

The Performance Appraisal

An Honors Thesis (HONRS 499)

by

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Purpose of Thesis

In the study of Human Resources, many forms of performance appraisals are introduced. Within each type of appraisal, both positive and negative aspects can be found. This thesis suggests that the practice of using one standard form of appraisal is not beneficial. The most commonly used appraisal types are introduced. This is followed by a discussion of important steps needed by a company to formulate an evaluation system that could combine qualities of different standard appraisal methods so that the product could be an appraisal method that would best fit the needs of the unique business.

Our society is one of constant development. Cultural and demographic changes are strong forces affecting the business world. Cultural diversity and increased female employment levels are issues that have to be addressed by companies. Within these companies, specific business practices should be adjusted. One such practice is the performance appraisal. The evaluation made during an appraisal is one that will ultimately have a large effect in an employee's career rewards and decisions.

Some companies make the mistake of applying very casual methods of performance evaluations. These organizations are submitting themselves to a great deal of risk, especially when no evidence of criteria or reasoning exists. Personal bias becomes a large factor, which crosses the line of numerous legal ramifications. Types of more formal appraisals which have been used by organizations tend to follow standardized formats suited to "grade" the traditional member of the workforce. Now, it is common to address needs of different ethnic groups, religions traditionally not recognized, the disabled, working mothers, and possibly different sexual orientations. It is no longer realistic to envision a stereotypical employee.

Business changes also have a large effect on organizations. For example, the 1970's focused on growth, the 1980's introduced the cost-cutting programs and now, many businesses are downsizing and concentrating on core business elements. Earlier diversification efforts led to economic

problems for many (Esquibel, Orlando, Ning, Jack, Sugg, John, 43). These businesses are now experiencing the changes that are affecting many societal facets. Taking all of these elements into account makes evident the need for effective methods of monitoring and motivating employees.

The performance appraisal is the human resource practice that almost everyone would agree is necessary. Its use is justified as a means for determining an organization's pay system, merit-increase system, promotional practices, and many other possibilities. However, very few managers feel comfortable conducting them. There has to be an explanation for this discomfort. The fact that professional people are uncertain about an action which they are taking points to a problem in the structure of the practice itself. Problems have been pointed out over and over again, but current practices are not being modified. This leads to a negativity in the attitudes of both the worker and the supervisor.

A great deal of research has addressed both positive and negative aspects of the performance appraisal. An article by Gary English in the Training and Development Journal claimed that "no other management tool is more critical to productivity than effective performance appraisals; yet, they can impair employees' performance" (56). Impairment could be caused by unknown expectations by employees, ineffectually evaluated performance, rewards not being tied to performance, and the notions of confrontation and unpleasantness caused by the evaluations. Another problem pointed out in Industrial

Management was managers' practice of using easy-to-find information to evaluate performance. Decisions based on this type of information could jeopardize employees' job assignments, performance appraisals, and promotions (Smith, 14). Further negative aspects were found in the Transportation Journal. It said that few methods are accurate, employees are easily not evaluated on the important points of their jobs, and the processes are subject to political pressures (Taylor, 50). More positive aspects can be found. Improved communication is a common advantage of the process. It provides time for managers and subordinates to talk in private without interruption, and productivity increases through the mutual setting of goals (McGee, 36). Appraisals also help the problem of turnover. "If an accurate job-related performance appraisal system is put into place, dispatchers can be rewarded for things contributing to the long-term success of the firm (Taylor, 49). At 3M Co., managers who conduct appraisals are provided with extensive training to match tasks with individual workers' skills and goals (King, 121).

Managers need to listen to grasp the positive aspects of performance appraisals. With the appraisal's obvious importance, organizations need to break down to the basics and define their needs and the exact uses of information gained. From there, they can examine available appraisal methods and apply the aspects most useful to them, taking into consideration both the positive and negative aspects of

the methods. Making sure to obtain complete documentation throughout this entire process, they should be able to piece together an appraisal method more customized to their needs in a manner that will fall within all legal boundaries.

As previously mentioned, although it is commonly and easily done, the performance appraisal is often seen in such a negative light. Many managers and employees alike dread the entire process; therefore, when the time arrives, many hurry through it and are relieved when it is done. These managers will have missed a good formal opportunity to motivate employees and make sure performance levels are where they should be (Knippen & Green, 27). An effectively constructed performance appraisal can be advantageous to a company in many ways. Studies have actually been done which give statistical evidence of such impacts. "On the basis of data, changes in employee performance have had a statistically and economically significant impact on a firm's profits (Becker & Huselid, 227). In this particular article, the authors compared their results ranging from 74%-100% of mean salary to a conventional profitability benchmark of 40% and 70% of mean salary.

With the exploration of the different types of appraisal methods, pros and cons of each type can be discovered. Further, elements from each method can be chosen which are advantageous to some companies more than others.

Types of Appraisals

Numerous methods of appraisals exist. The following are brief summations of the common formats used. They range from ones which employ the use of less information such as the critical incident technique, which focuses on certain good or bad behaviors, to much more involved methods like management by objectives and behaviorally-anchored rating scales. The latter two have many more steps leading to the ultimate performance evaluation.

Critical Incident Technique

Work behaviors leading to outstanding success or outstanding failure are the basis of this method. Otherwise known as CIT, the critical incident technique is supposed to help avoid the problems of the recency effect by keeping a log over time of incidents rather than just those observed at the time of the appraisal. The evaluator, from time to time, lists the observable behaviors and eventually produces records for the employees. Positive and negative behaviors are not necessarily balanced.

Evaluators have specified expected responsibilities of a job. From the critical incidents that have been listed, comparisons can then be made between the two lists. Advantages with this method include the focus upon the most important aspects of a job and the improvements in the area of the recency effect. Additionally, with the accumulated

logs, evaluators are able to provide very specific examples at the time of the appraisal.

In addition, with this type of documentation done on a regular basis, noting successes and failures, managers can actually formulate some kind of chart to visually present an employee's progress to him or her (Morgenstern, 78).

Essay or Narrative Evaluations

Observations of performance of specific job duties are described in this method. Most likely, the evaluator is following some types of pre-determined standards, and he or she will evaluate how well the employee is carrying out job responsibilities in terms of strengths and weaknesses, achieving certain results, or any other job-related criterion. Standardized format is important in this method in order to ensure consistency. The typical essay appraisal includes questions regarding an employee's performance which leave open opportunities for the evaluator.

A drawback to this method is a possible lack of writing skills by the evaluator. An employee may not be viewed fairly simply because his or her talents were not described in a proficient manner by the evaluator. Other negative aspects with the use of essay formats are the uncertainty in their validity and general use in comparing employees due to the subjective nature. However, they give the evaluator an opportunity to expand on an employee's performance.

The essay is a good method to use in addition to another

type of appraisal. If a primary purpose of an evaluation is employee development and improvement, then it is a good idea to incorporate a narrative into the appraisal discussion to describe the employee's strengths and weaknesses, areas of improvement, and possible career directions. Meaningful discussions between a supervisor and an employee can be extremely motivating and will be more likely to lead to successful results than a dry overview of a form.

Rating Scales

This type of technique is a common one. It seems easiest for evaluators to grade employees on a scale. Information gained through rating scales provide more precise information to managers because it is based on predetermined standards. Many methods for arriving at scales exist. Numbers, adjectives, or both can be used to rate an employee. Some employees feel it is impersonal to be rated according to numbers. Adjectives can provide feedback which an employee can relate more easily to his or her specific areas of a job. Rating methods should not to be confused with ranking procedures, in which employees' ratings are based on scales relative to others' scores.

In rating techniques, employees' performance is observed according to a pre-determined format which allows ratings to be consistent with one another. Scales can determine success in effort, results, or both. Advantages to these methods are that they are easy, quick, to the point, and accepted well by

most because they are so commonly used. However, these same aspects can also be viewed as disadvantages. For instance, when people become too involved in applying a rating to everything, the overall goal can be overlooked. In addition, scales will only be effective if they are being applied in the correct manner.

Management By Objectives

Otherwise known as MBO, management by objectives involves a mutual setting of goals by the supervisor and the employee. With the installation of this technique within an organization, two main activities will occur in a year. "At the beginning of a budget year, supervisors and subordinates agree upon the subordinate's targets of performance for the that year. Then, at the end of the year, the two will meet again to compare targets with results" (Odiorne, 67). However, three more specific steps are included in this practice. First, in the setting of goals with the subordinate, common goals for the entire organization need to be taken into consideration. Each individual employee needs to be aware of such goals. It is then the supervisor's responsibility to relay expectations for each employee. It is these goals that serve as standards for the employee's achievement of performance. Next, when the time arrives to compare results with the predetermined goals, managers should ask each employee to "write a brief statement of performance against targets." During the meeting set to review this

statement, the manager should look for variances. Both the manager and the employee should decide who, if anyone, was at fault for any lack of performance (67-8). With the discovery of any negative areas, possible solutions to correct problems should be discussed and, if necessary, a "check-point meeting" could be set to make sure the employee is working in the right direction and is making progress (LaPlante, 119). These meetings can also be used to discuss any personal job-related problems the employee might be having or relationships on the job. Now, with the information gained through the evaluative meeting and the lessons learned from the previous year, goals and budgets for the upcoming year can again be jointly decided upon by the supervisor and the employee.

Many advantages can be seen with MBO. First, it not only revolves around the individual improving his or her performance, but it also betters the organization as a whole by directing individual behaviors toward goals that are in line with those for the entire business. Another advantage is the employee's involvement. The evaluations provide a good opportunity to address any problems found with solutions that can be applied immediately.

A disadvantage of MBO is its focus on results. This focus can tend to override the concern of exactly how a goal will be achieved. Then, unless goals are updated frequently, in an ever-changing environment, they may end up having little meaning.

There are certain conditions which must be present in order for an MBO system to actually be effective. "An MBO system can change peoples' performance if it is strongly supported by senior management" (Zemke, 34). Further, goals should be challenging yet reachable, specific, and within a time limit. Feedback is a necessity (36).

Behaviorally-Anchored Rating Scales

A much more detailed form of rating scales which is commonly used is BARS. This method has been chosen by many organizations over management by objectives and solely goal-setting techniques because it provides more opportunity for supervisors to advise employees on how their performance can be improved. Behaviorally-anchored rating scales are based on actual observed behavior. This helps the evaluated individual to distinguish between effort put forth and the results achieved. This method also enables the manager to more easily offer solutions to specific behaviors that might be deterring job performance.

Two main steps are involved in this method. First, the job or jobs to be evaluated must be defined. Problems can exist, for example, within departments in which several jobs overlap. In such cases, employees may not know exactly what their specific responsibilities are. In fact, they may not even be aware that there is a problem. Identifying exact boundaries of a job is thus an important human resource activity that should be initially included in areas such as a

job interview and training sessions to alleviate future problems. Nevertheless, these areas can be fine tuned during an evaluation session if they have not been fully understood beforehand. The second step is an assignment of scales to these observable behaviors by both the supervisor and the employee. The two write statements about critical job behaviors that can actually be controlled by the employee. Then, numbers are assigned according to how well the task should be performed and how pertinent the success of the job task is to the overall position. Before the formulated BARS method can be used, the decided importance of job aspects should be validated by other incumbents in the position. Any aspects which are not job-related or are not controllable should be deleted before the system is used.

Advantages to the BARS technique is the meaningful feedback that managers are able to give in terms of specific job behaviors. The employee can always be aware of what behaviors need to change in order to obtain successful job performance. Disadvantages include the amount of time needed to construct these types of systems. In addition, when an organization experiences a great amount of change, the existing behaviorally-anchored rating scales must be adjusted to reflect the new changes.

Self-Appraisal

In a self-appraisal, the employee evaluates how well he or she has fulfilled job responsibilities in his or her

opinion. Beyond the self-appraisal, any method in which the employee can be more actively involved in the evaluation is more apt to be accepted overall. Many times, especially when time is a factor, the evaluator will tend to do most of the talking, making the appraisal session more of a lecture than a mutual discussion of the employee's performance. That is why the self-appraisal is also a good method that could be incorporated with another one to increase the amount of employee participation.

The theory behind this method is that the employee should know best which responsibilities are most important for successful job performance. The employee should prepare in advance of the evaluation session. A supervisor could give the employee an idea of what will be discussed during the appraisal session and actually give him or her a form to fill out or ask that he or she be considering possible areas for discussion. This could force the employee to think about his or her performance, therefore allowing the evaluator to play a supportive role rather than a critical one. During the appraisal session, the employee could offer examples as to how his or her performance has been sufficient or better. In these types of appraisal situations, managers may try to add more areas of discussion in order to make the evaluation time more efficient. John Robinson, who is a data-processing manager for Walla Walla County in Washington, says, "I also have (the employees) list any gripes, complaints, and recommendations. It's a chance for us to make sure we agree,

and if we have any problems, we solve them on a non adversarial basis" (LaPlante, 119).

The advantages with this method are based on the fact that the employee should know the important facets of the job better than anyone. However, there may also be a tendency for the employee to sugar-coat information and tell the manager what he or she may want to hear (Smith, 15).

Very similar to self-appraisals are peer appraisals. They contain the same ideas. However, they could help to alleviate the problem of bias sometimes evident in the self-appraisals. Peer appraisals also seem to be a useful method to compliment another one. Advantages are, once again, the employees' knowledge of the positions. Further, with the peer appraisals, managers could discover some areas that the employee being evaluated may not want to admit are problems. Peers are usually very aware of areas and skills in which co-workers are lacking. In these scenarios, managers need to be aware of problems that may arise because of personal conflicts between certain employees. This can be aided by having two or more peers help with the evaluation.

Important Aspects of Creating An Evaluation Technique

Selecting a Form of Appraisal

An important point for companies to remember is that no one technique is best suited for all businesses. Different

areas will carry different priorities in various organizations. Therefore, as previously mentioned, companies need to decide the overall goals of their individual organizations. Then, each can decide which responsibilities and goals to emphasize in order to help achieve overall organizational goals.

Research articles such as "Boost Performance Through Appraisal" in Business Credit, "Counseling for Success" in Association Management, "Seven Ways to Improve Performance Appraisals" in HR Magazine, "Tuning Up For Performance Management" in Training and Development Journal, and so on, all on how to formulate new appraisal systems, list the first step as "setting objectives". This will follow the establishment of goals. A good place to look is within the company's mission statement. "If a supervisor doesn't have a clear understanding of the corporation and department mission/direction, there's an immediate problem," (Chadwick, 62). The performance system should build clarity and reinforce the company's mission. Goals should always be as specific as possible. It is also important to remember that if goals are set too high, an employee can only become frustrated when he or she cannot achieve them. Therefore, goals should be realistic. Employees should participate in the process of defining these goals, if at all possible. The employee will be much more accepting of the goals, and doing so will provide a good base for two-way communication. Both the supervisor and the employee will have a better

understanding of the most important aspects of the job. Later, with new employees, managers should discuss these goals right away. Doing so will help to solidify the job description given, and it will provide good direction right from the beginning (Morgenstern, 78). According to R. Greene, an IS consulting principal at James & Scott Association, Inc., an Illinois HR consulting firm, "Any time objectives are not made clear in advance, the performance appraisal is tainted," (LaPlante, 119).

Goals can fall into three levels: those for the employee, those for the managers/supervisors, and those for the organization. When an company works to tie all levels together in some way, employees will have a better understanding of others' responsibilities, and therefore, will have more respect, hopefully, for the overall goals as a whole. Employees could learn to be more responsible for individual performance and could improve communication with supervisors. With the improved understanding of goals and communication, managers identify the better performers for rewards and poorer ones for coaching and training. Overall productivity for the company would improve. The organization will benefit from a better source of resource- information and improved working relationships.

Measurement of Performance

The next main area of consideration should be measurement procedures. Two essential documents providing

measurement information are the job analysis and the job description. In fact, both are necessary in several areas of human resources. It is essential for the employer/supervisor to know detailed requirements of a position before the employee can be evaluated in a fair manner. The Equal Employment Opportunity Commission (EEOC) defines the job analysis as a "formal process in which information about a specific job or occupation is collected and analyzed," (Esposito, 276). It details the purpose of a job, the essential functions or tasks involved, and the necessary knowledge, skills, and abilities. Even though the job analysis deals with the job and not the employee performing the job, and performance evaluations are concerned solely with the employee, that employee's performance cannot be objectively appraised until all aspects of the job are fully understood. The job description comes directly from the analysis information. It is critical that an employee initially read his or her job description. Otherwise, that employee will not know exactly what is expected of him or her from the supervisor, leading to a high probability that the desired levels of performance will not be reached.

After both the job analysis and the job description have been completed for a position, employers and supervisors are aware of performance requirements and standards before evaluations are done (277).

Measurements devised to grade performance levels can fall into several different categories of descriptions. One

is qualitative or quantitative. Qualitative measures are more subjective and focus on distinctive competencies. An example could be an employee's effort shown to complete a certain task by a given deadline. A supervisor might make note of the employee who always makes deadlines and does not continuously complain. Quantitative measures are objective and can be standardized for input and output measures, such as assembling a specific number of parts per hour. For a balanced review, both types of measures should be considered. Measurements can also be single or multiple. Single measures only deal with one aspect of a job at a time. According to an article in the Journal of Personal Selling & Sales Management which discussed measurement techniques in performance appraisals, multiple measures give a more accurate picture in an evaluation. Problems can arise, however, in deciding how to weight different areas (Morris, Davis, Allen, Avila, Chapman, 26). A survey quoted in the same article involving responses from 104 different companies showed that 96.2% of the respondents agreed multiple measures were necessary for more accurate data. John Claxton, a systems administrator at Insteel Industries, Inc., in Mt. Airy, North Carolina, finds a weighted evaluation form extremely helpful. He says it helps a manager to know what areas to concentrate on in the upcoming year (LaPlante, 119). Weightings can also be useful when two people with similar jobs are performing different tasks (English, 58).

Measurements can be either output-based or input-based.

Examples of output-based, depending on the industry, could be profits, number of units produced, or services provided. Input variables could be attitude, interest, loyalty, values, and "softer" types of measures. Regardless of the type of measure used, the most important things for the evaluator to ensure in techniques are reliability and validity. Measured components simply have to be job-related. Being job-related means that any area in which an employee is evaluated technically should be included in the job analysis or job description. The importance of job-relatedness lies mainly in the area of legality. An employee should not be rated according to possible effects on other jobs or for any action that had nothing to do with that employee's specific position. Therefore, in a case in which the employee may need to improve a particular aspect of his or her performance, a supervisor will be able to relate it directly to tasks and expectations that have been previously covered in the beginning when areas of the job description were introduced.

After measurement types have been determined to help enable maximum effectiveness, employees in the affected jobs need to be informed of the expectations. Evaluators should assess the employees' performance of the different areas specified, not the personal aspects of the employees themselves.

The Appraisal Form

Because documentation is so important, companies need to create some type of form for the appraisal sessions. Forms are necessary for both record-keeping and for legal issues. The appraisal form should include information needed by the company to identify the employee such as an employee number and department number. Next, because terms of measurement have already been chosen, instructions should be included. It is a good idea for management to go over these instructions and important notable areas just before evaluation time so that no one will claim to forget what has been decided. Terms of measurement should be included in a format that is best suited for the company. Any additional questions the employee might have should be addressed at the time of the evaluation session. If goal-determination is desired, the form would be a good place to record such information. The end of the form should include an area for both the evaluator and the employee to sign. This could help to avoid any future legal ramifications.

The Performance Appraisal Interview

During the evaluation session itself, many suggestions exist for improvement. Patterns can be seen in the different pieces of research. As previously mentioned, the setting of objectives is the consensus for a starting point. The evaluator needs to introduce what will take place and why. Keeping the focus on business, the employee's performance

should be evaluated in an objective manner. Specific instances are best because the employee can easily relate to the situation. Both positive and negative information needs to be addressed. However, positive feedback should come first so that the evaluation session can begin on a positive note (Goodale, 77-9). When reviewing negative performance, the evaluator and employee should jointly try to determine the reasons for objectives not being achieved (Knippen, 27). Then, both should work to establish some types of new objectives to focus upon until the next session. The more feedback that is given, the better. The evaluation time is a good opportunity for the employee to voice any concerns about his or her position and about any obstacles which might deter successful performance (Small Business Reports, 25).

It has been shown that evaluators who are most successful have similar practices when conducting a performance appraisal. These include good listening skills, the ability to relinquish control, having sensitivity when introducing negative information, and not putting the employee on the spot (Zemke, 39). Also, some organizations find the appraisal to be a good opportunity for career counseling (Hoiland, 49).

Appraisal Frequency

The next issue to determine is the frequency of the appraisal. Although it may not seem to be one of the more important appraisal issues, it is the cause of many

companies' failures. A main problem is that organizations will start giving appraisals annually because that is the most common frequency. In the same survey quoted previously concerning the 104 respondents, 44.7% claimed the practice of annual reviews, and 28.2% did semi-annual ones (Morris, et al., 29). However, much research has pointed out the fact that annual, and even semi-annual, appraisals are not effective. W. Edwards Deming said in his "Fourteen Obligations of Management" that annual ratings or merit systems should be eliminated (Falvey, 9). Employees lose sight of goals that were set months before. In addition, businesses are ever-changing environments, and goals and objectives can easily change in priority in a very short time. A remedy for this is the employment of periodic reviews. A concern for many companies with doing them periodically is the time factor. With so many other areas needing attention in personnel, there seems to be time for only one appraisal. However, with periodic reviews, not as much ground will need to be covered since the sessions are occurring more often. According to HRM News, managers who don't schedule periodic employment reviews are missing a chance to help workers become more productive (Small Business Reports, 25). An alternative for saving time could also be forms to be completed by the evaluated employee. Use of such forms could take the place of possibly every other follow-up session (McGee, 36). Quite a few advantages are evident in having more contact during a year. Employees will think more

about goals, possible hostility toward review sessions could be alleviated, and an increase in communication would result.

Different companies use varying degrees of standardization when it comes to appraisals. This issue is very dependent upon the type of job being evaluated. Jobs such as those in production which are more repetitive could use more standardized forms. Not as much variance exists in such jobs. As jobs become more complex, it is more effective for evaluators to use more tailored appraisals. Of the respondents in the survey, 68% tailored the reviews to employees, while 31.1 % used standard ones (Morris, et al., 31).

Sources of Performance Information

Some managers have a bad habit of using easy-to-find information concerning employees' performance. This poses a problem when the same information is later used for job assignments, performance appraisals, and promotions (Smith, 14). Many sources of information exist for supervisors to discover levels of performance. These include printed forms and computer printouts of performance records, client/customer feedback, personal observation, discussion, and documentation of information such as absenteeism and tardiness (15). How information is retrieved can also depend upon the type of appraisal method used. For example, if self appraisal or peer appraisal is incorporated into a company's overall method, an obvious wealth of information will exist

in the forms completed by the said employees. All of this information could prove to be useful in areas other than typical ones. Besides being used for compensatory and promotional decisions, a supervisor could also really delve into records and information to maybe discover possible causes to a particular employee's drop in performance levels or resistance to his or her job responsibilities. The advantages of such prospects should not be overlooked by managers and evaluators.

Legal Aspects

There has been a significant increase in the use of information obtained from performance appraisals in making important human resource decisions such as promotions, discharges, lay-offs, and merit pays. This increase has placed the appraisal amidst a great deal of misunderstanding and conflict between supervisors and employees. Legal challenges can often be a result, and performance appraisals play an important part in the result of such suits.

In order to avoid much conflict, as mentioned previously, validity and reliability of measures need to be assured. Along those same lines, documentation of all practices is a necessity. Because the job description is used quite often to determine which job-related tasks are evaluated, accuracy of the descriptions is important. A definition of job description is "a written statement

defining what a particular job involves at minimum, describing the essential functions of a job, listing reporting relationships, any subordinate staff, and job specifications or qualifications necessary to perform a job" (Esposito, 274). Information obtained from these descriptions for appraisal use is of obvious importance. Documentation from appraisals is seen as a "test" in the eyes of the law. Government agencies such as Equal Employment Opportunity Commission (EEOC), the Office of Federal Contract Compliance Programs (OFCCP), and the Supreme Court define "test" as any decision, formal or informal, that affects an individual's status in an organization regarding (various HR functions), (Zemke, 37-8). With the abundance of new and changing legislation, job descriptions can aid an employer in withstanding claims under many federal and state laws (Esposito, 275).

Legalities facing appraisal methods are the same as those affecting all HR functions. The Civil Rights Act of 1964, Title 7, Age Discrimination in Employment Act (ADEA), the ADA of 1990, and many more, all play important roles. They do because they are the pieces of legislation that protect groups against which discrimination most commonly occurs. Minority areas included in the protection of these laws include race, color, religion, sex, national origin, elder employees, and the disabled.

Therefore, companies need to fix their performance appraisal methods from the beginning so that they meet legal

reporting requirements (Zemke, 38). Doing so involves a reiteration of points previously given, the most important of which is job-relatedness of evaluation techniques. A company will most likely be safe if it really sticks to the business issues. Areas in which employees will be sensitive are most commonly promotions and salary increases. If the defending reasons are directly job-related, legal obstacles can be avoided.

"The increased use of performance appraisals and the growing reliance on the output for significant human resource decisions highlights the necessity for conducting this process in a realistic, fair, and legitimate manner. The growing number of performance-related cases reaching the courts points to the need for both the employers and members of the legal profession to be particularly concerned with properly determining the tasks to be performed for a particular job, how the criteria for successful job performance will be measured, those involved understanding of the process, requirement for feedback, and the use of results" (Martin & Bartol, 285).

Recommendation

As competitive measures increase in the business world, quality, efficiency, and productivity for companies is now more important than ever. Businesses need to find ways to obtain competitive advantages. A good performance appraisal can aid a company in more ways than one would think. With employees focused upon specific goals of the organization for which they work, those aspects which companies need become

more realistic. The most important point being endeavored is that companies do not need to adhere to any one specific type of appraisal. The most popular existing methods have been outlined so that the principles of each could be understood. Because the core structures of businesses tend to be so widely varied, a much more effective evaluation technique could be formulated by different companies according to the goals and practices used. Because society is continuing to become more and more diverse, standard methods are no longer standard. Processes being used need to be re-evaluated. Job descriptions need to be updated.

An example of an appraisal method a company could use that combined aspects of different methods could be the following. Depending upon the employees, employees could have lost focus of overall organizational goals. In addition, employees are not performing all of the required tasks of their jobs, leading to major ineffectiveness. A supervisor might consider combining formulating a type of behaviorally-anchored rating scales. With the help of a committee involving both members of management and incumbents of the jobs to be evaluated, standards could be set so that at evaluation time, evaluators could actually chart each employee's progress to him or her. In addition, self-appraisals could be utilized in the frequency of quarterly appraisals in which each employee would write a short narrative describing his or her feelings of progress toward specified goals and tasks. Then, the supervisor could

actually meet with each employee on a semi-annual basis to give the review. Employees have a better idea of what actions they need to change, and they realize more how individual actions fit into the big picture.

Any different combination could be used. The idea is for management not to feel limited. Evaluations could help the effectiveness of several human resource areas. They can actually become a key to open the door for a company wanting to excel in a world of total quality.

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