

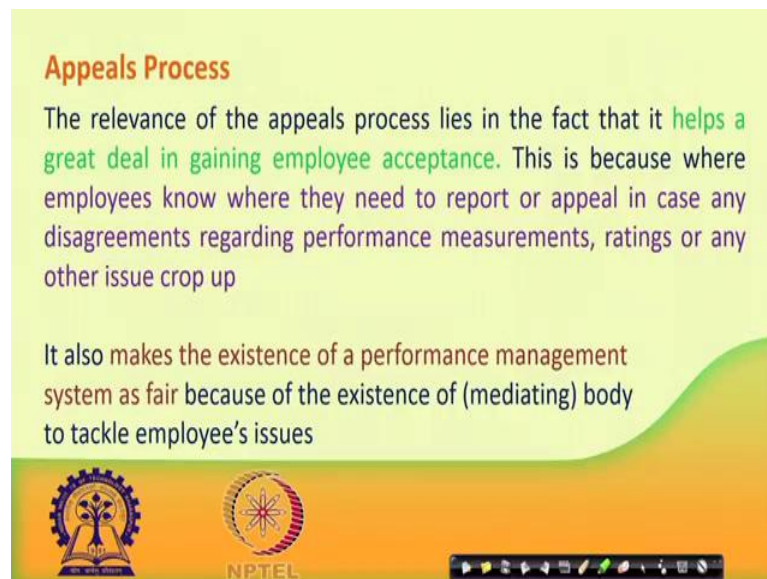
Performance And Reward Management
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Lecture - 14

Implementation of a performance management system, defining performance and choosing a measurement approach and understanding the meaning of results (Contd.)

Welcome back we will continue with the topic on Implementation of a performance management system, defining performance, choosing a measurement approach in understanding the meaning of results. The concept that will be covered today, that on the appeals process, judgmental and administrative issues, training programs and rating errors.

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Appeals Process

The relevance of the appeals process lies in the fact that it helps a great deal in gaining employee acceptance. This is because where employees know where they need to report or appeal in case any disagreements regarding performance measurements, ratings or any other issue crop up

It also makes the existence of a performance management system as fair because of the existence of (mediating) body to tackle employee's issues

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So, as we were discussing in the last discussion if you remember like it is very important to have an appeal process in place, because we may not expect like whatever we are trying to propagate, whatever you are telling, to communicate about the employees, about our views of what is performance management and the benefits of the performance management, employees may not always agree to it

Because of their selective perception, because of their selective perception and like the selective retention maybe they it is very natural that they may have a different

perspectives altogether of understanding. They may have different apprehensions in their mind also about the performance management system. So, having an appeal process in place it really gives having an appeal process in place it gives a lot of like a freedom to the employees to give constructive feedback, construct to voice in a constructive way about their understanding, their apprehensions about the system, their understanding whether our efforts are really a good yield result or not.

So, and the relevance of the appeal process lies in the fact that it really helps to get more employee acceptance because where the employees know like they are going to they do have a system of making an appeal in any case their disagreements regarding performance measurements. So, they know like there is a system which is there to help us in any case there is a mismatch of like our views.

So, this helps to gain the trust of the employees and also it makes the performance management system a fair process, because we finds like if there is an appeal process in place there could be a mediating body who can take care of like who is maybe a neutral party who is neither belongs to the employer side or to the employee side, a neutral party can try to mediate to understand like what are the problems and they can hear both the parties and try to solve the issues.

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Existence of an appeals process gives the freedom to employees to tackle two types of issues:

- ❖ Judgmental issues
- ❖ Administrative issues

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So, existence of an system of appeal process gives a lot of freedom to the employees to tackle two types of issues, one is that of judgmental issues and the other is that administrative issues.

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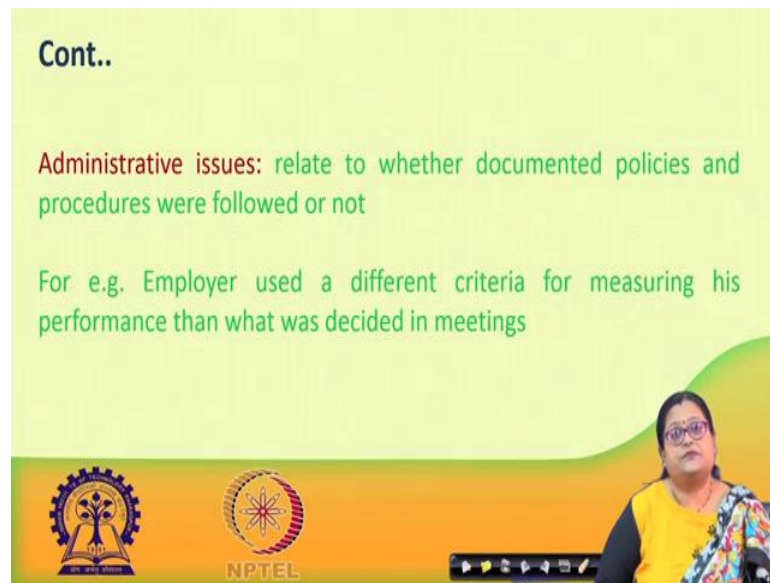
Judgmental: such kind of issues relate to the validity of the performance evaluation measures or final performance evaluation

In case an employee feels the performance ratings given to him/her do not reflect his/her actual performance, he can enquire the same through appeals process in place

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Now, what are judgmental issues? Judgmental issues are relate to the validity of the performance evaluation measures or the final performance evaluation. So, if in any case the employee feels that the performance rating given to him or her do not reflect her actual performance, he or she can enquire the same through the appeals process in place. So, if I am not comfortable if I am do not agree if with the evaluation given and I feel like my performance was better than this, then we can always like go to the appealed process and like try to enquire about the facts.

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Administrative issues: relate to whether documented policies and procedures were followed or not

For e.g. Employer used a different criteria for measuring his performance than what was decided in meetings

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Administrative issues so, this relates to whether documented policies and procedures were followed or not. So, maybe sometimes employer may have used a different criteria for measuring his performance of a than what was decided in the joint meeting if the employee feel so like the process documented policies and procedures were not followed and then also they can go to the through the appeal process.

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Whenever any appeal is filed, the role of HR department is actually to serve as a mediator

When the issue is still with HR department, it is labeled as Level 1 or Level A appeal

The job of the HR department is to first check the authenticity of the appeal made by checking the records or by collecting facts

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So, whenever the appeal is filed the role of the HR department is crucial over here, because HR department functions here as the mediator. So, when the issue is still with

the HR department, it is leveled as the level 1 or level A appeal. So, what is the job of the HR department is to understand the authenticity of the appeal by checking the records or by collecting facts. We have to understand like what is the basis and what is the base on which this appeal has been made, what is the, what are the, whether it is based on true facts or not.

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HR department will also try to resolve the issue by sharing relevant facts with the parties, in case the appeal at first place is first found to be authentic

In case no solution is found or any one of the party does not agree on the solution, it becomes a Level 2 appeal where an outside unbiased party or arbitrator makes a binding solution

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The HR department will try to solve the issue by sharing the true facts with the parties, in case an appeal is first places found to be authentic. So, if they earth appeal is found to be authentic in nature HR department will try to solve it by sharing the relevant facts with the parties. So, but if in a case, no solution is reached or either of the party if anyone of the party does not agree on the solution, it becomes a level 2 appeal where an outside unbiased party or arbitrator makes the binding solution.

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This arbitrator can consist of a panel of peers or managers who after hearing to both the parties and reviewing facts, findings and policies take the final decision

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So, this arbitrator may consist of a panel of peers or managers who after hearing to both the parties and reviewing the facts findings and policies takes the final decision. So, this is a neutral third party who hears to both the parties were involved in the appeal process and then we try to take a decision about it.

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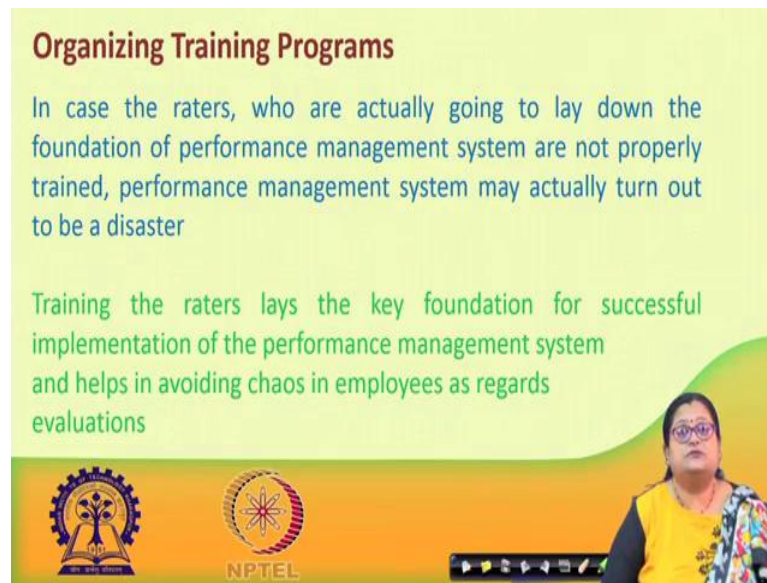
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Many times voting amongst panel may be used to take the final decision in case no consensus exists

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Many times voting amongst the panel members may be used to take a final decision where we find like there is no consensus being able to reached.

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Organizing Training Programs

In case the raters, who are actually going to lay down the foundation of performance management system are not properly trained, performance management system may actually turn out to be a disaster

Training the raters lays the key foundation for successful implementation of the performance management system and helps in avoiding chaos in employees as regards evaluations

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Another important point in proper implementation of the performance management system is organizing training programs for the raters. So, with we call this the training of the trainers. So, in many cases because the persons who are going to or the training of the evaluators the so, people who are going to introduce the system, people who are going to evaluate the system, they must understand things properly.

And, how the things should be done and then only if their understanding is clear if they know how to do things properly then only they will be able to disseminate it throughout the organization or in the knowledge throughout the organization or implement the process in a better ways.

So, organizing training program for the raters is a very very important part. In case the raters who are actually going to lead the foundation of the performance management system and not properly trained. So, what happens this, whole system may turn out to be a disaster.

So, it helps in avoiding chaos in employees as regards evaluation, there are different evaluation techniques coming up, different ways of evaluation, observations coming up and the raters must be well aware of those things, how to give a proper feedback, how to observe an employee properly these are certain trainings to be given to the employees be to the raters.

Because it is very very important to have a unbiased rater who is going to evaluate the performance of the employee in an unbiased way, for that developing the competency of the raters training them about the ethics of being an evaluator is very very important.

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Key content areas that must be included in rater training programs

- ❖ Why we need to implement a performance management system: In case the raters are explained why at first place we need to implement a performance management system, this helps in building trust and fostering commitment
- ❖ Identifying and ranking job activities: It is crucial to identify and rank the critical elements of a job, measurements should be prioritized

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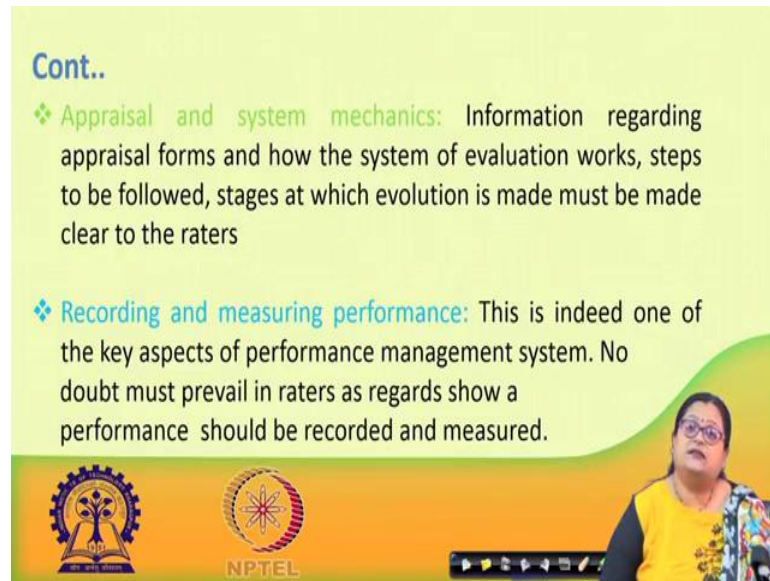
The key, the key content areas that must be included in a rater training program are why we need to implement a performance management system. In case the raters are explained as to in the first place like why we need to implement a performance management system and what is their role, then this helps in building of the trust and fostering commitment of the raters towards the their important role that they are playing in evaluating the performance of the employees.

Identifying and ranking job activities so, it is very crucial to identify and rank critical elements of a job measurements and the how it should be prioritized the rater should be given a training about these things.

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- ❖ **Appraisal and system mechanics:** Information regarding appraisal forms and how the system of evaluation works, steps to be followed, stages at which evolution is made must be made clear to the raters
- ❖ **Recording and measuring performance:** This is indeed one of the key aspects of performance management system. No doubt must prevail in raters as regards show a performance should be recorded and measured.

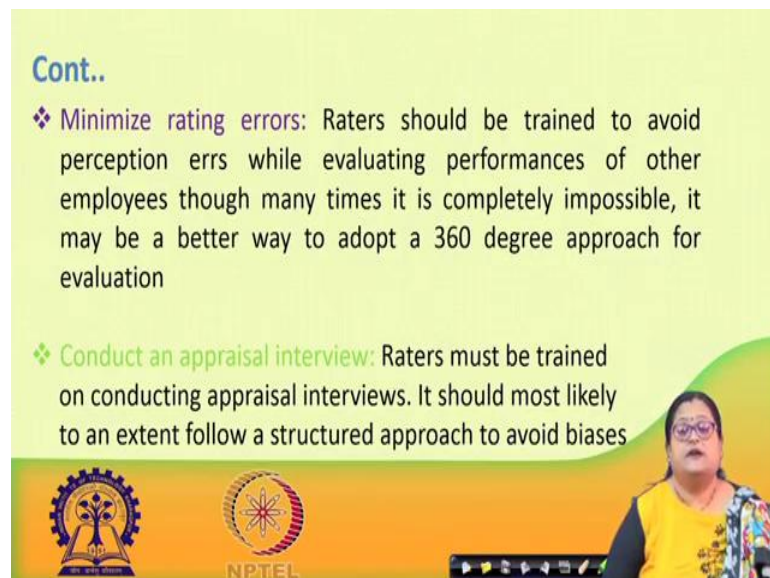


The appraisal and the system mechanics so, the information regarding like the appraisal forms and how the system of evaluation works, steps to be followed stages at which the evaluation is made must be clear to the raters. Recording and measuring performance so, this is one of the key aspects of performance management, no doubt like should prevail in the minds of the raters to show like the performance should be how a performance should be record recorded and you know like how it should be measured.

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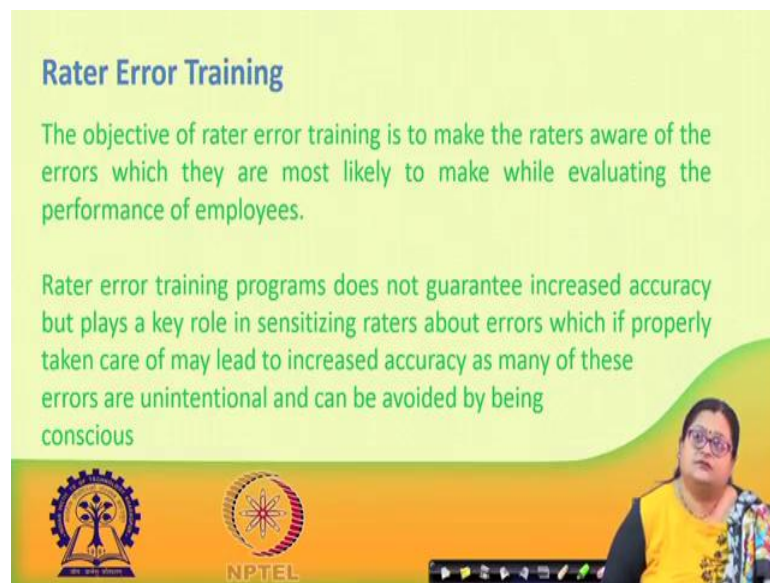
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- ❖ **Minimize rating errors:** Raters should be trained to avoid perception errs while evaluating performances of other employees though many times it is completely impossible, it may be a better way to adopt a 360 degree approach for evaluation
- ❖ **Conduct an appraisal interview:** Raters must be trained on conducting appraisal interviews. It should most likely to an extent follow a structured approach to avoid biases



It is very important to minimize the rating errors, raters should be avoided like trained to avoid perception errors while like evaluating performances. So, it is that is why like it is important sometimes to get a 360 degree feedback of evaluation so, that the other errors are avoided some rating biases are removed. So, conduct an appraisal interview, raters must be trained on how to conduct an appraisal interview so, and it more or less should form a structured process in order to avoid biases.

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Rater Error Training

The objective of rater error training is to make the raters aware of the errors which they are most likely to make while evaluating the performance of employees.

Rater error training programs does not guarantee increased accuracy but plays a key role in sensitizing raters about errors which if properly taken care of may lead to increased accuracy as many of these errors are unintentional and can be avoided by being conscious

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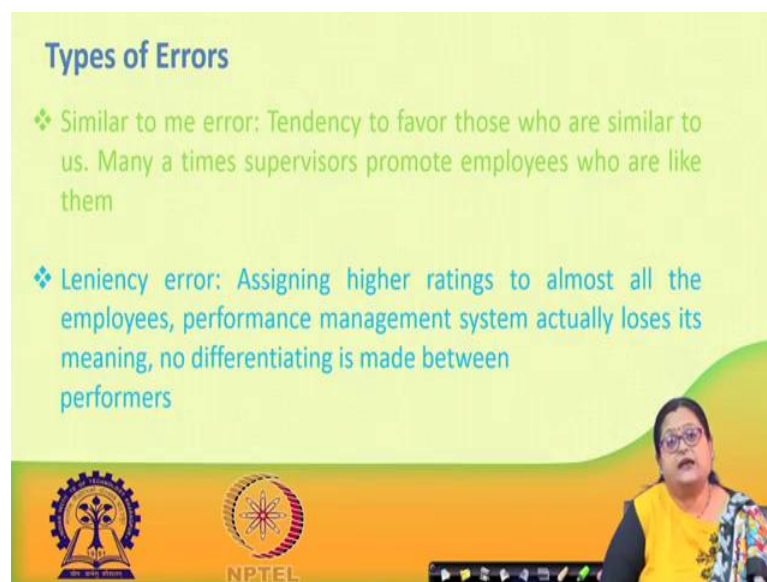
It is important to understand the importance of the rater error training, what happens we understand like the rater is also a human being who may have his own set of standards, values, perceptions, interests and these may act as blocks barriers while rating another person.

So, and that gives rise to rater error, but as we were repeating like the raters are expected to be very unbiased kind of persons not having any either positive or negative feelings about the person about whom the whose performance that the they are going to judge, rather they are going to rate the performance of the person not they are going to rate the performer. So, it should be like the focused on the like performance, but it should it should be separated from whether what are my feelings towards the performer or my any stereotypical biases that I may have about the performer or the maybe the demography that the performer belongs to.

So, it is very important to make the raters aware of the different kind of errors which may happen and those needs to be avoided while evaluating the performance of the employees.

The rater in a training program it does not actually guarantee that it is going to increase the accuracy, but it really plays a very important role in sensitizing the raters about the errors which if properly taken care may lead to increase an accuracy, because many of these errors are unconscious and unintentional and if the people are a bit conscious about it, the raters are bit conscious about it while they are doing the rating many of these errors can be avoided.

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Types of Errors

- ❖ Similar to me error: Tendency to favor those who are similar to us. Many a times supervisors promote employees who are like them
- ❖ Leniency error: Assigning higher ratings to almost all the employees, performance management system actually loses its meaning, no differentiating is made between performers

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The different types of errors that may occur first is similar to me error. So, this is a tendency to favor those who are similar to us, many a times supervisors promote employees who are like them. So, this is one of the errors which need to be avoided. The leniency errors; assigning higher ratings to almost all the employees then in that case actually performance management system loses its meaning, because there is no differentiation is made between the performance.

But, here we have to understand the performance management system has an objective of first differentiating performers maybe into like ABC categories, where the decisions regarding each of these categories of employees are different, like we may try to like see like try to find out what are the good points in the A category people, try to recognize

them, retain them, we need to understand how to improve the B category people into the A category people, what are the type of training that is required for them.

And so, that they can also perform well and what are the we have to do a career planning for them also till what level in the organization that they can be moving up. While dealing with C category people also we need to understand whether they can be developed into B category people, what if given to them, what hand holding supportive given to them, they can also perform well in the organization.

So, the decisions regarding the 3 categories of employees are base should be based on their strength points and well they are what they are contributing and how they can be our aim is to see who is the best one and to recognize them, to make the better, to how we can transform the better into the best and how what we can do to make the good a better one so, and how to like improve on the performances. So, these kind of if everybody is given a high rating then the whole system loses it is meaning.

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- ❖ **Severity error:** Assigning low ratings to all employees, many times done intentionally to shock employees, teach a lesson, build poor record, or to induce employee to leave
- ❖ **Central tendency error:** Assigning middle ratings to all employees, mainly occurs on account of supervisors' desire to play safe
- ❖ **Halo error:** Rating employees high or low on one dimension often neglecting others, leads to skewed evaluation

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Severity error, assigning low ratings to all employees, many times it is done intentionally to maybe shock employees, teach a lesson and build poor record, or to induce employee to leave. So, this is also not proper because every performance should be well mapped with the different matrices and it should be audited properly and which it should be mapped to the points given also what all if done will give you 10 points, what one thing missing, what is one thing critical missing we will give you 9, what two things critically

missing we will give you 8 and so on. So, if possible all the action, action points should be mapped like that so that the severity error is reduced

Central tendency error is assigning middle ratings to all employees. So, this may happen because of the supervisors desires to play safe life like. So, in the sometimes that happens I do not want to displease someone. So, let us give a middle rating to everyone kind of, but again that does not serve the purpose of performance management and also in the if you if you looking into it like in that way actually we are not helping the employee to improve also to know, what are their strengths and what are the weaknesses that they need to work on. So, that they become more equipped they can improve their self efficacy and competency.

So, we should be true to our self and we should be true to the employee also while we are giving a particular evaluation. If the person is good in something we should praise it, if the person needs to improve on something we should try to focus on that, if we feel like the person is to change on certain behavior the ways of doing things, because it is not only detrimental to the organization's purpose.

But, in the long run may be detrimental to the self development of the employees we should be able to speak about it also. But when you are into the central tendency error just in this week we may like try to play safe, but in the long run actually we are at somewhere we are not helping to the employees to develop.

Halo error is rating employees higher low in one dimension often neglecting the others, leads to a skewed evaluation. So, this also needs to be even avoided right. If we understand the performance and each of the dimensions are separate from each other then we need to as I told recognize the things that the good in the person, we have to also focus on what are the things that the person needs to improve and what are the things maybe the person needs to change also.

And, we should not be carried away by you halo error and because performance is multi dimensional in nature and we should not let our judgment and one of the dimension overshadow or color the judgment about other dimensions.

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References:

Performance Management, 2nd Edition by Herman Aguinis, Pearson Education, New Delhi.

Performance Management Systems and Strategies, First Edition, Dipak Kumar Bhattacharyya, Pearson Education (Published by Dorling Kindersley (India) Pvt. Ltd. Licensees of Pearson Education in South Asia.

The slide includes the IIT Bombay logo on the left and the NPTEL logo in the center. A video player interface is visible at the bottom, showing a presenter's video feed on the right side.

So, these are again the references from where these days or based on which this discussion is based and we will like you to refer to these discussions. And, if any queries please try to put it into the forum so, that we will be able to address your concerns.

Thank you.