TOWARDS AN EFFECTIVE PERFORMANCE APPRAISAL SYSTEM

1. INTRODUCTION

The employee who has been selected and placed on his job will have his performance rated or evaluated by someone some time. This need for appraising performance is a bye-product of insistence on high goals. Performance appraisal thus is an extension of the control function which in itself involves:

(a) the setting of standards;
(b) the measuring of results to determine deviation from standard;
(c) and the corrective action.

1.1. It requires the gathering of information on how effective each individual is at accomplishing delegated duties.

1.2. Communicating this information to subordinates enables them to know how well they are doing and to correct less than acceptable behaviour.

1.3. It permits management to identify the outstanding performers and in effect raise their performance standards by promoting them to more challenging positions.

2. PURPOSE OF PERFORMANCE APPRAISAL

There are three general purposes.

2.1. ADMINISTRATIVE PURPOSE:

Every organisation has a continuous need to evaluate its personnel in order to make administrative decisions regarding promotion, transfer and termination. Whatever the administrative situation, a logical decision cannot be made without an effective means of appraising performance.

2.2. INFORMATION PURPOSE:

Performance appraisal is also needed to provide people with information about their relative level of performance. When done correctly, the individual will learn not only whether his/her performance is acceptable but also specifically what strengths and weaknesses he/she has and which areas could be improved.

2.3. MOTIVATIONAL PURPOSE:

Performance appraisal is also an important means of motivating people. By identifying strong performers, Management is able to reward them fairly with praise, pay and promotion. The three general purposes are inter-related in that the information leading to an administrative decision to promote a person should have a positive effect on motivating a person to perform well.
3. **MAKING PERFORMANCE APPRAISAL EFFECTIVE:**

A large number of organizations have some type of appraisal system, but several factors determine whether performance appraisal is effective.

(a) Most often a subordinate's performance is evaluated by his/her immediate superior. Therefore this superior must be capable of evaluating performance appraisal accurately and not base appraisal performance on personal feelings towards the subordinate.

(b) The superior must be able to communicate the appraisal to the subordinate. Criticism? Feedback? (Open reporting).

(c) Performance appraisal should be objective and result oriented; not based on personality traits.

4. **METHODS OF PERFORMANCE APPRAISAL:**

There are various techniques and procedures of appraisal. The most common of these techniques are:

4.1. **THE GRAPHIC RATING SCALE:**

This method assesses a person on the quality and quantity of his work. It tends to answer the following questions: Is he outstanding, above average or unsatisfactory? The graphic rating scale method actually includes personal traits like reliability and co-operation as well as specific performance items like power of oral and written communications. For each of the criteria set, ratings are given such as excellent, good, poor, etc.

4.2. **PROBLEM OF ESTABLISHING AND USING RATING SYSTEMS:**

- Performance rating can be designed ignoring some basic psychological needs of subordinates (mental abilities, interests, personality, specific job skills, knowledge, motives).

- It can be designed to place the superior in a conflicting situation (personality traits, inter-personal relations, interests)

- Standard and rating may vary widely and may be unfairly done (lack of standard, inter-personal relations, favours). If some rate tightly and others loosely, an injustice will be done to the employees who are being appraised for promotion, training, etc. Some of the criticism of employee evaluation stems from lack of uniformity among raters.
In implementation, personal values and bias can replace organisational standard for rating.

In many cases, the validity of ratings is reduced by the superior's resistance (unwillingness) to making the ratings (do not judge, that thou be not judged).

When the result is very poor, performance rating may boomerang when communicated to employees. Some people do not want to hear about their performance - particularly if the report is negative and too critical. Such an appraisal may destroy an employee's self-image and personal attitudes about ability.

In some cases, the criteria for appraisal are not applied uniformly within the same organisation.

5. **THE ANNUAL CONFIDENTIAL REPORT:**
This is carried out by a superior without the knowledge or participation of the subordinate assessed.

5.1. **HOW IT WORKS:**
The format is a form setting out typical questions on subordinate's performance where the assessor is supposed to rate the subject according to the best of his knowledge and judgement. Ratings of exceptionally high or low performance are usually to be supported by reasons.

5.2. **PROBLEMS:**
The confidential reporting system could be a useful instrument if it is possible for the assessor to dissociate himself from prejudices, favouritism and indifference. The questionnaire section of the report does not usually integrate human and organisational needs. But often emphasises the need of the organisation and neglects those of the employee being assessed.

6. **THE OPEN REPORTING SYSTEM:**
The system has aversion to the demerits of the confidential reports. It is used through a well structured report and has the following properties:

- It seeks to measure how well an individual has performed on a present task. This is done with the subordinate himself.

- It serves as a means of training and developing subordinates in handling management matters.

- It is also a means of allowing individuals to achieve greater efficiency through his realisation of his short comings.
The system is carried out through a well-structured performance rating form in which an individual can rate himself while his superior has his own section to comment on the subordinate's performance, pointing out areas of strength and weaknesses. The subordinate is allowed to see the recommendation of the superior and sign it if acceptable or protest if not. In the case of any disagreement, the higher authority will resolve the issue. The superior has to point out areas of improvement required and methods of improvement.

6.1. **PITFALL:**
- Objective criticism can be overcome by personal traits.
- The superior may not be inclined to point out weaknesses to save his face or prevent any possible friction.
- Where high objectivity is displayed, the subordinate may revert to gossip and blackmailing of the immediate superior. This may lead to personality conflicts.

7. **MANAGEMENT BY OBJECTIVES:**
This is a general management technique rather than that of performance rating only. In the MBO, employees are involved in setting their own performance goals, criteria for measurement and the measurement times. But there is difficulty here where the lower organizational levels are not involved in their own goal setting.

8. **OTHER METHODS:**
These include:
- The Performance review (informal statement from immediate superior. Criteria often subjective).
- The group judgement (Field review). (time consuming; used when there is reason to suspect rater bias;
  - some raters appear to be using higher standards than others;
  - comparability of rating is essentially required.
- The forced choice rating. (used to reduce raters bias).

9. **OBJECTIVES OF PERFORMANCE RATING:**
From the above discussion, the purpose of performance rating or appraisal is obvious. In principle, it is meant to find out and strengthen the strong points of the employee and help him to improve on his weak points. In practice, its objectives have been varied. (Instrument of
antagonism; tool for the favoured). In general performance appraisal tend:-

(a) To provide an opportunity for a superior and his subordinate to review the latter's work in the light of (set) objectives and (to set future objectives in the light of current performance standard).

(b) To encourage a superior to think analytically about his subordinates as individual human beings, so that he will understand them better and thus be able to base the planning of work in his Unit/Department on an appreciation of individual's competence and suitability.

(c) To provide an opportunity for an employee to realise his own potentials and what deficiencies to remedy if he is to develop and advance in the organisation.

(d) To establish a research and reference base for personal decisions.

(e) To provide back-up data for management decisions concerning salary increases, transfers, dismissals etc.

(f) To improve organisation development by identifying people with promotion potentials and pin-pointing development needs.

10. MEASURING POTENTIAL FOR ADVANCEMENT:

Some types of employee evaluation plans are heavily slanted toward management development. In addition to educational qualifications, the rating forms emphasize personality, appearance, enthusiasm, mentality, sociability and other traits considered desirable for a higher job. The assortment of traits may be designed to identify people who are outstanding in the qualities necessary for particular jobs.

Further more, there are a number of types of evaluation plans and a number of purposes which they are designed to serve. Merit rating plans for example are designed to stimulate people to high performance. It is based on the belief that people who perform better on the job should be rewarded more. But in unionized organisations, seniority may be more of a factor in advancement than merit and the prevailing sentiment may favour raises for
everybody rather than just for the high performers. When basing promotion on seniority such an exercise should be deeply scrutinized in order to overcome some common performance problems, such as obsolescence and shelf-sitting. If these problems are not guarded there will be pressure to apply old solutions to new problems.

10.1. THE APPRAISAL INTERVIEW AS A MEANS OF IMPROVING PERFORMANCE ON THE JOB:

Accurate information about employee's performance on their present jobs is a very necessary aspect of effective personnel planning. If the employee evaluation is to result in improved performance on the job, an appraisal interview should be arranged between the subordinate and the superior or the Head of Unit/Dept. Such an interview should be centered on performance and not on innate abilities or personal traits. In telling the subordinate what parts of the work are satisfactory and what parts are unsatisfactory, the superior should talk in terms of results rather than faults (c/f MBO, Open reporting).

11. CONCLUSION:

From the above discussion, we assert that the appraisal exercise should be carried out by the subordinate's immediate superior. The exercise should incorporate the group judgement (field review) method. Though the field review method is time consuming, it enhances the objectivity/credibility of the exercise and helps staff to develop an awareness of the varying degrees of leniency, severity or bias of raters. It will also help to identify areas of raters disagreement and thereby will help to solve any possible problem through consensus. Such exercise should be carried out under the supervision of the Head of the Unit/Department.

The issue of involving the subordinates in the appraisal exercise should not arise since the lower organisational levels are not involved in setting goal standards. However, the result of the appraisal could be communicated (through feedback or organised meeting; not through criticism) to the subordinate where the overall rating is poor. The subordinate should be given a fair chance to appeal/defend himself or to petition to the higher authority through the Head of his Unit/Department.
The graphic rating method should be operated with the point scoring basis. This proves to be easier and makes room for comparison. In the example attached, the rating scales are restricted to five points. Any point above '5' or below '1' should be supported with reasons.

11.1. DEFINING FACTORS:
Where the forced choice method is not used, raters must have a common understanding of the definition of the factors they are rating. Dependability for example could mean a number of things: Does it mean that the employee shows up for work everyday and gets there on time and in condition to work? Does it mean that he/she can be trusted to carry the money to the bank? Does it mean that the person can be relied upon to get the work done properly? If it were not defined, then under dependability one superior would be rating attendance, another would be rating honesty and the third would be rating work performance.

11.2. DEFINING DEGREES:
When the rating form lists factors and degrees of factors, there is problem of getting agreement between the raters as to what is meant by the various degrees. The degrees such as excellent, fair etc or the numerical equivalent constitute the measuring stick, and it is essential that all raters use the same stick. What is excellent to one rater should not be poor to another. The rating system must set up some kind of bench mark for what is average and some kind of guide for judging the degrees above and below it.

11.3. FAIRNESS IN RATING:
In judging people against a bench mark, the fairest way to do it is to take one factor at a time and rank all of the people on that one factor rather than take one person at a time and rank him on all of the factors.

12. FILLING THE APPRAISAL FORM:
When filling the appraisal form several questions should be borne in mind. Does the subordinate get along well with others in the performance of their work? Is the subordinate steady, interested and willing? Is job knowledge adequate or is constant help needed? Are instructions, rules, and regulations complied with and understood? Does the subordinate work safely and influence others to work safely?
Is prodding necessary or is the subordinate a self-starter? Can the person work without close supervision? Is the subordinate punctual and regular in attendance? Can he/she be relied upon to carry through a job properly? Does the subordinate use initiative, contribute good ideas and co-operate in improving methods? Does he/she have knowledge or related jobs that can be handled in emergencies? Is there willingness to learn new duties? Is there promotion potential for the employee? etc.

12.1 COMMENTS: BY THE ASSESSOR:
The superior who made the appraisal has further decisions to make if substandard performance is very low or has long continued. Are the causes correctible? Who will do what? Is further effort worth the cost? The rater's comments should be as objective as possible.

12.2 THE APPRAISAL FORM:
Preparing the appraisal form is quite difficult. However effort had been made to produce a fairly simple type of appraisal form that could be modified to suit various purposes.
## PROPOSED APPRAISAL FORM

### JUNIOR STAFF APPRAISAL FORM

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<th>1. Name</th>
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<th>3. Designation</th>
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<tr>
<th>5. Scores: Outstanding</th>
<th>7*&lt;br&gt;Excellent</th>
<th>6*&lt;br&gt;Very good</th>
<th>5&lt;br&gt;Good</th>
<th>4&lt;br&gt;Satisfactory</th>
<th>3&lt;br&gt;Fair</th>
<th>2&lt;br&gt;Poor</th>
<th>1&lt;br&gt;Very poor</th>
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<th>6. Appraisal Criteria</th>
<th>Points</th>
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<td>Improvement in qualification</td>
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<td>(A) General</td>
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<td>(ii) Professional</td>
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<tr>
<th>A</th>
<th>Performance in present job</th>
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<td>(i) Problem solving</td>
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<td>Effectiveness in diagnosing and proposing solutions to problems</td>
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<td>(ii) Work output</td>
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<td>Effectiveness in getting work done and in meeting deadlines</td>
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<th>B</th>
<th>Knowledge of the job</th>
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<td>(i)</td>
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<td>Effectiveness in working without supervision</td>
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<td>(iv) Attitude to work</td>
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<td>Steadiness, truancy, ability</td>
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<td>(v) Punctuality, (General)</td>
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<td>(vi) Power of communication</td>
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<td>(vii) Overall evaluation</td>
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<td>General effectiveness, taking into account (i) - (vi) above and any other factors you consider important to associate performance</td>
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<th>Personal Characteristics</th>
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<td>(i) Initiative</td>
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<td>(ii) Reliability and dependability</td>
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<td>(iii) Motivation and integrity</td>
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<td>(iv) Industry</td>
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<td>(v) Group relations</td>
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<td>Effectiveness in working with people</td>
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<th>D</th>
<th>Advancement potential</th>
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<td>(i) Qualifications</td>
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<td>(ii) Experience</td>
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<td>(iii) Ability</td>
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<td>(iv) Supervisory capability</td>
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(v) Willingness

(vi) Prospects for developing into an effective management group member (assuming continued employment).

7. Overall rating
   General effectiveness, characteristics, --- Outstanding taking into account A - D above and --- Excellent any other factors you consider --- Very good relevant to your assessment. --- Good
   --- Satisfactory --- Fair --- Poor --- Very poor.

8. Recommendation.
   --- Needs to be warned
   --- His weaknesses are
   --- Requires training in
   --- Should be commended
   --- Should be transferred to another Unit/Department for example
   --- Should be recommended for promotion
   --- Should be confirmed (if not already)

9. Supporting points
   (Please use additional sheet if space is not sufficient).

10. Appraised by ------------ Sign ------------

     Date ------------

S. AKPAN
(Student Affairs Department)
Date: 14th March 1984

*Must be supported by valuable reasons.