

MGT 200: Organizational Behavior and Theory

Performance Appraisal- What

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Overview

- Key performance management terms
- Performance appraisal
 - Why
 - How
 - Who
 - What



Components of performance appraisal

Choosing how to approach the performance appraisal.

Choosing who appraises performance.

Choosing **what** factors to evaluate

Performance Appraisal System



What is evaluated?

- Individual task outcomes
- Behaviors
- Traits such as integrity, conscientiousness, ambition



How do we evaluate performance?

- Objective
 - Look at hard numbers
 - Problems with this approach?
- Judgmental
 - Critical incidents
 - Evaluate behaviors that are key to doing the job effectively or ineffectively
 - Graphic rating scales
 - Evaluate ee on a list of performance factors such as cooperation, loyalty, and honesty



Biases in performance evaluation (scales)

- Halo effect:
 - Generalizing evaluation for one dimension to all evaluation dimensions
- Severity:
 - Providing mainly negative evaluations
- Leniency:
 - Similar to the halo effect; assigning all ees to the positive end of the scale
- Order effects:
 - Use either first impression or more recent impression to assess the ee
- Similar-to-me:
 - Rate based on similarity to the evaluator



Bias in performance evaluations (qualitative)

- Sources of bias

- Open box
- Criteria and gendered expectations



- Ways to reduce bias

- Rubric for evaluation
- Better prompts
- Double check reviews for consistency
- Use more objective criteria
- Include a broader group of reviewers
- Adjust the frequency of reviews
- Change the scale

Change the scale

- Study of over 105K student ratings of 369 instructors in 235 classes.
 - 10 point system men had higher ratings than women but gender gap eliminated when using 6 point scale
- Transcripts of Julie or John Anderson's lecture.
 - Students assigned 10s to male instructor, but 8s or 9s to female
- Performance expectations of 10s vs. 6s.



Take-aways

- Introduced performance appraisal process
 - Why conduct the performance appraisal
 - How to approach the performance appraisal
 - Who should be involved in the performance appraisal
 - What should be evaluated in the performance appraisal
 - Biases in the performance appraisal process and how to ameliorate them.