Managing Performance Management and Appraisal in an Organization Including the Different Types of Appraisals System

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Abstract:- Performance appraisal consist of measuring staff member(s) current and preceding performance set against their performance goals established (Dessler, 2014). An organization will only achieve its strategic objective by aligning human resource strategy with business strategy. The human resource management strategy is the pivotal strategy that will augment the aforementioned and that will only happen with effective performance management and appraisal. Supervisors should set out an operative performance that will influence performance standards for their employees. To avoid biases by managers different types of appraisal have been designed such as Self-Rating, Rating Committees, Peer Appraisal, Appraisal by Subordinates, 360-Degree Feedback, Crowd Appraisal, etc. to appraise staff members. These different types of appraisal methods have their advantages and disadvantages that management usually takes advantage of to avoid the biases mentioned above. An exit meeting should be conducted after performance appraisals have been conducted between supervisors and subordinates to draw up strategies and road maps to address deficiencies from the result of the appraisal undertaken. Information about such meetings should be given to the subordinates by the supervisor so that the former will review their work and prepare for the meeting. There are potential appraisal problems such as Lack of fairness and ineffectiveness of supervision, clarification of standards, the supervisor should avoid being in the middle when rating appraisal, etc. A Performance Management Program should be installed after the current performance appraisal system would have been reviewed and there are deficiencies to the effect. All of these mentioned above are geared towards enhancing not only the career pathing and development of staff members but to aid organizational goals.

I. INTRODUCTION

At the strategic level of an organization (topmost level), the organization sets out the blueprint which entails what the business intends to do (Mission Statement) when the business wants to achieve it (Vision Statement), the place, the corporate strategy, and for whom the business wants to do it for (customers). In nutshell, this is called the strategic goals of the organization that is cascaded to the other lower levels of the organization for analyzing it, interpretation, and implementation.

The strategic goals are respectively shared amongst the constituent parts of the organization according to their specialization. Upon receipt of the different departmental goals from the corporate level, these goals that have been sent to the respective departments are shared into units, teams, and individual employees based on the performance standard as against the actual performance of the teams, units, and individual employees. In turn, each unit, team, and individual employee in the different departments are expected to achieve the goals set out for them.

Some supervisors are biased in appraising their subordinates, whilst others just give straight line (averagely) appraisal to all subordinates. Employees are always optimistic about their appraisal as it hinges on their reward, career-pathing, development, etc.

II. WHO SHOULD DO THE APPRAISING AND PROS AND CONS OF AT LEAST EIGHT PERFORMANCE APPRAISAL METHODS?

Performance appraisal involves assessing staff member(s) present and/or preceding performance fixed against its performance goals set out (Dessler, 2014). It is believed that a supervisor should set out an operative performance that spelled out performance standards for its employees. This means that supervisors are the core of almost all appraisals undertaken in an organization. In essence, the supervisor does the appraisal in most cases or most of the appraisals as earlier mentioned because he/she should be and typically the pivotal point to observe all appraisals done in any organization. That does not mean other people or parties in the organization do not do appraisal(s), there are other parties or people who also do appraisals especially to avoid biases and they are listed and briefly explain below:

- **Self-Ratings:** This is where employees are allowed to rate themselves.
- **Rating Committees:** Consist of the worker's immediate supervisor and other supervisors.
- **Peer Appraisal:** This is where the employee colleagues who are in the same status are allowed to appraise the employee in question. The employee is allowed to choose a chairperson who further chooses three of the said

employees' peers and a supervisor to undertake the exercise.

➢ **Appraisal by Subordinates:** On the other hand, it is a normal practice for a superior to appraise his subordinate(s). In this case, the subordinate appraises his manager or superior.

➢ **360-Degree Feedback:** This type of appraisal implies that information about the employees' performance is obtained from subordinates, supervisors, peers, and customers both internally and externally.

➢ **Crowd Appraisal:** This is electronically done to capture the views or opinions of colleagues about the employee. (Dessler, 2014)

These are the other people or parties that do appraisal in an organization, though supervisors play a vital role in the appraisal exercise. These different people or parties are allowed to avoid biases or unfair appraisal by the supervisor and to also get diverse and frank views of employees.

All of these various types of appraisals system have their respective advantages and disadvantages; that is why it is left to the organization to choose the type(s) which will be prudent enough for their appraisal system.

➢ *Advantages of self-Rating:*
- Self-Rating has a great effect on the output of the employees, bearing in mind that they are going to assess/rate themselves they will work very hard so that their rating should reflect their performance or output.
- It helps the subordinate to detect, correct and improve performance.
- Also, it minimizes wastage and mistakes.

➢ *Disadvantages:*
- On many occasions, the ratings are untrustworthy because it does not reflect the true picture of their performance.
- In most cases, it is not taken seriously because subordinates are appraising themselves.
- It has a negative sway on the organization because since they know they are rating themselves most all of the employees do not take their work seriously and it reduces the output of the organization hence not enabling the organization to achieve its strategic goals

➢ *Advantages:*
- There is coordination in the entire rating exercise and the possibility of different ideas or know-how to rate the employees from different angles.
- It encourages participation and the absence of one or two committee member(s) will not stop the work.
- Better decisions are taken in the entire process because biases are avoided and fairness and the true picture are more likely.

➢ *Disadvantages*
- Rating Committees prolong the result of the rating because even after rating there are going to be a lot of consultations before results are given about the employees they have rated.

- It leads to high overhead expenditures for the organization.
- The possibility of an uninformed decision is the likelihood of the simple fact that the result is possibly not getting the true reflection of some of the employees.

➢ *Advantages of Pair Appraisal:*
- Very important where primacies or goals are not clear.
- Chiefly important where the organization does not have objective records to rely on.
- It aids in setting importance in the event there are conflicting demands on the organization's capital.

➢ *Disadvantages of Pair appraisal:*
- Cannot give a true picture of the rating or appraisal methods.
- Pair appraisal is not informative because it does not give clear-cut information about the two or more objects paired to rate.
- There is no way pair rating decides which is better grounded on the contrasts.

➢ *Advantages of Subordinate appraisal:*
- Major assistance of a subordinate appraisal is that it enables staff and offers them a superior logic of worth in the organization.
- Staffs sense as if they have a say and again the firm values their feelings, worth, and performance they are contributing g in the organization.
- Junior staff appraisals to their managers are truer vis-à-vis manager appraisals for the subordinate.

➢ *Disadvantages of Subordinate Appraisal:*
- The subordinate may be afraid to give a true report about the manager especially when the appraisal is negative.
- On the other hand, some subordinates can be bold enough to give a negative appraisal report especially if the superior is not on good terms. This is liable to happen on the reverse for the manager appraising the subordinate.

➢ *Advantages of 360 Degree Appraisal:*
- Feedback is got from different angles such as customers, managers, colleagues, etc.
- It gives one hundred percent coverage of appraisal of the employees.
- The 360-degree appraisal gives the manager full knowledge of the subordinate strengths and weaknesses.

➢ *Disadvantages of 360 Feedbacks:*
- The possibility of true and correct information is not likely to be achieved for the simple fact that customers may not give correct feedback about the employee being appraised, same to a colleague that has not worked or supervised the employee ever.
- A tilt rating may occur and hence a misleading representation of an employee's performance.
- Some raters are always positive whilst some are always negative and always like to say negative things about people. Most likely more than half the appraisal may fall

in any of these categories of people hence not giving a true picture of the rating exercise.

➢ *Advantages of Crowd Appraisal:*
- It is very fast and can be easily processed.
- Cheap and easy to administer

➢ *Disadvantages of Crowd appraisal:*
- If the software is not user-friendly, employees may find it very difficult to use, hence making the rating not successful.
- It is very expensive to set and maintain.

➢ *Conducting an Appraisal Feedback Interview*

A performance appraisal interview is an exit meeting that is held after an appraisal has been undertaken. It is a meeting between the superior and the subordinate to draw up strategies and a road map to take care of the lacks shown from the performance appraisal result of the employee. From the aforementioned, the weaknesses will be strengthened for the subordinate to acquire the required requisite skills gaps for the current and future tasks of the job (Dessler, 2014).

In preparing for the subject matter under discussion, the supervisor should, first of all, inform the subordinate in about a week so that he/she (subordinate) will be able to prepare for the exercise and review the work that has been done. In addition to that, the supervisor should prepare questions and comments for the subordinate. Accorded with the aforementioned, before the appraisal meeting the supervisor should equate subordinate output in line with his or her performance standard to see if the output equates to par performance below or above and also to evaluate the subordinate former appraisals. Lastly, a serene place for the interview and an agreeable time set between superior and subordinate allow sufficient time say an hour and a half for lower cadre employees and an hour for management staff.

During the interview, below are some of the things that should be taken into consideration or should be done when conducting the appraisal interview.
- It should be pinpointed that the sole essence of the appraisal interview is to strengthen satisfactory performance and detect and increase unsatisfactory performance. In this regard, the supervisor should go straight to the point and be unambiguous. The entire process should be goal-oriented work data.
- There should have been a consensus between managers and subordinates as to how deficiencies should be improved. In a situation where there is a need for a warning, the stipulated standard that the employee has operated on should be made clear that he/she was in the know; bringing out the violations allows proof that the employee has room to correct his/her mistakes.
- The subordinate should be given freedom of expression during the process/interview.
- The supervisor/manager should be in a position to play around the defense of the subordinate after he would have been indicted for poor performance. Of course, the employee is going to react by denying and the superior

should now technically bring out the flaws; a cooling down period should be given after the aforementioned would have been brought out. Therein you continue by outlining the performances by bringing out the actual performances that should have been made.

➢ *Potential Appraisal Problems*

Performance appraisal problems speak of the inefficiencies and ineffectiveness that occur which makes the entire exercise be seen as a partial and unfair exercise when compared with the way it is done to another colleague in the same organization and even at the same level. Several problems occur in the above-mentioned exercise such as:
- **Lack of fairness and ineffectiveness of supervision:** The watchword for the subject matter under discussion is fairness and effective supervision. The supervisor/manager should be impartial when executing his/her job. The same done to John who is in your good books should be done to Jill who the supervisor sees as not a good lady. The supervisor should be very neutral when undertaking the appraisal exercise. What is the correct thing that is done to John in your good books should be done to Jill likewise that is seen as a bad worker. In terms of effectiveness, due process should be undertaken for all of the subordinates. If the above is not done as mentioned above, the entire exercise will be seen as not fair and effective.
- **Secondly, another problem is the clarification of standards:** Clear phrases and descriptive should define each trait and degree of distinction this will be the superlative way to remedy the ambiguity of the rating scale that is too open to analysis. Otherwise, supervisors will be describing them based on their understanding or perception which can hinder clarification of standards that should be used as a yardstick to measure the appraisal.
- **Thirdly, the supervisor should avoid being in the middle when rating appraisee:** Managers should avoid the idea of being in the middle (central tendency) i.e. rating employees not below or above the average. Take for instance the highest is ten (10) points and the lowest is one (1) point, the supervisor rates all the employees between five (5) and six (6) points. This implies that the supervisor is avoiding the highs and the lows, signifying that the supervisor cannot clarify the standards thereby being unable to define the trait and degrees of merit therefore the supervisor will play safe by averaging the appraisal for all.
- **Fourthly, the supervisor should not be lenient or too strict:** As mentioned above, the converse should also be taken into consideration i.e. some supervisors are so strict that they rate subordinates very low vis-à-vis so lenient they rate them very high. This is referred to as the strictness/leniency problem. This is another major problem in appraisal wherein the supervisor is so strict or so lenient which is not good for appraising. This calls for the middle as opposed to the middle in the rating.
- **Avoid being biased:** Supervisors should not be biased in a sense in a sensible rate of age, race, gender, tribe, etc. equally avoiding biases against what is not their interest.

> *Installing a Performance Management Program*

In the first place, an organization should appraise the ongoing performance appraisal system already in existence in the organization and look at the advice given to staff members and the frequency it is done. Upon this assessment, critically review and upon the feedback received from the exercise modify or improve the system the lapses. Also, the entire system can be changed or built on the existing system.

Secondly, the entire organizational strategic objectives must be clearly understood again. This will enable managers and other related stakeholders at the departmental, unit, team, and individual staff members levels to know their respective goals. When once this is done, each respective stakeholder from the department to the individual staff members has known their task (goals) they will be able to involve accordingly in achieving their goals. In a nutshell, the responsibilities for these aforementioned stakeholders in working to achieve their goals, and their job designation would have been spelled including their work elements, work cycle and cycle time, etc. in doing so the following should also be put in place:

- Ascertain techniques and methods that will simplify the entire work hence making it effective and efficient.
- Establish the target you intend to achieve for the forthcoming year.
- Share this intention with the departmental heads for it to be cascaded to the subordinates accordingly.

Thirdly, performance standards and output must be set. The departmental output must be given, to the units, teams, and individual workers. This will be used as a yardstick to appraise their performance at the end of the day. Their respective effective and efficient performance must be acknowledged and must be used as means to motivate them. Accorded with that, the pitfalls should be communicated to them too, and find ways how to improve on them. Establish clear goals expected from them to be achieved very shortly and these goals intended to be achieved must be prioritized and a specific time frame should be made.

Fourthly, after all, that has been explained above is implemented, there should be proper monitoring and evaluation. This can be done through effective performance management exercises. Performance management as we all know is an ongoing exercise that is continuous and repetitive and keeps an eye on the employees now and then. In this process, if they are belligerent to meet performance expectations, the ongoing performance management process or exercise will help them through the supervisor to overcome that challenges by creating the necessary support or coaching.

In continuation with the program that has been discussed above as to how it should be installed, there be an evaluation exercise for feedback to management and the entire employees as to how they have performed. Advisably, figures and rating scales should be designed to assess the employees' performance so that those who are unable to meet their performance, meet it and those who have exceeded their performance will be clearly shown.

Finally, upon receipt of the performance expectations set, a new performance standard should be set so it will be an ongoing exercise. A review should be done to improve the lapses in the system built based on the strategic objectives set after re-examination. (https://www.wikihow.com/, 2019)

III. ACTIVELY MANAGING A COMPANY'S TALENT AND HOW TO USE THE DIFFERENT TYPES OF RANKING METHODS

Talent management depicts an integrated method of forecasting, employing, mounting, evaluating, and rewarding employees fairly, consistently, and based on strategic performance (Dessler, 2014).

Before this time, there was an obsolete way of appraising and allocating rewards to employees, and this was done by compensation and developmental opportunities to every employee in the organization or by their appraising ratings. Human resource practitioners perceived this process as being obsolete and it is not managed accordingly based on performances and output. In recent times, human resource practitioners do focus on what is meant by mission-critical employees and this means those who are critical to the firm's strategic wants (Dessler, 2014).

Practically, employees will be segmented and actively managed in a company's talent to achieve the strategic objective of the organization based on the following:
a. Mission-critical
b. Core
c. Necessary/Essential
d. Non-essential

Now take, for instance, a firm producing hand sanitizer for sale. The chemists mixing the entire component to get the exact mixture needed are the mission-critical staff, those in training assistants chemists are the core. Those who are responsible to sell hand sanitizers after production, the human resource staff, accountants, etc. are necessary (support staff), and outsourced staff like cleaners, security, etc. are the Non-essential staff members. Now payments of salaries, training, development, dismissal, etc. will be tied to their position in the matrix but not to their performances. In doing so, training and development, payment of salaries, etc. will be given more to the mission-critical because they are mainly based to meet the company's object clause i.e. the line of production in which the firm is engaged. this will be cascaded to the core staff members, necessary/ support staff, and where necessary the outsourced staff members based on the agreement (Dessler, 2014).

The following appraisal methods will be used as explained below:

> *Alternation Ranking Method*

The alternation ranking method will be used to rank employees on their different traits choosing the highest to the lowest. In this type of method, the employees to be ranked will be enlisted and the further steps taken by tripping out those not necessary to undergo the process. From that stage,

a form is used to specify who is the highest based on the different traits to the lowest. The ranking will continue for each trait intended to be ranked alternating between the highest and lowest until all the subordinates are ranked.

➤ *The Paired Comparison Method*

The technique of appraisal in which every employee has equated with each other employee different traits on the job. The paired comparison is rated thus with and matched with the other subordinate as mentioned above, this process aid the manager to rank the employees from highest to lowest by using the plus (+) or minus (-). Each trait is ranked for the different employees and then all the different traits of each subordinate are added up to know who scored the highest unto the lowest.

➤ *Forced Distribution Method*

Forced distribution is a process of subordinate performance appraisal that organizations used. It is also called the loaded ranking, bell-curve rating. Supervisors estimate each staff member in three groups i.e. good, better, and best. Managers prefer (FDM) because it creates a differentiation between the performances of every subordinate in the organization. This method of performance management usually takes the normal delivery arc to symbolize the performance distribution. This safeguards that a small fraction of the entire workforce is to be placed at the extremes, which are the outstanding performers and poor performers.

The different methods of using various potential rates to appraise employees are discussed below thus:

➤ *Advantages of self-Rating:*
In the first place**,** self-rating allows employees to evaluate themselves. In this vein it has a greater upshot on the yield of the employees this is because they have been allowed to rate themselves. It will enable them to be more productive and also push them to discover, spot-on, and increase performance. It will also cut down on wastage and minimize mistakes.

➤ *Disadvantages:*
Self-rating is not reliable because it does not mirror the true picture of the employee's performance and in most cases, it is not taken seriously because subordinates are appraising themselves hence getting a negative impact on the organization. After all, the output and other standards can be compromised for several reasons. This will not allow the organization to achieve its strategic objective.

A Rating Committees Constitute of the employee's immediate manager and other supervisors.

➤ *Advantages:*
This type of rating enhances coordination in the whole rating exercise and the likelihood of different ideas or knowledge to rate the employees from different angles. It also boosts participation and collaboration. Eventfully, the absenteeism of one or two committee member(s) will not

stifle the work. Superior decisions are taken in the entire process because biases are circumvented and equality and the factual picture are more chance.

➤ *Disadvantages*
This type of rating delays the result of the rating since after rating there are going to be a lot of discussions afore outcomes are given about the employees they have rated. It also insinuates high overhead costs for the organization. The likelihood of unapprised decision for the fact that the result is possible not to get the true reflection of some employees.

Peers Appraisal is where the employee contemporaries are allowed to appraise the employee in question. An opportunity is given to the employee to choose a chairperson that further chooses three of the said employees' peers and a supervisor to undertake the exercise.

➤ *Advantages of Pair Appraisal:*
It is very significant anywhere primacies or goals are not reflective and is essentially key wherever the organization does not have objective records to rely on; thus aiding the background of importance in the event there are conflicting demands in the organization capitals.

➤ *Disadvantages of Pair appraisal:*
Does not give a true picture of the rating methods as pair appraisal is not explanatory for the fact that clear cut information of the two objects paired to rate is not the same. There is no way pair rating decides which is better grounded on the contrasts.
Subordinates Appraisal is a normal run-through for a superior to appraise his subordinate(s). In this case, the subordinate appraises his manager or superior.

➤ *Advantages of Subordinate appraisal:*
This type enables staff members to appraise managers' or supervisors' performance in the organization. Since these subordinates feel that they are part and parcel of the organization and they have a say they will be very effective and efficient. Junior staff appraisals to their managers are truer vis-à-vis manager appraisals for the subordinate.

➤ *Disadvantages of Subordinate Appraisal:*
The subordinate may be afraid to appraise the manager or his/her superior with freehand for fearing that if the true and correct rating is submitted negative consequences can be meted later and there are possibilities of no protection when that manager will be managing his/her performance during work as performance appraisal is repetitive and continuous. Additionally to the aforementioned, some subordinates can be bold enough to give a negative rating report specifically if the superior is not on good terms with the subordinate.

360-Degree Feedback appraisal infers that information about the employees' performance is obtained from different angles such as subordinates, supervisors, peers, and customers both internally and externally.

➢ *Advantages of 360 Degree Appraisal:*

Opinions are got from diverse angles such as customers, managers; colleagues, etc. It gives one hundred percent coverage of appraisal of the employees. A 360-degree appraisal gives the manager full knowledge of the subordinate strengths and weaknesses.

➢ *Disadvantages of 360 Feedbacks:*

The possibility of true and correct information is not likely to be achieved for the simple fact that customers may not give correct feedback about the employee being appraised, same to a colleague that has not worked or supervised the employee ever. A possible slope rating may occur and hence a misleading representation of employee performance. Some raters are always positive whilst some are always negative and always like to say negative things about people. Most likely more than half the appraisal may fall in any of these categories of people hence not giving a true picture of the rating exercise.

Crowd Appraisal is an electronic device designed to capture the views or opinions of colleagues about the employee.

➢ *Advantages of Crowd Appraisal:*

This system is very fast and can be easily processed; it is also cheap to maintain and it is just having a sunk cost.

➢ *Disadvantages of Crowd appraisal:*

Per venture, the software is not user-friendly, and employees may find it very difficult to use, hence making the rating not successful and it is very expensive to set and maintain.

IV. CONCLUSION

Performance appraisal is not one-off stuff, it is continuous and repetitive and it has three basics which are to offer a satisfactory view to management about an employee's performance, secondly, to aid as a base for adjusting the behavior for more effective and efficient output and to provide records to managers for which they may judge future job duties. This is done regularly and repetitively and hence employees are appraised. Before this time, it was performance appraisal which was one-off and data-driven, but now it is performance management and later appraisal to see that the standards set for employees are met. Performance management is goal-oriented and has different methods to rate employees such as self-rating, subordinate appraisal, peer appraisal, etc. after a complete exercise is undertaken on the topic under review, a performance appraisal interview is conducted to give feedback to the subordinate to enlighten him/her about the pitfalls and possible ways of remedying it. Performance management and appraisal permit management to create guidelines for a reward whether negative or positive. Trail employee performances identify the strengths, and weaknesses and proffer possible solutions after performance appraisal interview for a possible improvement in their performances.

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