



EMPLOYEE AND LABOR RELATIONS
INSTRUCTOR'S MANUAL

SHRMTM

SOCIETY FOR HUMAN
RESOURCE MANAGEMENT

Performance Management
and Appraisal

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PROJECT TEAM

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Module Summary

This module explores performance management, specifically how to conduct performance appraisal interviews. It consists of two class sessions and is intended for undergraduate students. It is appropriate for business management and HR students. The first session discusses the performance management process and its link to overall organizational strategy. The second session looks at the performance appraisal interview as a part of the performance management process. The module concludes with students practicing their newly acquired performance appraisal interviewing skills.

CLASS STRUCTURE

The module is designed to be presented in two class periods, with each period extending between one and two hours in length. The time required for class activities is not specified because it will vary based on the instructor's presentation style, amount of class discussion and whether the activities are completed in class or as homework assignments.

OUTCOMES

At the completion of the module, the student will be able to:

1. Relate individual performance appraisal to the organizationwide performance management process.
2. Identify a variety of appraisal methods.
3. Explain HR's role in the performance management process.
4. Revise performance appraisal statements.
5. Practice performance appraisal interviewing techniques.
6. Have the skills necessary to use the performance appraisal process as a positive enhancement to employee performance.

SESSION 1: OUTLINE AND ACTIVITIES

Note: Detailed instructor’s notes for each slide are included in the PowerPoint presentation.

Outline of Topics: Performance Management	Activities
<ul style="list-style-type: none"> I. Performance management <ul style="list-style-type: none"> a. Performance management and performance appraisal b. The performance management process II. Participants in performance management <ul style="list-style-type: none"> a. Organization b. Supervisor c. Employee III. Performance management goals IV. HR’s role in performance management V. Performance management process <ul style="list-style-type: none"> a. Prerequisites <ul style="list-style-type: none"> i. Strategic planning ii. Job analysis b. Performance planning <ul style="list-style-type: none"> i. Planning for results, behavior and future development ii. Writing SMART goals c. Performance execution d. Performance assessment and appraisal <ul style="list-style-type: none"> i. Who should appraise ii. Performance appraisal methods iii. Performance appraisal problems iv. Writing the appraisal document VI. Student activity: Rewriting appraisal statements 	<p>Slide 1: Start the discussion by asking students to comment on their experiences with performance reviews.</p> <p>Slide 2: Objectives: Remind students that at the end of this module they will have the skills to turn the negatives of performance review into a positive experience.</p> <p>Slide 10: Distribute the delivery driver job description. Discuss what makes an effective performance objective using the SMART acronym. Have students practice writing SMART performance objectives based on the delivery driver job description and share their results with the class.</p> <p>Slide 13: Ask students to discuss whether they believe employees should do a self-appraisal. What are the positives and negatives of self-appraisal?</p> <p>Slide 16: Distribute the worksheet on performance appraisal clichés and have students rewrite the clichés and share their results with the class.</p>

SESSION 2: OUTLINE AND ACTIVITIES

Note: Detailed instructor’s notes for each slide are included in the PowerPoint presentation.

Outline of Topics: Performance Appraisal Interview	Activities
<ul style="list-style-type: none"> I. Preparing for the interview II. Conducting the performance appraisal interview <ul style="list-style-type: none"> a. Discussion b. Follow-up c. Appeals process III. Performance renewal and re-contracting <ul style="list-style-type: none"> a. Readjusting if necessary b. Preparing for next performance management cycle IV. Problems with assessment/appraisal <ul style="list-style-type: none"> a. Tied to compensation b. Employees lack motivation c. Disagreement between manager and employee d. Management reluctance e. Lack of documentation V. Issues with appraisal <ul style="list-style-type: none"> a. Legal liability b. Untrained raters c. Rater errors d. Rater distortion e. Lack of grievance procedure VI. Poorly implemented systems <ul style="list-style-type: none"> a. Personnel decisions based on erroneous assessments b. Wasted time and money c. Decreased motivation/increased turnover d. Damaged relationships e. Job dissatisfaction f. Liability risk g. Unfair standards VII. Performance management skills <ul style="list-style-type: none"> a. Communication/coaching/feedback b. Empathy c. Teamwork VIII. Interview techniques and role play 	<p>Slide 18: Open the class by asking students to generate a list of the information and documents they, as managers, should have ready before administering a performance review interview. Distribute the performance review checklist included in the instructor notes.</p> <p>Slide 25: Conclude the class by having students practice interviewing skills. Using the scenarios found in the instructor’s notes, have students act out the scenarios, and after each one, ask the class for suggestions about how Tom should handle the appraisal interview with each employee. Additional instructions are found in the “Activities” section of the instructor notes.</p>

POWERPOINT SLIDES

This module includes PowerPoint slides with explanations and comments for instructors. Comments are accessible in the “notes view” option. The slides are divided into two class sessions. Each session starts with a brief discussion activity. There are additional class activities for each session, and the final slide ends the module with practice for a performance review interview.

CLASSROOM ACTIVITIES

Open the class (Slide 1) with a brief discussion of your students’ experiences with performance appraisals. You will probably hear negative comments about the appraisal process. This is your opportunity to tell them that when properly done, an appraisal review should be a positive experience.

At Slide 10 students are asked to write SMART performance objectives for a delivery driver. This activity could be done in class or assigned as homework. The job description for a delivery driver is included at the end of these instructor notes.

The first class ends with a class activity (Slide 16) asking students to rewrite some common clichés frequently found in performance appraisals. A handout is provided at the end of these instructor notes for this activity. Students could do this individually and discuss their answers with the class, or they could do them in pairs or small groups, depending on what works best in your classroom.

The second class starts with Slide 17. At Slide 18 students are asked to generate a list of things they think they should have ready before conducting the performance appraisal interview. At the end of these instructor notes, there is an Interview Checklist that can be given to students as a handout after the discussion. At the end of this session, you may want to ask students to come back to this list again and add any other information they think may be important.

Performance Review Interviews

The Performance Review Interviews activity includes four different performance scenarios with Tom, a retail manager. Tom is getting ready to conduct appraisal interviews with staff members. He may find these interviews difficult because he and his staff members have different ideas about the quality of their work.

Role Play

To role play these scenarios, you will need participation from eight students. Four of them will play Tom. The other four will play the parts of the employees being appraised. Going into the interview, there are significant differences in how Tom and his employees see the quality of their work. Therefore, give each student a copy of his or her role only. As in real life, managers don’t know what’s in the mind of their employees as they approach their appraisal interviews. Give copies of the complete scenarios to the remainder of the class. After each role play, ask the class to discuss Tom’s interview and give suggestions on how he could best manage the interview process with that particular employee.

Written Paper

If there is not time for the role play, the scenarios could be used as a written assignment. Ask students to write short essays addressing the scenarios and discussing how Tom should manage the interview process with each employee. Students should comment on all three appraisal elements: task accomplishment, behaviors and goal setting.

SUGGESTED TEXT

Aguinis, H. (2007). *Performance management*. New Jersey: Pearson Prentice Hall.

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Activities and Handouts

WRITING SMART PERFORMANCE OBJECTIVES

Write some SMART performance objectives for the job of **Delivery Driver**.

Job Summary

The delivery driver processes and delivers materials, equipment and/or supplies to all campus locations. This position is based on the Dairy Creek Campus, but deliveries are made to all organization locations.

Responsibilities and Duties

1. Sorts, loads, transports and delivers materials, equipment and/or supplies to various locations throughout the college district.
2. Classifies and processes outgoing mail and materials for college operations for accurate and timely dispatch. Sorts and delivers incoming mail and materials. Accesses mainframe computer to research unfamiliar staff members and forwards mail to appropriate locations.
3. Picks up and delivers high-priority materials, equipment and supplies that must be delivered within a specific time frame.
4. Drives van between locations in all types of weather and road conditions.
5. Maintains knowledge of relevant job-related regulations; provides information and assistance to others.
6. Performs and schedules preventive maintenance (i.e., oil changes, chassis lubrication, bulb/fuse/wiper replacement, etc.).
7. Operates forklift, pallet jack and/or hand truck for heavy lifting and large deliveries.
8. Follows safety procedures at all times and uses proper lifting techniques to ensure personal health and safety.
9. Completes hazardous chemical awareness program and maintains up-to-date knowledge regarding safe transport and handling of chemicals and other potentially hazardous substances.
10. Cross trains in other department operations as assigned.
11. Maintains a clean and safe work environment. Follows safety procedures to ensure personal health and safety as well as the safety of others.

12. Participates in initial and ongoing training in the safe handling of chemicals and other potentially hazardous material.
13. Performs other related duties as assigned.

Minimum Qualifications

1. High school diploma or equivalent.
2. Six months of experience making deliveries and sorting materials for routing or filling orders.
3. Ability to organize and schedule work to established, strict timelines with minimum supervision.
4. Ability to work effectively with the public.
5. Ability to comprehend various regulations/policies and communicate to those who are unfamiliar with them.
6. Valid driver's license to operate a motor vehicle in the state and an acceptable driving record.
7. May be required to obtain forklift driver certification soon after hire.

PERFORMANCE APPRAISAL CLICHÉS

You need to improve your productivity.

You get along well with others.

Your skills are not up to par.

You're not trying to do your best.

You're a pleasure to supervise.

You have to prove yourself before I can give you any more responsibility.

PERFORMANCE REVIEW INTERVIEW CHECKLIST

Before you start the interview

Do you know your employee?

- Length of service with the organization
- Date of last promotion
- Experience and educational level
- Current projects employee is working on
- Career goals

Interview checklist: Do you have?

- Employee job description
- Attendance records
- Salary and job grade information
- History of employee's training
- List of training courses available and appropriate for this employee
- Previous performance appraisal documents
- Completed performance appraisal form
- Recent examples of employee's work (if appropriate)
- Examples of work problems you want to discuss (if appropriate)
- Other items appropriate to this employee

Are you ready? Have you:

- Notified the employee of the interview time? Give the employee at least one or two weeks' notice.
- Reviewed your ratings with a peer or with HR before the interview?

PERFORMANCE REVIEW INTERVIEWS

Tom is the department manager of a retail store. He supervises four employees, and it's time for their performance reviews. He has written the documents and scheduled appointments to sit down to talk with each employee. As it gets closer to interview time, all of them are thinking about their performance and what they can expect in their interviews. Let's listen in to what each is thinking.

Tom and Maria

Maria: Oh, this is so exciting! This is my first job, and I've never had a performance review before. I'm a little nervous, but I'm sure Tom just loves my work! I know I was late a few times, and I've had a little problem with the cash register, but I'm really trying. I'm just not used to getting up every day and getting to work on time, and I didn't know you had to be so detailed—it's just retail, after all! But whatever. I'm really friendly with everyone, and I'm having a good time. I wonder if Tom will let me off a little early on Friday. I know Fridays are busy, but I have big plans for the weekend. I'll ask him—I'm sure he'll understand.

Tom: I'm just not sure things are working out as I had hoped with Maria. She can't seem to get to work on time—she was late three days last week and two days the week before. When I talked to her about it, she got here on time the next day, but then she disappeared into the ladies' room to put on her make-up. That's not being on time! And what about the mistakes she makes ringing up a sale? It's not just the prices that are wrong but the quantities and the item codes, too—now our inventory is messed up and accounting is on my back. And besides all that, she spends more time visiting with other employees than she does working. I just don't think she's taking this seriously.

Tom and David

David: September again and another annual performance appraisal. I don't know why we bother. We go through the process every year, set some worthless goals, but nothing ever happens one way or the other. They tell me I'm doing a great job, and then I get a measly 2½ percent raise. Big deal! Oh well, I'm just putting in my time until something better comes along.

Tom: David does a good enough job, but he doesn't show much spark. He just seems to be going through the motions around here. But with the economy getting tighter, everyone perks up with a little more income. I think a raise in pay is just the motivator he needs. It's 2½ percent this year.

Tom and Jason

Jason: Sometimes, I come to work tired in the mornings after going to school at night, but Tom's really helped me by scheduling my shift so I can attend classes. Another six months, and I'll have my bachelor's degree. I've been working really hard, got a wife and three kids to support, and I want to carve out a long-term career. I like this company; some say there's no opportunity in retail, but I don't agree. I think we'll always need good managers, and that's where I want to be. I hope there are opportunities in this company, but if not, I guess, after I graduate I'll be looking around.

Tom: Jason's a good man. In spite of a heavy class load, he always pulls his weight and does a good job. I know when he graduates, he's hoping for a promotion, and I'm not sure if that will be available. I've got to come up with something to keep him on the team. He's exactly the employee we want for the long haul.

Tom and Wally

Wally: I really like working here. After I retired from the plant a few years back, I found out retirement is pretty boring. Now, I get up early again, grab a cup of coffee and come to work raring to go. Not bad for an old guy! It really helped taking that computer class at the senior center. Sure, I'm not a young techie, but I can hold my own, and I think Tom is pleased with my work. I'd like to keep working and stay here for a long time to come.

Tom: I don't know what I'm going to do with Wally. He's been here a couple of years now—management hired him when they thought it would be good PR to hire older workers. I don't know how old he is and I can't ask him, but I'd guess he's at least 140! He's so slow, and he thinks he has computer skills, but that's a laugh. He can't enter anything on the cash register without making mistakes. Maybe a computer class would help, but is it really worthwhile to train older workers? You know what they say about old dogs learning new tricks. I just don't think it's a good idea—he'll probably quit soon anyway.

ACTIVITY ANSWER SHEET

Writing SMART Performance Objectives

These are some suggested SMART performance objectives for the delivery driver position. These objectives address some of the job requirements listed under the Responsibilities/Duties section. Students will likely have other performance objective suggestions. The key here is to ensure the objectives fit the SMART acronym. Some examples:

6. Performs and schedules preventive maintenance.

SMART objective: By Oct. 31, complete inventory of department vehicles and create an Excel spreadsheet to schedule and track completion of preventive maintenance, indicating due date, completion date and responsible party.

9. Completes hazardous chemical awareness program...

SMART objective: Attend and complete (with a minimum grade of C) the Hazardous Chemical Awareness class at the community college during spring semester of 2009.

10. Cross trains in other department operations as assigned.

SMART objective: Work with the safety manager three hours per week between Sept. 1 and Nov. 30 to input safety record data and maintain files of safety requirements and certification.

Performance Appraisal Clichés

These are some suggested rewrites. Students may have other suggestions as well.

1. You need to improve your productivity.

Rewrite: Over the last appraisal period, your productivity has been consistently below standards. I know you are aware of the company policy on production and understand the necessity for bringing your productivity levels back in line with organization minimums.

2. You get along well with others.

Rewrite: You have demonstrated the ability to work well with individuals in the department, and in peer appraisals your teammates have spoken highly of your contributions to project success.

3. Your skills are not up to par.

Rewrite: Though your total production quantity indicates a skill level lower than the average of your department, it is anticipated that with cross training and more time on task, your skills will improve to the level of your co-workers.

4. You're not trying to do your best.

Rewrite: You have a history of strong job performance, but lately your production has been below standards with substantial need for rework. I know you have the skills to be successful, but you seem to lack the motivation to achieve the high standards of the past.

5. You're a pleasure to supervise.

Rewrite: As your supervisor, I appreciate the energy you bring to the job and the enthusiasm with which you tackle even the most difficult assignments.

6. You have to prove yourself before I can give you any more responsibility.

Rewrite: At the end of the next fiscal year and after completing the marketing project, we will meet again to discuss your level of responsibility and growth opportunities.

Performance Review Interviews: Some suggestions for Tom

Tom and Maria

Tom needs to ensure that Maria understands the expectations of her job. Certainly getting to work on time is a basic! Hopefully, Tom has kept a log of Maria's tardiness so he can talk to her about specifics and not make generalized accusations. It needs to be clear to her that she must arrive at work on time AND be ready to work—or a disciplinary action will follow. It also sounds like Maria needs additional training on ringing up a sale. Perhaps an experienced employee could be assigned to work with Maria for a short time before Maria is left on her own. Tom should use the performance appraisal interview time to work with Maria on a plan of improvement.

Tom and David

David has lost interest in his work and has become disenchanted with the performance appraisal process. Tom thinks the raise will help, but David will be disappointed and may wind down even more. When increased compensation seems to be the only point to the performance appraisal and then the increase is small, it presents a real problem for managers. Tom must move away from the emphasis on compensation and find another way to energize David. Maybe David's job can be redesigned to add responsibility and make it more interesting. Maybe David could learn additional skills by cross training in another department or attending training activities. Whatever it is, Tom needs to de-emphasize compensation and spend the time working with David to design a plan for David's career growth and advancement. If not, David will continue to deflate until he eventually leaves the organization. Or worse yet, David will stay on as a non-productive corporate zombie.

Tom and Jason

Tom is lucky to have Jason, but he must recognize that Jason needs career opportunities—or he will be going elsewhere. Tom can help secure Jason's career by acting as his mentor. Tom should delegate some responsibility to Jason to allow Jason to hone his management skills. Tom should also introduce Jason to people in upper management. Jason should be scheduled for job rotations with other departments and wherever possible be included in meetings so he can learn how things get done in the organization. Tom must keep Jason in the loop for any in-house training opportunities that may help prepare him for advancement. Tom should ensure that Jason understands he cannot promise a promotion when Jason graduates, but there are a number of things that can be done to prepare Jason and ensure he is ready when the advancement opportunity arises. It's good for Jason, it's good for the organization, and mentoring a rising star in the organization is a feather in Tom's cap too!

Tom and Wally

It sounds like Tom's gotten sucked into believing all the stereotypes about older workers. Certainly he should be sending Wally to the computer class. He may have a discrimination issue if he refuses to train Wally because he believes Wally is too old. Likely, the class Wally took at the senior center covered only the basics, and now he's ready for more training. Tom needs to ensure that Wally gets the training he needs and some time to practice on the cash register. He should spend the performance appraisal interview time setting goals and establishing a training plan for Wally. Wally seems eager and willing to learn and just needs an opportunity to show his stuff. In spite of what the stereotypes tell us, older workers have strong work ethics and can be dependable, long-term employees.

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