

HUMAN RESOURCE MANAGEMENT – LECTURE 8

CHAPTER 8 – MEASURING PERFORMANCE AND PROVIDING FEEDBACK

LESSON 8
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Grades are an integral aspect of virtually every university course. What would the elimination of grades entail? Your individual performance would either improve or decline. Would the university's reputation rise or fall? Performance management, which involves evaluating and conveying employee contributions, is driven by similar concerns. Providing employees with grades is akin to evaluating their performance. Important employment-related questions include the following: When their contributions to the organization are evaluated, do employees enhance their performance? Is it beneficial to provide feedback so that employees are aware of their performance? Does accurate assessment of individual contributions result in enhanced organizational performance? Employee performance is improved through measuring and offering feedback on performance. Additionally, increases in individual performance result in enhanced organizational performance. When senior management encourages supervisors to create goals, evaluate employee performance, and provide feedback, organizations enjoy more productivity. One explanation is that when performance is reliably monitored and appropriately rewarded, trust in management grows. Furthermore, effective evaluations, particularly those that permit employee participation, have been associated to greater levels of job satisfaction.

1.1. Learning Objective 1 - How is performance management strategic?

EMPHASIZING EITHER MERIT OR PARITY

Merit-Based Systems

The fundamental purpose of a merit-based system is to incentivize and reward exceptional achievement in order to obtain superior results. This is the strategy chosen by GE, with the fundamental objective of performance management being to motivate employees to perform at the greatest level possible. The employees who generate the best outcomes or results are rewarded with high grades. As at GE, this is typically accomplished through relative measurements that compare employees to one another. Success at work is not simply defined as attaining a given standard, but also as outperforming others. With a merit-based system, managers are frequently obligated to place a specific percentage of employees in each rating category, a practice known as forced distribution. Few can receive the highest grade, but at least some must receive the lowest grade.

Merit-based system A performance management system that specifically seeks to identify and recognize the contributions of high performers.

Relative measures Performance ratings that assess an employee's contributions through comparison with the contributions of other employees.

Forced distribution Performance ratings that spread out ratings by requiring raters to place a certain percentage of employees in each category.

Parity-Based Systems

The fundamental purpose of a parity-based system is to encourage cooperation and permit all individuals who reach a specific threshold to be categorized as high performers. Frequently, parity-based performance measures emphasize processes over outcomes. High performance is

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defined by following supervisor-assigned guidelines and behaviors. Typically, this utilizes absolute metrics that compare employees to a predetermined standard rather than to one another. Most parity-based systems also implement a free distribution, allowing any percentage of employees to be assigned to a certain group. For instance, every employee that assembles a specified number of cell phones without making an error is eligible for a high performance rating, independent of how many other employees assemble. Therefore, every employee can be a great performer. In general, parity-based performance systems do not distinguish between high and low performers, but rather encourage all employees to perform above a set threshold.

Parity-based system A performance management system that seeks to recognize contributions from all employees without elevating some above others.

Absolute measures Performance ratings that assess an employee's contribution in comparison to a fixed standard or benchmark.

Free distribution Performance ratings that allow raters to place as many employees as they wish into each rating category

LINKING MERIT AND PARITY SYSTEMS TO HR STRATEGY

In general, merit-based approaches are best suited to organizations pursuing differentiation strategies, while parity-based systems make sense for organizations using cost strategies. Organizations with internal and external labor systems do not differ in terms of their approaches to merit and parity.

Merit Systems and Differentiation Strategies

The merit-based method is the most advantageous for businesses adopting a Free Agent HR strategy. Producing really excellent products and services is the key to success, and people who strive to achieve lofty objectives are best equipped to do it. This sense of challenge and rivalry

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is increased by ratings that indicate the employee's performance in comparison to that of others. Employees with poor performance are discovered and encouraged to leave the organization so that they can be replaced by others with more competence and drive. In addition to adopting merit-based techniques, organizations pursuing a Committed Expert HR strategy prefer to do so as well. In these organizations, promotions and advancement are heavily contingent on generating results and outperforming others.

Parity Systems and Cost Strategies

The success of a firm employing a Loyal Soldier human resources (HR) strategy is contingent on the cooperation and productivity of its personnel. Frequently, the contribution of an excellent performer is no more valuable than the contribution of others who do what is requested. In these instances, a performance evaluation system that fosters rivalry among individuals may actually hinder the overall success of the group. Typically, employees are more satisfied with evaluation methods that compare them to standards as opposed to other employees. Most employees being rated as good performers fosters long-lasting employee connections and a strong sense of loyalty.

As is the case with firms employing a Loyal Soldier HR strategy, organizations adopting a Bargain Laborer HR strategy are unconcerned with recognizing high performers. In this instance, the explanation is that these employees are unlikely to remain with the firm for an extended period of time. Additionally, assigning individuals to distinct performance categories is time-consuming and challenging. Such classification may not be worthwhile for a company whose only need is that personnel meet expectations.

1.2. Learning Objective 1 - How is performance management strategic?

What Is Performance?

High performance in golf is the ability to hit the ball from the tee to the hole in as few shots as feasible. High performance on the track means achieving the fastest time to the finish line. In

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gymnastics, success is determined by the scores awarded by a panel of judges. Although these examples from athletics are obvious to the majority of us, it may be more challenging to define job success. In the most basic sense, job performance is an employee's contribution to the organization for which they work.

Figure 8.2 is a schematic showing essential work performance factors. At the top of the graph is a general performance factor that represents the organization's overall contribution. This general component is significant since all specific measures of job performance tend to be positively correlated, i.e., individuals who perform well in one area of performance tend to perform well in other areas. Some individuals simply perform better than others. Due to their excellent characteristics, such as intelligence and motivation, these individuals excel regardless of the performance metric being evaluated. There are three primary performance characteristics included under the general performance factor: task, citizenship, and counterproductive performance. Task performance is conduct that directly contributes to the creation of products or services. A worker is engaged in task performance whether planning a manufacturing process, operating a machine, or reviewing output. Citizenship performance is conduct that contributes to the organization's social and psychological environment. Helping another employee repair a machine, willingly remaining late to complete an order, and offering helpful comments to improve the workplace are specific examples of citizenship performance. Contrary to task performance and citizenship, counterproductive performance is not constructive. Counterproductive performance is voluntary behavior that is detrimental to the organization. It can include activities like trashing property, taking unauthorized breaks, and threatening employees with violence.

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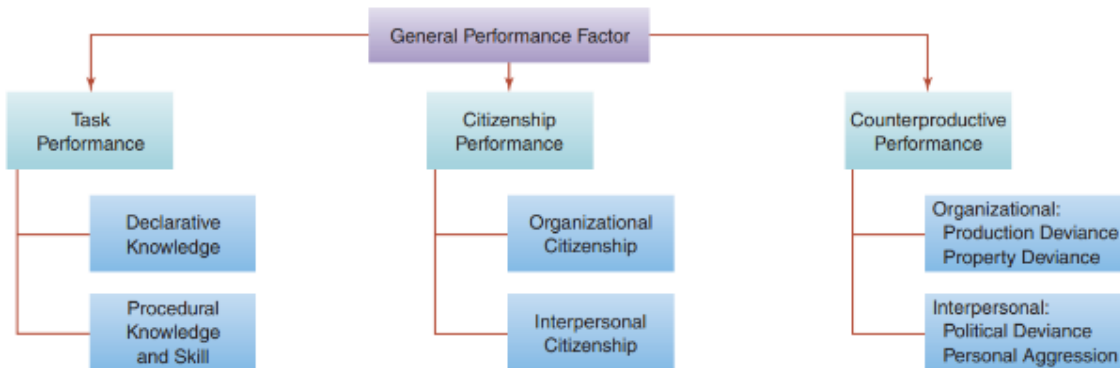


Figure 8.2 Elements of Job Performance.

Source: Stewart, G.L., & Brown K.G., 2nd Edition (2015). *Human Resource Management Linking Strategy to Practice*. pp 298

Job performance. The contribution that individuals make to the organization that employs them.

General performance factor. A broad factor of performance that represents an employee's overall contribution to the organization.

Task performance. Employee behavior that directly contributes to producing goods or services.

Citizenship performance. Employee behavior that helps others and creates a positive work environment.

Counterproductive performance. Employee behavior that is harmful to the organization.

TASK PERFORMANCE

The performance of a task occurs when personnel transform raw inputs into finished goods and services. Some of these tasks may be job-specific, such as when a secretary prepares a paper, a home constructor constructs a house's foundation, or a waiter fills beverage glasses. Administrative duties, such as planning and delegating, play a significant role in the task performance of managers. Other tasks that are less unique to a given employment include adhering

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to safety standards, making judgments, and maintaining a clean workstation. In order to execute tasks in most jobs, individuals must also interact with others by either writing or speaking. Task performance is the most evident kind of contribution to an organization, as it represents actions that directly produce commodities and services. In the majority of firms, the majority of employee effort is devoted to job completion. As a result, managers view task performance as an employee's most significant contribution.

When it comes to task performance, employees are most likely to contribute significantly when they have the necessary knowledge, skills, and motivation. Prior to performing specific tasks, they must possess declarative knowledge, which is a comprehension of what must be done. For example, a carpenter's declarative knowledge may include knowing that creating a cabinet requires correct measurements, cutting boards to the exact lengths, and then nailing the boards together in the proper order. In addition to procedural knowledge and skill, which pertains to the capacity to accomplish prescribed duties, employees must also possess procedural knowledge and skill. Consequently, the carpenter must be able to correctly measure, make straight cuts with a power saw, and drive nails without destroying the wood. However, knowing what to do and how to do it is not sufficient to guarantee that the carpenter will construct the cabinets. The third essential element is motivation. When employees choose to exert effort by engaging in and persevering with production activities, they demonstrate motivation. When employees feel encouraged by their superiors and coworkers, their motivation increases, leading to improved task performance.

Declarative knowledge. An employee's understanding of the tasks that need to be done to perform job duties.

Procedural knowledge and skill. Information and expertise that an employee needs to have in order to carry out specific actions.

CITIZENSHIP PERFORMANCE

Citizenship conduct helps by fostering a healthy corporate climate, whereas task performance contributes by directly producing products and services. When employees must

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collaborate closely to perform tasks, going above and beyond basic requirements and assisting others is viewed as especially valuable. Volunteering to take on responsibilities that are not part of one's employment, following organizational processes even when they are inconvenient, and supporting and defending the organization are common instances of citizenship. Accepting responsibility and initiating good change displays citizenship performance as well. The productivity and profitability of work groups with higher levels of citizenship performance are greater. Citizenship performance can be achieved to benefit either the entire organization or an individual. Organizational citizenship conduct refers to activities that assist the organization. Employees demonstrate this type of performance when they protect the organization's property, provide advance warning when they are unable to go to work, and adhere to informal standards that aid in maintaining order. Another set of actions, termed interpersonal citizenship behavior, benefits certain individuals. These actions include taking the time to listen to the difficulties of coworkers, relaying information to peers, and assisting those who have been absent. Most likely to get helping behavior are employees who are self-assured and the focal point of communication networks, which makes them popular. Importantly, the likelihood that employees will engage in helpful behavior varies depending on whether the action is designed to benefit the firm as a whole or a specific individual. When employees perceive that they receive a fair wage, are acknowledged for a job well done, and work in a pleasant environment, they participate in greater organizational citizenship activity. When employees have intimate ties with coworkers and superiors, interpersonal citizenship behavior is more likely to occur.

Organizational citizenship behavior Positive employee actions aimed at helping the organization as a whole to succeed.

Interpersonal citizenship behavior Positive employee actions aimed at helping specific coworkers succeed.

COUNTERPRODUCTIVE PERFORMANCE

In addition to participating in beneficial behavior, employees can choose to engage in detrimental, counterproductive performance. Not surprisingly, firms with more unproductive personnel have been found to have lower levels of productivity. Although individuals who participate in counterproductive activity are somewhat less likely to excel in citizenship performance, these two metrics do not represent opposite extremes of a continuum. An employee who performs well on the job and as a citizen may, in some instances, inflict harm by participating in unproductive behavior. As with citizenship performance, detrimental behavior can be directed either at the organization or at particular individuals. Negative actions directed at the organization include deviations in production and property. When employees perform activities that impair the speed and accuracy with which goods and services are produced, production deviance happens. Employees frequently engage in this behavior by taking unapproved breaks, working deliberately slowly, and wasting business resources. More severe is property deviance, which involves behaviors that harm an organization's assets. These employees sabotage equipment, abuse expense accounts, or steal materials and goods. Individuals might also be targeted with counterproductive activities. These actions are classified as political deviation and personal hostility. Political deviation happens when an employee takes actions that disadvantage other employees. Examples include exhibiting partiality, gossiping about employees, and engaging in destructive competition with others. Personal aggression, which is exemplified by hostile acts such as assault and sexual harassment, is the most serious form of counterproductive conduct directed towards individuals. Those who operate in organizations devoid of decency and respect are more likely to act aggressively.

Production deviance Harmful employee actions aimed at reducing the speed and accuracy of production processes.

Property deviance Harmful employee actions aimed at destroying assets of the organization.

Political deviance Harmful employee actions designed to harm the performance and careers of other employees.

Personal aggression Harmful employee actions that seek to personally harm coworkers

1.3. Learning Objective 3 - How is performance measured?

Evaluation of employee contributions, sometimes known as performance appraisal, is a vital yet challenging aspect of managing people. Indeed, performance evaluation is near the top of the list of unwanted responsibilities for many managers. Perhaps more troubling is the fact that the vast majority of employees believe performance assessments accomplish little to improve their future performance. What makes evaluating performance so difficult? The difficulty of capturing all areas of contribution is one reason why managers detest performance appraisals. Employees contribute in a variety of ways, and it is frequently difficult to quantify their contributions precisely. Additionally, many employees appear to believe that performance ratings are biased. They believe the procedure is occasionally unfair. Consider how erroneous evaluations can be as a starting point for thinking about performance measurements. After exploring the general causes of performance measurement inaccuracy, we will investigate the many forms of performance measures. We will also address the issues associated with these specific measurements and the formats or question types utilized to determine performance ratings.

Performance appraisal. The process of measuring what employees contribute to the organization.

CONTAMINATION AND DEFICIENCY AS SOURCES OF INACCURACY

Figure 8.3 depicts fundamental issues with performance evaluation. One circle in the diagram reflects the employee's actual contribution to the organization. The other circle reflects measured contribution. Obviously, the purpose of performance evaluation is for the two rings to overlap as much as feasible. However, two types of inaccuracy frequently impede this objective's accomplishment.

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When things that should not be measured are included in an employee's performance evaluation, contamination occurs. For instance, a supervisor with racial bias may give an employee from a minority group poorer evaluation. A metric of the number of computer circuits that a person assembles could be tainted if the individual is required to use often malfunctioning technology. The second sort of error is deficiency, which arises when aspects of an employee's performance that should be measured are not. A measurement that excludes citizenship activity is weak because it fails to recognize behaviors that benefit coworkers. A monthly metric of insurance sales may also be insufficient if it excludes an evaluation of the effort put to create relationships that will lead to future sales. A good evaluation system minimizes contamination and shortfall. The concepts of deficiency and contamination can also inform our evaluation of various performance measures.

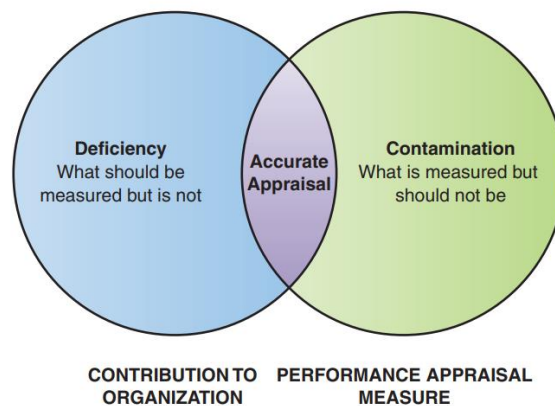


Figure 8.3 Sources of Inaccuracy in Performance Measurement.

Source: Stewart, G.L., & Brown K.G., 2nd Edition (2015). *Human Resource Management Linking Strategy to Practice*. pp 302

Contamination A problem with performance appraisal that occurs when things that should not be included in the measurement are included.

Deficiency A problem with performance appraisal that occurs when things that should be included in the measurement are not included.

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Objective Versus Subjective Measures

Students confront disparities between objective and subjective measures of success beginning in elementary school. Teachers objectively score arithmetic tests by determining how many problems were done properly. These objective performance measures are based on either behavior or outcomes counts. In contrast, writing assignments are graded subjectively based on the instructor's opinion of their quality. These subjective indicators of achievement are dependent on the opinions of raters like teachers and supervisors. Objective and subjective measures frequently disagree. 44 Thus, the question of which form of metric is optimal is crucial. The majority of individuals believe that objective metrics are optimal. It is easy to see how raters' biases could affect the reliability of subjective assessments. Those with a more cheerful attitude, for instance, obtain higher evaluations from their superiors but do not typically perform better on objective measurements. 45 Objective measures appear to be more consistent and equitable. However, there are also issues with objective metrics. In the case of employees with a positive attitude, their cooperation with others may represent a contribution that is not captured by the objective metric. In fact, it has been demonstrated that subjective ratings capture not just task performance but also citizenship performance⁴⁶, making them less weak in a variety of circumstances.

Objective performance measures Performance measures that are numerical and based on counts of behaviors or outcomes.

Subjective performance measures Performance measures that represent judgments made by raters.

Outcome Versus Behavioral Measures

Performance measures also differ in whether they focus on outcomes or behaviors. Outcome measures assess end results such as number of automobiles repaired or success of an advertising campaign. Behavioral measures place more emphasis on the actions of employees.

COMMON PROBLEMS WITH PERFORMANCE MEASURES

Objective and subjective measurements, as well as outcome and behavioral measurements, are susceptible to a number of possible issues. When humans submit ratings for subjective measurements, they may be biased. People are not perfect information processors, and subjective ratings based on human evaluations are frequently flawed and tainted. In addition to being imperfect, objective and outcome metrics may hold employees accountable for circumstances outside their control. All sorts of performance ratings are susceptible to inconsistency, as performance at one point in time is likely to differ from performance at another point in time. Thus, we may identify the following prevalent issues with performance evaluation measures: rater errors and bias, situational impacts, and changes over time.

Rater Errors

Research suggests that raters commit a number of errors when they rate employee performance. Rating errors occur when raters provide assessments that follow an undesirable pattern or when the rater does not properly account for factors that might influence assessments. One common error involves the pattern of results that arises when a rater dislikes separating people into categories. This leads to **central tendency error**, which is the pattern of placing almost everyone in the middle of the scale.

Another common problem occurs when a rater unintentionally compares people with one another. Suppose a rater is evaluating three employees and one of them is an outstanding performer. Observing the high performer may raise the rater's expectations so that he gives the other two employees low ratings even though their performance is above average. This type of error is called **contrast error**.

A different sort of error occurs when a rater bases an assessment on a general impression of an employee rather than on the employee's specific contributions. Over an extended period, the rater observes a number of different behaviors and forms an overall judgment of the contribution of the employee. The rater may then judge specific aspects of performance—such as quality of work, quantity of work, and cooperation with others—in terms of this overall perception of the

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employee, rather than judging each aspect of performance separately. For instance, a rater may be quite accurate in identifying a truck driver as a good employee but may not really be aware of whether the driver is consistently on time with deliveries. When a rater provides similar ratings for all the different dimensions of performance based on a general impression, the result is **halo error**. Subjective ratings are particularly prone to halo error.

Yet another type of error is **recency error**, which arises when raters place too much emphasis on recent behaviors and outcomes. Here, an employee who demonstrated outstanding performance during most weeks of the performance period may receive a lower rating if performance was not as high during the week right before the ratings were obtained. It is easier for the rater to recall recent actions and outcomes, so the rater places greater emphasis on more recent data.

A related but opposite problem, **primacy error**, occurs when a rater places too much emphasis on the behavior that is first observed. For example, a sales representative who loses an important account at the beginning of the year may be given a low rating even though her performance is excellent the rest of the year. In this case, the rater makes an initial judgment and fails to adequately account for later contributions that warrant an adjustment to the initial rating. Primacy can be particularly problematic when initial performance is very high, as raters don't sufficiently adjust their ratings downward.

Rater errors result in contamination and deficiency and are difficult to prevent. Rating accuracy can be improved somewhat by making raters aware of the kinds of errors that can arise. Various rating formats, which are discussed below, can also be used to reduce errors. But the most effective method for increasing rating accuracy is to help raters develop a consistent view of what represents good and bad performance. This approach, often labeled **frame-of-reference training**, provides instruction and practice to help raters see different performance episodes in the same way.

Halo error. A rating error that occurs when raters allow a general impression to influence ratings on specific dimensions of performance.

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Recency error. A rating error that occurs when raters place too much emphasis on performance observed right before the measure is taken.

Primacy error. A rating error that occurs when raters place too much emphasis on performance observed at the beginning of the measurement period.

Frame-of-reference training. Training that focuses on building consistency in the way different raters observe and evaluate employee behaviors and outcomes.

Rater Bias

Substantial problems occur when rater errors operate in such a way that people with certain characteristics are consistently rated lower than others. Consistently providing lower ratings to people with certain characteristics is known as **rater bias**.

A frequently asked question is whether raters give lower ratings to employees who are members of minority groups. The simple answer is yes. Ratings tend to differ depending on the race of the person being rated. The reasons for these differences are, however, difficult to determine. One possible explanation is that raters give higher ratings to employees whose race is the same as theirs, but the available data do not support this explanation. The pattern is more complex.

Rater bias. Bias that occurs when a rater unfairly provides lower ratings to certain groups of people, such as women and minorities.

Situational Influences

Suppose you have been given the task of mowing the grass at an exclusive golf resort. Strong thunderstorms roll in every day for a week and prevent you from being able to mow. At the end of the week, your supervisor, who has been away at a golf tournament, calls you and asks why the lawn has not been mowed as requested. Of course, your answer is that the thunderstorms prevented you from completing your assigned work tasks. The thunderstorms are an example of

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situational influences, which are factors outside the control of workers that influence performance.

Situational influences. Factors that affect performance but that are outside the control of the employee being rated

RATING FORMATS

Rating format refers to the sort of rating instrument employed. There are a variety of performance evaluation formats, the majority of which you're likely familiar with. Each format has advantages and disadvantages, and no method is necessarily superior to the others. The key to a good evaluation is selecting the format that best serves the evaluation's goal.

Narrative Ratings

The narrative rating format is one option. Organizations that employ narrative ratings require supervisors and other raters to offer a simple written description of performance. If a professor has written a note evaluating a work you submitted, you have received this grade. One advantage of narrative ratings is that they can be customized to describe specific and possibly unique characteristics of performance. A stock analyst may have aims and conditions that differ from those of other analysts. In this situation, the narrative rating permits the analyst's supervisor to provide specific remarks and ratings. Such feedback can also be quite beneficial for enhancing future performance.

Narrative ratings. A rating format that asks raters to provide a written description of an employee's performance.

Graphic Ratings

Perhaps the most common rating format uses graphic scales. With **graphic ratings**, raters are asked to provide a numerical rating for a number of different dimensions of work performance.

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Graphic ratings A rating format that asks raters to provide a numerical score for an employee on each of several dimensions of performance.

Forced Rankings

Another rating format is **forced ranking**, which occurs when a rater is required to rank all employees. For example, an office manager might be asked to rank the office's five secretaries in order from highest performer to lowest performer. A class ranking in which all students are ordered from highest GPA to lowest GPA is another example of such a measure.

Forced ranking A rating format that asks raters to directly compare the contribution of an employee with the contribution of other employees.

Forced Distributions

A rating format that combines the graphic rating with the forced rating is a forced distribution. As mentioned earlier, this format requires that a certain percentage of employees be placed in each rating category. A supervisor of computer programmers, for instance, may be required to rate 50 percent of them as average, 30 percent as outstanding, and 20 percent as unsatisfactory. Raters tend not to like forced distributions because they perceive them as less fair and more difficult to complete. Yet, this format represents a compromise between the graphical format, which allows everyone to receive the same ranking, and the forced ranking format, which requires a different score for each person being rated. Because they encourage competition, forced distribution formats emphasize merit and are most suitable for organizations pursuing differentiation strategies.

1.4. Learning Objective 4 - Who Should Measure Performance?

Multisource Performance Ratings

The process of obtaining performance ratings from multiple sources is known as multisource ratings, or sometimes as 360-degree appraisal. Based on the notion that a completed circle has 360 degrees, **multisource performance ratings** seek to evaluate performance by obtaining information from multiple raters who have different perspectives. Figure 8.5 shows a typical 360-degree rating approach. Ratings are usually obtained not only from supervisors but also from coworkers and the employees themselves. If the person being rated is a supervisor, ratings are also obtained from the subordinates he or she supervises. Some organizations obtain ratings from customers and suppliers as well. The multiple ratings give a more complete picture of performance and usually provide better guidance about what the employee can do to improve. These benefits can be enhanced by having the various raters meet together and discuss their evaluations. Multisource ratings are also a method of increasing employee satisfaction with the performance appraisal process.



Figure 8.5 360-Degree Performance Appraisal. This is an example of multisource performance ratings.

Source: Stewart, G.L., & Brown K.G., 2nd Edition (2015). *Human Resource Management Linking Strategy to Practice*. pp 312

Rating Source Differences

Self-evaluations for women and employees who are younger, less experienced, more educated, and white are more similar to ratings supplied by others than they are to self-ratings. A portion of this effect is attributable to the fact that experienced, nonwhite males overestimate their own performance more than others. In addition, evaluations from others tend to be lower for older and less educated individuals, which contributes to a greater gap between self-ratings and ratings from others for older and less educated personnel. These difficulties represent potential biases in self-ratings, and a further difficulty is that those with poorer performance tend to have less accurate self-evaluations. The lack of perception that hinders the performance of some employees also makes their self-evaluations less accurate. Self-assessments and external ratings differ for a variety of reasons. People generally have a self-serving bias; that is, they prefer to perceive themselves in the best light possible. People may also rate themselves highly since they have the most possibilities to observe their own contributions to the workplace. Finally, standards may be subject to debate.

Therefore, self-ratings and ratings from others become more comparable when organizations develop clear standards to describe outstanding performance and when the employees being reviewed have a greater understanding of the performance evaluation system. When both the individual being rated and the other rater are highly conscientious, perceptions of performance tend to be more similar. This resemblance may result from the fact that both raters focus primarily on task contributions, resulting in greater objectivity.

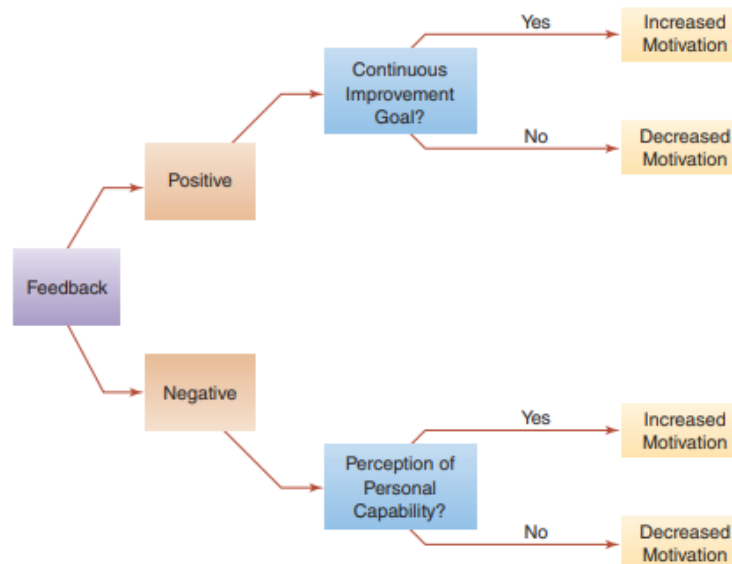
Learning Objective 4 - How Should Feedback Be Provided?

Measuring employee contributions is not sufficient for effective performance management. If such measurements are to result in enhanced employee performance, employees must be informed of their performance. In other words, they must receive feedback. Attempting to improve

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performance in the absence of feedback can be extremely unpleasant. Imagine taking a math exam and never learning whether you answered the questions correctly. You may grow frustrated and unwilling to continue working on issues. It would also be unlikely for you to significantly improve your algebra skills before you identified your potential errors. In a similar manner, employees who do not receive feedback tend to become dissatisfied and underperform. Thus, the majority of workers seek feedback. In fact, the accompanying "Technology in HR" section shows how numerous younger employees are requesting feedback via Twitter and Facebook.

Providing Positive and Negative Feedback



Source: Information from Avraham N. Kluger and Angelo DeNisi, "The Effects of Feedback Interventions on Performance: A Historical Review, A Meta-Analysis, and a Preliminary Feedback Intervention Theory," *Psychological Bulletin* 119(1996): 254–284.

Positive or negative comments might be made regarding feedback. Messages that communicate good achievement are accompanied by positive comments. When a sales representative surpasses her sales quota, she receives favorable feedback from her manager. Negative feedback is conveyed through messages conveying poor performance and the need for improvement. A supervisor informs a component assembler that fifty percent of the components he produced failed the quality inspection.

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Progress Check

1. Would you prefer working under a merit-based or parity-based performance management system?
2. How do you think employees might react to a change from a parity system to a merit system?
How about a change from a merit system to a parity system?
3. What are typical sources of contamination and deficiency in objective measures of job performance?
4. What factors might explain differences between coworker and supervisor ratings?
5. Why do we treat people we think have high ability differently than people we think have low ability?

Section A

Identification

1. A process whereby performance increases when leaders have high expectations about the skills and capabilities of followers.
2. The level of detail in communication, which can range from broad information about overall performance to specific information about certain actions.
3. Information that communicates things that an employee is doing well.
4. Information that communicates things an employee needs to change in order to improve.
5. Information given to employees to communicate how well they are performing.
6. Performance ratings obtained from a variety of raters such as customers, coworkers, supervisors, and self.
7. A rating format that asks raters to directly compare the contribution of an employee with the contribution of other employees.
8. A rating format that asks raters to provide a numerical score for an employee on each of several dimensions of performance
9. A rating format that asks raters to provide a written description of an employee's performance
10. Factors that affect performance but that are outside the control of the employee being rated.
11. Bias that occurs when a rater unfairly provides lower ratings to certain groups of people, such as women and minorities.
12. Training that focuses on building consistency in the way different raters observe and evaluate employee behaviors and outcomes.
13. Training that focuses on building consistency in the way different raters observe and evaluate employee behaviors and outcomes.

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14. A rating error that occurs when raters place too much emphasis on performance observed at the beginning of the measurement period.
15. A rating error that occurs when raters place too much emphasis on performance observed right before the measure is taken.
16. A rating error that occurs when raters allow a general impression to influence ratings on specific dimensions of performance.
17. A rating error that occurs when raters unknowingly allow comparisons among employees to influence ratings.
18. A rating error that occurs when raters give almost all employees scores in the middle of the scale.
19. Performance measures that represent judgments made by raters.
20. Performance measures that are numerical and based on counts of behaviors or outcomes.
21. A problem with performance appraisal that occurs when things that should be included in the measurement are not included.
22. A problem with performance appraisal that occurs when things that should not be included in the measurement are included.
23. The process of measuring what employees contribute to the organization.
24. Harmful employee actions that seek to personally harm coworkers.
25. Harmful employee actions designed to harm the performance and careers of other employees.
26. Harmful employee actions aimed at destroying assets of the organization.
27. Harmful employee actions aimed at reducing the speed and accuracy of production processes
28. Positive employee actions aimed at helping specific coworkers succeed.
29. Positive employee actions aimed at helping the organization as a whole to succeed.
30. Information and expertise that an employee needs to have in order to carry out specific actions.
31. An employee's understanding of the tasks that need to be done to perform job duties.

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32. Employee behavior that is harmful to the organization.
33. Employee behavior that helps others and creates a positive work environment.
34. The contribution that individuals make to the organization that employs them
35. A broad factor of performance that represents an employee's overall contribution to the organization.
36. Employee behavior that directly contributes to producing goods or services.
37. A performance management system that seeks to recognize contributions from all employees without elevating some above others.
38. Performance ratings that assess an employee's contribution in comparison to a fixed standard or benchmark.
39. Performance ratings that allow raters to place as many employees as they wish into each rating category.
40. A performance management system that specifically seeks to identify and recognize the contributions of high performers.
41. Performance ratings that assess an employee's contributions through comparison with the contributions of other employees.
42. Performance ratings that spread out ratings by requiring raters to place a certain percentage of employees in each category
43. The process of measuring and providing feedback about employee contributions to the organization.

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Answers

1. Pygmalion effect
2. Feedback specificity
3. Positive feedback
4. Negative feedback
5. Feedback
6. Multisource performance ratings
7. Forced ranking
8. Graphic ratings
9. Narrative ratings
10. Situational influences
11. Rater bias
12. Frame-of-reference training
13. Frame-of-reference training
14. Primacy error
15. Recency error
16. Halo error
17. Contrast error
18. Central tendency error
19. Subjective performance measures
20. Objective performance measures
21. Deficiency
22. Contamination
23. Performance appraisal
24. Personal aggression

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25. Political deviance
26. Property deviance
27. Production deviance
28. Interpersonal citizenship behavior
29. Organizational citizenship behavior
30. Procedural knowledge and skill
31. Declarative knowledge
32. Counterproductive performance
33. Citizenship performance
34. Job performance
35. General performance factor
36. Task performance
37. Parity-based system
38. Absolute measures
39. Free distribution
40. Merit-based system
41. Relative measures
42. Forced distribution
43. Performance management