

PERFORMANCE APPRAISAL

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Chapter 12

PERFORMANCE APPRAISAL

- Process by which organization evaluate individual job performance
- The goal is to measure that individual effort or contribution to the strategic focus of the organization
- PA measure the performance while give feedback to the employee
- PA will identify the area that need improvement, then supervisor can take the appropriate action
- PA is a form of communication between employee & supervisor

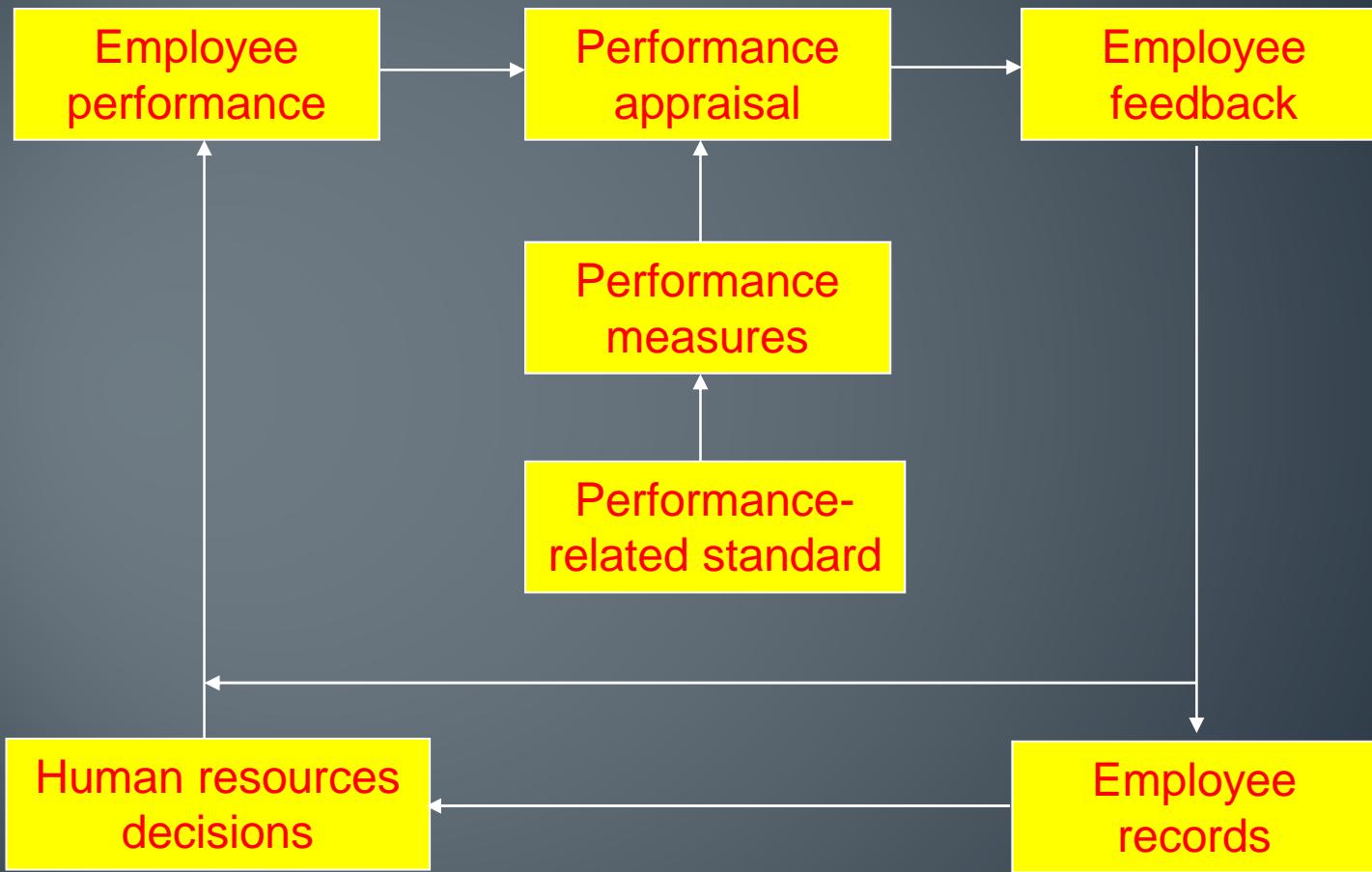
PERFORMANCE APPRAISAL

- PA can be formally conducted, but also can be in form of informal condition (like day to day interaction)
- Formal PA should be arranged by HR in the form of PA sheets
- PA should be :
 - Documented
 - Accepted
 - Properly designed
- PA conducted by the immediate supervisors of the employee

USE of PERFORMANCE APPRAISALS

- Performance improvement
- Compensation adjustment
- Placement decision
- Training & development needs
- Career planning & development
- Staffing process deficiencies
- Improve job design
- Equal employment opportunity
- Identify non-work factor that affect performance
- Measure the contribution of the HR to the company strategy

KEY ELEMENT of PERFORMANCE APPRAISAL



PA ELEMENT

- Every jobs should have a clear defined standard & can be measured
- PA should ;
 - Identify the performance related standard
 - Focus only at the work related factors (job related)
 - Using practical system to measure those criteria (practical)
 - Give feedback
- Each jobs should have their own PA sheet

PA ELEMENT

- Job related → evaluate critical behaviour that constitutes jobs success
- Practical system → easy to understood by evaluators & employees
- Standard → maintain uniformity inside the company

PA ELEMENT

- **Performance Standard**
 - Serve as benchmark
 - Should be inform to the employee
 - Related with the desired job result
 - Prepared in formal & written document

PA ELEMENT

- **Performance Measures**

- Rating used in evaluate performance
- Easy to use
- Reliable
- Focus on critical behaviour that determine performance
- Dependable → same measure, same standard, same conclusions
- Dapat digunakan untuk pekerjaan yang sama

PA ELEMENT

- **Performance Process**

- Direct → the rater actually see the performance
- Indirect → the rater evaluate the condition that substitute the actual performance
- Objective → quantitative & can be verified by others
- Subjective → based on opinion & personal standard (value), can't be verified

Types & Accuracy of Performance Measures

Types of Performance Measure	Degree of Accuracy	
	Direct	Indirect
Objective	Very high	High
Subjective	Low	Very low

PA CHALLENGES

- Legal constrain
 - Should be reliable, valid, and avoid discrimination
- Rater bias
 - Halo effect
 - Central tendency
 - Leniency & strictness
 - Personal prejudice
 - Recency effect
 - Cultural bias
- Reducing bias
 - Training
 - PA technique
 - feedback

EFFECTIVE PA

- Evaluate and inform the employee about their performance
- Develop the employee by telling them what they should do to improve the performance

PAST-ORIENTED PERFORMANCE METHODS

Rating scale

Behavioural anchored rating scales

Checklist

Field review method

Force choice

Performance test & behaviour

Critical incident

Comparative evaluation

Accomplishment records

RATING SCALE

- Subjective evaluation using scale from low to high
- Easy to applied and inexpensive
- Tend to bias & sometimes can not be applied to several jobs

RATING SCALE EXAMPLE

Performance Factors	5	4	3	2	1
Initiative					
attendance					
Attitude					
Cooperation					
Self-development					
Dependability					
Quality of Work					
	Results				
	Total				

CHECKLIST

- Select statements that describe the employee performance & characteristic
- Weighted checklist → assign weight to different items on the checklist depending on their importance
- The weight should not be informed to the rater
- Should contain enough items in order to provide accurate picture
- Avoid using general statement which reduce job relatedness
- Advantages : easy, no training needed, standarize
- Disadvantages : rater bias, use personality criteria not performance, misinterpretation, improper weight, not allowed to give relative ratings

CHECKLIST EXAMPLE

Weights	PERFORMANCE FACTORS	CHECK
6.5	Karyawan bersedia menjalankan lembur jika dibutuhkan	
5.9	Meja kerja rapi dan dokumen selalu tersedia	
3	Bersedia membantu karyawan yang membutuhkan	
4.2	Karyawan membuat perencanaan sebelum menjalankan pekerjaan	
0.2	Employee listen to other's advice but seldom follow it	
100	Total of all weights	

FORCED CHOICE

- Rater choose the most descriptive statement for every pair of statements
- Items coded in predetermined categories (learning, ability, performance, interpersonal)
- Advantages : reducing rater bias , easy, fits to a variety of jobs
- Disadvantages : not specifically job-related, hinder the employee efforts

FORCED CHOICE EXAMPLE

- Example :
 - Learn quickly ----- Works hard
 - Work is reliable ----- Performance is good example for others
 - Absent too often ----- Usually tardy
 - Always responsible ----- Neglect the work
 - Easy to cooperate ----- Very difficult to talk to

CRITICAL INCIDENTS

- Rater record the statements which describe extremely good or bad behaviour related to job performance
- Recorded incidents include brief explanation of what happened
- Incidents can be categorized for detailed purpose
- Advantages : useful feedback to performance, reduce recency bias, detail report
- Disadvantages : incident do not recorded as it occur, inconsistency when take notes

CRITICAL INCIDENTS EXAMPLE

SISI POSITIF		SISI NEGATIF	
Pengelolaan Gudang			
TGL	KEJADIAN KRITIS	TGL	KEJADIAN KRITIS
10/3	Melaporkan adanya persediaan yang berkurang	14/2	Meninggalkan pos kerja tanpa informasi
16/3	Membantu karyawan lain yang mengalami kesulitan	25/4	Merokok di area kerja
Pengelolaan Karyawan			
TGL	KEJADIAN KRITIS	TGL	KEJADIAN KRITIS
14/3	Memberikan teguran kepada bawahan yang terlambat hadir	18/4	Terlambat melakukan PA kepada bawahan

ACCOMPLISHMENT RECORDS

- Related with the critical incident method
- Produce the evidents of accomplishment (publications, speeches, work reports)
- Only record the positive or good results
- List your achievement when you were in High School

BEHAVIOURAL ANCHORED RATING SCALES

- Identify & evaluate relevant job related behaviour
 - Behavioural expectation scales
 - Behavioural observation scales
- Each scales reflect the statements which describe the behaviour from the most effective (positive) to the least (negative)

BEHAVIOURAL ANCHORED RATING SCALES

- Behavioural Expectation Scales
 - Use specific named behaviour to help rater in defining poor to superior performance
 - Attempt to reduce bias
 - Determine the behaviour requirement (categories), then describe the scale for every category (highest to lowest)
 - Rater can add the critical incidents record

BEHAVIOURAL ANCHORED RATING SCALES

- Example of Behavioural Expectation Scales
 - Job : Customer Service Offices, category : Customer Relations

	Rating	Performance Categories
Outstanding	5	Demonstrate positive behavior & passion when helping customer
Good performance	4	Very communicative and attend customer need
Acceptable performance	3	Polite but only answer when asked
Fairly poor performance	2	Reluctant to serve and looks obliged
Poor performance	1	Very rude and demonstrate temper when dealing with customer

BEHAVIOURAL ANCHORED RATING SCALES

- Behavioural Observation Scales
 - Used specific named behaviour to report the frequency of the behaviour
 - Using several point to indicate the frequency from never to always

BEHAVIOURAL ANCHORED RATING SCALES

- Example of Behavioural Observation Scales

Customer Service Officer				
The CS offer the product and explain the benefit to the customer				
Almost Never 1	2	3	4	Almost Always 5
Check the customer ID when opening new account				
Almost Never 1	2	3	4	Almost Always 5
Conform with the company policy regarding CS practices				
Almost Never 1	2	3	4	Almost Always 5

FIELD REVIEW METHOD

- When subjective performance are used, rater differences could cause bias
- Field review → a skilled representatives of the HR goes to the field & assists the supervisor
- The report gives an evaluation based on the information and send to the supervisor to review, change, discuss, & approved
- Advantages : minimize bias
- Disadvantages : impractical, costly

FIELD REVIEW METHOD, Others view

- Conducted by a person outside the concerned department, usually from the HR department.
- Field reviews are usually conducted in matters of promoting an executive to the managerial level.
- The advantage ; the rater is an "outsider" & well-trained, reduce the chances of bias.
- Disadvantage ; the "outsider" may not aware of the job requirements, work culture and work environment. The outsider has not observed the employee at work and does not know his on-field behavior and performance, except from the report submitted by the employee's supervisor, which may be biased.
- This method is also time consuming.

PERFORMANCE TEST & OBSERVATIONS

- test to measure knowledge & skills
- Written, oral, or practices
- Ideal for company which uses pay for knowledg or pay for skills
- PA based on observations should conduct under the circumstances hat likely to be encountered in real works

ESSAY METHODS

- penilaian dilakukan dengan menuliskan kinerja yg ditunjukkan karyawan
- yg ditulis biasanya hal2 yang luar biasa, sehingga krg mencakup seluruh aktivitas
- tergantung kemampuan penilai untuk menggambarkan kinerja yg dinilai
- aspek yg ditulis yg berkaitan dengan pekerjaan
- butuh waktu

COMPARATIVE EVALUATION APPROACHES

- Collection of different methods that compare one worker with others
- Conducted by supervisor
- Based on rater subjectivity and bias
- Can produce competition among employees

COMPARATIVE EVALUATION APPROACHES

Ranking Method

- Rater should place employee in an order from best to worst
- Subject to halo & recency effect
- Two or more rater can be assign to reduce bias

Employee	Ranking
Rob Jones	2
Robby Fowler	3
Steve McManaman	1
David James	4
Emile Heskey	5

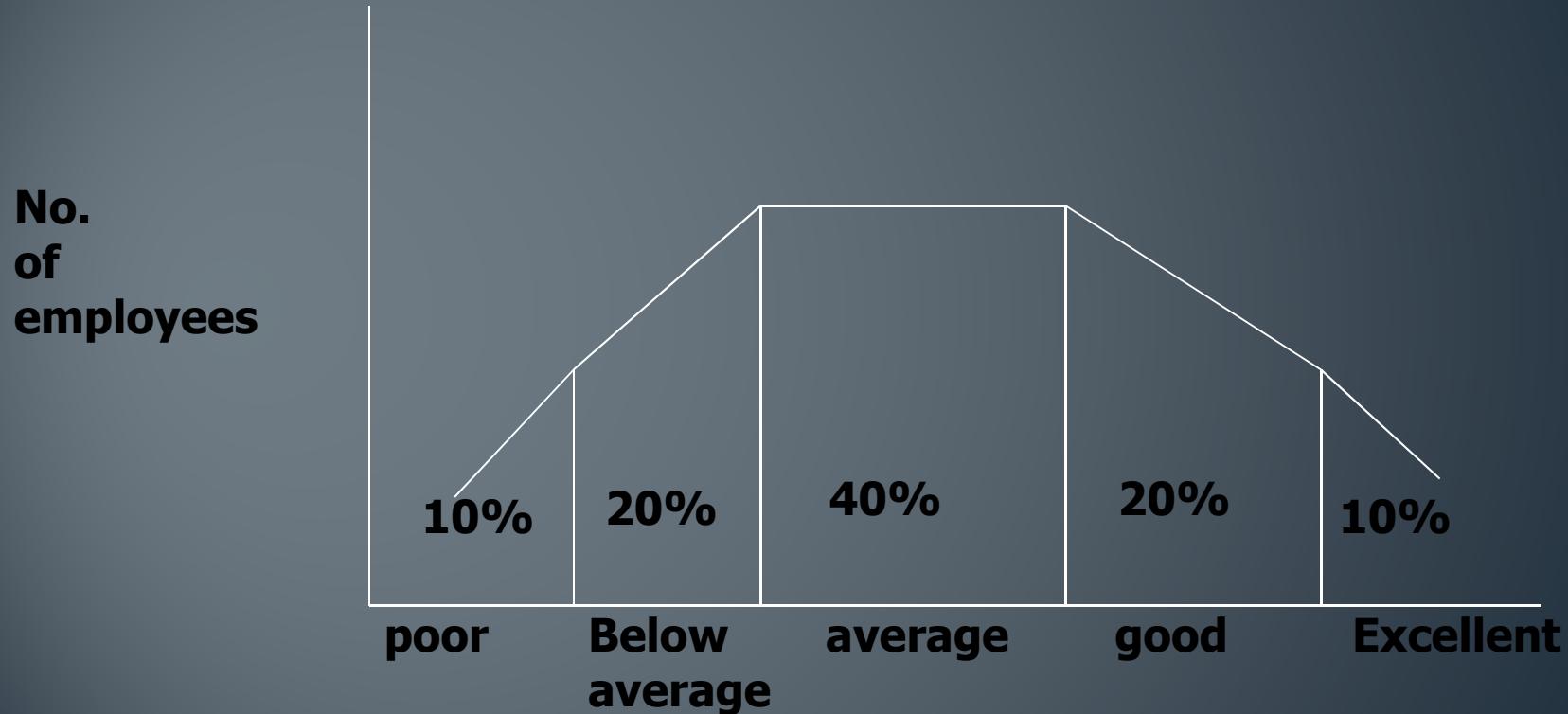
COMPARATIVE EVALUATION APPROACHES

Force distribution

- Sorting employee into different classification, usually with specified proportions in each category
- Relative differences between employee are not known
- Minize leniency and central tendency
- There might be some injustice when the performance are almost the same

COMPARATIVE EVALUATION APPROACHES

Example of Force distribution



COMPARATIVE EVALUATION APPROACHES

Point allocation method

- Allocate a fixed number of point among employees
 - For example : 100 point must distributed to all employee
- Good performers given more point

POINTS	EMPLOYEE
10	Washington
9	Kennedy
11	Lincoln
15	Franklin
16	Bush
19	Carter
20	Johnson
100	

COMPARATIVE EVALUATION APPROACHES

Paired comparison

- Compare each employee with all the others employee in the same group
- Using overall performance as a basic
- The equation : $N(N-1) : 2$ (N no of employee rated)
- The employee with the
- Subject to halo & recency effect, but overcome leniency, strictness, & central errors

COMPARATIVE EVALUATION APPROACHES

EMPLOYEE	2	3	4	5	6	7	8	9	10
1. Ronaldo	2	1	1	1	1	1	1	9	1
2. Messi		2	2	2	2	2	2	2	2
3. Van Persie			4	5	3	3	3	9	3
4. Rooney				4	4	7	4	9	4
5. Gomez					5	7	5	9	5
6. Suarez						6	8	9	6
7. Drogba							8	9	10
8. Aguero								9	8
9. Ibrahimovic									9
10. Quagliarella									

FUTURE ORIENTED PA



FUTURE ORIENTED PA

- Using past oriented approaches is like driving a car looking thru the rearview mirror
 - Know where you have been
 - Not knowing where you are going
- Future oriented PA focused on setting future performance goals

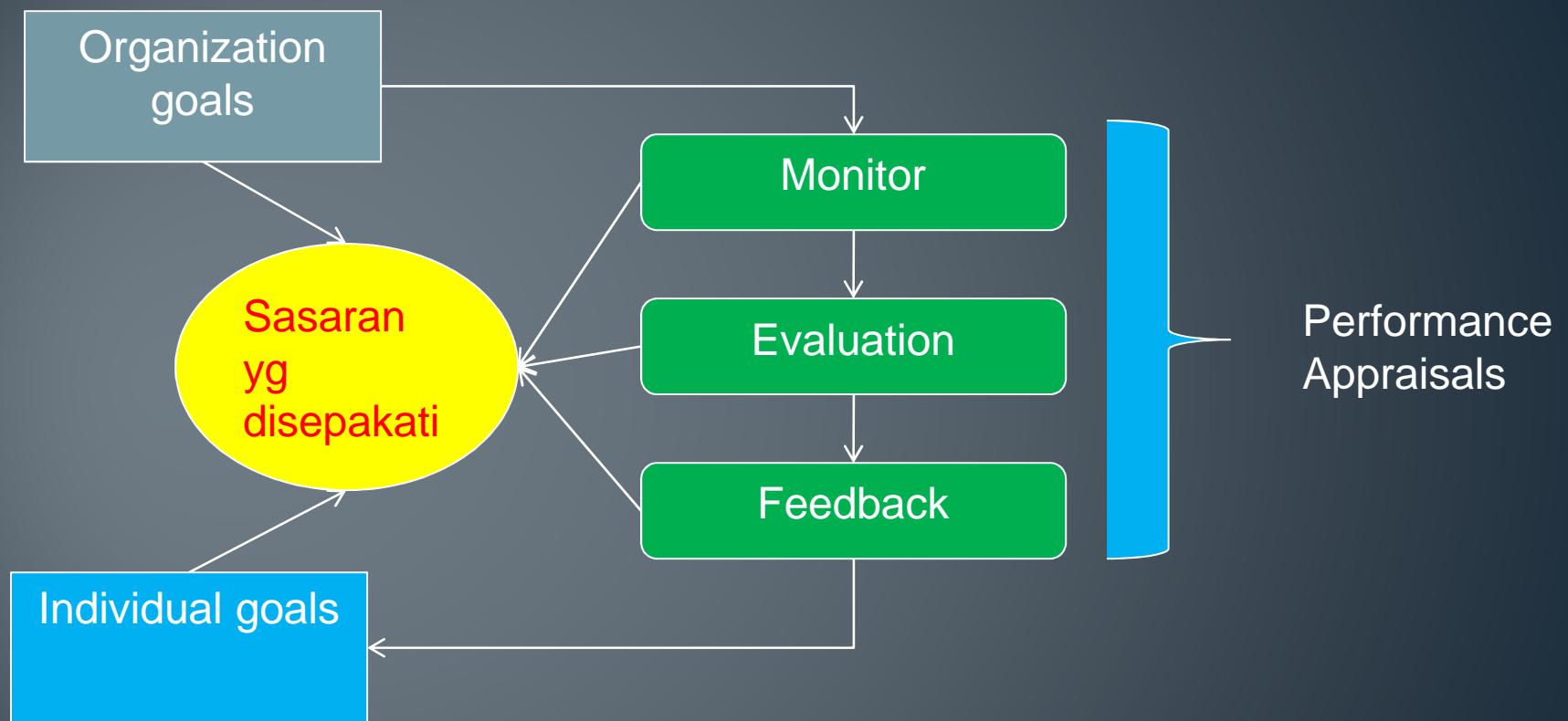
SELF APPRAISALS

- Karyawan menilai kinerja sendiri (biasanya dikombinasikan dengan penilaian dari atasan)
- Dapat mengidentifikasi sasaran pribadi karyawan
- Diperlukan tingkat kedewasaan & kejujuran yang tinggi
- Hal positif dari penilaian diri sendiri adalah karyawan memiliki komitmen dan mau terlibat pada saat proses perbaikan dijalankan

RESULT BASE/MBO

- Organisasi menetapkan sasaran yg jelas bagi setiap pekerjaan dan diinformasikan kepada karyawan
- Setelah disepakati, maka menjadi standar kinerja utk penilaian berikutnya
- Penilaian didasarkan pada seberapa banyak yg sudah dicapai
- Jika ada yg belum tercapai atasan dan bawahan membahas penyebabnya & langkah perbaikan
- Masalah : sasaran terlalu tinggi/rendah, tidak didasarkan kesepakatan

MBO



PSYCHOLOGICAL EVALUATION

- Bentuk evaluasi yang digunakan untuk melihat potensi karyawan di masa depan
- Dilakukan oleh profesional psikolog
- Terdiri dari wawancara, psikotes, diskusi dengan atasan, in-basket, dan cara2 psikologis lain
- Psikolog akan menuliskan hasilnya dalam format laporan essai mengenai potensi karyawan dan memberikan saran apakah layak dipertimbangkan untuk mengisi posisi tertentu

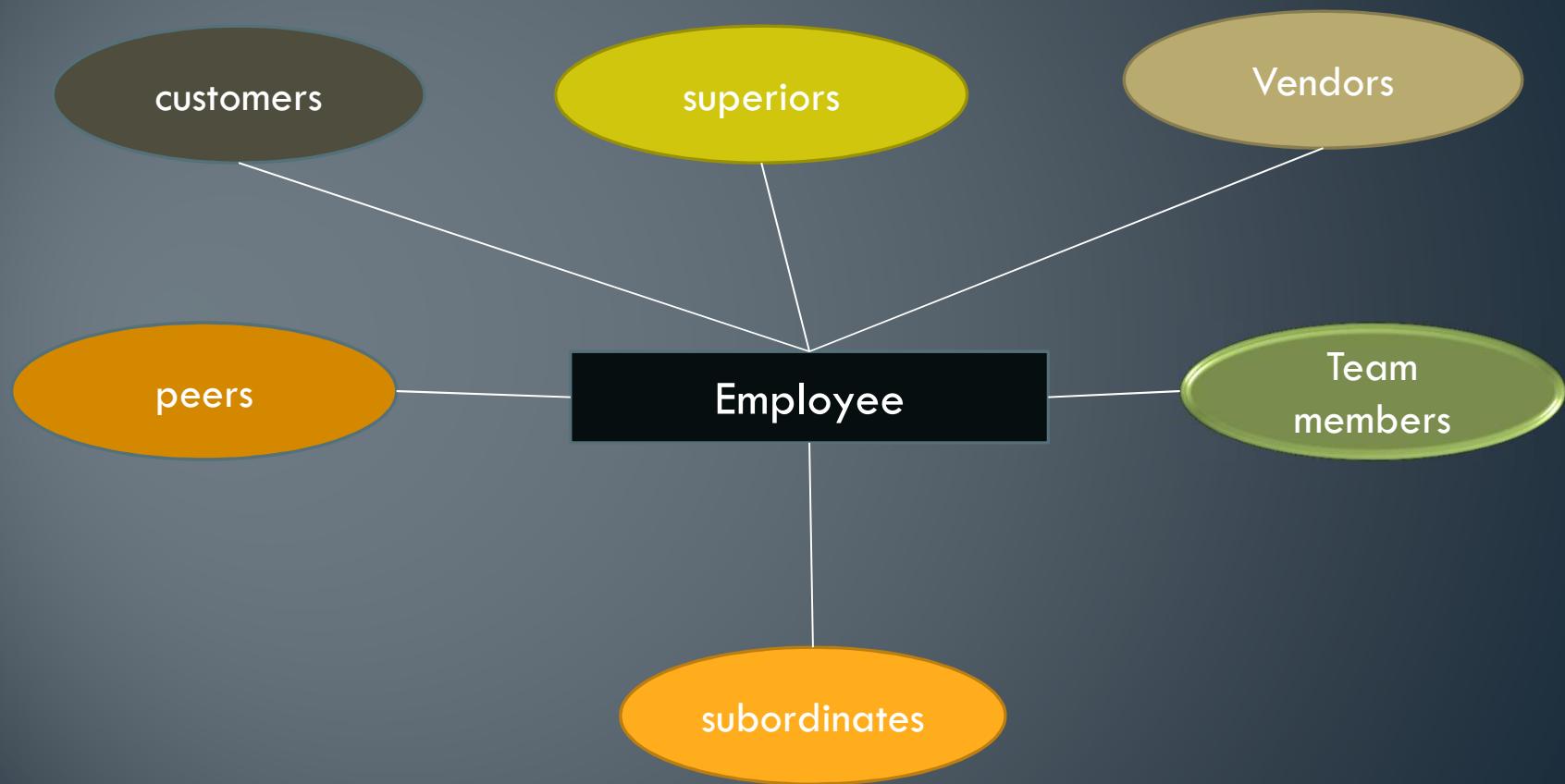
ASSESSMENT

- Form of standardized employee appraisal that relies on multiple type of evaluation & multiple raters
- Merupakan simulasi perilaku karyawan pada pekerjaannya
- Dilakukan oleh orang yang memiliki keahlian tertentu (asesor) dengan alat bantu
- Biasanya diterapkan pada level pimpinan yang hendak diproyeksikan untuk promosi
- Terdiri dari ; wawancara, psikotes, penggalian CV, penilaian rekan kerja, in-basket, diskusi kelompok, penilaian atasan, bisnis game, simulasi lingkungan kerja lainnya
- Conduct outside of jobsites and usually need 2 or more days
- Professional & supervisor evaluate each candidate

360 PA

- melibatkan seluruh elemen yang berhubungan dgn karyawan (atasan, rekan kerja, bawahan, konsumen, supplier)
- Benefit ;
 - sistem yg efektif
 - meminimalkan bias
 - melihat kinerj dr berbagai sudut
 - meningkatkan kualitas kerja
- penilai harus terlatih & berpengalaman

360 PA



IMPLICATIONS of the PA

- The key factor in PA : standard, measurement tools, objective assessor, waktu pelaksanaan, job-related evaluation
- SDM perlu memastikan bahwa setiap penilai memiliki kemampuan yang memadai untuk melakukan penilaian
 - Pelatihan mengenai cara penilaian
 - Membuat petunjuk dan panduan penilaian yang jelas
- Perlu dukungan manajemen agar berhasil

EVALUATION INTERVIEW

- Merupakan sesi penyampaian informasi hasil penilaian kerja
- Yang dibahas : hasil penilaian, identifikasi kondisi yg harus diperbaiki, & metode penyampaian umpan balik

EVALUATION INTERVIEW

Tiga jenis metode umpan balik

- **Tell and sell** : menyampaikan informasi penilaian dan menyampaikan harapan agar lebih baik di kemudian hari
- **Tell and listen** : memberi kesempatan pada karyawan untuk menyampaikan alasan terkait kinerja yang kurang. Ditutup dengan bimbingan mengenai cara meningkatkan kinerja
- **Problem solving** : mengidentifikasi penyebab buruknya kinerja dan memberikan solusi untuk meningkatkan kinerja

FEEDBACK DELIVERANCE GUIDE

- Mengembangkan dialog yg bertujuan memperbaiki kinerja
- Menekankan aspek positif kinerja karyawan
- Menekankan bahwa tujuan evaluasi adalah untuk perbaikan
- Lakukan evaluasi secara tertutup/private
- Lakukan dengan rutin/teratur
- Berikan kritik yang jelas dan membangun
- Berikan kritik pada kinerja bukan pribadinya
- Hindarkan adu argumentasi
- Suggest action to improve their performance
- Show willingness to assists
- End the evaluation

DO NOT SUBMIT THIS ASSIGNMENT IF YOUR MID TEST RESULT ARE GREAT

- Individual assignment
- Find the PA form for the jobs below ;
 - Customer service, marketing, call center, recruitment, trainer in an Service provider organization
- Your assignment must be unique, mean that no others student have the same report.

DRESSED 4 SUCCESS

- Review singkat materi perkuliahan ini minimal 1 kali setiap minggu.
- Selesaikan penugasan2, baik yang dikumpulkan atau yang tidak.
- Membuat catatan kecil (rangkuman) yang mudah dipelajari saat menghadapi UTS/UAS (bukan untuk ‘contekan’).
- Setidaknya baca & pahami materi secara lengkap pada buku panduan utama.
- Perhatikan pokok bahasan yang diberikan penegasan oleh dosen beserta contoh2-nya.
- Cari materi dari dosen lain dengan pokok bahasan yang sama.