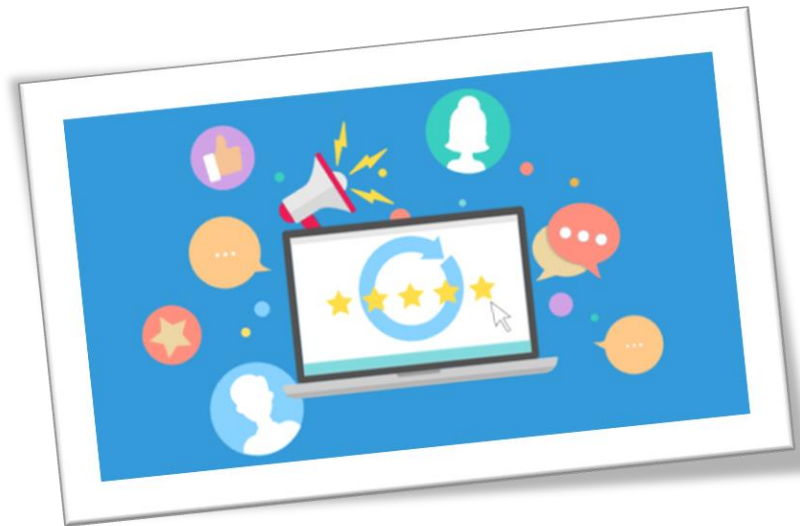


As a manager, I
need to engage in
the entire process to
help my employees
perform to the best
of their abilities

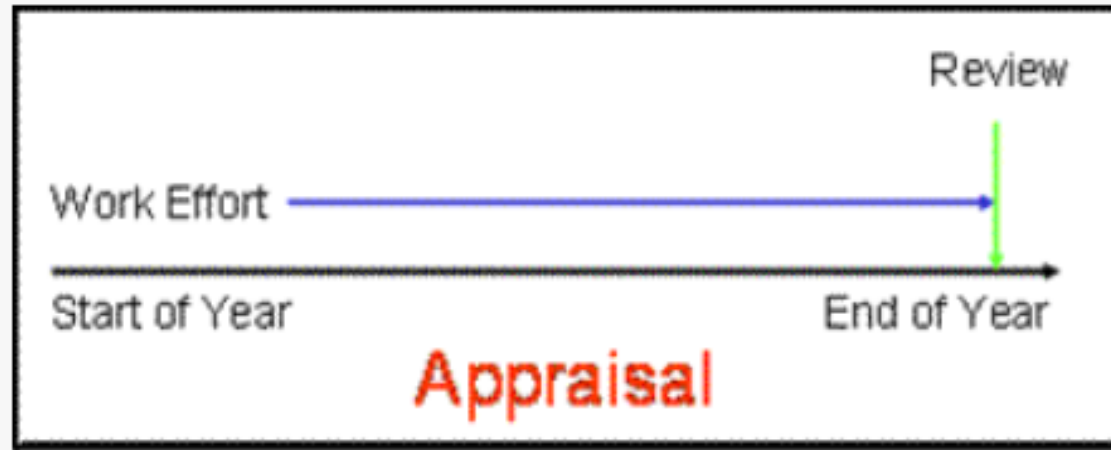


Performance Management

An **“on-going” process** to define, measure, motivate and develop employee’s performance, in so doing to ensure employees' activities and outcomes are **congruent with** the organisational goals



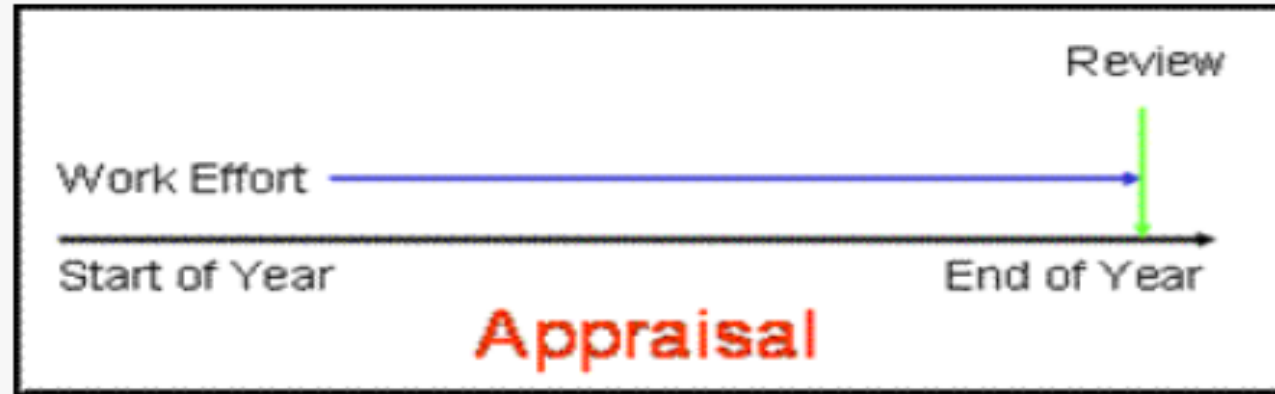
Performance Appraisal



A formal system to review and evaluate an employee's past and / or current performance relative to the pre-defined performance standards



PM is more than PA



Roles of LINE and STAFF Managers in PM

Staff Authority

HR Unit

- ◆ Design and maintains appraisal system
- ◆ Trains raters
- ◆ Track timely receipt of appraisals
- ◆ Review completed appraisals for consistency

Line Authority

Managers

- ◆ Typically rate performance of employees
- ◆ Prepare formal appraisal documents
- ◆ Review appraisals with employees
- ◆ Identify development areas



Reasons – appraising performance

- Appraisals play an integral role in the employer's performance management process.
- Appraisals help in planning for **correcting** deficiencies and reinforce things done correctly.
- Appraisals in identifying employee **strengths** and **weaknesses**, are useful for career planning
- Appraisals affect the employer's **salary raise** decisions.



Importance to evaluate performance

1. **Administrative purpose:**

Employers determine the pay adjustment, salary range, demotion, and retention decisions based on appraisal results

2. **Organizational effectiveness:**

Ensure employee's performance aligns with standard and company's overall goal

3. **Training needs:**

Enable supervisor to identify performance gap and deficiency then decide what to train and whom to be trained to improve performance

4. **Career growth:**

Manager and subordinate **jointly** review one's strengths and weaknesses → develop actions for career progression



Evaluating Faculty for Promotion and Tenure Classroom Teaching Appraisal by Students

Teacher _____ Course _____
Term _____ Academic Year _____

Thoughtful student appraisal can help improve teaching effectiveness. This questionnaire is designed for that purpose, and your assistance is appreciated. Please do not sign your name.

Use the back of this form for any further comments you might want to express.

Directions: Rate your teacher on each item, giving the highest scores for exceptional performances and the lowest scores for very poor performances. Place in the blank space before each statement the rating that most closely expresses your view.

Excep- tional		Moderately Good		Very Poor	Don't Know			
7	6	5	4	3	2	1	X	
_____								1. How do you rate the agreement between course objectives and lesson assignments?
_____								2. How do you rate the planning, organization, and use of class periods?
_____								3. Are the teaching methods and techniques employed by the teacher appropriate and effective?
_____								4. How do you rate the competence of the instructor in the subject?
_____								5. How do you rate the interest of the teacher in the subject?
_____								6. Does the teacher stimulate and challenge you to think and to question?
_____								7. Does he or she welcome differing points of view?
_____								8. Does the teacher have a personal interest in helping you in and out of class?
_____								9. How would you rate the fairness and effectiveness of the grading policies and procedures of the teacher?
_____								10. Considering all the above items, what is your overall rating of this teacher?
_____								11. How would you rate this teacher in comparison with all others you have had in the college or university?

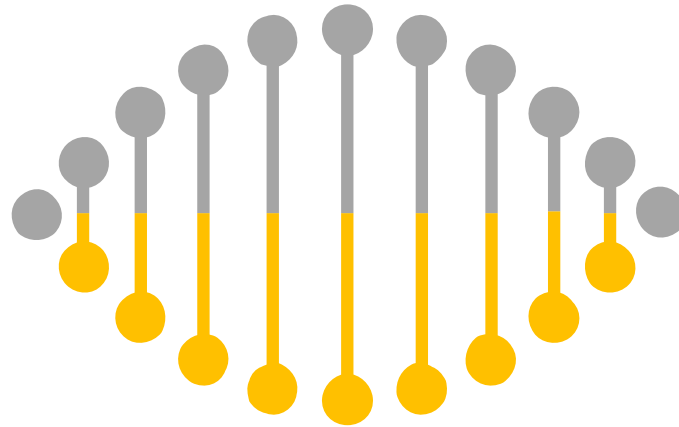
Classroom Teaching Appraisal By Students

Source: Richard I. Miller, *Evaluating Faculty for Promotional and Tenure* (San Francisco: Jossey-Bass Publishers, 1987), pp. 164–165. Copyright © 1987, Jossey-Bass Inc., Publishers. All rights reserved. Reprinted with permission.

Figure 9–1

Group Discussion

- School/university – Workplace : How this kind of appraisal different from the conventional appraisal in the normal office workplace?
- What things may have missed
- Any biases/errors could be appeared
- Sharing – best practice in Workplace about PA ?



Three-step Performance Appraisal Cycle (How)

Steps in Performance Appraisal

1. Defining the job

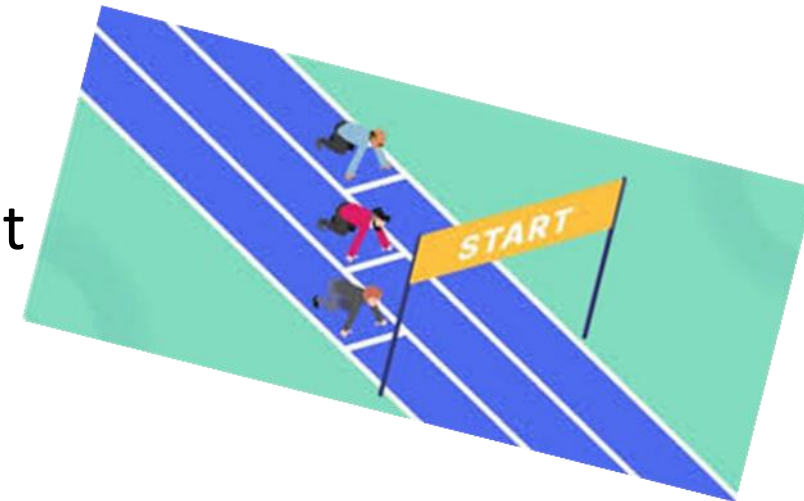
- Making sure that you and your subordinate agree on his or her duties and job standards.

2. Appraising performance

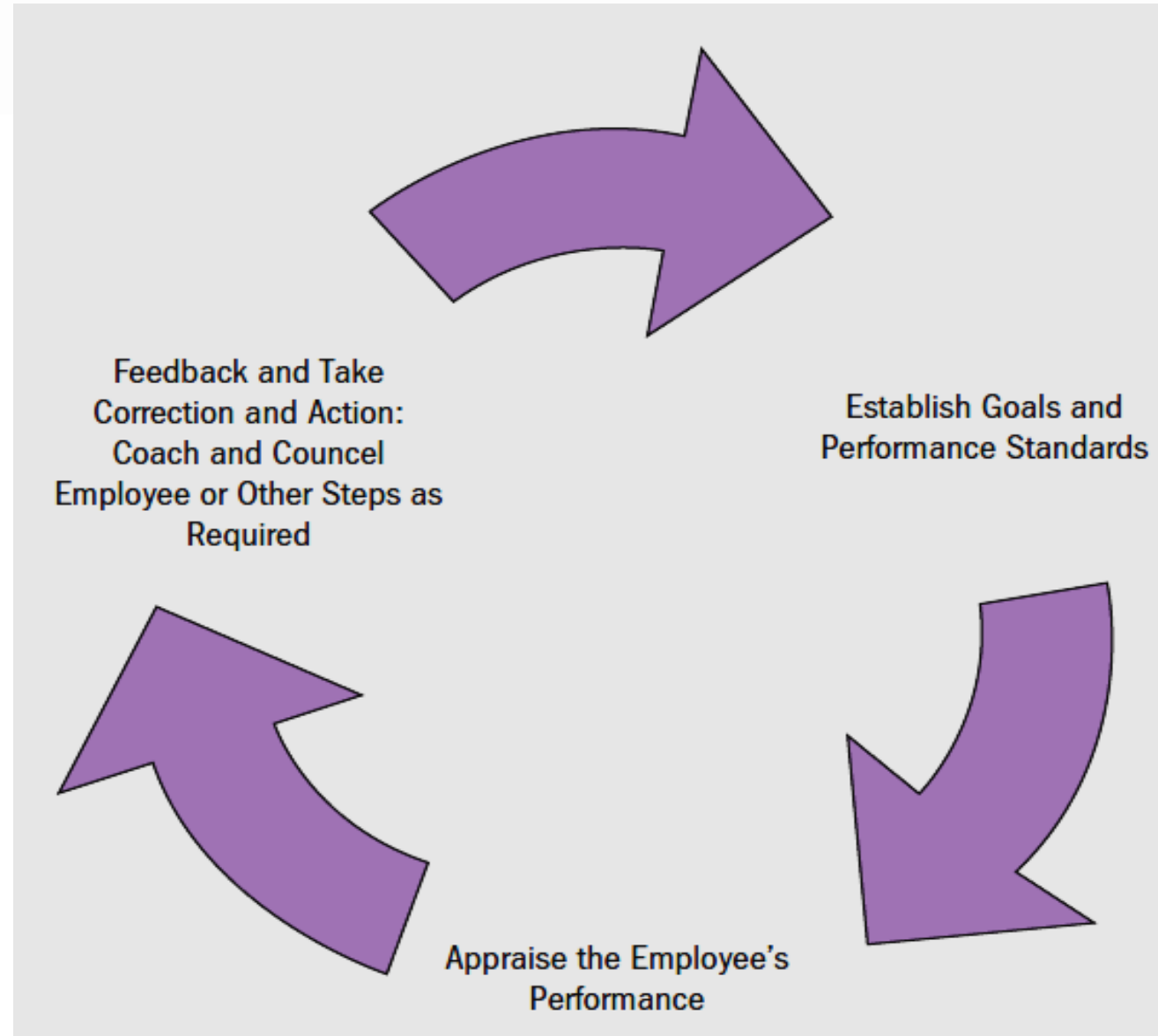
- Comparing your subordinate's actual performance to the standards that have been set; this usually involves some types of rating form.

3. Providing feedback

- Discussing the subordinate's performance and progress and making plans for any development required.



The THREE-step Performance Appraisal Cycle



Step 1 Establish Goals and Performance Standards

Helps employees understand and expect ahead of time on WHAT **criteria** employer will appraise and measure their behavior

E.g., improve customer feedback, control operational costs

Good practices

- Subordinate participates in the process
- adopt SMART approach – **Specific, Measurable, Attainable, Relevant, Time-bound**

E.g.:

Sales manager – maintain personal selling (increase 3% new accounts) and team leadership (increase 15% turnover)



Establish Goals & Performance Standards



Dimensions	Examples
Specific	Clearly state the desired results Update the records by the 1st day of each month
Measurable	Set concrete criteria Bake 100 cupcakes daily to support the operations of three chain stores
Achievable	Be reasonable and realistic that employees able to reach Conduct 10 online interviews from July to August 2024
Relevant	Tie to one's responsibilities Attend a one-day negotiation program to improve sales and persuasive skills
Time-bound	Decide deadlines and milestones Update the training materials of 3 language courses by 31 August 2024

Goal	SMART
1. As a shop manager, I expect to boost up <u>200 customers</u> to join the customer loyalty programme in the first quarter of 2025.	1.M
2. As the training officer in a renowned retail chain, I have to <u>provide more active listening skills and sales technique courses</u> to the sales teams.	2.S
3. The sales team has to increase <u>10% sales revenue by Dec 2025.</u>	3.S, M, T
4. As a HR officer, I have to <u>conduct and complete job analysis for 200 positions in 30 minutes.</u>	4.A (unattainable)
5. A janitor has to <u>analyze and report improvements</u> every 2 weeks.	5.R (irrelevant)

Step 2 Appraise Employee's Performance

- **Contrast** actual performance with the predefined standards (step 1)
- Decide **appraiser** (WHO)
- Decide **WHICH** method(s) to be used
Pros and cons of each method
Feasibility and practicability

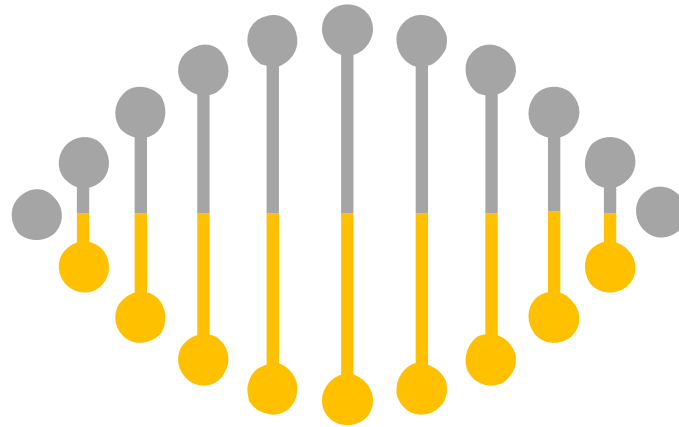


Step 3 Feedback and Take Corrective Actions

Discuss performance and action plan with subordinates

- ❑ if exceed standard → compliment and praise
- ❑ if below expected performance → progress for next milestone or set plans for improvement
- ❑ if meeting standard → discuss new goal or new standard





**Six key parties to evaluate
performance (WHO)**

The SIX key parties to evaluate performance (WHO)

1. Immediate supervisor
2. Peer appraisal
3. Rating committee
4. Self-rating
5. Subordinate
6. 360-degree appraisal

Other Stakeholders

NGO – Charity
Organization ?



1. Immediate supervisor



HOW it works

- Most commonly adopted approach
- Supervisors are the “heart” of PA who monitor and being accountable for subordinates’ performance

Advantages

- ✓ **Comprehensive** understanding of the job position, nature of job and predefined standard
- ✓ **Relevant feedback** as supervisor has regular interaction and observation of employee’s work behavior

Cautions

bias and prejudice may incur with input from single rater

2. Peer appraisal



HOW it works

- Co-workers who usually interact, communicate and work with the job holder

Advantages

- ✓ Increase team unity and inter-dependence for quality team performance
- ✓ Encourage open and candid communication among peers for goal accomplishment in workplace

Cautions

Unfair or biased views due to personal factors such as gang up due to friendship, enmity or revenge, favoritism

3. Rating committee



HOW it works

Immediate supervisor and other indirect supervisors to form a panel → multiple raters
→ evaluate

Advantages

- ✓ Incorporate **multiple facets** of information contributed to an overall picture of employee's performance
- ✓ Cancel out personal bias or partial views which are sourced from "individual" rater

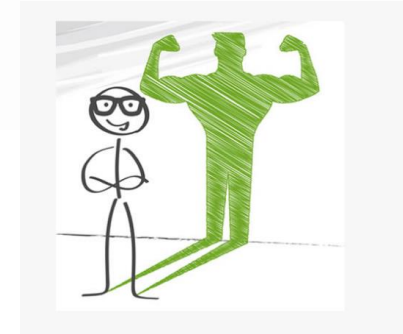
Cautions

Take time to make prudent selection of panel members in order to avoid like-minded views, bias

4. Self-rating

HOW it works

Job holder rates himself by filling a predefined form



Advantages

- ✓ Gain more understanding of PA system objective and process
- ✓ Provide a liberal channel to voice out personal perception on one's performance

Cautions

employees usually are lenient to themselves, merely **accentuate** (highlight) their positive contribution or play down the deficient outcomes

5. Subordinates

HOW it works

Also called “**Upward**” feedback

Subordinates evaluate their supervisors’ performance **anonymously**

Advantages

- ✓ Contribute developmental feedback to supervisor, e.g., leadership style for career growth
- ✓ Encourage manager to maintain a candid and frequent communication with colleagues in daily work e.g., responsive to employees’ opinion

Cautions

Tend to **overrate** their supervisor as subordinates expect reciprocal favoritism from supervisor or avoid revenge (if subordinate give low rating)

Performance Appraisal Roles

- Supervisors
 - Usually do the actual appraising
 - Must be familiar with basic appraisal techniques
 - Must understand and avoid problems that can cripple appraisals
 - Must know how to conduct appraisals fairly

All Stakeholders - Appraisal Trained
Goal / Target setting
Reinforcement – Coach / Feedback...
Trust / Fairness
Ownership

Performance Appraisal Roles (cont'd)

- HR department
 - Serves a policy-making and advisory role.
 - Provides advice and assistance regarding the appraisal tool to use.
 - Prepares forms and procedures and insists that all departments use them.
 - Responsible for training supervisors to improve their appraisal skills.
 - Responsible for monitoring the system to ensure that appraisal formats and criteria comply with EEO laws and are up to date.

6. 360 Degree Performance Appraisal



What is 360 degree feedback?



<https://www.youtube.com/watch?v=eT4tohLWeUw>

6. 360 Degree Appraisal



HOW it works

Performance information is collected from various parties, ranging from **supervisors**, **subordinates**, **peers**, and **external customers**, usually with strict confidence and **anonymity**

Source of feedback

Relationship with others

Internal: e.g., direct supervisor, team members, subordinates

External: e.g., supplier, customers

6. 360 Degree Appraisal

Advantages

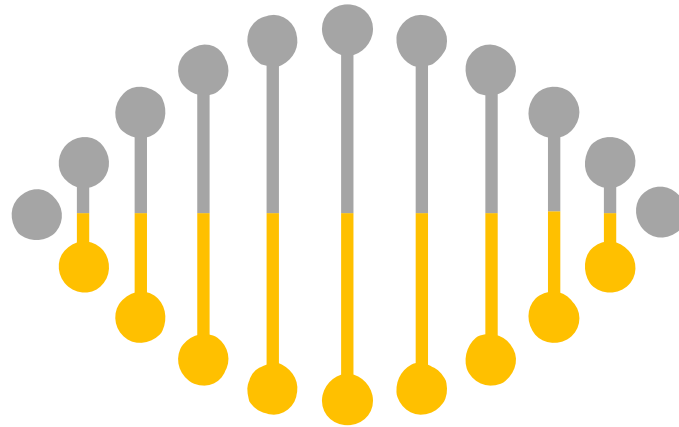
- ✓ **Wide-ranging** and **balanced** feedback to assess one's skills and work performance
- ✓ Increase **accountability** and self-awareness to address work behaviour that are perceived by others in the organization

Cautions

- Require more administrative **time and resources** to implement and process and summarize data, particularly conflicting ideas
- Intensify employees' **anxiety** or grievance if they feels appraisers have “ganged up” to provide threatening feedback

Issues concern 360 degree appraisal

- Self
 - Manager
 - Peer
 - Internal/external customers
 - subordinate
-
- **Administration**
 - **Confidentiality and Bias**



Six performance appraisal techniques

Appraisal Techniques

1. Graphic Rating Scale
2. Forced Distribution Method
3. Alternation Ranking Method
4. Paired Comparison Method
5. Critical Incident Method
6. Management by Objectives



1. Graphic Rating Scale

- An **illustrative** way to rate employees' attributes based on predefined **Likert scale**
- A scale that lists **a number of traits** and a **range of performance** for each that is used to identify the score that best describes an employee's level of performance for each trait.
- Supervisor rates by circling or checking the **descriptive values** that best explains the subordinate's performance for each trait, sum the scores for all traits.

TeamSTEPPS® Simulation

Graphic Rating Scale

1. The team leader assigned roles to the Trauma Team.

Ineffective Very Effective

1 2 3 4 5 6

2. The PGY2 used check-back to confirm orders.

Strongly Disagree Strongly Agree

1 2 3 4 5 6

Page 34 Team Strategies & Tools to Enhance Performance & Patient Safety

1. Graphic Rating Scale

Sample Performance Rating Form

Employee's Name _____ Level: Entry-level employee

Manager's Name _____

Key Work Responsibilities

1. _____

2. _____

3. _____

4. _____

Results/Goals to be Achieved

1. _____

2. _____

3. _____

4. _____

Behavioral Assessment of Competencies

Communication

1 2 3 4 5

Below Expectations

Even with guidance, fails to prepare straightforward communications, including forms, paperwork, and records, in a timely and accurate manner; products require minimal corrections.

Meets Expectations

With guidance, prepares straightforward communications, including forms, paperwork, and records, in a timely and accurate manner; products require minimal corrections.

Role Model

Independently prepares communications, such as forms, paperwork, and records, in a timely, clear, and accurate manner; products require few, if any, corrections.

Even with guidance, fails to adapt style and materials to communicate straightforward information.

With guidance, adapts style and materials to communicate straightforward information.

Independently adapts style and materials to communicate information.



Evaluation form includes: Employee basic data, Key work duties, Pre-defined standard; Job dimensions / traits, a range of performance values (e.g., 1= poor to 5 = excellent) and descriptive values.

1. Graphic Rating Scale

- ☒ **Straightforward** method that is easy to understand and administer
- ☒ Allow **quantitative** comparison among employees on key traits linked to the job
- ☐ Unreliable rating as varied interpretation on the rating score and exemplified “behavior”
- ☐ Appraisers may incline to the central point when many traits are included (problem of **central tendency**)

2. Forced Distribution Method

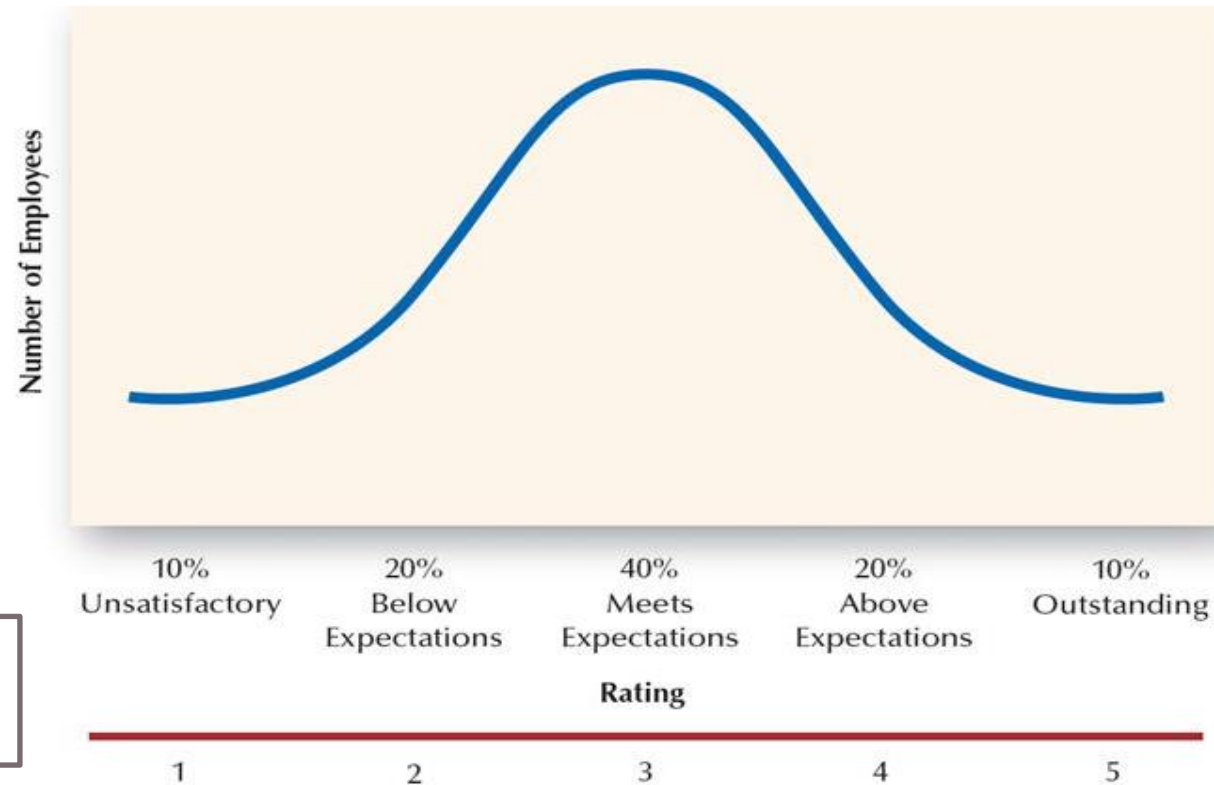
- Similar to grading on a **curve**; predetermined percentages of ratees are placed in various performance categories.
- Classify all subordinates into different tiers and grading subordinates along a curve with **predetermined percentages** on a particular performance trait

E.g.

- 15% Top performers
- 20% above-average performers
- 30% average performers
- 20% below-average performers
- 15% low performers

2. Forced Distribution Method

Former General Electric CEO Jack Welch, advocated with a 20-70-10 distribution (3-category). This method was credited for the 2800% increase in General Electrics' earnings between 1981 and 2001.



5-category

2. Forced Distribution Method

- ✓ Manage human assets effectively by eliminating the poorest performers; retaining and developing the top performers
- ✓ Produce a healthy pressure and **competition** among employees to excel others
- ✗ Difficult to differentiate employees among the majority
- ✗ Damage morale as the cut off point is robust

3. Alternation Ranking Method

This method:

Rank employees **from best to worst** on a particular trait or traits, choosing the highest, then lowest, until all are ranked.

E.g.: You have 16 front line staff

1st round: BEST employee 1st → cross that name off the list; remaining names, select the worst employee 16th and cross off the name

2nd round: 2nd best, 2nd worst (i.e., 15th)

8 rounds in total



3. Alternation Ranking Method

- ✓ Avoids “central tendency” as everyone has a particular position
- ✓ Easy to administer as two employees are considered in each round on one single trait
- ✗ Imprecise feedback as not knowing the degree of difference in performance between employees (not much behavioral description)
- ✗ Misinform the lowest-ranked employee “must be the worst” or most unsatisfactory employees



3. Alternation Ranking Method

ALTERNATION RANKING SCALE

Trait: _____

For the trait you are measuring, list all the employees you want to rank. Put the highest-ranking employee's name on line 1. Put the lowest-ranking employee's name on line 20. Then list the next highest ranking on line 2, the next lowest ranking on line 19, and so on. Continue until all names are on the scale.

Highest-ranking employee	
1. _____	11. _____
2. _____	12. _____
3. _____	13. _____
4. _____	14. _____
5. _____	15. _____
6. _____	16. _____
7. _____	17. _____
8. _____	18. _____
9. _____	19. _____
10. _____	20. _____
	Lowest-ranking employee

4. Paired Comparison Method

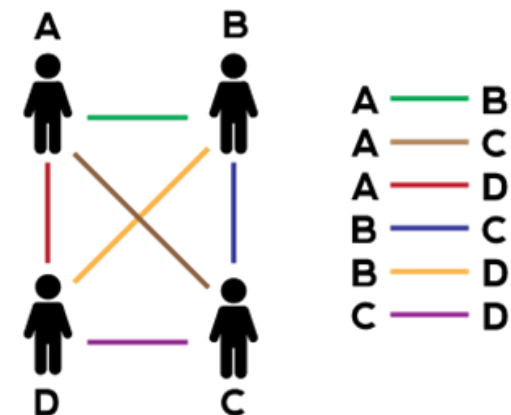
This method:

Each employee is compared to **every other** employee for particular trait

- Each round comparison: one pair / two employees are considered
- Among two, “**Better**” performer gets one point (or “+”)
- Until all employees are compared

Counts the number of points (or “+”) for each employee

TOP-ranked employee gets most points



4. Paired Comparison Method

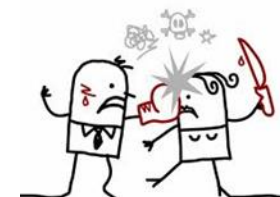
FOR THE TRAIT "QUALITY OF WORK"						FOR THE TRAIT "CREATIVITY"					
Employee rated:						Employee rated:					
As Compared to:	A Art	B Maria	C Chuck	D Diane	E José	As Compared to:	A Art	B Maria	C Chuck	D Diane	E José
A Art		+	+	-	-	A Art		-	-	-	-
B Maria	-		-	-	-	B Maria	+		-	+	+
C Chuck	-	+		+	-	C Chuck	+	+		-	+
D Diane	+	+	-		+	D Diane	+	-	+		-
E José	+	+	+	-		E José	+	-	-	+	
Maria ranks highest here						Art ranks highest here					

Art (column head) compared to Maria (row) → Art is less competent → Thus, he got a "-"

Jose compared to Chuck → MORE competent → Thus, "+"

4. Paired Comparison Method

- ✓ Final score is considered as reliable result with multiple rounds of comparisons
- ✓ Managers can know all his employees through precise evaluation
- ✗ Relatively **time consuming** to undertake comparison of all employees in every aspect
- ✗ Not suitable for appraising a large group of people (preferably not more than 15 employees)



5. Critical Incident Method

Written log of narrative **work-related behavior**

record of **uncommonly good or undesirable examples**

- Favorable and unfavorable behaviors during the entire performance management period are compiled to supplement rating scores from other PM methods
- ✓ Provide **concrete and rich pictures** to depict employee's behavioral results
- ✓ Provide useful insights for supervisor to recommend relevant training based on specific aspect of deficiency
- ✗ Appraisees may have **memory loss** to recall incident with details if they do not make frequent records
- ✗ Supervisor: Difficult to rate or rank an employee relative to another one based on descriptive data

5. Critical Incident Method

Continuing Duties	Targets	Critical Incidents
Schedule production for plant	90% utilization of personnel and machinery in plant; orders delivered on time	Instituted new production scheduling system; decreased late orders by 10% last month; increased machine utilization in plant by 20% last month
Supervise procurement of raw materials and inventory control	Minimize inventory costs while keeping adequate supplies on hand	Let inventory storage costs rise 15% last month; over-ordered parts "A" and "B" by 20%
Supervise machinery maintenance	No shutdowns due to faulty machinery	Developed new preventative maintenance system that reduce machine breakdown frequency

6. Management by Objectives (MBO)

- Involves setting specific measurable goals with each employee and then periodically reviewing the progress made.
 1. Set the organization's goals.
 2. Set departmental goals.
 3. Discuss departmental goals.
 4. Define expected results (set individual goals).
 5. Performance reviews.
 6. Provide feedback.

KPI – OKR

(OKR - Objectives – Key Results)

- OKR – Set up Objective > then define "Key Results" - quantifiable - help hit objective.
- Eg. objectives should be definitive and measurable. Don't say, for instance, I want to make my website prettier. Say you want to make your website 30% faster. Or you want to increase engagement by 15%.
- OKR & KPI – the KR = KP, KEY differentiation
 - OKR – key focus on Objectives
 - KPI – key focus on Indicators

Set Targets (KPI or OKR)

- Hard Targets / Behavior Targets

	Hard Targets	Behavior Targets
Purpose		
Pros		
Cons		

The Components of an Effective Performance Management Process

- Goal alignment / Objective alignment
- Developmental goal setting
- Ongoing performance monitoring
- Ongoing feedback
- Coaching and support
- Performance assessment (appraisal)
- Rewards, recognition, and compensation
- Workflow and process control and return

Can – everything
we do / want : be
MEASURED ?

Motivation Theory – Expectancy Theory

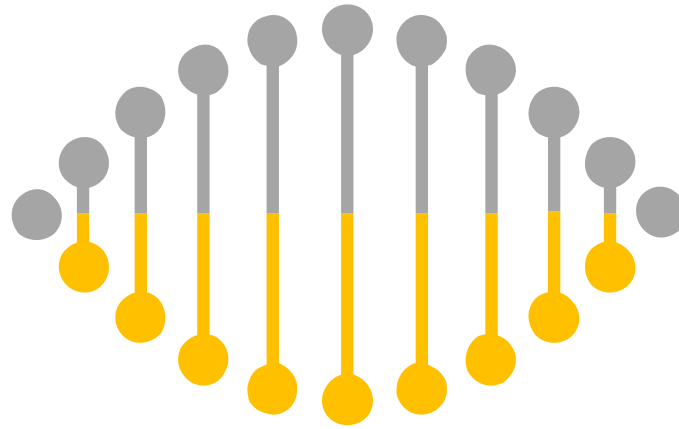
$F(x) = F(\text{Goal} + \text{Reinforcement} + \text{Equity} + \text{Expectancy})$

Defining Goals and Work Efforts

- Guidelines for effective goals
 - Assign specific goals
 - Assign measurable goals
 - Assign challenging but doable goals
 - Encourage participation
- SMART goals are:
 - **S**pecific, and clearly state the desired results.
 - **M**easurable in answering “how much.”
 - **A**ttainable, and not too tough or too easy.
 - **R**elevant to what’s to be achieved.
 - **T**imely in reflecting deadlines and milestones.



1. Self-evaluation: Are you a good team player in your organization?
2. Does this affect your performance appraisal?



Seven Potential Rating Problems

SEVEN potential rating problems committed by raters



1. Unclear Standards

In an appraisal form, the traits, degree of merit or rating scale are **ambiguous** and **not clearly defined** → **inconsistent** interpretation by different appraisers



Solutions:

- ✓ Revisit JS and JD items to gain unified understanding of the standard
- ✓ Provide explicit definition and descriptive phrases for performance rating

A Graphic Rating Scale with Unclear Standards

	Excellent	Good	Fair	Poor
Quality of work				
Quantity of work				
Creativity				
Integrity				

Note: For example, what exactly is meant by “good,” “quantity of work,” and so forth?

	Excellent	Good	Fair	Poor
Quality of work				
Quantity of work				
Creativity				
Integrity				

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

Fig. 7-4

© 1998 by Prentice Hall

✗ Descriptive phrases of traits and performance not provided

Graphic Rating Scale

Sample Performance Rating Form

Employee's Name _____ Level: Entry-level employee

Manager's Name _____

Key Work Responsibilities

1. _____

2. _____

3. _____

4. _____

Results/Goals to be Achieved

1. _____

2. _____

3. _____

4. _____

Behavioral Assessment of Competencies

Communication

1	2	3	4	5
Below Expectations Even with guidance, fails to prepare straightforward communications, including forms, paperwork, and records, in a timely and accurate manner; products require minimal corrections.	Meets Expectations With guidance, prepares straightforward communications, including forms, paperwork, and records, in a timely and accurate manner; products require minimal corrections.	Role Model Independently prepares communications, such as forms, paperwork, and records, in a timely, clear, and accurate manner; products require few, if any, corrections.		
Even with guidance, fails to adapt style and materials to communicate straightforward information.	With guidance, adapts style and materials to communicate straightforward information.	Independently adapts style and materials to communicate information.		



Evaluation form includes: Employee basic data, Key work duties, job dimensions / traits, a range of performance values (e.g., 1= poor to 5 = excellent).

2. Halo Effect



Appraiser is misled by his judgement on **one impressive factor**, then gives “HIGH” rating scores across all other assessment traits for that employee

E.g.

Harry always completes the project on time. Thus, Tracy (boss) rates Harry “excellent” in “time management” and overshadows to the rest of other aspects, such as creativity, quality of work



Solution: Use (i) Critical incident within whole assessment period or (ii) Graphic Rating Scale with different traits to gain details of various behavior

3. Horn Effect



Appraiser develops **negative** impression based on an unsatisfactory performance / quality of an employee, then giving “**LOW**” rating across all other assessment traits for that employee

E.g.

Grace is regarded as irresponsible employee who always misses the deadline. Martin, his supervisor gave her “Far below standard” in quality of work, then overshadows it across all traits (e.g., diligence, communication) in the whole PM report



Solution: Use (i) Critical incident within whole assessment period or (ii) Graphic Rating Scale with different traits to gain details of various behavior

4. Central Tendency

Appraiser wants to be a **friendly boss**, intend to minimize conflict and offend from any parties in PM. He would stick to the middle and rate all employees about **average** rating → all wins, no one suffers. He could avoid making “extreme” judgments.

7	6	5	4	3	2	1
Excellent	Very good	Good	Average	Below average	Poor	Very poor



Solution: Use (i) Forced Distribution, (ii) Alternation Ranking or (iii) Paired Comparison methods

5. Leniency

Appraisers predispose to give “**undeserved**” high ratings to employees. The scores are more generous than ratees deserve. The ratings are inclined to the HIGH-end on the scale.

Perceived as a very **liberal** appraiser and gives unusually **high** score

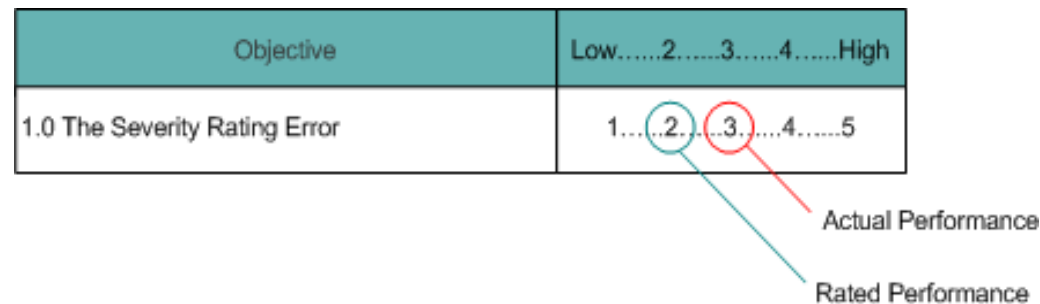


Solution: Use (i) Forced Distribution, (ii) Alternation Ranking or (iii) Paired Comparison methods

6. Strictness

Appraisers are unduly demanding and critical to appraisees. They rate the employees less generously than the employees deserve. The rating scores are inclined to the LOW-end on the scale

Perceived as a very “harsh” appraiser and gives unusually low score



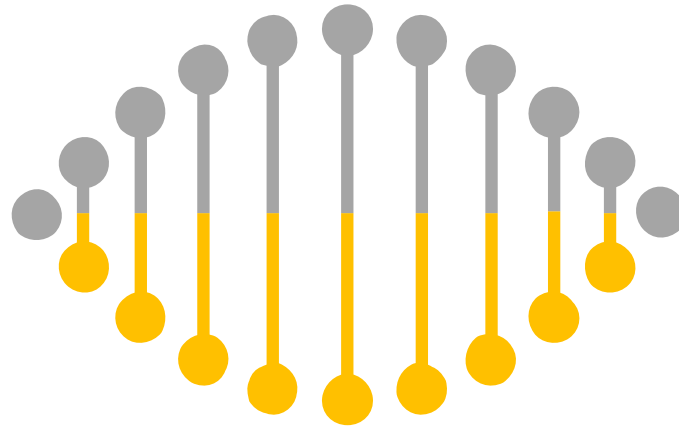
Solution: Use (i) Forced Distribution, (ii) Alternation Ranking or (iii) Paired Comparison methods

7. Recency Effects

Appraisers develop rating focused on employee's **recent deed** (e.g., mistake or contribution) rather than the overall performance for the entire appraisal period → recent behavior influence more on perception



Solution: Use (i) Critical incident within whole assessment period or (ii) Graphic Rating Scale to gain in-depth assessment of various behavioral traits



Guide to conduct Appraisal Interviews

Guidelines to administer Appraisal Interview



Bad Performance Appraisal Interview



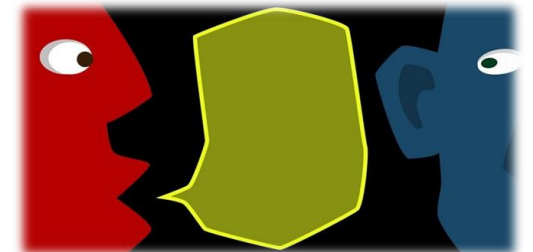
How do you feel if you were Jason (the appraisee) in the appraisal interview?

https://www.youtube.com/watch?v=GVFB_MoHF54

Subordinate's Expectation in Appraisal Interview

1. Be respected with privacy and attentiveness
2. Not feeling threatened
3. Not being stereotyped as a particular type of poor staff
4. Obtain genuine and constructive feedbacks
5. Have opportunity to express ideas and feelings

Ultimately, recognize employees' contributions, improve performance and accomplish organizational goals



Appraisal Interview

WHAT it is

A **goal-oriented** conversation with two major parties, supervisor and employee to communicate views on performance related matters.

- ✓ review the appraisal report
- ✓ allow employee to provide **feedback**
- ✓ reinforce strengths and provide compliment
- ✓ formulate plans to remedy deficiencies
- ✓ schedule follow-up reviews if there is appeal



Four Stages in Appraisal Interview

1. Preparation

- Schedule **appointment** with the employee weeks in advance and meet at a suitable time for both parties
- Send **appraisal report** and comments to employee one week before meeting
- Allow employee to have adequate time to **read through** or justify comments
- Reserve **meeting room** that is quiet and comfortable in order to avoid any distractions and interference



Four Stages in Appraisal Interview

2. Beginning

- Greet in a courteous way
- Put employee at ease
- Express **appreciation** as start: assertion to the good deed contributed by the employee
- State clearly about the meeting purpose: not a punitive talk, and provide mutual understanding of appraisal content and rating

E.g. “We are here to discuss your performance in 2024 ... The review serves as developmental purpose, that we could understand any performance gap, strengths and deficiency. We could decide action plan ...”

Four Stages in Appraisal Interview

3. Discussion

- Review on job summary, key duties and **standards of performance**
- Compliment and show appreciation to **good performance**, justify with observable job behavior and examples (e.g., appreciation letter from customer)
- Address **shortcomings** with **objective** performance data (e.g., 5 times of incorrect sales record leading to refund)
- Identify performance gap with **constructive feedback** → “jointly” develop action plan to improve performance



Four Stages in Appraisal Interview

4. Closing

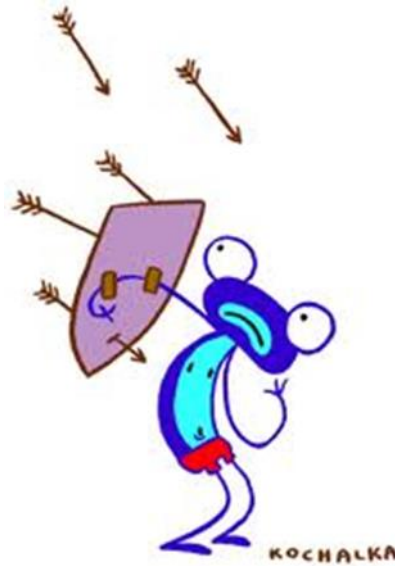
- **Summarize** the key points discussed or suggestion raised by both parties.(e.g., changes in task priority, attitudes towards colleagues)
- Emphasize the significance and positive impacts of the **suggested behavioral changes**
- Schedule **follow-up meeting** if necessary (e.g., employee complains inequity in the rating)



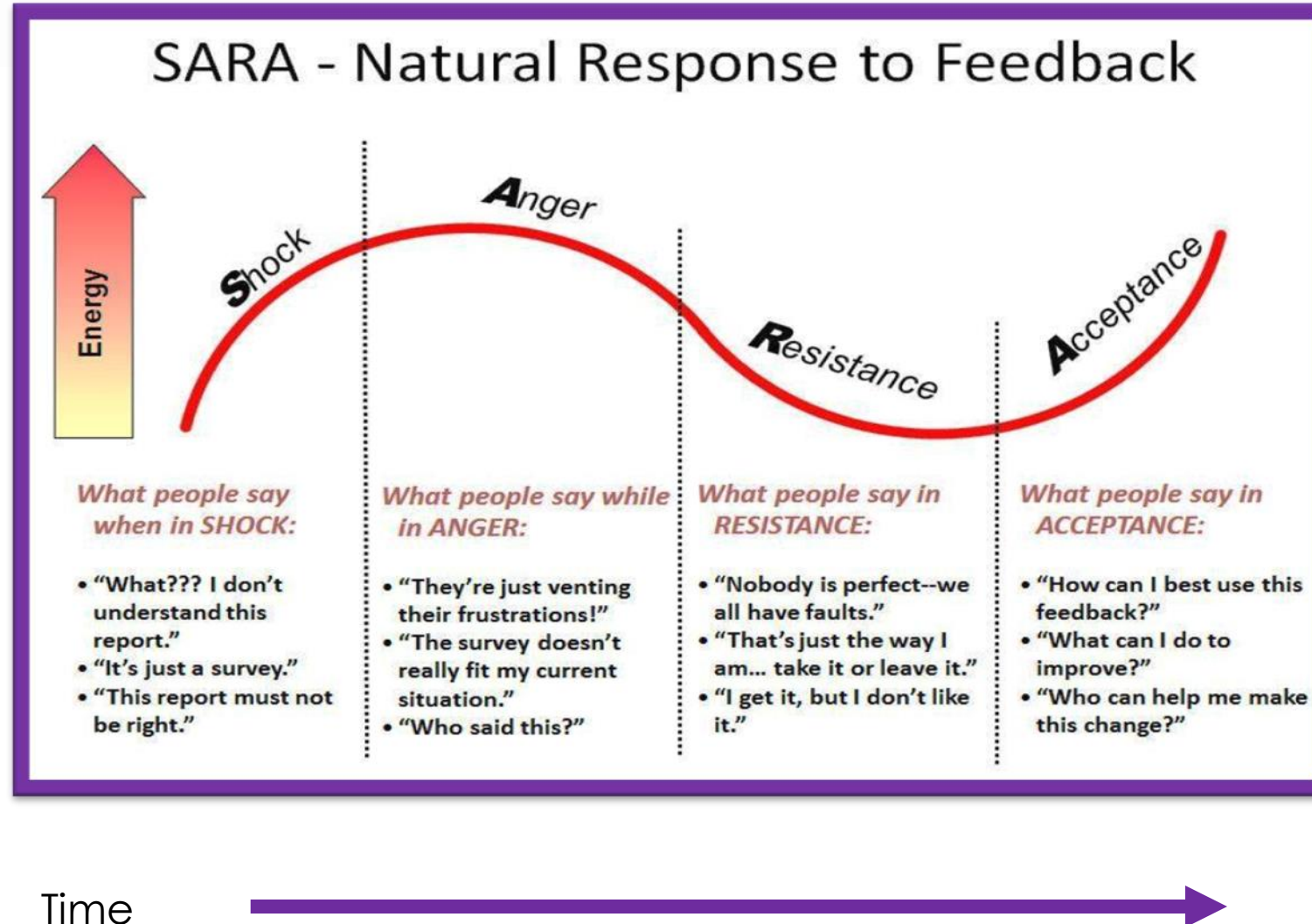
How to conduct a constructive appraisal interview?

- Avoid once-a-year “critical broadsides” by giving feedback on a daily basis, so that the formal review contains no surprises.
- Never say the person is “always” wrong
- Criticism should be **objective** and free of any personal biases on your part.
- Give the subordinate the opportunity to present his or her ideas and feelings and to influence the course of the interview.
- Offer the subordinate the necessary **support** for development and change.

Evaluate defensive responses from appraisee during interviews



SARA wave in Appraisal Interview



SARA wave in Appraisal Interview

Shock

Denial of feedback that is unexpected or contradicts their own views

“Pardon? Late? I am NOT punctual at work? Are you sure? It seems incredible to me (keep shaking head)...”

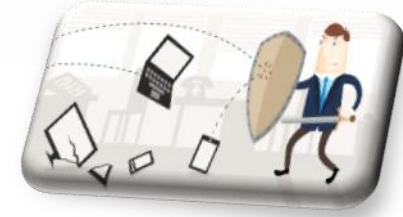
Anger

Outgrow shock into annoyance; employees are **heated and anxious** when they believe the feedback has negative implication on their career.

“The comment here... I am rude to customer in sales process... it is totally, completely 100% ridiculous! Tell me? Is it justified with clients' complaints? Or witness? Show me now!”



SARA wave in Appraisal Interview



Resistance

If feedback indicates the need for change, employees find it uncomfortable; showing **confrontation** and getting **excuses** to decline change / course of actions

“I know what you mean by customer-oriented service “IN PRINCIPLE”. However, I don't think it really works as we have a few staff only... I have been doing my BEST to serve every client in every second. May be the standard needs to be changed... “

SARA wave in Appraisal Interview

Acceptance

After discussion, employees digest the feedback, willing to **unfreeze**, **compromise** for suggestions, and leave meeting at a positive emotional stance (compared with beginning stage)

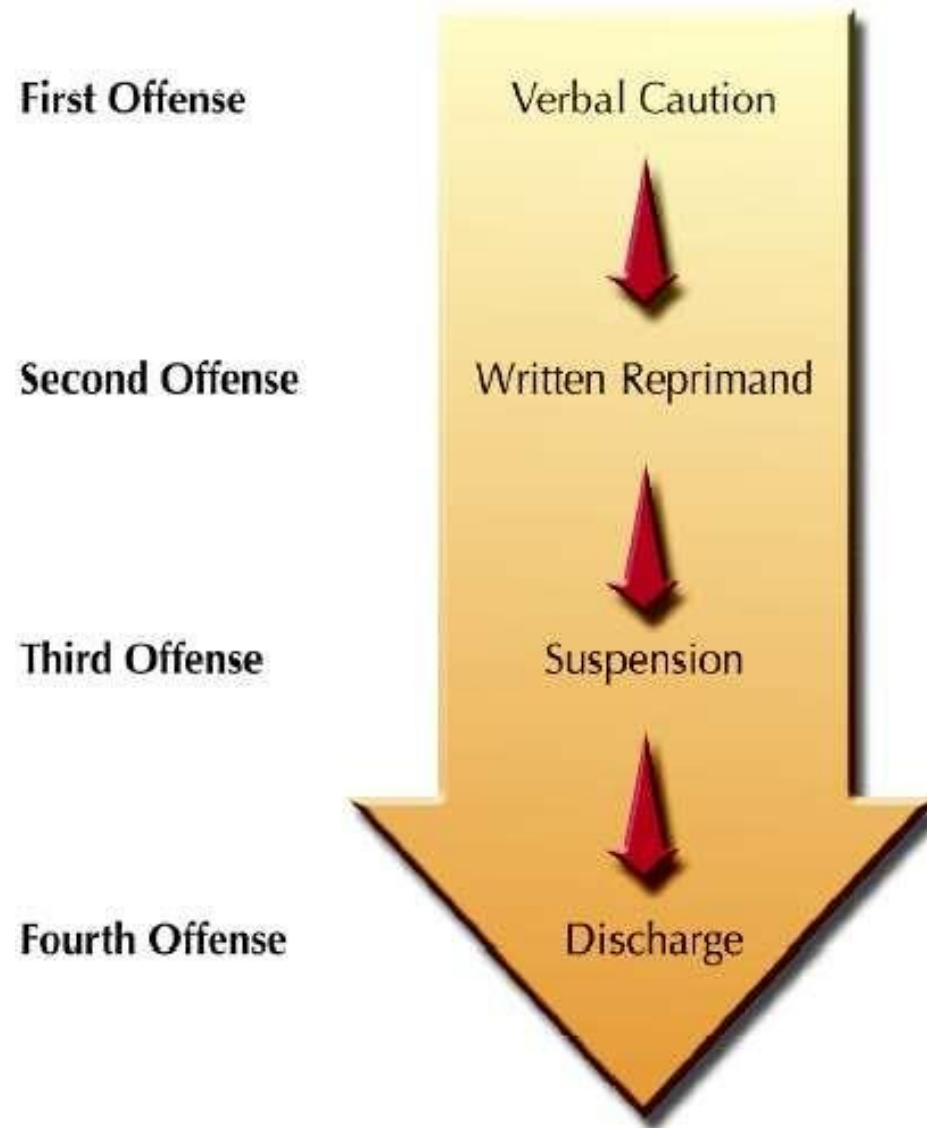
“Umm... May try to enroll in one short course with other colleagues and gain some ideas on customer services. I am not sure whether it works, yet... may tell by the end of the quarter.”



How to handle a formal written warning?

- Purposes of the written warning
 - To shake your employee out of bad habits.
 - Help you defend your rating, both to your own boss and (if needed) to the courts.
- Written warnings should:
 - Identify standards by which employee is judged.
 - Make clear that employee was aware of the standard.
 - Specify deficiencies relative to the standard.
 - Indicates employee's prior opportunity for correction.

Progressive Discipline Procedure (PDP)



Issues:

Target issues ?

- KPI
- Individual / KPI
- not hard KPI
- Behavioral – not objective
- Cannot clearly measure

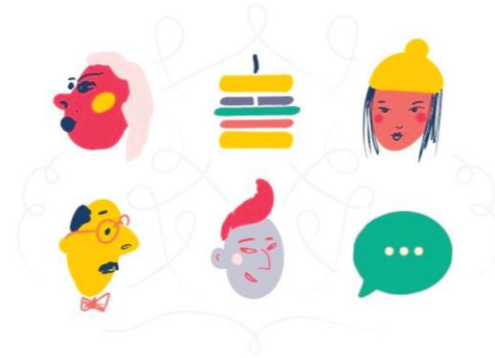
- Government
- SOE

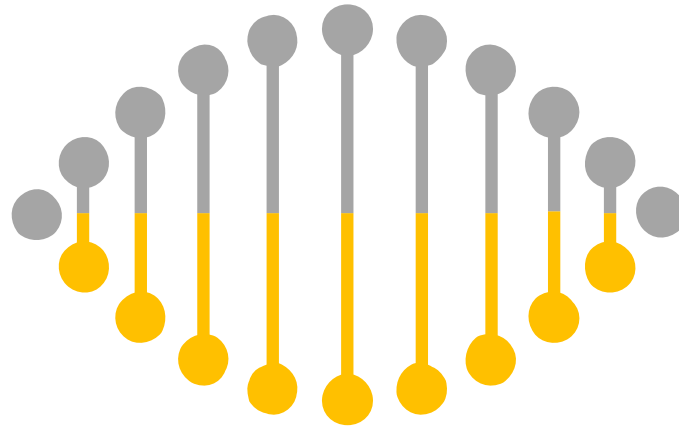
* More under-developed countries, more challenges (legally)



You are the team leader.

Suggest one effective and practical way that you can advise an underperformed team member who delivers sloppy work and late for meetings.





Performance Management in International context

IHRM – Performance Appraisal (PA)

Key Topics :

1. The concept of Performance Management
2. Strategic Level Appraisal in MNE
3. Expatriate Performance Appraisal

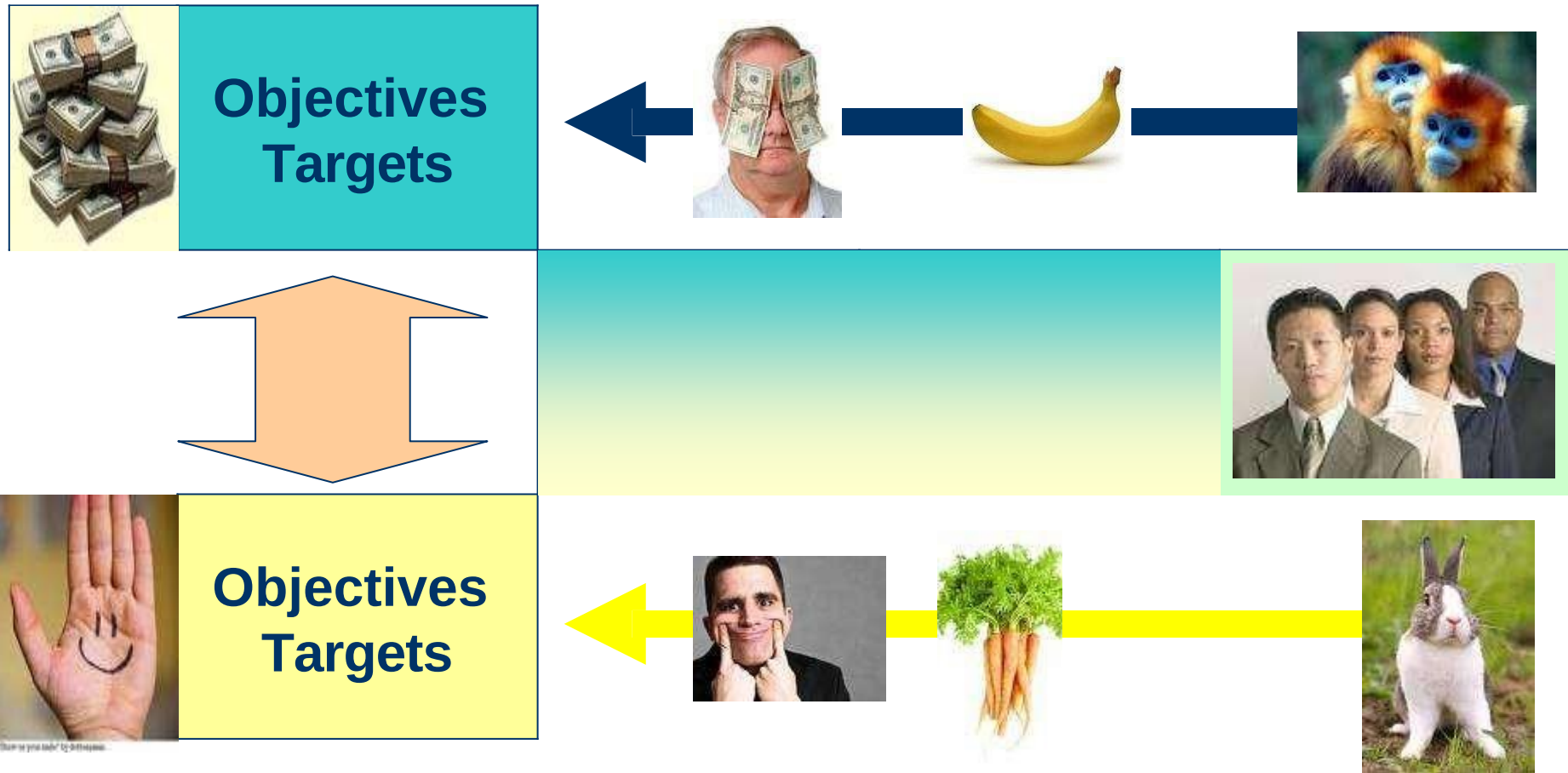


Performance Management

- **Performance Management**
 - Design – Implementation - Evaluation
 - Staffs / Talent performance > biz performance
- **Alignment (Target Driven)**
 - Biz Target – BU - Dept, Project, Functional KPI
 - KPI - Job Expectation – Actual Target (??)
- **Purpose**
 - Evaluation (appraisal), Development, Compensation

Performance Management

Target Change – Behavior... changes...



Key Purposes of IHRM

– International Performance Management

I. **Evaluation** Goals – Performance Appraisal

- Objectives – reached?
- Feedback – effective?
- Develop valid info for actions – pay, promotion, job assignment, warnings, retain, termination
- • Ground for communications
- • Hi-Potential identification / Talent Mgt optimize

II. Development Goals

III. Compensation

96% - Management by Objectives
Objectives – HARD goals

(source – McCourt, Eldridge)

Key Purposes of HRM

– International Performance Management

I. Evaluation Goals – Performance Appraisal

II. Development Goals

- Help improve performance – future potentials
- Commitment – Career opportunity (trainings)
- Plan - Experience mapping / gain - sharing
- Motivate – recognition
- Identify / diagnose corporate problems

III. Compensation – performance merit (bonus, promotion...)

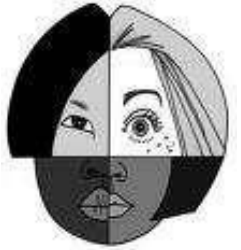


PA - IHRM roles & responsibilities :

– Build a PA Process **NEW TRENDS**

- Employee Involvement - Local / Global / **Non-tangible**
- Build **Trust** - Communication
- Higher level – **trained** on PA
- **Multiple 360** (local + int'l) PA (Automated...)
- Accountability of **performance**
- Objectivity on target measures / metrics
- **Ongoing Coaching** / Mentoring
- **Closer Alignment** - Rewards, C&B, Career development – tracking (process / targets); Promotion Opportunities

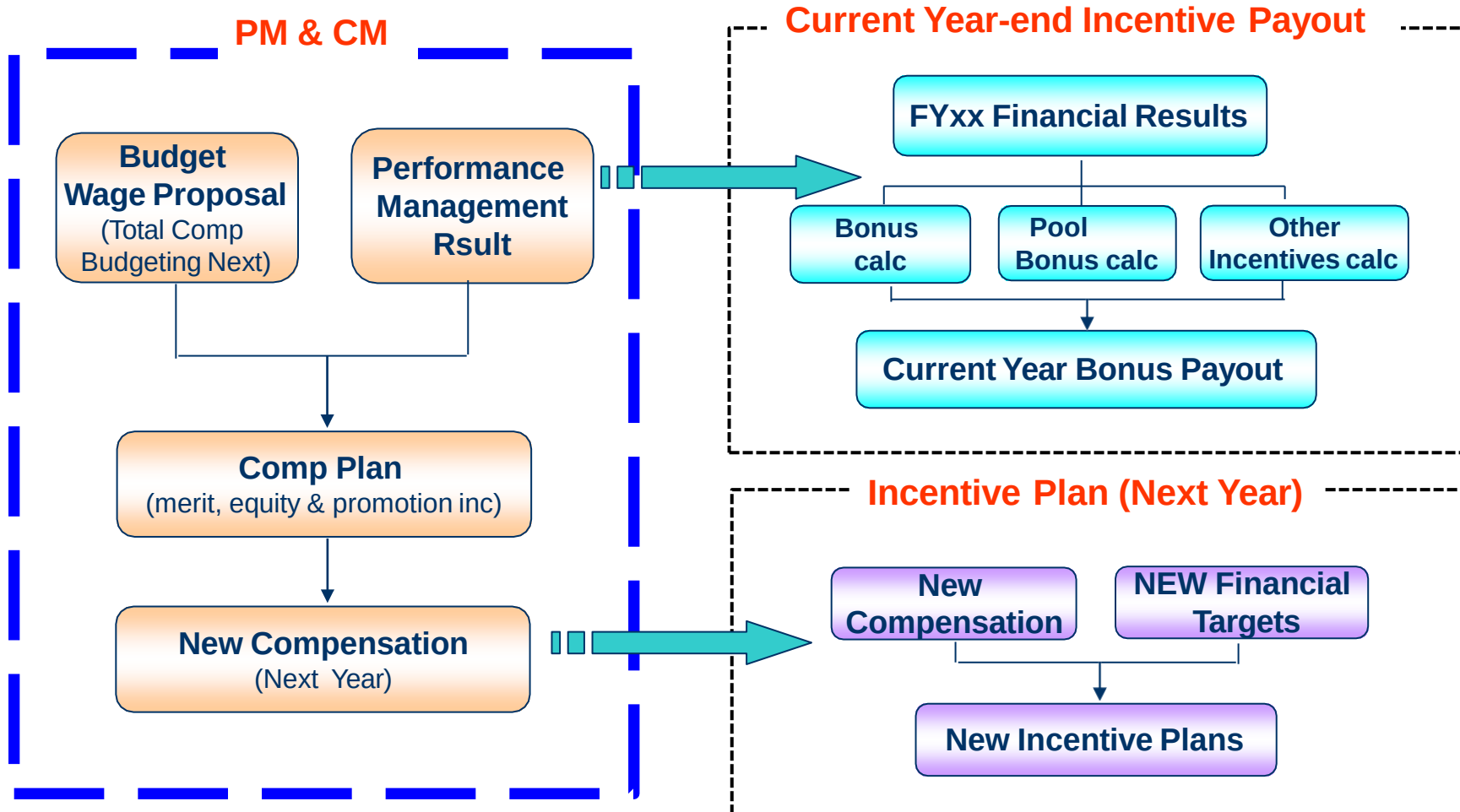
Discussion – Cultural Impacts to International Performance Management



Hardworking / Diligent	Power distance
Loyalty	Uncertainty Avoidance
Respect Hierarchy	Direct feedback / Implicit
Face	Others :
Connection	
Employee Involvement	
Obedience / Compliance	
Objection / Vocal	
Harmonious	
Teamwork	

Key Reminder

Performance (PM) & Compensation Management (CM) – Planning relations



Recap of what have been covered today

1. Relationship between performance appraisal and performance management (**What**)
2. Three-step Performance Appraisal cycle (**How**)
3. Six key parties to evaluate performance (**Who**)
4. Six performance appraisal techniques
5. Seven potential rating problems
6. Guide to conduct Appraisal Interviews
7. Performance Management in International context



