

MBA –HRM

Performance Management



Question – 1st thing come to your mind - Performance Appraisal

- Positive Vs Negative ?
-
- www.menti.com

Process-Owner !

Hygiene Factor ?

Discussion - General Perception of PM

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



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.

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.

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.

Exception- tional	7	6	5	Moderately Good	4	3	2	Very Poor	1	Don't Know	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 – 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 ?

KPI – OKR

(OKR - Objectives – Key Results)

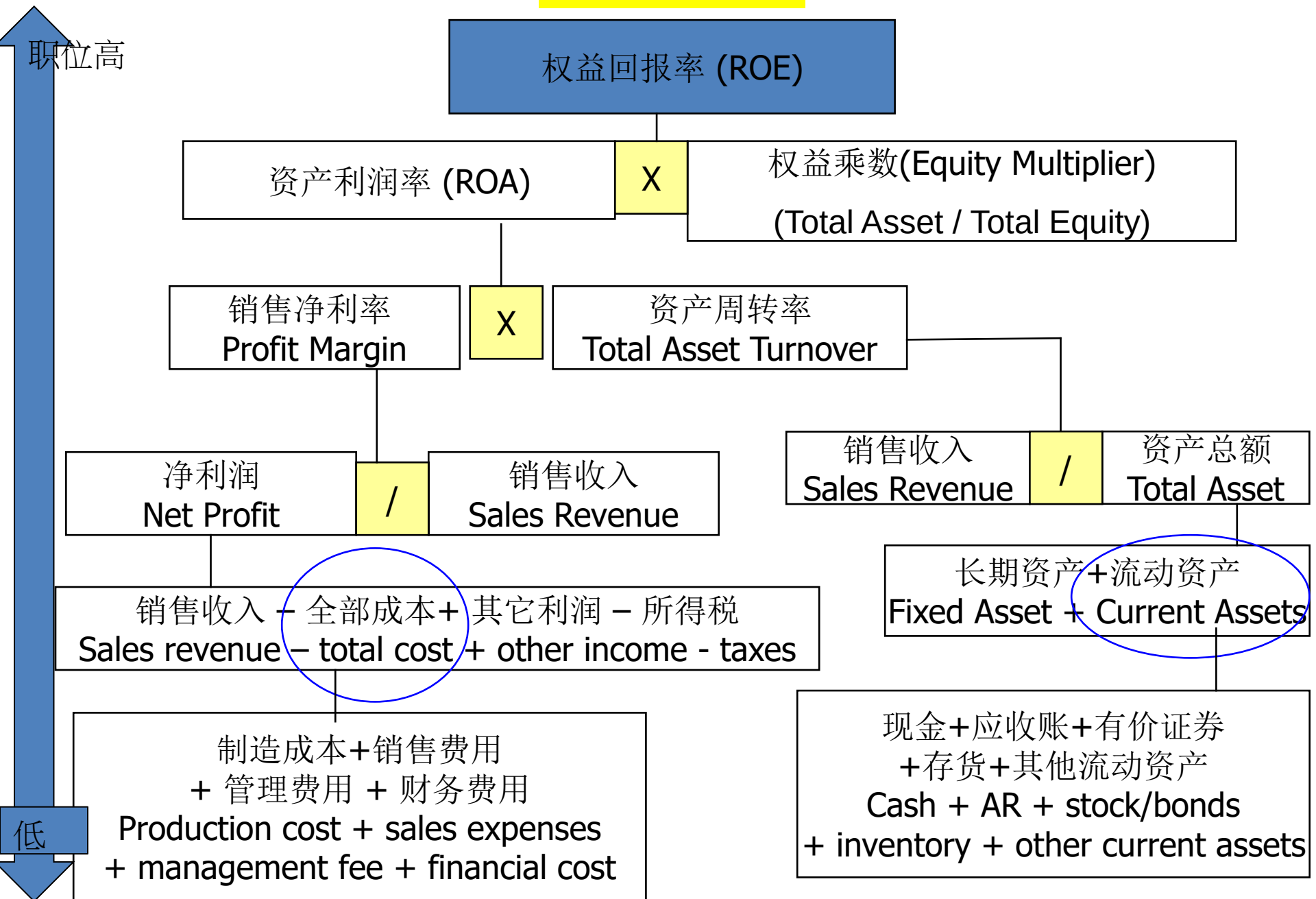
- OKR – Set up Objective > then define "Key Results" - quantifiable - help hit objective.
- Eg. objectives should be definitive and measurable. Don't say, for instance, I want to make my website prettier. Say you want to make your website 30% faster. Or you want to increase engagement by 15%.
- OKR &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

DUPONT TREE



The Components of an Effective Performance Management Process

- Goal alignment / Objective alignment (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 : can
be MEASURED ?

Motivation Theory – Expectancy Theory

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

Figure 9–2

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.

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.

Steps in Appraising Performance

- Defining the job
 - Making sure that you and your subordinate agree on his or her duties and job standards.
- Appraising performance
 - Comparing your subordinate's actual performance to the standards that have been set; this usually involves some type of rating form.
- Providing feedback
 - Discussing the subordinate's performance and progress, and making plans for any development required.

Designing the Appraisal Tool

- What to measure?
 - Work output (quality and quantity)
 - Personal competencies
 - Goal (objective) achievement
- How to measure?
 - Graphic rating scales
 - Alternation ranking method
 - Pair comparison method
 - MBO

Performance Appraisal Methods

- Graphic rating 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.



The image shows a 'TeamSTEPPS Graphic Rating Scale' simulation form. It features two horizontal rating scales, each with a 6-point scale from 1 to 6. The first scale is for the trait '1. The team leader assigned roles to the Trauma Team.' with anchors 'Ineffective' at 1 and 'Very Effective' at 6. A blue 'X' is marked at 3. The second scale is for the trait '2. The PGY2 used check-back to confirm orders.' with anchors 'Strongly Disagree' at 1 and 'Strongly Agree' at 6. A blue 'X' is marked at 5. The form includes a 'Simulation' tab in the top right corner and a 'TeamSTEPPS' logo in the top left. A small circular logo is visible in the bottom left corner.

TeamSTEPPS[®]

Graphic Rating Scale

Simulation

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

Ineffective 1 2 3 4 5 6 Very Effective

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

Strongly Disagree 1 2 3 4 5 6 Strongly Agree

Performance Appraisal Methods (cont'd)

- Alternation ranking method
 - Ranking employees from best to worst on a particular trait, choosing highest, then lowest, until all are ranked.
- Paired comparison method
 - Ranking employees by making a chart of all possible pairs of the employees for each trait and indicating which is the better employee of the pair.

Performance Appraisal Methods (cont'd)

- Forced distribution method
 - Similar to grading on a curve; predetermined percentages of ratees are placed in various performance categories.
 - Example:
 - 15% Top performers
 - 20% above-average performers
 - 30% average performers
 - 20% below-average performers
 - 15% low performers
- Narrative Forms

Performance Appraisal Methods (cont'd)

- Behaviorally anchored rating scale (BARS)
 - An appraisal method that uses quantified scale with specific narrative examples of good and poor performance.
- Developing a BARS:
 - Generate critical incidents
 - Develop performance dimensions
 - Reallocate incidents
 - Scale the incidents
 - Develop a final instrument

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.

Potential Rating Scale Appraisal Problems

- Unclear standards
 - An appraisal that is too open to interpretation.
- Halo effect
 - Occurs when a supervisor's rating of a subordinate on one trait biases the rating of that person on other traits.
- Central tendency
 - A tendency to rate all employees the same way, such as rating them all average.

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?

Potential Rating Scale Appraisal Problems (cont'd)

- Strictness/leniency
 - The problem that occurs when a supervisor has a tendency to rate all subordinates either high or low.
- Bias
 - The tendency to allow individual differences such as age, race, and sex to affect the appraisal ratings employees receive.

Who Should Do the Appraising?

- The immediate supervisor
- Peers
- Rating committees
- Self-ratings
- Subordinates
- 360-Degree feedback

Other Stakeholders

NGO – Charity
Organization ?

Performance Appraisal Method III 360 Degree Appraisal



Figure 11–6
11–27

Issues concern 360 degree appraisal

- 員工自己 (self)
- 上級 (manager)
- 同事 (peer)
- 外內顧客 (customer)
- 下屬 (subordinate)
- 行政上 (Administration)
- 保密和偏差 (Confidentiality and Bias)

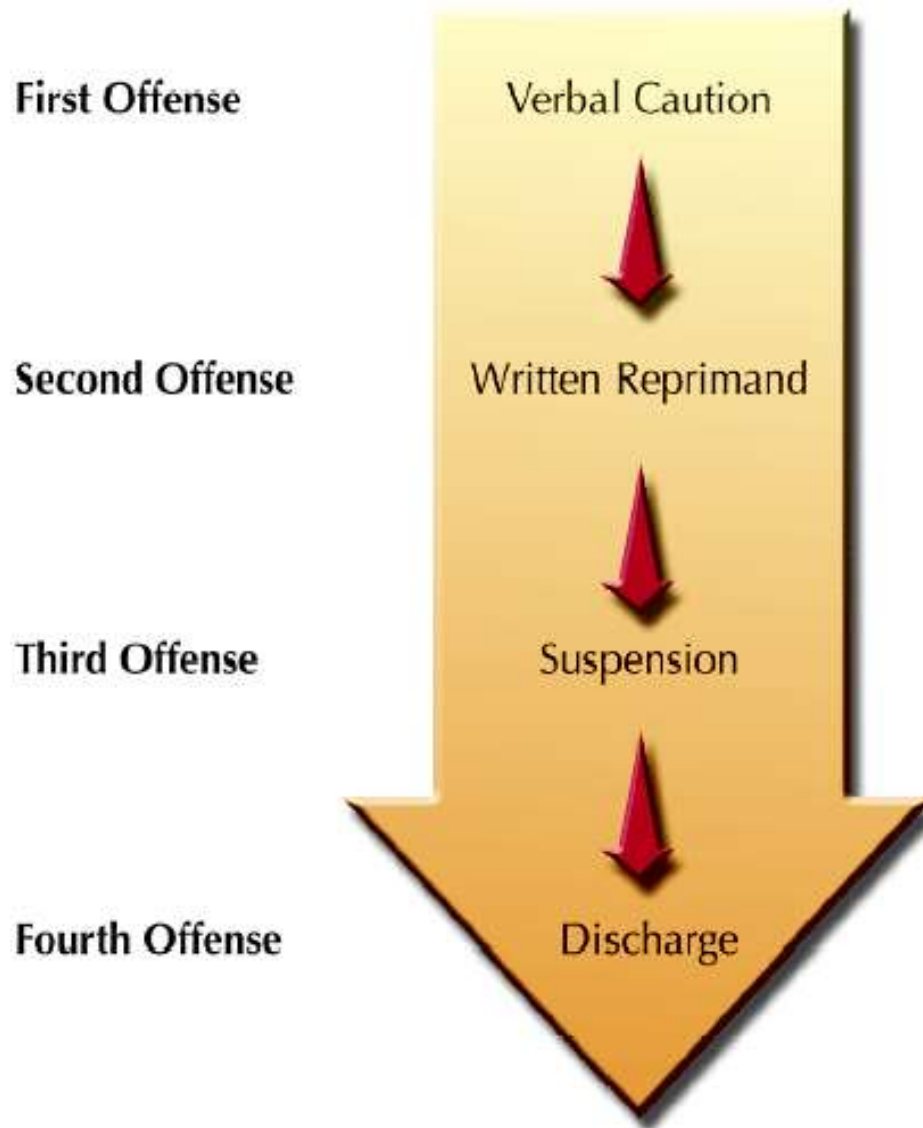
How to conduct a constructive appraisal interview?

- 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.

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)

Figure 16–

IHRM – Performance Appraisal (PA)

Key Topics :

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

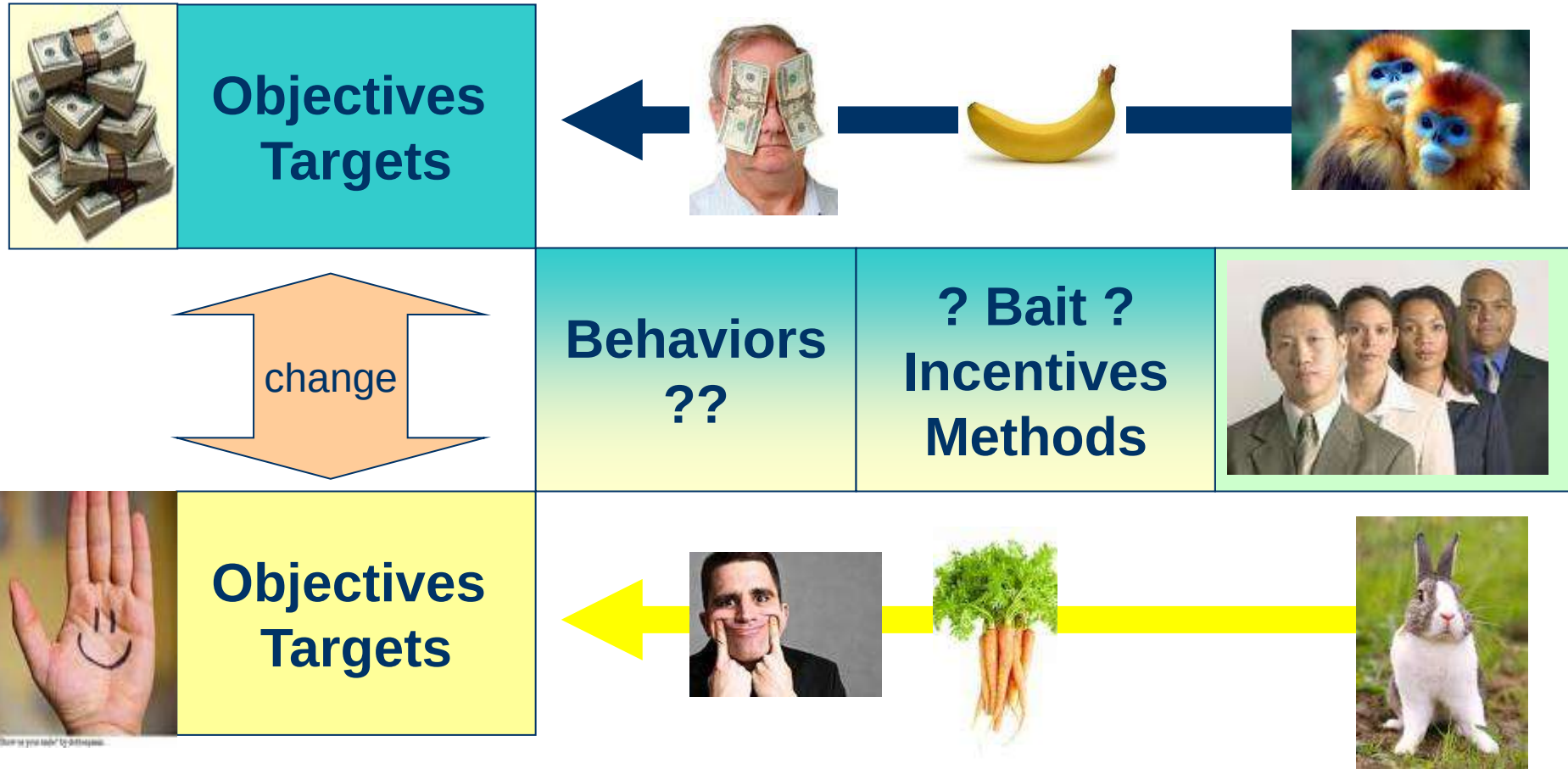


Performance Management

- **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 to EE – their status (good and bad)
- 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 IA performance – future potentials
- Commitment – Career opportunity (trainings)
- Plan - Experience mapping / gain - sharing
- Motivate – recognition
- Identify / diagnose IA / Corp problems

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

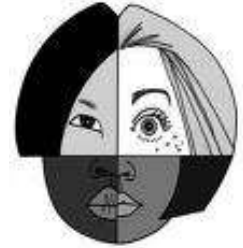


PA - IHRM roles & responsibilities :

– Build a PA Process **NEW TRENDS**

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

Discussion – Cultural Impacts to Int'l Performance Mgt



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

Key Reminder

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

