

Performance Appraisal System- An Instrument for Training for Trainers

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Abstract: Performance appraisals are a great way for a company to assess their employees especially in the services due to their non tangibility of output, be it financial services, tourism, telecommunications or Information technology, yet by nature they are somewhat subjective. Employee reviews are often open to potential ethical complications as managers may intentionally or unintentionally evaluate staffers using different criteria, which can alter the individual scores in an unethical manner. Managers may also fail not to take their prejudices into account when issuing performance judgment, which can eventually bias their assessment and deviate their focus from the professional elements of an appraisal, and skew the results. In a flawless organisational system, the trainer would leave all bias and unethical decisions away from the assessments. Since this is not always the case, implementing training and awareness for raters is a good way for them to become familiar with the unethical possibilities so they can prevent themselves from having them occur during a performance appraisal. Writing a performance evaluation report is a challenge in itself. Managers are bound to have some employees who feel their efforts are purely instinctive. As a rater, one must observe employees working in their typical environment in full spectrum and give ratings based on observed patterns of acceptable and unacceptable behaviour. Although no evaluation is 100 percent unbiased, raters cognizance about the common errors and various marginal aspects of performance evaluation can help avoid moral and ethical challenges common among performance appraisals. The present research paper emphasises the significance of trainings to the trainers in telecommunication sector, in order to suggest ways to overcome them in pursuit of organisational excellence, which would eventually take a path towards better work culture, high employee morale and satisfied staff.

Keywords: Performance Appraisal, Rating Errors, Organisational Effectiveness, Central Tendency, Leniency Error

I. INTRODUCTION

Ethics should be the cornerstone of performance evaluation in the particularly in the services sector which demands more attention due to its specific characteristics, and the overall objective of high ethical performance reviews should be to provide an honest assessment of the performance and mutually develop a plan to improve the ratee's effectiveness (Suresh, 2011). Despite of a clear understanding on what to rate and how exactly to do it effectively, rating is often subjected to pitfalls. Since it is done by people who have emotions, there will be some subjectivity which leads further to employee dissatisfaction, low morale and high resistance. Though criterion could be stipulated, personal likings and biases will influence the evaluation. Every assessor has a price expectation of a particular behaviour. An appraisee, who meets it, will get higher assessment. Rao (1992) & Benarding (1978) have attributed the poor predictive validity of the subjective performance measures, to the low accuracy of judgemental measures resulting from some rater errors such as halo or horn error, leniency error, central tendency and

severity error. Because of such raters inclination while appraising the subordinates in their particular response style, resulted the poor accuracy and poor predictive validity of the Performance measurement approaches. It is notable that the issue of performance appraisal is very sensitive to the appraisee because it affects his present position (status, and self esteem) and career growth. Performance appraisal system must not only be fair, equitable and transparent, but it must be perceived to be so. This can happen only if the system has inbuilt transparency. PA are subject to a wide variety of inaccuracies and biases referred to as rating errors, which occur in the rater's observations, judgement, and information processing, and can seriously affect assessment results. These errors are also known as psychometric errors, the errors in the measurement of performance due to psychological predisposition of the rater (Guilford, 1954). Such perceptual barriers were discussed as a hindrance to effective performance appraisal management (Mufeed & Jenifur, 2015).

II. REVIEW OF LITERATURE

The following rating errors are subject to occurrence on performance appraisals at organisational level.

Rating Errors

A. Central Tendency and Range Restriction

These errors occurs when employees are either rated close to the average or middle of the measurement scale hence giving a mediocre rating to those who should have been rated higher and also to those who should have been rated below the average. Central Tendency error: A tendency to rate all employees the same way, such as rating them all average. Ranking employees instead of using a graphical rating scale can avoid central tendency error, because all employees must be ranked and can't be rated average (Dessler, 1997). Central tendency errors refer to the tendency to play it safe by neither condemning high nor praising much during appraising process, (Donvan, 1965). Flippo (1980) states the central tendency takes place when strengths and weaknesses of the rater are not known to the rater because he is unfamiliar with the rate and lacks the proper information. Conversely, the attitude of the rater here is to play safe and adopt an easier path of rating most people as average.

Close to the error of Central Tendency is the problem of range restricting which involves clustering all employees around any point on a scale often at the very top or below the average. In both the two errors there is a commonality of the rater's failure to note real performance differences, either intentionally or due to insufficient attention.

B. Leniency & Severity Errors

Many raters are too easy or lenient and tend to overrate their subordinates or too hard or severe in their judgement or ratings (Simoes, 1974; Lanthem & Wexley, 1982, Pursell et al., 1981). These two errors occur when the rater observes extreme leniency or severity in the rating of performances. This makes the assessment subjective which defeats the very

purpose of the performance appraisal. Ratings are lenient due to rater's bias which may source from superiority bias to the feel that anyone under the rater's jurisdiction who is rated unfavourably will poorly reflect on his or her own worthiness.

The same applies to severity in the reverse direction, where a rater is rated lower than his actual performance.

C. Halo Error & Horn Effect:

This error takes place when one aspect of an individual's performance influences the evaluation of the entire performance of the individual. In an organisation, a halo error occurs when an employee who is punctual to work every day but does not show any results due to low motivation, is rated high on punctuality and motivation. On the other hand, highly critical bosses have a tendency to compare performance of their subordinates with what they did in the past. This is not correct as the performance also depends on the situation. Such errors are regarded as Horn Effect.

Thorndike (1920), the first person who identified and discussed the psychometric Halo error-evaluates an entire set of employee characteristics in the same way that he or she evaluates one specific employee trait. Symonds (1925), in a review of empirical study observes that halo effect also occurs when traits are not clearly defined and are unfamiliar and traits involving interpersonal reactions. Such a view is also supported by many others (Brown, 1968; Broman, 1975).

Researchers have also concluded that a little halo is valid, since a person must be considered within the context of the total individual still remains unsettled (Hayness, 1978). Rating employees separately on each of a number of performance measure and encouraging raters to guard against halo effect are the two ways to reduce it.

D. Rater Effect

This includes favouritism, stereotyping and hostility. Excessively high or low scores are given only to certain individuals or groups based on the rater's attitude towards the ratee, not on actual outcomes or behaviours. This includes bias on the basis of gender, race, friendship and the like. Hayness (1978) has suggested four ways to reduce the possibility of the personal bias: (a) by introducing second level review, (b) group appraisals, where the judgement of the assessor is supplemented by others who have an appropriate relationship with the employee being evaluated, (c) multiple appraisal, and (d) field review specialists, under this supervisors prepare an appraisal report from the data obtained.

Ronam & Prien (1971); Rao, 1992; Borman, 1974 & Thorndike (1920) are of the view that apart from the rater errors arising out of appraisers likes and dislikes, many other factors such as difference in the information available to the different appraisers, recency effects, first impression errors. Variations in the implicit definitions of the performance criteria used by the individual assessor, certain assessor and assessee characteristics and the nature of the interpersonal relationship between the assessor and assessee also have been identified as the source of errors in subjective measures of performance.

Some other errors are: (a) Primacy and Recency Effects (rating influenced by behaviour of the ratee), (b) Perceptual Set (rating influenced by the previously held beliefs), (c) Similar-to-me/Different-from-me Error (rating bias on the basis of similar or varied characteristics of the ratee in comparison to the rater). In this context, Ferris et al. (1994)

and Wayne & Liden (1995) suggest that there is a subordinate's influence/political tactics in the PA process, leading towards supervisor's liking of subordinates and perceptions of similarity with the ratee, (d) Performance Dimension Order (which involves rating two or dimensions in a similar fashion with the closest proximity), (e) Spillover Effect (allowing past performance appraisal ratings to unjustifiably influence current ratings) and (f) Status Effect (It refers to overrating of employees in higher level job or jobs held in high esteem and underrating employees in lower level job or jobs held in low esteem). These rating errors have been termed as idiosyncratic rater effects as they depict the unique rating tendencies of the rater (Buckingham & Goodall, 2015).

Past literature has established that racial differences in performance are found persistently. Ford et al. (1986) conducted a meta analysis across 53 studies showing that blacks receive slightly lower performance scores than whites on both subjective and objective measures. Studying a sample of supermarket cashiers, Du Bois et al. (1993) showed that black-white ratee differences also were significant. The evaluation favoured whites on four different performance criteria that reflected two separate performance domains (accuracy & speed) as well as measure of typical performance. Thus it is mandatory that the appraiser is aware of personal biases and is willing to take action to minimise their effect and such perceptions during an evaluation are kept at bay. It can also be ensured that the rater has checklist to obtain and review job related information. The rater must focus attention on performance related behaviours over which the rater has better control than in other aspects of evaluation. The rating scores by raters of one group or organisation are summarised and compared with those by other raters.

Further, using uniform evaluation criteria by developing standardized evaluation forms and consider using a numerical scoring system to help even the playing field among employees (Lisa, 2014). Latham et al. (1977) have developed a six to eight hour workshop to reduce the afore mentioned rating errors in industrial settings. The training was designed to increase skills in observing, recording and evaluating behaviour. Six months after the training, the managers in the workshop group exhibited no rating errors. The effectiveness of such training on minimising rating errors has been witnessed by other researchers as well. Therefore it becomes imperative for the top management to develop and redesign employee appraisal system based on explicitly or implicitly merits performance and performance criteria and efforts should be taken to train and develop raters at different levels of management.

Jhonson (2013) suggested that implementing training and awareness for performance managers is a good way for them (appraisers) to become familiar with the unethical possibilities so they (appraisers) can prevent themselves from having them occur during a performance appraisal.

Gender biases are also very common as research indicates occurrences. The relationship between gender and performance has received some investigation. Pulakos et al. (1989) found that males were rated significantly higher than females by peers. However, this difference was not observed for supervisors. All main and interactive effects associated with rater and ratee gender on performance ratings were small, accounting for a minimal amount of rating variance. The study noted easier by Woehr & Roch (1996) showed that females tend to receive relatively lower ratings compared with males when being rated after the evaluation of low performing

ratee. One hypothesis put forward to explain why groups might differ is that the antecedents of job performance may not be the same for men and women. Pulakos et al. (1996) tested this hypothesis using structural modeling, and their data suggest that the antecedents of performance are similar across gender and racial groups.

The issue of whether rating type of format has anything to do with differential ratings given to racial minorities, women or older employees is explored in a review by Bernardin & Hennessey (1995). They observed that expert witnesses working for plaintiffs in discrimination case often testify that age, race or gender bias in performance ratings is due to the use of performance appraisal systems that are too subjective or insufficiently specific which is but negatively correlated with supervisory ratings there was some evidence that job type moderated the relationship observed; performance ratings showed more positive relationship with age for professionals compared with non professionals.

Eliminating any personal associations can also make the PAS objective and unbiased (Lisa, 2014). She further suggested that if the rater doesn't feel he/she can be objective in a performance evaluation, the ethical thing to do is defer the task to another manager or superior. This is especially important if he/she has a dislike for a staffer, has a history of conflict/disagreement or are otherwise prejudiced against that person and unable to evaluate her in an ethical and unbiased manner. Bianca (2014) suggests that it must be understood that appraisal is part of consolidating and verifying agreed action.

Objectives:

- To identify the various rating errors probable of occurrence in performance appraisals
- To analyse the occurrence of rating errors in the existing performance appraisal system of private telecom players in Jammu & Kashmir
- To suggest remedial measures in order to make performance appraisal bias free and effective.

III. RESEARCH APPROACH

A. Performance Appraisal in Vodafone

Vodafone (Group PLC, founded in 1984, founder Julian Horn-Smith, PLC Group is a Global provider of Network OPEX Reduction Solutions, Managed Services, Consultancy and Human Resources to the Telecom industry). British multinational mobile network operator headquartered in Newbury, Berkshire United Kingdom. Vodafone is the world's largest mobile telecommunication network company, based on revenue. The name Vodafone, comes from voice data fone, chosen by the company to "reflect the provision of voice and data services over mobile phones". The company is present in Europe, Asia Pacific, Africa and Middle East and America, thus offers its services worldwide. Vodafone was founded in 1984, headquartered in London, U.K., launched its services in J&K in 2009. For the current study, appraisal formats that were filled by the middle and lower level managers in J&K Vodafone were taken and observed for any inaccuracies.

Performance Appraisal takes place in Vodafone once in a year. All the proceeding regarding PA in Vodafone are conducted online under the surveillance of the HR guidelines. A team of Assistant Managers (2 in number) control all the PA related duties for the circle. The initial phase of the PA is Self Appraisal. The appraisees are made to fill in the Self

Assessment form that is divided into several goals that were to be accomplished by the appraisee in a stipulated time period. For instance Self assessments for Goal 1, 2,3,4,5 and like are to be filled in their respective rows. The row is divided further into categories pertaining to what target has been hit, what target has been missed and the reasons there on as to why the targets have not been filled in. In retail department, a self assessment form would include details about Sales Revenue, Channel Partner Management, Retail Promotion, Team Management, Development, and Timeliness/ Career Aspirations of the appraisee that are to be filled in him/her only online and submitted eventually. The filled in form is then submitted to the immediate line manager (appraiser), who reviews self appraisal details and on the basis of it the appraiser rates the performance of the appraisee on a PIGEX rating Scale- P for Poor, I for inconsistent, G for Good, E for Excellent and X for pretty. The ratings are then put on a numerical Scale ranging from 1 to 5 and the final evaluation is made as per the PIGEX table. The appraisal of performance is followed by the Performance discussion ad feedback. The appraisees who are rated lowest are put on a Performance Improvement Plan for the next 3 months following the appraisal period. This is done as an opportunity to the appraisee to improve on the weak areas of performance. After a period of 3 months the performance of the appraisee on Performance Improvement Plan (PIP) is reviewed, if not found satisfactory, the he/she is terminated as a result of non performance. Incase of any grievances the appraisee can report to the main HR Grievance cell. The personnel positions are categorized as per band.

In spite of the midterm PA conducted by the HR department, internal surveys are conducted by vendors (Agencies who conduct PA based on their own questionnaire formats and the company's performance criteria. Such PAs are kept highly confidential and are shared by top management only for strategic planning/succession planning. Figure 1.1 reveals statistical data of Vodafone as gathered by the researcher during survey and 1.2 reveals the inaccuracies found in around 42 managers in Vodafone from middle and lower levels.

Table- 1: Details of Vodafone in J&K

Organisations	Type of Company	Total Manpower (official Websites)	Sample Area	No. of Employees (J&K)	Total No. of Mangers	No. of Appraisees Higher/ Middle/Lower levels
Vodafone	Private Player	11,461	J&K	172	47	5(H) 14(M) 28(L)

Table 2: Inaccuracies in Existing Performance Appraisal System in Vodafone

VODAFONE	Count	Leniency Error	%age	Central Tendency	%age	Strictness Error	%age
Middkle level Managers	14	3	21.4% %	7	50%	2	14.2%
Lower Level Managers	28	7	25%	12	42.85%	5	17.85%

The results were calculated on the basis of the rating scale used and how often a particular rating is frequently repeated by the rater. A case of rating 1 or 1.5 out of 5 is a strictness error, or a rating above 3.5 is leniency error and a rating between 2.5 to 3.5 occurring frequently is a case of central tendency. Around 50% of the filled in formats analysed

depicted the error of central tendency, 21.4% indicated leniency error and 14.2% revealed occurrence of strictness error in case of middle level managers. 25% of case of lower level managers showed leniency error, 42.85% indicated central tendency and 17.8% showed strictness error. The areas analysed and rated were based on attitude to work, sense of responsibility, maintenance of discipline, communication skills, technical skills, quality of output, accomplishment of work task, time management and interpersonal relationship.

It was also revealed during the researchers' conversation with the managers that primacy and recency effect errors and gender bias also do occur in the existing performance appraisal system in Vodafone.

CONCLUSION

Performance appraisal is a part of centralising and rectifying agreed action. If done effectively employees are empowered to play a leading role in their appraisals. The impact of weaknesses or bias in a performance appraisal program accumulates figuratively. This means that if trainers or trainees, reviewers and administrators have problems accepting the credibility of the performance appraisal program or the integrity of the rating instrument data, the entire exercise of appraisals is rendered worthless. With such type of an approach, the significance of such an effective HR mechanism is given only lip service credence in organisations and at individual level, which affects the overall effectiveness of performance appraisal system and thereby the managerial satisfaction.

Remedial Measures

- The raters should be made aware of the occurrence of bias/rating error during the performance rating and its consequences eventually in dipping the satisfaction level of managers and affecting their morale.
- Using uniform evaluation criteria for all the employees will surely eliminate the potential risk of any unethical rating.
- Developing individual goals and measurements in advance of reviews so that performance appraisal can be done in an unbiased manner.
- It must be ensured that the trainer observes the ratee in full spectrum of his/her responsibilities over a period of time. This would also ensure that the trainers are familiar with the behaviours to be appraised.
- The trainer must be aware of all the job related information.
- Gender should in no case be a basis for evaluating performance. Performance evaluations should only be performance oriented irrespective of gender.
- HR department should ensure that the information shared by employees about themselves during performance appraisals and records furnished are kept confidential.
- In case the rater feels he/she can't make an objective appraisal of performance of a particular employee owing to a history of conflict or alienation towards a particular employee, it is better to defer it to another trainer or superior.
- Grievances if any must be carefully handled by the HR department, so as to ensure that the ethics of their entire organisation is not put into question.

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