

Appraisals and Their Impact in HR and Training

by Sophia



WHAT'S COVERED

How do you know, as an employee, if you're getting better--or worse--and how do you take steps to correct that? This tutorial provides an overview of how the appraisal process works in business, specifically its impact on HR and training. Our discussion breaks down as follows:

1. Performance Appraisals

Performance appraisals is a review in which the employee's job performance is formally evaluated. Note that it is not an informal evaluation--you're not coaching people as you go along, although that is a different type of appraisal or evaluation.

Performance appraisals are often done by HR managers, who are typically the ones responsible for making sure these performance appraisals get done for the people who report to that HR manager.

Performance appraisals are often based on goals, which include the personal goals of the person being evaluated, as well as the goals of the company involved. They are often directly tied to actions like raises and promotions. Conversely, they may also lead to firings and demotions, depending on the results of that appraisal and how well an employee is doing based on those goals, both personal and those set by the company.

Now, HR will often work with other managers who have to do these appraisals for their direct reports in order to make sure that they're fair and meeting the goals that are set by the company.

Performance appraisals will carry both objective and judgmental criteria.

- Objective measures are concrete, such as the number of sales completed or the number of units assembled, for example. Or, how many people did you recruit during a specified time period?
- Judgmental measures are a little more subjective. Often, these are placed into some type of numeric scale so that the person giving the appraisal can rate them. Take communication skills, for instance. How good are you at communicating with the other people on your team? Then, this measure will be set to a number using something called a Likert scale or another similar device.



HINT

If you've ever rated a particular product on a numeric basis, such as a scale of 1 to 10, you've used an example of a Likert scale. You're assigning a numeric value to how well you think a particular item performs. Similarly, this scale can be used to rate how well an employee is performing a skill, such as communicating.



TERM TO KNOW

Performance Appraisal

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2. Appraisal Errors

With performance appraisals, it is important to be careful of certain appraisal errors.

- *Recency effect:* This refers to when an evaluator reviews events that happened recently. The recent successes, for instance, may skew an appraisal to the positive, or poor performance over the last couple of weeks may skew it to the negative. What tends to happen, if you're not careful with the recency effect, is that you may only focus on what has happened recently instead of what has happened throughout the performance period.
- *Bias/discrimination:* This is where personal preferences may come into play, referring to aspects that you like or dislike about a person or a group of people, which may drive your opinion of the appraisal.
- *Unequal emphasis:* This error occurs when there is excessive weight given to one particular area of the appraisal.

3. Employee Role in Appraisals

The employee's role in an appraisal is to make sure that they self-evaluate throughout the performance period. If you, as an employee, are getting rated once a year, you'll need to self-evaluate several times during the year, based on the goals you've been given for that particular performance period.

In addition, the manager may need to observe the employee in order to see if they're hitting their targets. This is a great opportunity for the manager and the employee to work together in an informal way in order to make sure they're reaching the goals set for the appraisal.

Employee Participation in the Appraisal System

Advantages	Disadvantages
Employees receive constructive feedback--not just from the formal appraisal, but also throughout the year.	The appraisal process takes time, and employees don't always have all the time they need when they're on a deadline or trying to meet certain goals for the company.
There is a recognition of work that's done, or in some cases, not done.	It requires the organization to plan how to self-evaluate.
Employees have the opportunity to express their thoughts and feelings about their role in	There is stress related to being evaluated. If you've ever taken a test, there's likely stress involved. Are you going to do well? Will you know all the questions? Well, it's the same

the system.	thing when you're getting evaluated, even informally.
It creates an opportunity for future development for employees because they can identify those things that they need to work on, or those tasks that they're doing well at, but could improve upon.	Often, there is a lack of objectivity in numeric evaluation. It's important to remove the biases we set for ourselves--because we all think we're great--and make sure we're coming from an objective standpoint to get the most out of that formal or informal appraisal.

4. Training

One of the ways to help employees improve as a result of performance appraisals is through training. Training is typically driven by the results of those performance appraisals:

- Have you done well?
- Have you done poorly?
- Are there tasks--even if you've done well--that you could perform better at?

Then, based on the results of these evaluations, the company can provide training to make that employee more valuable, and ultimately more successful. It's important that training is done through this particular lens of understanding the needs of the organization as revealed through the appraisals. The way these training programs are designed and driven, ultimately, is through an understanding of the company's needs, based on the feedback of the performance appraisals.



THINK ABOUT IT

An employee could be a great person, but what if they're not meeting those company needs or goals? If that is the case, then there is a disconnect and a problem. Therefore, it's a perfect opportunity to build and design a training program around that shortfall or gap so that the company can bring that employee along and get them to where we need them to be to make the most for the company, and also to reap the most benefit for that particular employee.

Training can occur on all different levels, and there are different types of training.

Types of Training	Description
On-the-job training	Any particular training that is done on-site. It includes on-site activities in the classroom, for instance, or having someone take you aside and show you how to perform an action, like using the forklift, wrapping a package properly, or how to properly develop a spreadsheet and graph that meets the company's expectations of quality. These are all examples of training that happens on the job.
Off-the-job training	Any off-site activity that takes place outside of the work environment. This could involve the company sending an employee to a conference, or to particular seminars or classes on an area that relates to their job. It could also be paying for a college class to help them understand a certain aspect of the job better, such as learning how to use a Microsoft Office Suite product like Word, Excel, or PowerPoint, for instance.

Training techniques that are used include practices such as:

- Simulations, like role-playing.
- Instructional sessions, such as lectures and classroom sessions.
- Conferences, to expose employees to experts in the field to discuss the latest developing trends.
- Presentations, such as getting everybody together and showing them how to do a particular new process, or how to use a new piece of gear.
- Discussions, which again, involves gathering people together who have knowledge of a particular area and discussing relevant issues that they see on a daily basis to determine how to improve their role.



SUMMARY

Today we learned about **performance appraisals** and their importance, not only for the employee but also for the company. Performance appraisals are a barometer of employee performance as it relates to the company goal. We also learned about **appraisal errors**, which are those actions that may bias or skew the results of an appraisal. It is critical that managers watch out for these potential errors so that they can be as objective as possible.

We learned about the **employee role in appraisals**, discussing some of the pros and cons. Lastly, we learned about **training**, and the different types of training, specifically on-the-job and off-the-job training, or those activities that take place at the worksite and away from the worksite.

Good luck!

Source: adapted from sophia instructor james howard



TERMS TO KNOW

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