



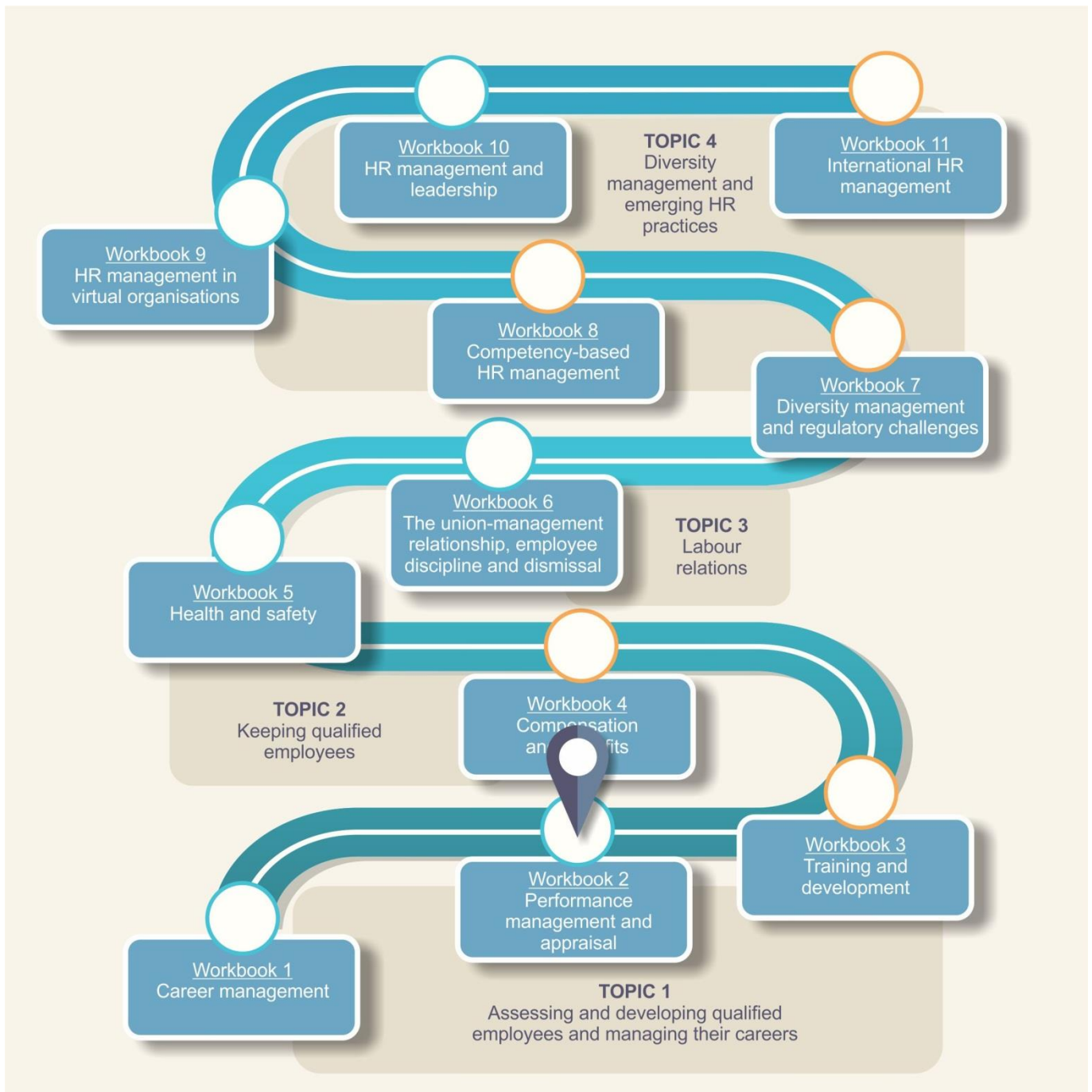
WORKBOOK 02

Performance management and appraisal

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Have a look at the mind map to see where you are in the process of working through the study material.



2.1 LEARNING OUTCOMES



Read through the outcomes before you continue. This will give you an overall picture of what we will discuss in this workbook.

After studying this workbook, you should be able to

- discuss the difference between performance management and performance appraisal
- explain the evaluative and developmental objectives of performance appraisal
- describe the major performance appraisal methods
- design and evaluate a programme of performance appraisal
- discuss the process to be followed when an employee performs unsatisfactorily

- discuss who should perform the appraisal
- provide examples of several rater errors
- discuss several concerns about appraisal feedback interviews
- discuss the effect of technology on performance management

2.2 KEY CONCEPTS



A number of key concepts are listed at the end of chapter 9 of your prescribed book. Please read through them before you continue. Then you will be familiar with the different concepts that we will refer to in this workbook.

Some of the important key concepts in this workbook are:

- Performance management
- Performance appraisals
- Rater bias
- Peer evaluation
- Behaviourally anchored rating scales (BARS)
- Paired comparison



Activity 2.1: The importance of performance management

Think about or reflect on your own job or talk to a friend or family member who has been employed for a few years and then answer these questions:

- Has your performance (good or bad), or that of your friend or family member, ever been discussed? Do you talk about performance at work?
- If so, who discusses performance at work? Is it only you and your colleagues or you and your manager?
- Do you think it is important to talk about performance at work? Give reasons for your answer.
- If a performance management process is used in your organisation, discuss your experience of the process.



Feedback

At some stage in work situations, most employees will probably talk about or experience a need to receive feedback on their performance. Employees discuss performance with their colleagues, especially before a scheduled appointment to discuss their performance with their supervisor and also afterwards following positive or negative performance outcomes. A performance management process can be positive if it provides effective feedback on performance, for example sufficient detail so that the employee knows exactly where the deviation was. By thinking about these questions, you are starting to think about performance appraisal.

2.3 INTRODUCTION

Performance management forms part of the development and assessment phases of the employee in an organisation. To understand the concept and purpose of performance management, you need to understand where performance management fits into the value chain and what impact it can have on the

productivity and satisfaction levels of employees within an organisation. Figure 2.1 illustrates the basic HR value chain.

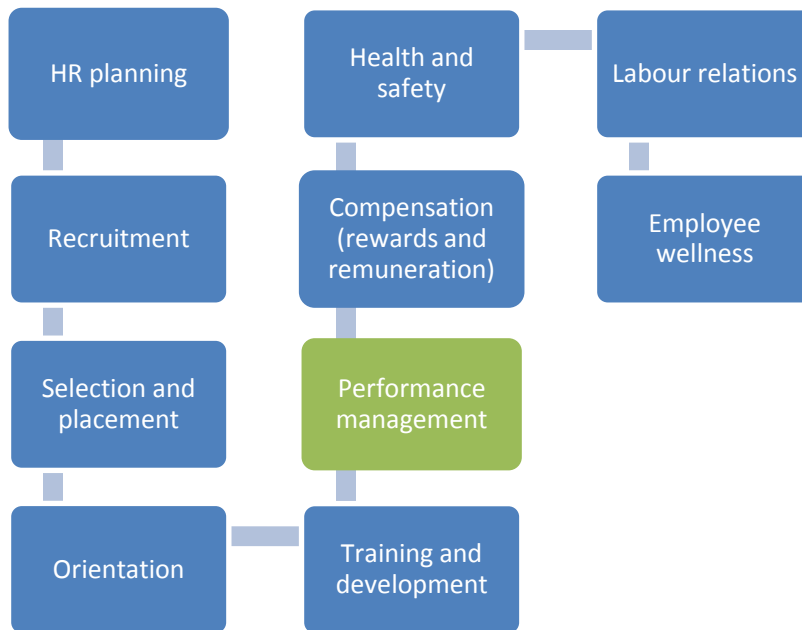


Figure 2.1: Basic human resource value chain

While working through this unit and the chapter in the prescribed book, you need to understand the following key aspects of performance management:

- There is a difference between performance management and performance appraisal.
- Performance management is a process.
- Performance management as an HRM function forms part of the development and assessment process of the employee in an organisation.

In general, most people want to know whether they are performing satisfactorily. They also like to know if they are doing anything wrong and, if so, how they can correct their mistakes or improve their performance. This is where performance management and appraisal fit in. These are some of the key concepts highlighted in activity 2.1.

Effective management of HR performance in an organisation can greatly enhance productivity and organisational success.

In this workbook we will explore the concept and process of performance management. We will also explain the respective roles of the HR team and the line manager in the process.

2.4 WHAT IS THE DIFFERENCE BETWEEN PERFORMANCE APPRAISAL AND PERFORMANCE MANAGEMENT?

At first, appraising performance and managing performance appear to be similar activities. But are they? Let's take a look at the difference between these two activities.



Study the introductory section of chapter 9 and sections 9.1, 9.2 and 9.3 in the prescribed book.

After working through these sections, you should be able to explain the following aspects related to performance management and appraisal in the workplace:

- the major challenges related to performance management in organisations in South Africa
- the difference between performance management and performance appraisal
- the types of performance criteria and objectives

Performance management forms part of the development and assessment phases of the employee in an organisation. The performance management process consists of four phases. To manage performance effectively, these phases should be implemented as an integrated process. The integration of the four phases is illustrated in figure 2.2.

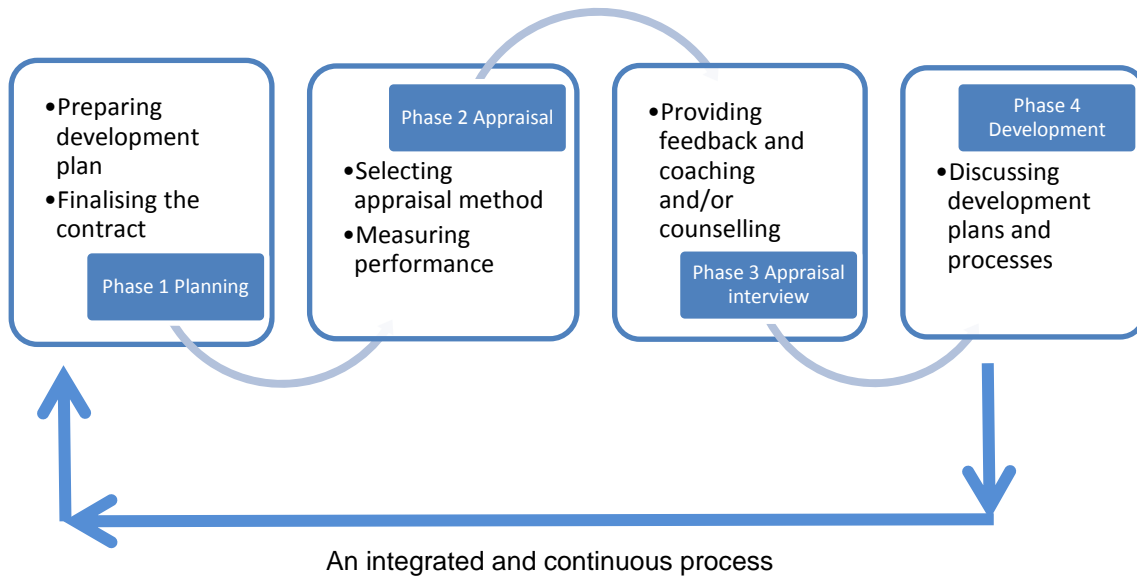


Figure 2.2: Integration of the phases of the performance management process

To make sure that you understand these aspects, do activity 2.2.



Activity 2.2: Do performance management and performance appraisal differ?

Watch the following video. Reflect and share your thoughts on performance management.

Performance management

<https://www.youtube.com/watch?v=peq0z49Nw4I>

Share your thoughts and understanding of career management – do this online. Refer to the [Discussion Forums](#) tool on the HRM2602 myUnisa module site and select [Forums 06: Workbook 02 Activities](#).

- List six challenges related to performance management in organisations in South Africa. Indicate whether these challenges are relevant to your team/organisation. If you are not working yet, ask a friend or family member about their organisation.
- Distinguish between performance appraisal and performance management by completing the table that follows.

Study the introductory part of chapter 9 in the prescribed book. Then try to identify which column of the table refers to **performance appraisal** and which to **performance management**.

Performance ...	Performance ...
<ul style="list-style-type: none"> is only concerned with individual performance 	<ul style="list-style-type: none"> is concerned with the total performance of the organisation and how individual and team results contribute to that performance
<ul style="list-style-type: none"> is a segregated process 	<ul style="list-style-type: none"> is a process integrating corporate, functional, team and individual objectives and linked more closely with other aspects of HR management
<ul style="list-style-type: none"> is treated as an administrative chore imposed by the HR department 	<ul style="list-style-type: none"> is treated as a normal process of management
<ul style="list-style-type: none"> is seen as something handed down by superiors to subordinates 	<ul style="list-style-type: none"> concerns all members of the organisation as partners in the process
<ul style="list-style-type: none"> is not concerned with team performance 	<ul style="list-style-type: none"> is concerned as much with team performance as with individual performance
<ul style="list-style-type: none"> is a process relying on a once-a-year formal review 	<ul style="list-style-type: none"> is a continuous process
<ul style="list-style-type: none"> provides a basis for performance-related pay decisions 	<ul style="list-style-type: none"> can provide a basis for performance-related pay decisions, but greater care is taken in developing rating systems and achieving consistency in ratings

- c. In table format, distinguish between three different performance criteria. Provide examples of the different types of criteria.
- d. Distinguish between evaluative and developmental objectives that are used in performance appraisals. Include examples that are applicable to your work environment or the environment where a friend or family member works.
- e. Review the list of sources of ineffective performance in table 9.1 in the prescribed book. Now identify and list the sources that are relevant to ineffective performance in your team and/or organisation, or the one that you spoke about in (d).



Performance management in organisations in South Africa is not without challenges. Some of these challenges are a negative working culture, changes in corporate strategy that do not result in corresponding behaviour changes and insufficient line management support.

As you would have noted from the definitions of performance appraisal and performance management in the prescribed book as well as from activity 2.2, there are clear differences between the two concepts. Performance management systems will always include performance appraisal or review schemes as a central part of the process. Performance appraisal is a narrower concept and forms one leg of the performance management process.

Performance criteria are those aspects of performance that the individual can control and the organisation believes are important to accomplish the job and therefore uses to evaluate or measure employee performance. To identify the appropriate performance criteria and develop usable standards, a professional job analysis is essential. Three types of performance criteria are illustrated in figure 2.3.



Figure 2.3: Types of performance criteria (adapted from Wörnich et al (2015:296))

Evaluative objectives of performance appraisals are concerned with compensation and staffing decisions as well as evaluating selection systems. On the other hand, developmental objectives encompass developing employee skills and motivation for future performance.

You could have referred to any of the possible sources of ineffective performance in table 9.1 in the prescribed book and related them to your organisation. Supervisors must identify performance problems resulting from issues such as lack of a critical skill or ability caused by low morale, or even conflict between work demands and family demands.

Now that you know what aspects of performance have to be appraised, you are probably wondering why it is necessary to do performance appraisals.

2.5 THE APPRAISAL PROCESS, PROBLEMS AND LEGAL CONSIDERATIONS

According to figure 2.2, performance appraisal is the second phase in the performance management process. To manage and appraise performance effectively, certain steps need to be taken. You know from our previous discussions that the HR function in an organisation is governed by a legislative framework. The performance management process should take the legislative requirements into consideration to protect both the employee and the organisation. Proper planning and decision-making are extremely important as this will impact on the commitment and buy-in of employees to implement the system and process effectively.

In this section we discuss the steps that should be considered to ensure the effective implementation of an appraisal process, including performance problems encountered during the appraisal process. We also look at the legal considerations that organisations should comply with when implementing a performance management system and process.



Study sections 9.4, 9.5 and 9.6 in chapter 9 of the prescribed book.

After working through these sections, you should be able to discuss the following aspects related to performance management and appraisal in the workplace:

- the steps of the performance appraisal process

- employee performance problems
- the legal considerations that impact on the performance appraisal process



Activity 2.3

- Draw a diagram to illustrate the integration of the seven steps of the performance appraisal process.
- Discuss the guidelines that an organisation can apply to protect itself from performance-related problems.
- Critically discuss the importance of understanding and applying the steps of the appraisal process.
- What are the possible causes of employee performance problems?



Feedback

Remember that the sequence of steps as indicated in section 9.4 in the prescribed book is only a guideline. Each organisation will alter these steps according to its own unique needs/situation. To make the performance appraisal process more understandable, we can classify the steps under the following questions:

- What is to be appraised, that is, what factors should be taken into account by appraisers and those that are being appraised?
- How will appraisals take place, that is, what methods should be used?
- When will formal appraisals be carried out, that is, at yearly, half-yearly or even quarterly intervals?
- What needs to be done to ensure that appraisal is a continuing process and, as part of this process, should counselling and coaching be used to improve skills and performance?

The HR manager and team should therefore ensure that these issues are considered when designing a performance management system and process. Remember that these are only general guidelines.

Because of all the laws dealing with labour relations, South African organisations will have to alter their HR practices accordingly. You could have referred to any of the guidelines in section 9.5 in the prescribed book. Performance management and appraisal are two of the most important HR practices that need to be changed in the light of possible legal reviews for terminations and promotions.

For example, when an employee is dismissed on the grounds of poor work performance, the input received from the performance appraisal phase will be vital. The performance appraisal document should contain all the evidence related to the employee's performance discussions and guidance.

This example confirms the relevance and importance of selecting the most effective appraisal method and/or instrument for the appraisal phase of the performance management process.

Effective managers not only stay on the alert for employee performance problems, but also recognise that productivity problems stem from a variety of causes. At least four major causes identified are

- lack of skills
- lack of motivation
- lack of respect for rules
- personal problems

If an employee is not performing satisfactorily, follow the steps in figure 2.4:

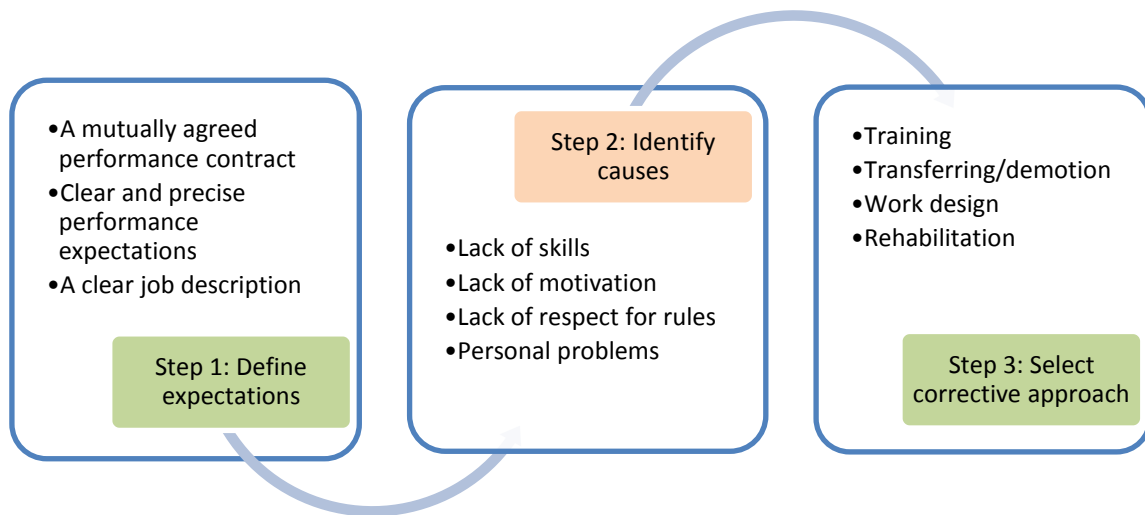


Figure 2.4: Steps in resolving performance problems

Now you will learn about the different methods available to appraise employee performance.

2.6 METHODS FOR APPRAISING PERFORMANCE AND RATING ERRORS

You will agree that HR managers need to put a lot of effort into choosing the best performance appraisal method(s) for the organisation. They should also ensure that the line managers, who will be responsible for implementing and monitoring the performance management process, buy in to the process and can appraise and rate performance and give feedback to employees. Another important aspect is that the employees have to be properly informed about the system, process and method(s) used.

In addition, since people do performance appraisals and ratings in organisations, there is always the possibility of subjectivity and human error. Performance appraisers should therefore be aware of the errors they are likely to make and should receive support and guidance on how to avoid them.



Study sections 9.7 and 9.8 in chapter 9 of the prescribed book.

After working through these sections, you should be able to describe the following aspects related to methods of appraisal in the workplace:

- the different methods that could be used to appraise performance
- the different rater errors the rater can make in appraising performance

Completing activity 2.4 will assist you in summarising the different methods and errors.



Activity 2.4

- By completing this table, summarise the different methods of appraisal that could be used.

<i>Methods</i>	Appraisal method	Brief description of method
Category rating methods	Graphic rating scales	
	Non-graphic rating scales	
	Critical incidents	
Comparative methods	Ranking	
	Forced distribution	
	Paired comparison	
Narrative methods	Critical incidents	
	Annual review file or calendar	

<i>Methods</i>	Appraisal method	Brief description of method
	Essay method	
Behavioural objective methods	Behaviourally anchored rating scales (BARS)	
	Management by objectives (MBO)	
Combination methods		

- b. Indicate which method(s) is/are currently used in your organisation or the organisation where a friend or family member works.
- c. Describe the different rating errors.
- d. Indicate which rater errors you have experienced during performance appraisals in your career. If you have not worked yet, ask a friend or family member.



Feedback

You could have referred to any of the methods for appraising performance in section 9.7 in the prescribed book and related them to your organisation. However, a preferred performance appraisal method should signal the operational objectives to the individual, groups and the whole organisation.

All methods of performance appraisals are subject to rating errors such as rater bias, central tendency, strictness, recency effect, halo effect and leniency, but training supervisors or line managers can minimise many of them. The rater errors will differ in each organisation. For example, an inexperienced or poor supervisor may decide that the easiest way to appraise performance is simply to give everyone a high evaluation, which is called leniency. Figure 9.8 in section 9.8 of the prescribed book provides specific reasons and motives for giving either inflated or deflated ratings.

2.7 WHO SHOULD DO THE RATING AND WHAT IS THE ROLE OF ASSESSMENT CENTRES?

By now you should understand the important partnership between the HR team and the line management of an organisation. Through our discussions you learnt that the HR team should advise, design, develop and implement an appropriate performance management system that will meet the needs and requirements of the organisation. As part of this process, the HR team needs to propose an approach to rating performance. Different approaches could be considered, namely self-evaluation, evaluation by the supervisor or manager, team evaluation, peer evaluation, multiple evaluation and customer evaluation. In this section we investigate these different approaches to rating performance in organisations.



Study sections 9.9, 9.10, 9.11 and 9.12 in chapter 9 of the prescribed book.

After working through these sections, you should be able to demonstrate an understanding of the following aspects:

- different raters in the performance appraisal process
- the role of assessment centres in performance appraisal
- the role of technology in performance appraisal
- the elements of effective performance appraisal systems

To make sure you understand these aspects, do activity 2.5.



Activity 2.5

- a. Describe the different approaches to performance appraisal.
- b. Indicate the rating approach or approaches followed in your organisation to appraise performance. If you are not employed yet, ask a friend or family member what their organisation uses.
- c. Assess the effectiveness of your organisation's performance management system. Write a paragraph on the effectiveness or ineffectiveness of your organisation's performance management system.
- d. Complete figure 2.5 on the steps in developing an effective performance appraisal system.

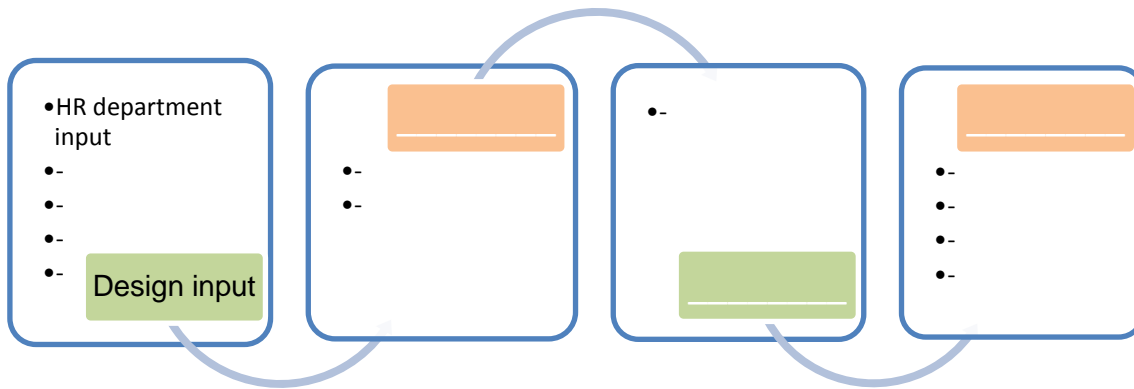


Figure 2.5: Steps in developing an effective performance appraisal system



You could have referred to any of the different approaches of performance appraisal in section 9.9 in the prescribed book and related them to your organisation. The standard approach has been to have a single rater, with the immediate supervisor performing the appraisal as a managerial duty. However, multiple raters are now used in the majority of organisations. Peer evaluations and self-evaluations have increased, as have customer or client evaluations. In an attempt to improve the performance appraisal process, subordinate or reverse rating and team rating techniques have now been introduced in some organisations.

Performance management systems can be either effective or ineffective, depending on the organisation you work for. However, an effective performance management system should adopt the following approach:

- be easier to administer
- comply with employment equity legislation
- planned with a clear appraisal purpose
- owned by line management with top management support
- appraisal outcome-linked ratings with ongoing systems review
- ongoing appraisal and coaching with properly trained personnel
- employee/manager input in system design

The HR department should assist management in developing a performance appraisal system that is fair and improves employee and organisational effectiveness. Section 9.12 of the prescribed book should have assisted you in completing figure 2.5.

2.8 THE APPRAISAL INTERVIEW

As per figure 2.2, the appraisal interview is phase 3 of the performance management process. It plays an extremely important role in building and sustaining relationships between line managers and employees.

During the interview, the supervisor provides performance feedback to the employee. Giving a person positive feedback is usually a pleasure to both the speaker and the receiver, and could result in greater loyalty, better performance and greater organisational goal achievement. This is something managers do easily and it is well received. Obviously, managers have to take great care to ensure that this interview enhances employee development and improves individual performance. You will therefore agree that this interview could "make or break" an employee. Ineffective or destructive performance feedback can

easily destroy the relationship between the organisation and the employee, and could lead to a demotivated, unhappy and unstable workforce.

However, giving less positive or constructive feedback is an issue that many managers avoid. Managers tend to ignore the problem, rather than resolve it directly. The challenge is how to provide team members with feedback which is **useful** and gives them **specific details** on what they need to improve in the future in order to enhance their performance. Providing a person with feedback can be highly motivating if it is done in a meaningful and constructive way. Figure 2.6 illustrates a proposed performance feedback process.

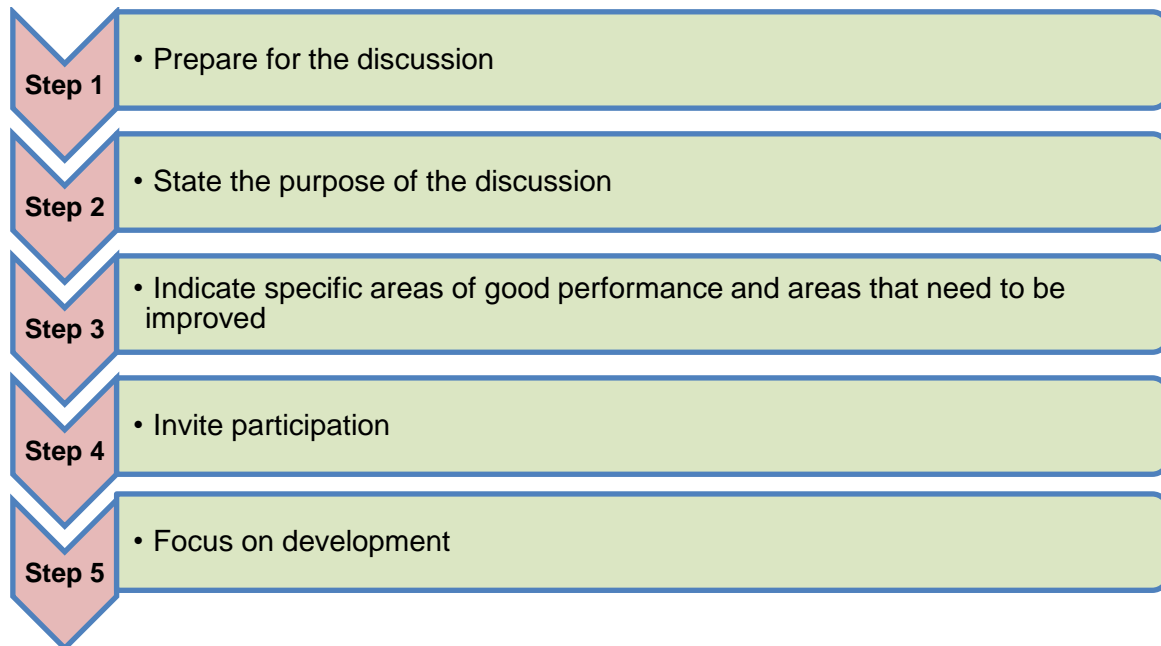


Figure 2.6: Proposed performance feedback discussion/interview

In this section we discuss

- a number of errors the manager can make during the feedback discussion
- details on the steps of the proposed feedback discussion/interview
- different types of interviews that could be used to solve performance and developmental problems



Study section 9.13 in chapter 9 of the prescribed book.

After working through this section, you should be able to explain the following aspects:

- the purpose of the appraisal interview
- typical problems that can occur during the appraisal interview
- the format of the interview
- problem-solving interviews

Now that you have worked through these sections, do activity 2.6.



Activity 2.6

- a. Summarise the different problems the manager should avoid during the appraisal discussion/

interview.

- b. Have you experienced any of these problems during appraisal discussions/interviews?
- c. Work through the steps in the proposed appraisal discussion/interview and write down the key aspects of each step.
- d. Based on the different interviewing techniques, which technique will be most suitable to resolve performance issues in your team or organisation or the organisation where your friend or family member works?



By now you probably agree that an appraisal interview is necessary. In fact, it is considered to be the most critical and potentially the most productive part of the appraisal process. Appraisal interviews are not without problems, so interviewers need to be aware of issues such as personality bias, playing God, inability to give criticism or the inability to give effective feedback. You could have referred to any of the appraisal problems in the prescribed book and related them to your experience.

Although appraisal interviews can be stressful, stress can be reduced by preparing appraisers to conduct interviews correctly. Information should be given on what to do and what to avoid during the interview. The interviewer should also try to balance areas of positive performance (what was done right) with areas in which performance is deficient (what was done wrong) so that the employee has the complete realistic picture.

Although the precise format of the interview will vary to some extent from employee to employee, there are five steps that are generally covered. Refer to figure 2.6 in section 2.8 of this workbook for the five steps.

You could have referred to any of the interviewing techniques (section 9.13.3) in the prescribed book and related them to your organisation. For example, problem-solving interviews can be used for identifying and recommending areas of development to the employee.

2.9 SUMMARY

You have now reached the end of Workbook 02. By now you are probably convinced of the importance of a proper performance management system and process. You realise that employee performance should not be managed on an ad hoc basis only, but should be seen as part of the day-to-day management process. The HR manager should therefore ensure that

- a performance appraisal system best suited to the organisation is in place
- it is administered in such a way that it results in fair and equitable treatment for the diversity in the workplace
- employees and supervisors are familiar with the implementation of the system
- appraisers are properly trained so that the organisation and its employees can benefit from the system

It is therefore clear that sincerity and honesty are two vital components that managers need to add to the process.

To master performance management and appraisal, you need to make sure that you know and understand the following aspects:

- the major challenges related to performance management in organisations in South Africa
- the difference between performance management and performance appraisal
- types of performance criteria and objectives
- steps of the performance appraisal process

- legal considerations that impact on the performance appraisal process
- different methods that could be used to appraise performance
- different rater errors the rater can make in appraising performance
- different approaches to rating performance
- the role of assessment centres in performance appraisal
- the role of technology in performance appraisal
- the purpose of the appraisal interview
- typical problems that can occur during the appraisal interview
- the format of the interview
- problem-solving interviews

2.10 SELF-ASSESSMENT



The self-assessment questions consist of multiple-choice and written questions. To access the multiple-choice questions, visit the self-assessment workbook 02 tab on [Additional Resources](#) and begin your assessment.

Question 1

Performance management and performance appraisal are interdependent. Critically discuss this statement.

Question 2

Differentiate between the following concepts by defining each, discussing the differences and the end results of each activity and illustrating each concept with an example:

- performance appraisal
- job analysis
- job evaluation

Question 3

Discuss the concept of performance criteria by describing it, discussing the different types of performance criteria, explaining the role of performance criteria in the performance appraisal process and identifying and discussing the HR activity that assists with the identification of performance criteria.

Question 4

You have just been appointed as an HR manager in a small company that manufactures fertiliser. The company employs 500 people. Before your appointment there were no HR management systems in place in the company. The owner, who has just bought the company, is anxious to do things right and wants to know if it is necessary to implement a performance management system in a small company.

Critically discuss the relevance and importance of a usable performance management system. You need to indicate the benefits and legal considerations that must be taken into account when developing such a performance management system.

Question 5

The owner of the business in question 4 has decided that a performance appraisal system should be designed for the company.

In an essay, **discuss** the steps you would recommend him to follow in designing and implementing an appraisal system and **explain** to him how he can ensure the effectiveness of the system.

Question 6

Identify an appraisal method that you would recommend for the performance appraisal system that you are designing. (See question 5.) Substantiate your answer.

Question 7

Part of the design and the implementation of an appraisal system involves training the supervisors to use the system. One of the important issues that should be covered during the training is rater errors and methods to prevent these errors.

Identify and describe at least four of the most common rater errors that the managers of the organisation in question 4 should be aware of and avoid. Make suggestions on how these errors could be avoided.

Question 8

The appraisal interview is an important step in the performance appraisal process. Explain the importance of the interview and discuss the problems that may occur during an appraisal interview.

**Question 1**

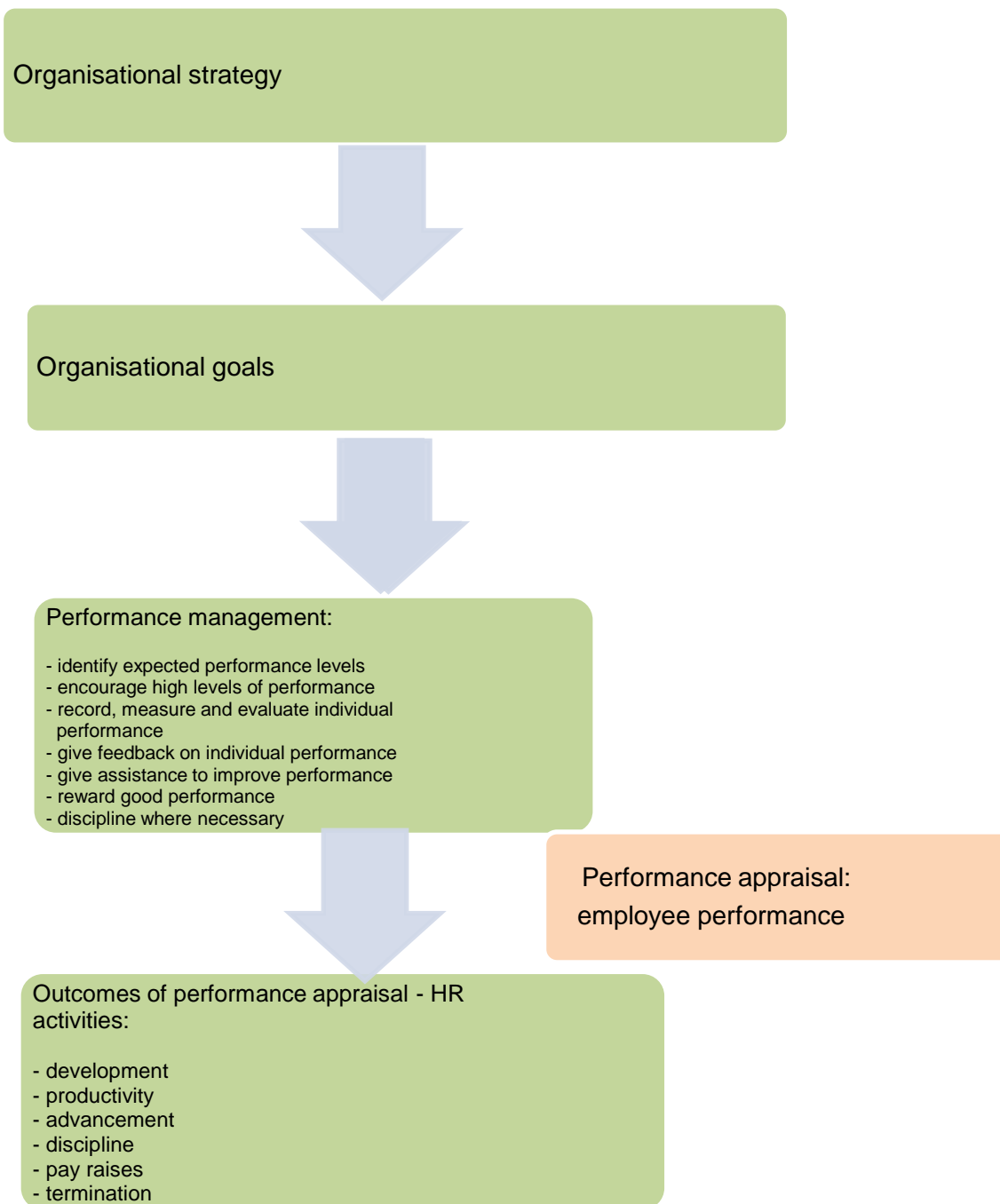
You will find the guidelines to this answer in the following sections of the prescribed textbook: "Introduction to chapter 9", figure 9.1, "Performance criteria", "Performance appraisal objectives" and "The appraisal process".

This is not an easy question to answer because you have to combine and integrate the information. You also have to think about the nature of the interdependence of the two activities, as it is not discussed in the prescribed material. An example of how to answer this question follows. For examination purposes, remember that this is not a complete answer and you will have to discuss the information in more detail to receive all the marks allocated to the question.

Begin by defining and discussing performance appraisal and performance management. From activity 2.2 you will see that performance appraisal is part of a performance management system. Performance management is about managing employee performance to ensure that individual, team, functional (departmental) and organisational objectives can be met, while performance appraisal is about recording, measuring and evaluating the performance of each individual employee. So performance appraisal is about individual performance, whereas performance management is about the performance and goals of the organisation.

Remember, the question is about the interdependency of performance appraisal and performance management, so do not discuss the differences, but rather how they work together to ensure that organisational goals are met.

You can use the following outline as a point of departure:



Source: Wörnich, Botha and Grobler (2006)

Question 2

You will find the answer to this question in the introduction to chapter 9, as well as in chapters 5 and 11 of the prescribed book.

It is important for you to make sure that you understand the differences between these concepts, otherwise you will confuse them. Start by defining job analysis, performance appraisal and job evaluation. When you have defined each concept, highlight the differences between them and lastly give an example of each concept.

Concept	Discussion
Job analysis	When a company wants to recruit a new staff member and wants to ensure that the job description and specification are up to date before writing the advertisement, the company first performs a job analysis.
Performance appraisal	Sometimes after the new employee has been appointed, the company does a performance appraisal to determine the level of performance of the employee. This assists the employer with issues such as determining training and development needs, salary increases and disciplinary matters.
Job evaluation	This gives an indication of how much a job is worth to the organisation and is used to determine pay ranges. In this example, it may be used to determine a higher pay range if the job analysis indicates that more tasks are assigned to the job now than were previously, or if the job has more responsibility assigned to it.

Adapted from Wörnich et al (2015)

Remember to answer the entire question – you must define, discuss differences, state what the end results are and give an example of each concept.

Question 3

The answer to this question can be found in section 9.2 "Performance criteria", section 9.4 "The appraisal process" and chapter 5 in the prescribed book, as well as sections 2.4 and 2.5 in this workbook.

Start off by defining the concept of performance criteria and discussing the three different types of performance criteria that can be used in performance appraisal systems. Performance criteria are important aspects of a specific job. They are used to develop standards for measuring employee job performance. The end result of this evaluation process is some kind of numerical or verbal indicator of the level of performance (e.g. an employee's performance may be "outstanding" for a specific criterion, or it may be rated as 5 on a scale of 1 to 5, depending on the appraisal method the organisation uses). The HR activity that is used to determine performance criteria is job analysis – define and discuss the role of job analysis and the results of job analysis in performance appraisal.

A hint: While studying this workbook, you will find that it is easy to confuse performance criteria and performance standards. To distinguish between these two concepts, you can also think of performance criteria as performance information, while performance standards are benchmarks or goals that define the expected levels of performance. Both define satisfactory job performance and must be established before the work is performed.

Question 4

In "Performance appraisal objectives" in the prescribed book and section 2.5 of this workbook, you will find reasons why performance appraisals are necessary. In "Legal considerations" in the prescribed book and section 2.5 in this workbook, the legal considerations that must be taken into account when doing performance appraisals are discussed.

The objectives of performance appraisals can also be seen as a necessity for performance appraisal. For example, if you do not evaluate employee performance, how would you determine whether employees need training? Study each of the objectives, decide which of them are applicable to the example given and discuss the importance of performance appraisal in these HR activities. Start the second part of this question by highlighting the legislation that impacts on HR activities. Then explain how this influences performance appraisal. The prescribed book discusses ten guidelines that will protect a company from problems related to performance appraisal – discuss these and link the discussion to the example provided. You can draw up a checklist of steps or activities that should be included in the performance appraisal process that must be designed.

Question 5

You can find the answer to this question in "The appraisal process" and "Effective PA systems" in the prescribed book and section 2.5 in this workbook.

This question is quite straightforward. Use the checklist you developed in the previous question to ensure that you have covered all the necessary information, and then discuss the steps. When explaining how to ensure the effectiveness of a performance appraisal system, you do not need to discuss all the information in the book (e.g. you don't have to explain how a team is formed; only explain that the team should identify performance dimensions). These two aspects of the theory may seem very similar, so make sure that you do not get confused.

Question 6

The answer to this question is in "Methods for appraising performance" in the prescribed book and section 2.6 in this workbook. You can use activity 2.4 in this unit as your point of departure.

Compare the four different methods in activity 2.4 and decide which one would best suit your organisation. Then state in your answer which method you would use. Explain why you would use this method by briefly discussing how it can be implemented and what its advantages are.

Question 7

You will find the answer to this question in section 9.8 "Common rater errors" in the prescribed book and section 2.6 in this workbook.

The seven most common rater errors as discussed in the prescribed material are

- rater bias
- halo effect and negative halo effect
- central tendency
- leniency
- strictness
- recency
- overall ratings

These may seem simple, but they are easily confused. Make sure you understand each one. Give a brief description and an example, and then explain how these errors can be avoided.

Note the following:

- Stating that leniency is the opposite of strictness does not describe the rater error.
- Stating that central tendency is the tendency to give all employees the same rating is not descriptive; after all, the supervisor could give everyone the same high (lenient) or low (strict) rating.

Keep this in mind when answering questions in assignments and in the examination.

Descriptions must be comprehensive enough to demonstrate that you understand the errors. One example of each error will be enough in this case.

Question 8

Use the section entitled "The appraisal interview" in the prescribed book and section 2.8 in this workbook to answer this question.

Appraisal interviews are important because they provide an opportunity for the supervisor to give feedback to employees on their work performance (this feedback should include positive and negative

feedback). The prescribed book discusses situational and psychological variables that contribute to the problematic nature of the appraisal process and interview. Briefly identify and discuss these variables. Then explain how supervisors can prepare for and conduct a successful performance appraisal interview by compiling a list of do's and don'ts and aspects that they should take special cognisance of.



REFLECTION ACTIVITY

Reflect on your learning while working through this unit. Complete the following self-assessment checklist to determine your understanding of this unit and whether you have mastered the learning outcomes:

Learning outcomes	Yes	No
Can I differentiate between performance management and performance appraisal?		
Am I able to determine and explain the evaluative and developmental objectives of performance appraisal?		
Can I describe the major performance appraisal methods?		
Can I design and evaluate a programme of performance appraisal?		
Am I able to discuss the process to be followed when an employee performs unsatisfactorily?		
Am I able to identify and explain who should perform the appraisal?		
Can I provide examples of several rater errors?		
Can I discuss several concerns about appraisal feedback interviews?		
Am I able to discuss the effect of technology on performance management?		



GUIDELINES FOR COMPLETING THE REFLECTION ACTIVITY

- If you answered yes to all of the questions in the checklist, you are ready to move on to the next workbook.
- If you answered no to any of the questions in the checklist, work through the specific sections again.

It is very important that you achieve all the learning outcomes of this module, as they guide your learning process in this module.



CARRY ON

Now that you have successfully completed Workbook 02 and all the activities, you can go on to Workbook 03.

BIBLIOGRAPHY

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