CHAPTER ONE

PREVIEW OF THE STUDY

1. INTRODUCTION

Despite the multiplicity and complex nature of many training and educational programs, most development occurs on the job. But such is slowed and less effective if the employee is not systematically appraised and feedback information provided concerning his or her quality of performance.

Demographic and cultural changes and democracy in South Africa over the past 10 years have resulted in a dramatic increase in the number of women becoming part of the workforce, and particularly in managerial positions. The studies of women in the workplace and associated gender issues have become legitimate and topical area of research (Hind & Baruch, 1997).

Equal opportunities legislation such as the Employment Equity Act, No 55 Of 1998 now ensures that women are able to acquire the educational and technical skills for success. Despite progress being made towards gender equality, there are still real differences between the sexes regarding career development and entry to top management levels. Consequently, Events (1993) suggests that gender-related research should focus on the development of women's career prospects in terms of promotion once organizational or professional entry has been established.

One of the most recent studies on women and work by the International Labour Organization asserts that nowhere do women share an equal status with men, remaining at a disadvantage across different societies, industries and

workplaces (Loutfi, 2001). Gender inequalities is a broad and fascinating topic that can be approached from levels, such as a society's status attainment system, the characteristics of the legal institutions, the cultural and belief systems, and the micro level dynamics of family relations. From this cornucopia of options, I have chosen the gender perceptions and experiences of performance appraisal. In examining gender inequalities among work organisations, one should notice that even among public bureaucracy's women rarely if ever share the same career achievements as men, or obtain similar rewards (Bayes, 1991; Brown & Ridge, 2002; Cousins, 2000; Gornich & Jacobs, 1998). More interesting than just observing this empirical regularity is to analyze how governments are reacting to it. In selected countries, governments have included gender-sensitive programs that guarantee higher levels of equity in the recent bureaucratic reforms (Hyde, 2001; True & Mintrom, 2001). They implemented quota systems, affirmative action legislation, and gender indicators of civil service integration, among some of the most relevant programs (Whitehouse, Zetlin, & Earnshaw, 2001). Observers of the state reform in Australia, which couples gender awareness with organisational transformation by including feminist reformers known as *femocrats* as decision-makers, have commented that the integration of women in the public sector apparatus is difficult to achieve despite all hopes to see greater levels of gender equality (Eisenstein, 1996). Thus, the barriers to gender workplace equality seem to be well-ingrained in organisations that they undermine sex-integration endeavours supported by important political actors and consensus (Cousins, 2000).

It is generally acknowledged that a performance appraisal system forms the bases of promotional decisions in an organization. Performance appraisal has received a lot of attention in the organizational and industrial field. Miller, Kaspin and Schuster (1990) point out that "performance appraisal information is used in a variety of personnel decisions including wage increases, promotions, training

and development, and workforce reductions"(p556). Performance appraisal is one of the most important management tools used by organizations to improve both employee performance and organizational productivity.

2. PROBLEM STATEMENT

Performance appraisal indeed appears to be a problematic human resources activity. An apparent discrepancy in perception and attitude toward performance appraisal appears to be present in most role players and it is from this point of departure that the research is undertaken. The question which needs to be asked is, are there differences in perception of the utility of performance appraisal systems with regards to fairness, ethics, motivation, accuracy, validity, rate error, effectivity and feedback?

3. PERFORMANCE APPRAISAL AS A PROBLEMATIC HUMAN RESOURCES ACTIVITY

Performance appraisal is defined as the process of identifying, measuring and developing human performance. It must not only accurately measure how well the employee is performing on a job, but it must also contain mechanisms for reinforcing strength, identifying deficiencies and providing feedback to employees so that they can improve future performance.

Gerber, Nel and Van Dyk (1998) define performance appraisal as "the process of measuring, developing and identifying human performance. It is a process for strategy implementation, a vehicle for cultural change, and involves communicating a vision of objectives to employees, setting departmental and

individual performance targets, and conducting a formal review of performance." Moon (1993) defined performance appraisal as, "a formal documented system for periodic review of an individual performance".

Performance appraisal is a method of measuring an employee's achievement in an organisation. The importance of performance appraisal cannot be overemphasised. It can be one of the most important measures for managers to encourage and develop an effective and productive work force with high levels of job satisfaction. A good performance appraisal system provides employees with an indication of how well they are doing and provides them the necessary direction to improve their skills (Bayes, 1991).

Employee evaluations take many forms. Some evaluations are confined to oral judgements on the overall competences of workers while others are formalized and quantified assessments on selected work attributes of employees. In the real world, the prototype of performance appraisal that organisations utilise, usually consist of a retrospective judgement by supervisors and managers about a constellation of activities, including objectives and work results, traits and skills of subordinates (Bretz, Milkovich & Read 1992; Landy and Farr 1980).

A performance appraisal system is perceived to be one of the most significant inputs to career planning and management systems in organizations (Baruch & Rosenstein, 1992). One of the goals, if not the most important goal of performance appraisal and review process is to motivate employees. The performance review process encourages employees to put forth their best effort and take initiative to work to achieve both organizational and personal goals.

The appraisal of an employee's performance is a sensitive matter that must be handled with great care by managers and supervisors. The result of the

performance appraisal is directly related to the intrinsic motivation of the employee, his or her self-image and status among fellow employees. The application of the performance appraisal in a scientific manner can have a great effect on the individual performance orientation of employees.

An objective of performance appraisal process focuses on employee job performance toward agreed on goals and not in personality traits (Nelson, 2000). Performance appraisal recognises the employee's contributions towards achieving organizational goals, addresses shortcomings, identifies educational needs and is a meaningful part of a person's career-planning process. It also helps companies to make decisions about promotability, training, staffing needs, salary, and compensation benefits.

The main purpose of performance appraisal, amongst many other purposes, is to improve employee performance in the workplace. It does not entail only measuring and identifying employee performance, but also developing performance. Performance appraisal may be carried out to determine rewards and other employee benefits (Moon, 1993).

Literature to date has helped organisations to adopt more efficient and effective performance appraisal systems and has helped administrators to understand the challenges of objectively measuring behaviour as well as some of the pitfalls associated with employee and supervisor bias in administering performance appraisal (Baruch & Rosenstein, 1992).

Measuring human performance has long been of interest to researchers and practitioners (Arvey & Murphy, 1998; Bernardin & Beatty, 1984; Hyde, 2001). One process in measuring and evaluating human capital that has received much attention in the literature is performance appraisal (Avery & Murphy, 1998).

Previous research focused on developing and honing instruments to more accurately and objectively measure human performance (Tznier, Kopelman & Livneh, 1993). It also focused on the uses and types of performance appraisal systems within organisations (Scott & Einstein, 2001; Lam & Schaubroeck, 1999). Other research focused on supervisory and employee characteristics as sources of potential and actual bias in the performance appraisal ratings (Cleveland & Murphy, 1992; Dewberry, 2001; Feldman 1981; Ford, Kraiger & Schechtman, 1986)

In a simulated study, London and Poplawski cited by Landy and Farr (1980), found that female subjects gave higher ratings on some dimensions but not on overall performance. Hammer, Kim, Baird and Bigoness cited by Landy Farr (1980) however, found that female subjects gave higher ratings than males in simulated work settings, especially for high levels of performance. Both male and female raters often attribute females' success to luck rather than ability (Schneier, Beatty, & Baird, 1987). They suggest however that a counter to this would be to provide performance related data and clearly defined standards. Subsequent studies by Adams, Rice and Instone cited by Latham and Wexley (1994) support Landy and Farr's (1980) literature reviews, showing that rater gender does not have consistent effects on appraisals especially where training has been received. Feldman (1994) suggests that when gender effects do occur, they appear to be the results of comparatively complex attributional processes.

The growing body of literature on developmental job challenge indicates that the process of personal development, stemming from job experiences, differs between men and women. This is largely because the latter receive fewer opportunities to experiences, and thus learn from certain types of developmental assignments (Van Velsor & Hughes, 1990). This may influence perceptions of personal accomplishment.

Alimo-Metcalfe (1994) has expressed concern about three major aspects of the assessment process for promotion regarding women:

♦ Current jobholders, normally men at professional and managerial level usually set the criteria.

♦ The techniques and instruments, such as interviews (often criticized for susceptibility to bias) are often geared to the male gendered content of managerial assessment centres.

♦ The assessors, almost all male, have perceptions of women's unsuitability for management positions.

Besides this perspective, is the acknowledgement (Powell & Butterfield, 1994) that "there has been more speculation than hard evidence offered about what happens when women are considered for top management positions" (p70). The aforementioned perspectives, leads this studies to look at the appraisal process, or the process of evaluating employees with gender sensitivity, on various work-related dimensions. It is acknowledged that promotional decisions will largely be based on appraisal information.

It can be argued that women's experiences of the inequalities in the workplace have led to differing perceptions of career development and opportunities, and to lowered expectations from women's output.

In order to capture the gender perceptions and experiences of the performance appraisal process it is important to look at the performance appraisal interview and those involved. The supervisor and the employee are typically the two individuals involved in the interview. The performance appraisal interview is the crowning event of the performance appraisal system. It is in the performance appraisal interview that the opinions and attitudes toward the performance appraisal capped. "These may be held within a cognitive framework of realism,

resignation and/or rationalization that will affect all work-oriented perceptions" (Hind & Baruch, 1997, p282). Hatfield and Huyseman (1982) pointed out that subordinates perceptions of communication in the workplace could be significant predictors of job satisfaction.

The South African government, in pursuance of creating a balanced civil service, adopted an affirmative action policy to assist in guiding appointments or recruitment, and career advancement for staff members, and especially, the previously disadvantaged groups. It was also to cater for gender equality. This initiative is affected by performance appraisal. This research study attempts to describe employee's perceptions that will have an impact and influence on the effectiveness of the performance appraisal. This study needs to examine and evaluate gender perception and experiences of performance appraisal. The public service management system needs to be seen from a competitive position, in its endeavours to render efficient and effective service.

4. IMPORTANCE OF THE RESEARCH

Le Roux (1989) suggested in her performance appraisal related research that future research in this domain should follow two main directions. Firstly, research should be carried out regarding the accommodation of administrative and developmental aspects of performance appraisal within a single system and the consequent effectiveness of such a system, which considers these aspects individually or jointly. Secondly, the research should also focus on comparisons of the perceptions of supervisors and subordinates concerning performance appraisal.

Emphasis in this study has been centred around the gender perceptions concerning performance appraisal, as well as the aspects of utility, fairness, ethics, motivation, accuracy, validity, rater error, effectivity and feedback, incorporating administrative and developmental aspects. The approach in this study is adopted and includes aspects, which are more in line with features of the performance appraisal system unique to the public organisation.

The importance of the study is, inter alia aimed at developing a measurement instrument that is both valid and reliable for the measurement of perceptions concerning performance appraisal in a South African context, as recommended by Le Roux (1989). It is argued that the results of the study might contribute to the industrial psychological body of knowledge in respect of performance appraisal, but within a South African context.

5. AIMS OF THE STUDY

The first consideration would be to investigate if and how perceptions differ in terms of the performance appraisal system in use, with specific reference to its utility as a career management tool, fairness, ethics, motivation, accuracy, validity, rater error, effectivity and feedback.

A second consideration would be to investigate whether perceptions between these groups differ concerning administrative and developmental aspects.

It is hoped that the results of this study would enable future users of the particular performance appraisal system in use in the public service institutions, to be sensitive towards:

♦ **Firstly**, the correct use and value of appraisal;

- ♦ **Secondly**, the potential problems in the systems; and

- ♦ **Thirdly**, negative and unacceptable sentiments towards performance appraisal. In such a way the results should enable users of the system to modify it if and when necessary.

The bottom line is to be able to change the attitude of workers towards appraisal in order to regard it as a system, which not only, can be administered easily, fairly and efficiently, but is also considered to be useful in terms of the development and progress of employees.

6. STATEMENT OF HYPOTHESES

A significant difference in perception of the performance appraisal system with regard to utility, fairness, ethics, motivation, accuracy, validity, rater error, effectivity and feedback, exists between males and females.

Figure 1.1: Summary of variables and the operationalisation thereof:

Independent variable   Dependent

variable

| **GENDER** | → | **PERCEPTION OF APPRAISAL SYSTEM** |
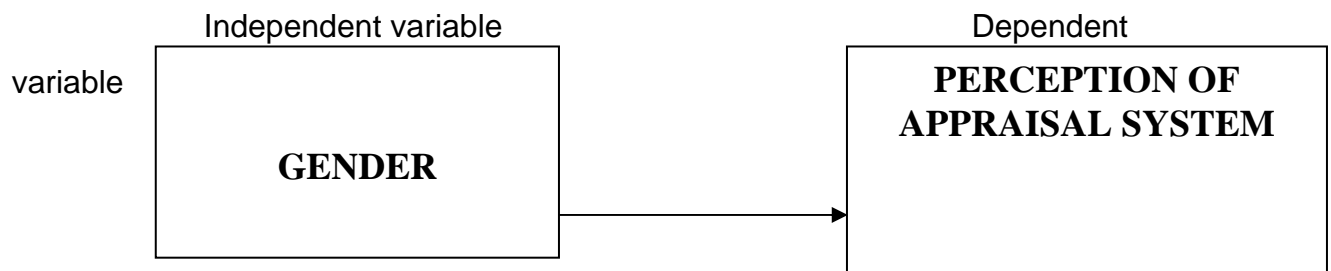
Possible covariates: - age, race, education, and position.

Independent variable: **Gender; MALE/ FEMALE EMPLOYEES**

Dependent variable: **Perception of Appraisal System**

Instrument: measures perception of performance appraisal system. The diagnostic instrument used in this research will be adapted from those used by Mount (1983) and Le Roux (1989) to include aspects which are more in line with features of the performance appraisal system unique to the public service organization. Le Roux used a sub-section (Satisfaction with the Performance and Development Appraisal) of the Leadership Analysis Questionnaire used by Mount in a similar research project.

7. RESEARCH METHODS

The proposed study will be an empirical survey study. For this study questionnaires would be used to collect the data from the respondents. Questionnaires will be personally administered to the respondents to complete on their own. A covering letter explaining the purpose of the study, what it is about and why it is important for the employees to complete the questionnaire for the survey will accompany the questionnaire. The anonymity of the respondents and the confidentiality of the study will be emphasized to further encourage people to take part in the study.

The research study method will be a descriptive study whereby the existence and intensity of variables are to be described. Descriptive statistics is related to statistical result that makes us draw conclusions or inferences from the sample to the population. In this instance statistical manipulation is made to help in describing the phenomena of interest.

The main descriptive statistical methods that will be used are the means and standard deviations. The mean summarises the data to an easily manageable and interpretable form. It gives a clear picture of the general tendencies of the

respondents. These means will be calculated for each item and for each factor of the study in order to observe the general tendency of the responses for each item and factor. Standard deviation indicates the extent to which the sample estimates are distributed around the mean (Babbie, 1992). This form of descriptive statistics would be used here to view the variability of the responses around the mean for each item and factor of the study.

Inferential statistics will also be used to help the researcher understand the relationship between two variables, differences in a variable among different subgroups, and how several independent variables might explain the dependent variables. The data analysis methods that will be utilised to understand such complex data manipulations are correlations, T-Test and Anova.

8. SAMPLING

Stratified sampling method will be used to select the sample in order to ensure representativeness of the province. Although a study on the performance appraisal system in the Public Sector should ideally be conducted in the wider Public Service, this is deemed to be impractical due to the size of the population. It is decided to focus on a conglomerate of State Departments in the Limpopo Province. Again, the size of the population in the whole of the Limpopo rendered any proposed study of this limited nature, impractical and it is finally decided to concentrate the study more specifically on the centralised Head Office (Polokwane) components.

It is however, believed that the population from which the sample will be drawn is representative of the Public Service for the reason:

◆ that with the constant migration of public servants through inter-department and inter-provincial transfers, it can be expected that the application of the system must become more and more stereotyped and therefore suffer similar criticisms throughout the Service.

The sample population will be drawn from two departments, that is Department of Defence and Department of Local Government and Housing. The sample population will include employees representing male and female staff between the ranks of assistant director, administrative officers and clerks. In an attempt to improve the results, questionnaires will be distributed to a sample population of at least fifty for each group (a total of one hundred questionnaires).

9. STATISTICAL ANALYSIS

The aim of the research is to compare if and how perceptions between males and females differ in terms of the performance appraisal system in use in the Public Sector. In order to illustrate or operationalise this aim, descriptive statistics, as well as multiple comparisons will be used. The descriptive statistics consisted of means and standard deviations will also be used of One-way analysis of variance (one-way ANOVA) and Post Hoc Tests. Howell (1990) states that analysis of variance is reputed to be most used technique in contemporary psychological research.

The statistical analysis will be carried out by means of the "Statistical Program for Social Sciences" (SPSS for Windows package, George & Mallery, 1999). T-tests will be carried out in terms of relationships between the independent variables, (males and females) with reference to each of the dependent variables.

10. ETHICAL CONSIDERATIONS

♦ No respondent will be forced to participate in this study.

♦ The participants will be given more information about the nature and the scope of this study.

♦ Confidentiality will be stressed and no identifying details will be required.

♦ The researcher will avoid causing any harm to the subject used in the research.

♦ The research findings will be presented honestly without distortion.

CHAPTER TWO

FACTORS AFFECTING PERFORMANCE APPRAISAL

2.1   INTRODUCTION

Beach (1980) says that people contemplate, form opinions and make judgements, about others on a daily basis. This is done either haphazardly or in a formalised way and because managers must also make judgements concerning their employees on a constant basis as well as considering the consequences, the overwhelming weight of argument must go to a formalised performance appraisal approach. This chapter therefore, handles the gathering and processing of information and concentrates on cognitive processes in terms of making decisions and judgements, and considers factors affecting and influencing these processes.

 It will also addresses the various uses of appraisal, and underlying requirements such as evaluation criteria, measures and standards, which would be in place prior to implementing a successful appraisal system. This chapter forms an important basis for understanding the research.

Furthermore, the underlying success of evaluation is the ability of the appraiser to observe and record behaviours accurately in terms of the constituencies and criteria. In support of this view Milkovich and Wigdor (1991) posit that the goals of appraisal are, firstly, to create the measures which accurately assess the job performance levels of individuals and secondly, to create an evaluation system which enhances the operational functions of the organisation. From the point of view of observation, London (1997) suggests that being a skilled observer is important in terms of having the ability to understand the effects of individual characteristics, the conditions within any given situation and the effects of these

situations on individual. In this vein, Murphy, Garcia, Kerkar, Martin and Balzar cited by Wyer and Srull (1994) posit that, if performance is to be assessed accurately, it must be observed accurately and that theory and data driven processing, demands input which will be representative of the target person's behaviour.

The emphasis of this chapter will therefore, be on factors affecting the gathering and processing of information for the purpose of evaluating workers in the performance appraisal process.

2.2   FACTORS AFFECTING EVALUATION

Before discussing the approaches to performance appraisal in a little more detail, it would be pertinent to review which factors can play a role in the attitude of the rater towards his or her task of having to evaluate a subordinate. This can include the rater's own frame of reference when making judgements, individual characteristics that affect decision making and evaluation measures.

2.2.1 MAKING JUDGEMENT

Consideration will be given to the way in which the appraiser processes information concerning the behaviour of the appraisee. This may affect the appraisal more than the appraisee's behaviour itself, hence appraisal means judgement and information processing, not merely forms (Schneier, Beatty & Baird, 1987). Carroll and Schneiner (1987) describe two classifications of characteristics, which explain judgements. The first classification refers to the information processing function of raters when making judgements. This includes

impression-formation processes and attributional processes. The second classification of characteristics refers to factors external to the rater's cognitive processes such as race, gender, experience, role of the rater, etc.

2.2.1.1   Forming impressions

The process involving the formation of impressions as described by Carroll and Schneier (1987) concerns the making of various inferences about people, based on the behaviour, which is observed. The way the observed behaviour is integrated with the observer's feelings, thoughts, motives, and manner in which the information is selected and processed, will determine how the observer constructs his or her own impression. These impressions of the same person are often quite different. Raters tend to possess their own theories of personality which influence their inferences concerning others (ratees) and these theories, the authors refer to as implicit personality theories.

A further suggestion is that when inferences are made about other people, the characteristics of the person making the inferences are projected onto the one being rated. It has also been said that when raters observe behaviour, they tend to compare it with pre-conceived impressions or images. (Beach, 1980). Feldman (1994) discloses evidence whereby the halo effect is said to find its origin in an overall impression of the ratee. London (1997), on the other hand, suggests that impressions may not be what they seem to be, as individuals tend to manage the impressions, which they are trying to create. This could perhaps be construed as manipulative behaviour, as according to him, people make use of strategies such as intimidation, flattery, self-promotion or ingratiation and acting out of perfect model in an effort to positively influence raters. Villenova and Bernardin (1991), however, view the management impression concept of

London (1997) as two entities by referring to the situation as impression motivation and impression construction. "Impression management refers to ways people try to influence others' perceptions of them" (London, 1997, p128). Impression motivation concerns the intention of ratees to generate specific impressions in order to maximize social and material outcome while impression construction is the process of deciding on behaviours aimed at transmitting a specific image.

2.2.1.2   Attribution Theory

According to Greenberg (1994), "attribution theory" concentrates on a limited set of cognitions or beliefs about the causes of performance. Referring to Weiner's (1998) research, he adds that "attribution theory' proposes that evaluation of the performance level of others is not only based on actual achievement but also on the evaluator's beliefs about the causes of performance. Robbins (1986) and Carroll and Schneier (1987), posit that peoples' perceptions and judgments of the actions of others will be influenced to a great extent by the assumptions they make about the person's internal state. What they are also referring to is the "attribution theory" which has been proposed in developing explanations of what meanings are attributed to given behaviours and how people are judged differently as a result of that. The theory suggests that when behaviours are observed, an attempt is made to determine whether the given behaviours are internally or externally caused (Carson & Butcher, 1992). Internally caused behaviours are seen as those behaviours which are under the control of the individual, while external behaviours are those which result from external causes or the individual being forced into a given behaviour as a result of the situation. The tendency of observers is to attribute the behaviours of others to internal causes while their own behaviours are attributed to external causes (London, 1997). In this sense he refers to the phenomena as attribution bias. According to

attribution theorists, it is important however, for attributions to be present in relationships because they form the basis for continuing evaluations and expectations (Carson & Butcher, 1992).

Robbins (1986) as well as Carroll and Schneier (1987) suggest that behaviours depend on three factors being, distinctiveness, consensus and consistency. Distinctiveness refers to whether the behaviour is unusual or not. If the behaviour is unusual the observer would be inclined to attribute it to external causes, whereas if it was adjudged to be normal, it would probably be attributed to internal causes. Consensus is seen as a situation whereby those individuals who are faced with similar set of circumstances, respond in the same way. External attribution could be expected to be given consensus was high, however if it was low, internal attribution could be expected. Consistency reflects whether or not the individual responds in the same way to situations over an extended period of time. The more consistent the behaviour the more likely it will attribute to internal causes. Schneier et al. (1987, p.153) suggest that the following errors with regard to attributed are the most common in interpersonal judgment settings:

♦ Understanding situation or external causes and over-estimating personal or internal causes of behaviour.

♦ Emphasis situational or external causes by the actors themselves and emphasis on personal or internal causes by observers.

♦ Casual aspects of the environment are seen as those persons or situations, which are novel.

- Tendency to attribute internal causes when the observer is emotionally involved in the situation.
- Internal attributions overstated when behaviour has led to reward.

2.2.1.3 Expectancy Theory

Heneman and Young (1991), remark that according to the expectancy theory, there are three major variables that will determine an employee's motivation to perform. First, the employee must perceive that there is a relationship between her/his efforts and her/his subsequent job performance (expectancy); second, the employee must perceive that job performance will subsequently lead to outcomes such as increase in salary, a sense of accomplishment and recognition (instrumentality) (Heneman & Young, 1991); and thirdly, the employee must find desirable or attractive outcomes that might occur (valence). It should be noted that expectancy, instrumentality and valence are meaningful tool for employees when properly applied. Performance appraisal will, therefore, have a positive impact on the employees' motivation to perform to the extent that it creates an environment (Heneman & Young, 1991).

The appraisal of job performance provides management with the information needed to answer the fundamental questions of how effectively the employees are carrying out their tasks and whether the set objectives are being achieved. The acquired information has to be used as the basis for decisions that need to be taken in order to use employees as effectively as possible and has to be the basic element in the process of staff development.

As such performance appraisal must be transformed into performance management that is a process of managing employees on a basis rather than being used merely to complete a form once a year, so that employees can be

promoted or be given a cash award (Cascio, 1992). According to Pieters (1996), performance management is a set of techniques used by a supervisor to plan, direct and improve the performance of the employees in line with achieving the overall objective of the department. It is a process during which the team leader plans, organises, leads, and controls the performance of the team members, a process for establishing a shared understanding about what is to be achieved, and how it is to be achieved, and an approach to managing employees which increases the probability of achieving job-related success (Hartle, 1995). Performance management is a total process of observing an employee's performance in relations to job requirements over a period of time. Information gained from the process may be fed back via an appraisal interview to determine the relevance of employee and job-group performance to departmental purposes, to improve effectiveness, efficiency and appropriateness of the unit, and to improve the job performance of the employees.

2.2.2 INDIVIDUAL CHARACTERISTICS AFFECTING EVALUATION

Whereas impression forming and attributions referred to cognitive characteristics, this section deals with non-cognitive characteristics. Landy and Farr (1980) posit that the relationship between personal characteristics of the rater and various rating criteria can influence the effectiveness thereof. They suggest that the three main characteristics of raters are demographic variables, psychological variables, and job-related variables.

2.2.2.1   Demographic Variables

Of the demographic variables, the effect of race is concerned; supervisory personnel tend to give higher ratings to subordinates of their own race than to subordinates of a different race (Landy & Farr, 1980). More recent research reveals that the tendency still appears to represent these claims (Feldman, 1994).

The age of raters has also been researched with differing findings. On the other hand Mandell, cited by Landy and Farr (1983), found that younger supervisors were less lenient in their ratings of subordinates whereas Klores, also cited by Landy and Farr (1980), found no effect of age on the way supervisors rated in his study of forced distributions. Feldman (1994) relates research results from Cleveland and Landy whereby some causes of age bias are qualified through situations where workers behaving in a stereotypically young way, are assessed more favourably in jobs typically held by younger persons. The difference is reduced or even slightly reversed in the case of older persons, however.

Education level of raters were researched by Cascio and Valenzi as cited by Landy and Farr (1980) and apart from finding a significant but limited effect of rater education in the rating of police officers (America), their overall conclusion was that rater education has no practical importance in their study.

As far as gender is concerned, the effects of gender on evaluations have been researched the most. In a simulated study, London and Poplawski cited by Landy and Farr (1980), found that female subjects gave higher ratings on some dimensions but not on overall performance. Hammer, Kim, Baird and Bigoness cited by Landy and Farr (1980) however, found that female subjects gave higher ratings than males in simulated work settings, especially for high levels of

performance. Both male and female raters often attribute females' success to luck rather than ability (Schneier et al., 1987). They suggest however that a counter to this would be to provide performance related data and clearly defined standards. Subsequent studies by Adams, Rice, and Instone cited by Latham and Wexley (1994) support Landy and Farr's (1980) literature review, showing that the rater gender does not have consistent effects on appraisals especially where training has been received. Feldman (1994) suggests that when gender effects do occur, they appear to be the result of comparatively complex attribution processes.

2.2.2.2   Psychological Variables

Landy and Farr (1980) stated that although a large number of psychological variables had been studied, only single studies on one variable had been carried out which made it very difficult to come to any meaningful conclusions. Mandell, cited by Landy and Farr (1980) however, found that in respect of self-confidence, raters who were low in this regard were less lenient in their ratings than raters who were high in self-confidence. Schneier cited by Landy and Farr (1980) also reported that the cognitive complexity of raters had an effect on ratings in that they were less lenient and demonstrated fewer restrictions of range with behaviourally anchored scales, than did cognitively less complex raters.

As far as high self-monitors are concerned, they are more accurate than low self-monitors when evaluating, in that they are sensitive to the reactions of others' towards them and that they have an understanding of the behaviour of others (London, 1997). He discusses empathy as a characteristic and states that it is the ability of individuals to understand the feelings, emotions and situations in which others find themselves, while distancing themselves from social

involvement. He also mentions that motivated raters tend to be more accurate because their levels of concentration and their abilities to encode, recall and integrate information are higher than normal.

2.2.2.3   Job-related Variables

Job experience was found to have a positive effect on ratings in terms of reliability, while the performance level of raters themselves also had an effect as to how they rated others (Landy & Farr, 1980). For example, raters who were rated positively on performance level tended to give ratings that were more valid in predicting job performance. While other findings indicated that the ratings awarded by these raters were characterised by the use of a greater range of points, less central tendency, and by greater emphasis on the independent action of subordinates as the basis for ratings (Kirchner & Reisberg; Schneider & Bayroff cited by Landy and Farr, 1980).

London's (1997) approach follows the line of observation skills whereby he suggests that being a skilled observer is a characteristic, which gives a rater the ability to understand the effects of individual characteristics, situational conditions and how situations affect people. He adds that generally speaking, good observers are experienced observers as supported by Schneier et al. (1987). Expertise in rating, he claims, is gained through experience and training with the specific aim of how to avoid bias.

2.3   EVALUATION MEASURES

After having briefly considered the way in which people approach the making of decisions and judgments on appraisals, questions that in practice beg asking are, what is the purpose of the evaluation? What is to be measured, what methods, guidelines or values are to be used in discriminating between levels of performance, and who should do the evaluation?

2.3.1 Purpose of Appraisal

As there are different reasons for evaluations, it is important to establish from the outset, what the specific purpose of a particular evaluation is going to be, or in what context it is going to be carried out so that the instrument, which is to be used, is applicable. Robbins (1986) suggests that the purpose of performance is for personnel decisions, identification of training and developmental needs, validation of selection and development programmes, providing feedback to employees, and as a basis for reward allocations.

Performance appraisal is usually undertaken to provide the information to support human resources administrative and /or for employee development purposes (Gerber, Nel, & van Dyk, 1987). Figure 2.1, below, shows the administrative and the developmental uses of performance appraisal.

The purpose is administrative if performance appraisal is used to assist in making promotions, remuneration adjustments, placements, demotions, retentions, transfers, and discharging poor performing employees. For administrative purposes, an employee is evaluated against job standards, goals and / job outcomes (Carrell, Elbert, Hartfield, Gobler, Marx, & van der Schyff, 1998).

Figure 2.1 Evaluative and Developmental Objectives of Appraisal
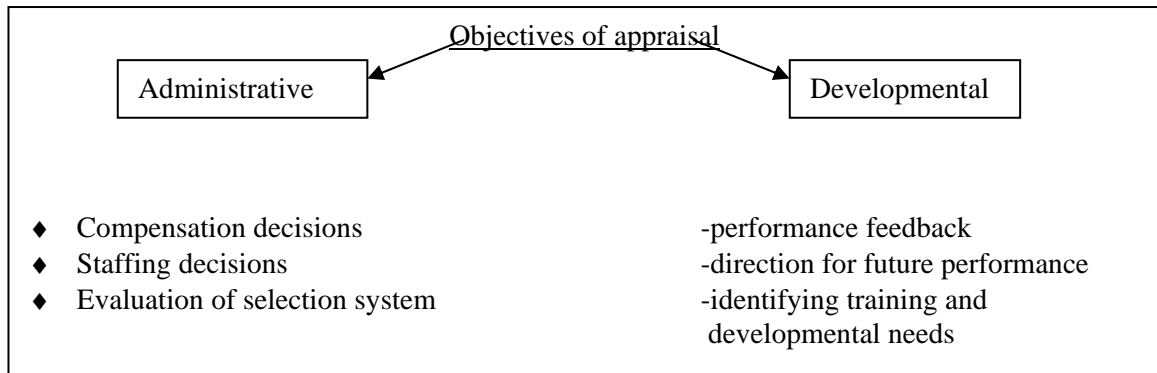
Source: Carrell, Elbert, Gobler, Hatfield, Marx, & van der Schyf, 1998.

Performance appraisal is used for development purposes when it is used for identifying training and development needs, employee feedback giving skills and competencies identification and individual career planning and to effect performance improvement. In this instance the employee is helped to learn, grow and develop skills (Carrell, Elbert, Hatfield, Gobbler, Marx, & van der Schyff. 1998)

Gerber, Nel and van Dyk (1987) whilst including the aforementioned factors, submit a more detailed list of uses for performance appraisal which are embraced by the overall categories of administrative and developmental functions of performance appraisal as follows:

♦ **Salary adjustments**: Decisions on which employees qualify for salary increases.

- ◆ **Inaccurate information**: General performance may indicate problems with job analysis information or effective manpower plans. It can also point out to poor appointment strategies or ineffective training methods.

- ◆ **Career planning**: The provision of important information regarding guidelines on specific career directions.

- ◆ **Improving performance**; Supervisors and human resources management specialists have the opportunity to review the performance of workers and take any necessary steps to improve it.

- ◆ **Training needs**: Poor performance may be indicative of a need for further or corrective training. Good performance on the other hand may be indicative of under-utilised potential, which could justify training and development.

- ◆ **External factors**: Factors such as family, health, financial or other personal problems could affect performance and these factors could be identified through the performance appraisal process, enabling management to lend support where possible.

While the aforesaid authors mention multi-purpose reasons for appraisal, Henderson (1984) mentions research that was carried out at General Electric in the 1960's where the researchers described how pay matters tend to become the overriding consideration for appraisal ratings. When that happens however, the usefulness of appraisal ratings becomes extremely limited. As a result of this, experts have suggested that appraisals for different purposes should be separated. The primary purpose of appraisal however, is to provide a measure of

performance which facilitates continued training and development of the employee (Latham & Wexley, 1994).

2.3.2. Appraisal Criteria

The framework of selecting criteria based on the objective and goals of the organisation can and probably should, include other constituents of the performance appraisal system such as the appraiser, appraisee and human resources researchers (Balzur & Sulsky, 1990). The reason for this is that these other interested parties may have their own objectives and goals. The organisation's goals for instance, may include increased productivity from workers, increased profits, or intra-organisational compatibility as far as functional aspects are concerned. The rater's goals may embrace areas of concern such as the effective use of the system, the improvement of ratee motivation toward tasks and the elimination of role conflict or role overload. Ratees may be looking towards a reliable appraisal system, which provides accurate feedback and whereby job performance and organisational rewards are clearly defined and that these rewards are in fact attainable. Researcher's goals may also include ratings that are accurate and relatively free from rater errors and which allow for the evaluation of assessment system components.

Henderson (1984) who refers to criteria as performance dimensions states that they are features of a job or functions that take place in the job situation which are conducive to measurement. The performance dimensions are able to provide a full description of the workplace activities.

As far as ratees are concerned, the criteria which management elects to evaluate when appraising performance, will have a notable effect on what

employees do (Robbins, 1986). This is critical when attempting to establish goal oriented behaviours rather than task oriented behaviours. An example of this could be observed in the case of a quality control inspector being positively rated for the number of inspections carried out on production articles, rather than on the number of production errors that he or she has identified through the inspection process. Milkovich and Boudreau (1988) posit that it is not always possible to measure results and the pure measurement thereof may provide insufficient information, as well as reducing employee motivation and satisfaction. The inability to measure direct results would be typical of service orientated functions such as public relations.

The three most popular groups of criteria according to some researchers are those of individual task outcomes, behaviours, and traits (Milkovich & Wigdor, 1991; Robbins, 1986). Individual task outcomes measure results and not processes. Behaviours are used when it is not easy to identify the contribution a specific member of a team or group is making to that team or group, or where the member's assignments form an intrinsic part of the overall effort. Traits form the weakest group of criteria in that they are furthest removed from the performance of the job itself but nevertheless, are still used by organisations as evaluation criteria in measuring the level of performance of employees. Criteria should be tailored according to the organisation's objections, to the job, and to the employee's needs (Balzur & Sulsky, 1990; Milkovich & Boudreau, 1988;).

Problems often encountered with criteria are the lack of specificity, ambiguity or incompleteness' of measures, irrelevance, and the poor communication of explicit requirement to ratees (Spangenberg, 1994). Criteria should be clearly defined and verifiable, and in this sense, the better measuring criteria are specified, the less the chance there will be of ambiguity and thus the reduction of distortion (Villanova & Bernardin, 1991).

As opposed to performance appraisal models, the performance management model does not consider job criteria as such but rather looks at broad measures based on negotiation, improvement orientated results, as well as competencies aligned with strategy and values (Spangenberg, 1997).

2.3.3 Who Should Assess Performance

The most frequently and commonly used rater is the immediate supervisor (Beach, 1980; Henderson, 1984; Milkvich & Boudreau, 1988). This situation is unlikely to change drastically because in most cases, the immediate supervisor is the person who is the closest to the worker and is the one most aware of the factors affecting the worker's performance. The most important aspect in this case is that the immediate supervisor knows what inputs the worker has made in achieving the goals of the work unit. It is however not always possible for one supervisor to observe every activity of a worker, Hence it is necessary to gain inputs on performance from others in the system. Robbins (1986) and Swan (1991) suggest that as the number of assessors increases so the probability of attaining more accurate information, improves. In such cases, inputs could be provided by supervisors, self, peers and co-workers, personnel specialists, multiple supervisors, committees, and clients (Henderson, 1984).

London (1997) also refers to multi-source or 360 degree inputs. Multiple inputs in appraisal is very much a feature of the concept of performance management. It is referred to as a holistic approach, since performance has to be managed on five levels of the human performance system being input, output, consequences, feedback, and knowledge, skills and capacity of the worker (Spangenberg, 1994).

Milkovich and Boudreau (1988) posit that the usefulness of performance assessors will depend on the chance they have to observe appropriate work behaviours, the ability to convert those behaviours into performance ratings, and the inspiration to provide fruitful performance ratings.

The opportunity to observe the person being rated is not always available to the rater in which case other persons or groups as mentioned above, may carry out some of the observation functions. In the case of the teams, interpersonal skills from the team members themselves could provide the observation of individual contributions. London (1997) suggests that raters should receive training in observation skills to include the ability to observe cues, encourage self-disclosure and feedback, search for miscon-forming evidence, and to ignore biases. Murphy and Cleveland (1991) say that direct observation is not always possible because of the numerous other demands on the supervisor's time. The proximity of the subordinate to the supervisor is also not always advantageous for single observer processes. Another disadvantage, which can be brought about by such a situation, is the fact that inferences are likely to be made about behaviours, which would be reported by another party. Under normal circumstances, the presence or close proximity of the observer could have an effect on changing the behaviour of the subordinate. Indirect methods of observation include such means as videotapes, letters, reports on behaviour and even rumours.

According to Milkovich and Boudreau (1988), the ability to convert observations into useful ratings should be achieved by reducing rater errors through training. They add however, that according to some studies it is difficult to determine whether the change in rating behaviour subsequent to training, reflected improved accuracy or merely substituted one inaccurate rating process for

another. They suggest that "frame of reference" training would go some way to standardising observation skills with a view to producing useful ratings.

Motivation to provide fruitful performance information is related to expectancy theory and suggests that appraisers are inspired to produce fruitful ratings to the extent that they believe that their endeavours will lead to relevant ratings which will result in desired outcomes and fulfilment of their needs. A large segment of variability in ratings may be directly attributable to high versus low motivation on behalf of raters (Milkovich & Boudreau, 1988)

Referring to motivation, Robbins (1986) argues that performance forms a vital component of expectancy motivation, especially the links between effort/performance and performance/reward. Employees would have to know what is expected of them and how their performance would be measured before they can see effort leading to performance and performance rewards. Employees are likely to work below their potential when objectives they are supposed to achieve are unclear, when the criteria for measuring the achievement of the objectives or tasks are vague, and when they do not have the belief that their efforts will lead to acceptable appraisal of their performance, or that there will be no satisfactory reward forthcoming from organisation if they achieve their goals. This in particular, may be the problem when the criteria used in appraisal instruments focus on activities rather than results, or on personal qualities rather than performance (Gerber et al., 1987).

2.3.4 Appraisal Measures and Standards

The measurement of performance in all jobs, no matter how routine or structured they may be, depends upon external judgement concerning what the important

elements of the job are and how the individual's performance compares with those elements (Milkovich & Wigdor, 1991; Murphy & Cleverland, 1991).

One of the most difficult aspects of performance appraisal, which is awarding a value to any specific function, task or activity and yet it would not be possible to evaluate the worth of anything without having something else against which it can be compared (Henderson, 1984). A measurement process should therefore be initiated which leads to the identification of a specific level or degree of performance. On the other hand, quantifying everything is not the sole aim of appraisal but rather the avoidance of arbitrary, erratic or biased measured (Schneier et al., 1987).

Landy and Far (1983) suggested that dissatisfaction with judgements performance measures stems from the fact that they are open to intentional and even unintentional bias. According to them, it was dissatisfaction which led to the initiation of much research designed to establish bias-free measures.

Philp (1990) mentions that, people tend to prefer being judged against the achievement of objectives, providing that influences such as work conditions and circumstances have been taken into consideration. He adds that the objectives of one work component should not compromise those of another, otherwise it will not be possible to achieve overall performance levels anyway. Performance should be measurable in relatively simple terms, however with more employees working as part of teams as well as producing information rather than products, it would probably be more advantageous in assessing team performance (Spangenberg, 1994). Moon (1997) suggests that apart from being measurable, objectives should be set in such a way that they are agreed upon, specific, and timed. The latter two criteria enhance the measurability of the activity while agreement over the activity will lead to its acceptability. Other factors which

influence the setting of standards by supervisors are their values, attitudes and beliefs (Murphy & Cleveland, 1991).

Carlyle and Ellison (1987) posit that developing performance standards stems from identifying tasks carried out by the worker, grouping related tasks into required elements, and nominating those required elements which are crucial to the success of the performance as critical elements. Performance standards for each task are then developed. Most of the actions mentioned here require some means of understanding the dimensions of the job performance and quantifying performance levels which demands some weighting and analysing tasks or functions.

Robbins (1986) mentions that, just as students prefer receiving grades rather than a pass/fail result, so also should employees. Most people tend to find it more motivational to have their performance measured in terms of degrees rather than attaining a mere minimum standard. The crux of Robbins's theory however, is that performance appraisal systems should influence behaviour and that there should be a benchmark to measure whether it is being influenced or not. This obviously means either the improvement of sub-potential behaviour or the confirmation of good behaviours.

Schneier et al. (1987) identified four symptoms of measurement problem being, role ambiguity, quantification of performance, unclear statements regarding objectives, and appraisals containing only numerical indices. Potential solutions which they offer for these problems are job analysis, identification of job outcomes, setting of overall goals for work units and the organisation, and the training of supervisors to make documented judgements.

2.3.4.1   Weighting

Henderson (1984) highlighted that, if performance dimensions were not weighted or ordered, the assumption could be made that there is no difference between the values of items. He posits that for measurement to be of any use, the assignments of numbers or words to items or events to discriminate between differences, must be descriptive, unambiguous and objective. Since all job requirements are not of equal importance to the organisation, the weighting or ordering of items is necessitated. In this case is important to remember that as time progresses in the activity of the organisation and things change, it can be expected that the weighting of performance dimensions will have to be adjusted accordingly.

Latham and Wexley (1994) when discussing composite versus multiple criteria, suggest that there are at least three methods which can be used in combining performance measures. One method is that each criterion can be weighted equally and although this may not be ideal as also suggested by Henderson(1984), there would be less chance of error if all the criteria were treated as being equally important. Another method is to weight the criteria subjectively with the weights being allocated by experts. The problem with this method is that the experts often disagree with each other. A third method is to have the criteria weighted in terms of their monetary value. The problem here is that not every measure of effectiveness is expressible in monetary terms for each individual worker. In earlier research Bernardin and Beatty (1984), mention three methods for assigning weights to various criteria. The Kelly Bids System is said to be the best method from the point of view of conceptual foundation and practical expediency. It entails the assignment of 100 points by subject matter experts to criterion elements on the basis of relative importance and

subsequently an average is computed across the ratings of subject matter experts.

The Dollar Criterion Method does not present a problem with weighting if performance dimensions are measured on a monetary scale. The dollar criterion can produce high criterion relevance which facilitates direct calculation of the value based selection processes (Bernardin & Beatty, 1984).

The Kane Method is based on the allocation of the level of specificity when assigning the importance of weights. The central issue in this method is the selection of the level of specificity for all elements, based on the most narrowly defined component for any one element (Bernardin & Beatty, 1984).

Accuracy and the ability to discriminate between levels of performance should be high priority in any process and the use of factor analysis as a technique for assigning weights to performance dimensions could be considered (Landy & Farr, 1980). The weights would represent relative importance and could be calculated on the basis of variance. From the point of view of assigning statistical weights as against arbitrarily assigned weights, it was found that there was no significant difference. Several researchers' work quoted in the same review (Carter; Buckner; Dingman, cited by Landy & Farr, 1980) recommend that multiple ratings would be desirable and that such ratings would improve criterion reliability.

Quantitative or psychometric measures tend to transform the concept of performance appraisal into a test situation where performance is evaluated against criteria of validity, reliability and freedom from bias (Milkovich & Wigdor, 1991). What has to be borne in mind according to them is that performance

appraisal differs from typical standardised tests in that they should be a combination of the scale and the person who completes the rating.

2.3.4.2   Job Analysis

A number of job analysis approaches have been developed over the years as a means for understanding the dimensions of job performance. These approaches include the job element method, the critical incident method, the U.S. Air Force task inventory method, as well as methods such as the Position Analysis Questionnaire and the Executive Position Description Questionnaire. All the methods share some assumptions with regard to good job analysis practices and are based on a variety of empirical sources of information. These sources include surveys, systematic observations, interviews with workers and supervisors, reviews of job-related documentation and self-report diaries.

Information gleaned from these sources provides detailed descriptions of job tasks, and/or personal attributes and behaviours (Milkovich & Wigdor, 1991). According to Robbins (1986), job analysis involves the development of detailed descriptions of tasks which are part of the job, determining relationships between jobs and then, determining what skills, knowledge and abilities would be necessary for the incumbent to possess in order to be successful.

Latham and Wexley (1994) posit that bearing in mind that job analysis identifies the criteria important for determining whether workers are performing the job effectively, it should serve as the basis for the construction of appraisal instruments. They add that the primary advantage of job analysis is that human resources experts or consultants are able to develop more accurate scales which enhance the evaluation of productivity. Beach (1989) posits that job

analysis also clarifies what has to be done to successfully carry out a specific job and should be written so that there is a record. Henderson (1984) divides job analysis input into two categories being, major activities and task analysis. He adds that another important aspect of job analysis is that any other person who, by following the same procedures, should be able to replicate the results. This would enhance both inter-observer and test-retest reliability. Job analysis will also indicate whether an appraisal instrument has content validity by revealing to what extent the worker is assessed only on job related factors. Latham and Wexley (1994) continue by saying that a primary advantage of job analysis is that appraisal scales can be developed to assist people in making more accurate evaluations of themselves and others.

Of the seven methods of job analysis, the critical incidents technique and the functional job language method received the highest ratings for the purpose of appraisal development (Bernardin & Beatty, 1984). Milkvich and Wigdor (1991), claim that, although job analysis provides information on the specifications of critical elements and standards, it cannot replace the judgement of assessors in the performance appraisal process.

2.4   SUMMARY

This chapter has considered factors concerning the gathering and processing of information that may have an effect on performance appraisal. Whether the assessment or management of work is called performance appraisal or performance management, it is obvious that most of the factors discussed here cannot be divorced from any appraisal process and therefore, they need to play an important role in any assessment system.

It is of critical importance that the entire performance appraisal process emphasises the correct criteria and accurately evaluates actual job performance accordingly, because if this is not the case, there will be a danger that employees are either over or underrated (Robbins, 1986). The importance of having a well-grounded system will become evident in the next chapter when elements of the appraisal process are discussed.

CHAPTER THREE

THE PERFORMANCE APPRAISAL PROCESS

3.1. INTRODUCTION

The importance of this chapter is to focus on the appraisal process, purpose of appraisal, the classification of appraisal methods, types of ratings, typical rating errors, and other factors affecting appraisal such as the environment, feedback and motivation, and ethical aspects. Problems concerning appraisal are discussed together with a look at the characteristics of effective appraisals. Finally the chapter considers performance appraisal as a part of performance management. These considerations are important and form the basis of the most commonly and typically researched factors of performance appraisal as a Human Resource activity.

In view of the above it would be pertinent to reconsider the definition of performance appraisal. Some have already been given in chapter one, and it is not the intention to develop a new or different one at this stage as most definitions include the basic fundamentals of performance appraisal. Schuler (1981, p.211) describes performance appraisal as, "a formal structured system of measuring and evaluating an employee's job-related behaviours and outcomes to discover how and why the employee is presently performing on the job, and how the employee can perform more effectively in future so that the employee, the organisation and society will all benefit". Elements of this holistically stated definition also technically satisfy the requirements and purpose of performance management.

Definitions infer purpose and it is the intention in this chapter to briefly consider the purpose of performance appraisal while also discussing a number of facets involved in the performance appraisal process as mentioned above.

3.2   OBJECTIVES OF PERFORMANCE APPRISAL

Performance appraisal has been extensively researched. Some research has been approached mainly from the point of view of the employee while the approach of others is mainly from the point of view of the organisation. Balzur and Sulsky (1990) suggest that there should be four basic constituencies who have an interest in evaluating the effectiveness of a performance appraisal system. Firstly, is the organisation which sponsors and supports the system; secondly, the raters responsible for carrying out the appraisals; thirdly, the ratees who are rated through the system; and fourthly, internal or external researchers. These four groups represent most of the individuals with a vested interest in the performance appraisal system.

Each of the groups mentioned above would be expected to have goals for the appraisal system. For example, organisational goals may include employee productivity, improved service delivery, improved efficiency, and compatibility with other organisational functions. Raters may focus on changing ratees' attitudes towards appraisal by simplifying the process and attempting to improve work motivation while trying to eliminate role conflict or role overload. Goals in respect of ratees on the other hand, may include appraisal systems which can be trusted, which clarify relationships between performance and rewards, whilst making rewards more accessible, and which provide efficient feedback which can be used to direct future performance. Lastly researchers' goals may encompass evaluations which are very accurate and free from traditional rater errors, which lead to the understanding of underlying psychological processes of

raters and rater/ratee attitudes towards performance appraisal in terms of other work attitudes such as job satisfaction, turnover, etc.

Latham and Wexley (1994) narrowing the field slightly more by categorising the objectives of appraisal into two main categories being administrative and developmental. The former concerns decisions on promotions, transfers, demotions, layoffs, terminations, salary increases, bonuses, etc., while the latter has to do with enhancing the individual employee's abilities, skills and motivation. Landy and Farr (1980) follow a similar approach in their study, while Murphy and Cleveland (1991) posit that information from performance appraisal has, from an historical point of view, been used mainly as a basis for administrative decisions. In more recent years however, the purpose of appraisal has extended to include feedback and the development of employees, as well as for organisational planning (Drucker cited by Murphy & Cleveland, 1991). Philp (1990) says that organisations invest liberally in machinery, equipment and services, ensuring that they provide exactly what their suppliers claim but when it comes to one of the most expensive resources such as people, the function of measuring performance against results is not carried out with the same objectivity. He adds that the least employees would want to know what is expected of them, how these expectations are going to be measured, and how they are progressing.

3.3   CLASSIFICATION OF APPRAISAL METHODS

There are a number of different types of appraisal instruments in use throughout organisations and the instrument in use lies at the core of the appraisal system (Latham & Wexley, 1994). They add that the appraisal instrument is the basis of setting goals and as such, directly affects the employee's motivation. Appraisal

methods may be broadly classified into three groups being, individual appraisal method which are essentially directed at the individual worker, multiple appraisal methods which are directed at groups, and other methods such as assessment centres.

Gerber et al. (1998) differentiate between three major categories of performance appraisals. These are individual appraisals, multiple appraisals and other performance appraisals. Each of these categories has different types/ techniques/methods of performance appraisal. The management should do its utmost to choose an appraisal method that best suits the type of the job that will be appraised as well as the departmental and organisational requirements.

3.3.1 Multiple Performance Appraisal Methods

This category refers to methods that make comparisons between, or rank employees. These are ranking methods i.e., comparing one employee with another, as against rating systems that compares employees against a standard. Murphy and Cleveland (1991) suggest that the psychological processes involved in each method are different; however ratings and rankings often produce similar results when rating the performance of groups. The difficulty of discriminating between performance levels with the ranking method is that as the group becomes larger so it becomes more difficult to differentiate between the performers in the middle of the group. The best and worst performers are easily identified but the differences become less defined as the middle of the group is approached. However, the forced-distribution scale does provide a partial solution to the problem by enabling the supervisor to sort subordinates into ordered categories.

3.3.1.1 Forced-distribution Method

In this method the rater is required to distribute the employees into a limited number of categories, which are determined by specified percentage groups. For example, if the total group were to be distributed into five separate sub-groups, the lowest ranking subgroup may be allocated to the 1-15% category, the next sub-group to the 16-35% category, the middle sub-group to the 36-65% category, the following sub-group to the 66-85% category and the last sub-group to the 86-100% category (McCormick & Ilgen, 1985; Milkovich & Boudreau, 1988). Each of these categories could be coupled to a classification of unacceptable, below average, average, above average, and superior performance (Henderson, 1984). This method is particularly useful when working with a large number of employees.

3.3.1.2 Rank-order System

With this method the rater merely ranks the ratees and each ratee's rating is then determined by the position of the rank he or she has been allotted (McCormick & Ilgen, 1985). This method is more suited to situations where there are not many individuals in a group. More complex procedures would be required for larger groups who need to be ranked (Landy & Farr, 1983).

3.3.1.3 Paired-comparison Method

With this method every employee is rated in comparison with every other employee on the rating factor. The rating is normally done with cards (called the

deck-of-cards procedure) or slips of paper on which the names of a separate pair of individuals or a list of all pairs appear. The raters mark the ratees who are deemed to be the better on a particular rating factor and the total number of choices for the ratees can be used to determine their ranking or can be translated to a value scale (McCormick & Ilgen, 1985). The problem with this method, as mentioned earlier, is when the group becomes particularly large. However, the problem can be overcome by either dividing the total group randomly into two sub-groups and rating the pairs in each sub-group separately, or deriving from a matrix of pairs, a patterned sample of pairs.

3.3.2 Individual Performance Appraisal Methods

These methods are concerned with measuring the performance level of an employee as an individual.

3.3.2.1   Behaviour Observation Scales

Behaviour Observation Scales (BOS) uses the same class of items as Mixed Standard Scales (MSS)which make use of behavioural examples, but the evaluation is different because, rather than evaluating each ratee, BOS requires from the rater a description of how frequently each behaviour occurs over the appraisal period. This is said to remove a lot of the subjectivity, which is usually attendant in evaluations. However, critics of BOS suggest that the process of judging behaviour is just as subjective as the process of forming evaluative judgement.

Murphy and Cleveland (1991) are not enthusiastic about any advantages which BOS might have because they suggest that raters do not respond to the behavioural orientation of the scale, but rather use overall subjective evaluations to direct their ratings. They further suggest that this type of scale may in fact disguise the inherent subjectivity of evaluative judgement by using apparently objective phraseology.

3.3.2.2   Behaviourally Anchored Rating Scales

Behavioural Anchored Rating Scales (BARS) make use of behavioural examples of direct levels of performance in the definition of the dimension being rated, as well as the performance levels on the scale in clear behavioural terms (Murphy & Cleveland, 1991). Scale development may take time but normally result in scales which are clearly defined and well accepted by rater and ratee. Latham and Wexley (1994) state that BARS are sometimes referred as Behavioral Expectation Scales (BES), whereby each behavioural example or anchor, is expressed in the form of an expectation. The development of BARS for any given job is time consuming and the procedure includes obtaining critical incidents, developing performance dimensions, scaling of incidents and developing the final instrument (McCormick & Ilgen, 1985).

It was initially thought that BARS were more objectives than graphic scales and that more accurate ratings could be expected as a result of being able to define performance in behavioural terms. Subsequent research however, changed this opinion to the extent that the utility of BARS was questioned especially in terms of time and cost. Despite this, BARS were found to have the advantage of being accepted by users mainly because of the sense of 'ownership' engendered during the process of setting up mutually approved performance levels. A major

advantage that rating scale techniques have in common is that they require a measure of employee performance on a number of dimensions or factors (Beach, 1980). He adds that the main criticism is that the evaluation of common personality traits tends to be a subjective process.

3.3.2.3 Management by Objectives

Although management by Objectives (MBO) is not essentially a performance appraisal process it does represent a means for defining goals, objectives and priorities against which an employee can be measured (Henderson, 1984). The nature of MBO aligns itself more with the evaluation of managerial performance. Lower level employees will be more involved in routine day-to-day task oriented work. Therefore it would be meaningless to set long-term goals and objectives with the latter.

A danger of MBO is that goal and objectives, which are set, may either be too easily achieved or quantified as well as not being applicable. The success of MBO therefore, rests in the ability of the supervisor and the subordinate to be able to define meaningful goals and objectives.

3.3.2.4 Performance Distribution Assessment

Performance Distribution Assessment (PDA) is described as being more sophisticated than BOS are, in that raters must indicate the frequency of different outcomes, which indicate explicit levels of performance on, given dimensions (Henderson, 1984). The scale affords the choice, for example, of the most effective outcome and the least effective outcome of a given job with the

alternative of several intermediate outcomes. The rater is required to assess the frequency of each outcome of each ratee.

According to Murphy and Cleveland (1991), a potential advantage of this scale is that the rater is able to consider both the variability as well as the average level of performance in forming an evaluation. Henderson (1984) on the other hand, names several advantages, which this method should have over others. Firstly, he states that the contents can be arranged to suit each individual ratee's position, while at the same time it provides scores on a ratio scale, which allow for direct comparisons between the jobs. Secondly, the extent to which factors beyond the control of the individual ratee, affecting his or her evaluation, is excluded from the score. This would be a very welcome facet of any appraisal system especially when coupled with the negative aspects of the attribution theory. Thirdly, it allows for the scoring of each job function to be scored for its consistency, while avoiding the negative and average outcome levels. Fourthly, it attempts to minimise rater bias by requiring information at a very elementary, non-evaluative level.

3.3.2.5   Graphic Rating Scales

These scales represent the simplest form of scale format whereby the raters record their judgments about specific performance behaviour, on a scale which can be used to obtain numeric values that correspond with the rater's evaluation of the employee (Latham & Wexley, 1994). Simplicity is the main advantage of this type of scale while the main disadvantage has been identified as the lack of clarity or definition. The system is the most widely used performance appraisal technique (Gerber et al., 1987; Daley, 1992; Milkovich & Boudreau, 1988) and is

the system together with the critical incident method, which is currently in use in the researched organisation.

3.3.2.6   Critical Incident Technique

With this method the supervisor records effective and ineffective behaviours over the appraisal period. Critical incidents are then divided into categories and at the end of the appraisal period the incidents are rated (Gerber, et al, 1987; Milkovich & Boudreau, 1988). The method requires relatively close and continuous observation by the rater and like the essay method, is time consuming. The rater is also required to have good analytical abilities, as well as good verbal and writing skills. Raters with these attributes could be an advantage or disadvantage to the ratee in that their skill or lack of it in reporting could unfairly influence the review either in favour or against the ratee (Henderson, 1984). Henderson adds that although the technique was designed to eliminate subjectivity, it has not in essence, reduced rater bias because raters may be inclined to avoid reporting on events that may be detrimental to an individual or even negatively reflect on their own managerial ability. This method is also not easily quantifiable as it makes use of relevancy scales.

The advantages of the technique are that its focus is on actual job behaviour and not on impressions of inconclusive traits. Continuous observation is also required from the supervisor, which means that the supervisor is constantly aware of the performance levels of his or her subordinate (Henderson, 1984).

This technique, along with the graphic rating scale method is in use in the organisation, which was selected for the purpose of this research. However the tendency is that ratees are required to record or log their own incidents. The

reason for utilising the graphic rating scale along with this method appears to be an attempt to quantify incidents in order to arrive at an overall performance classification, which is then used for determining the promotability of employees.

3.3.2.7 Forced-Choice method

In this case the assessor is expected to choose from a number of alternatives, the one statement, which best describes the behaviour of the appraisee. There are normally a number of homogenous categories into which the questionnaire would be divided (Gerber et al., 1987). The crux of the method lies in developing the statements and categorising them into groups (McCormick & Ilgen, 1985).

3.3.2.8 Checklists

Henderson (1984) mentions three types of checklists being Simple checklists, Weighted checklists and Sophisticated checklists. The simple checklist method is classified as a preferential choice/proximity instrument and is based on a list or lists of job requirements, behaviours, or traits. The lists may include anything from fifteen to fifty descriptions from which the rater may choose those descriptions, which most accurately indicate the performance of the ratee. The rater therefore, makes a preferential choice, which most accurately reflects the workplace activity demonstrated by the ratee.

The weighted checklist method is a little more sophisticated and takes the checklist a step further by adding a weight to each item that facilitates the possibility of developing greater accuracy on rating scores. Numerical values are

assigned to items through the application of psychological and statistical procedures that also take into account job analysis data.

Instrument using sophisticated checklists has been designed to reduce rater manipulation. They are classified as preferential choice/dominance instruments, which mean that the rater, when making a judgment, makes a preferential choice of a dominant activity demonstrated in the work situation. The checklists include lists of acceptable and unacceptable behaviours or traits. The rater then has to make choices, which most accurately describe the ratee, from a list of which the items appear to be comparable but which in effect have different psychologically based weights. Methods, which fall into this category, are the forced-choice checklist and the mixed standard scale (both of which have been mentioned).

3.3.2.9   Essay Method

With this method the rater describes the ratee in terms of a number of broad categories. These categories include the rater's overall impression of the ratee's performance, the promotability of the ratee, the work the employees would be qualified or capable of performing, the strengths and weaknesses of the employee, and the requirement for training and development (Cascio, 1986; Henderson, 1984). This method is most often used in conjunction with other methods. The main disadvantage is that it is time consuming and requires well-developed powers of recall and writing skills from the rater. Another major disadvantage is that criteria of measurement are not clearly stated and the rater is able to write almost anything in justifying his or her evaluation, which could even be based on gut-feelings (Swan, 1991).

3.3.2.10   Mixed Standard Scales

Although Mixed Standard Scales (MSS) make use of behavioural examples, the response format is different to that of BARS. For each dimension there is an item describing good, average and poor performances respectively and the rater responds to the MSS by recording against each item whether the ratee's performance is better, about equal, or worse than the behaviour described. These ratings are then translated into an overall numeric score for each dimension (Henderson, 1984).

The advantage of MSS is that it simplifies the task of the rater; however the main disadvantage is the complexity of its scoring system in that raters do not know which items measure which dimensions or how the ratings are translated into numeric values. This situation could possibly not lend itself to successful feedback.

3.3.2.11   The Field Review Method

This method involves the rater who normally is a member of the personnel department, a staff member of the specific work unit or an external consultant. The rater interviews the supervisor of the ratee as well as other members of the organisation who are in a position to give inputs into the job performance of the ratee. The rater then rates the ratee based on the responses to questions, which he or she poses to this group. The method does not make use of standardised questionnaires or rating factors but normally has some type of structure, which leads to typically qualitative ratings such as outstanding, satisfactory or unsatisfactory (Henderson, 1984). The advantage of the method is that it makes use of well-trained and largely independent and unbiased raters who, together

with the direct supervisor, are able to concentrate more on the process. One major disadvantage is the cost factor of having an additional person involved in the process.

3.3.3 Other Appraisal Methods

A major appraisal method, which is widely used, is the assessment centre, which has been developed mainly to facilitate the identification of management potential. In an assessment centre selected personnel are evaluated by means of in-depth interviews, psychological tests, and various forms of appraisals by employees, psychologist and/or managers. Attendees conduct group discussions, and are also subjected to simulated work oriented exercises, e.g. in-basket, leadership, decision-making, and observation exercises. Study by Gerber et al. (1987), indicates that the information gained from all these activities provides extremely valuable data for management development and placement decisions.

3.3.4   Summary

Cleveland, Murphy and Williams (1989) suggest that there are several reasons for the need to make distinctions between individuals and within individuals when effecting performance appraisal and hence, the choice of method could be critical. According to them, evidence exists that rating has an effect on the process as well as rating outcomes and because of this; ratings carried out for multiple purposes could be different from those carried out for single purposes. There is also evidence that accuracy during inter-individual differentiation is independent of accuracy during intra-individual differentiation. They also indicate

that when there are multiple rating purposes, raters tend to review each purpose but then complete the appraisal form with the one most important purpose to them in mind.

A further consideration when deciding on the method/s which should be utilised when appraising large diverse organisations is whether the method/s and instrument/s to be used, are applicable to all the staff of such an organisation, or different methods must apply to different levels of staff. From this a question could be posed as to whether a single method can be used successfully for a diversity of occupational functions or for a relatively deep hierarchical structure?

In this regard, London (1997) does not specifically mention whether a single or more than one instrument should be used by an organisation in its appraisal system. He does suggest however, that discussions with respect to different aspects such as salary implications, motivation and development should be carried out independently of each other. Harackiewicz and Larson cited by Lathan and Wexley (1994) support this view, where they quote that 81 percent of respondents in their research indicated a preference to have discussions on salary and performance separated. A counter claim by Prince and Lawler cited by Latham and Wexley (1994) suggested that the inclusion of discussions on salary during the performance review were important to employees, albeit at the lower levels of organisation. The underlying reason for this they say is that employees can relate areas of specific performance, which are viewed as valuable by the organisation. Once again no mention is made of whether there are separate instruments for salary and performance considerations but the assumption can be made that both aspects are served by one instrument and that the controversy refers only to post appraisal discussions.

CHAPTER FOUR

METHODS OF PERFORMANCE APPRAISAL

4.1   INTRODUCTION

A number of systems have been considered as methods of appraisal, which can be used. The logical consequence would be to consider how these methods would be applied and who would carry out the rating? Hedge and Borman (1995), discuss several types of ratings such as supervisory ratings, self-ratings, peer ratings, customer ratings and subordinate ratings.

4.2   TYPES OF RATINGS

4.2.1   Supervisory Ratings

The classic role of supervision has tended to be minimised by Computer-based technologies, especially where semi-autonomous groups are concerned. The structure of the organisation may lend itself to close supervision but because of the rapid changes in technology, supervisors may find their knowledge becoming dated which would undermine their role and consequently, would not be viewed as a competent judge of performance by the subordinate.

Latham and Wexley (1994) stated that most organisations surveyed by a leading American research institution made almost exclusive use of supervisors in carrying out employee appraisals. They added that it was logical to assume that the person who was responsible for rewarding good performance should also be the one to carry out the appraisal. Furthermore, despite the fact that changing

technology and work methods may have a significant impact on the working relationship between employee and supervisor, it does not seem likely that there will be any drastic changes to the situation whereby the supervisor will remain the primary source of appraisal in the future (Hedge & Borman, 1995).

4.2.2   Peer ratings

Peer appraisals consistently prove to be reliable mainly for the reason that multiple inputs tend to be relatively free of biases and idiosyncrasies that may be found when a rating is carried out by a single rater (Hedge & Borman, 1995). This method is obviously more suited to a group or team oriented situation. Raters and ratees better receive peer ratings when they are used for developmental purposes (McEvoy & Buller cited by Howard, 1995). Despite DeNisi and Mitchell's (1978) fear that friendship may affect peer evaluations, research carried out by Love (1981) found that through comparisons of peer nominations, and rankings, each method elicited valid and reliable results and none were biased by friendship.

Peer ratings are also used in the armed services where they are often referred to as 'buddy' ratings (Swan, 1991). When they are used in organisations outside of the armed services however, they are not well accepted by raters or ratees (Murphy &Cleveland, 1991).

Latham and Wexley (1994) found that reliability and validity co-efficient are generally higher for peer ratings than for supervisory ratings. Hedge and Borman (1995) also found that reliability is positively affected as a result of the inter-actions between peers on a daily basis and the fact that they have greater

access to work-related information than others do. This is largely due to the fact that peer appraisals are normally carried out anonymously.

4.2.3 Self Ratings

As opposed to peer ratings, which are said to be suited to a group or team-oriented situations; self-appraisal is more suited to employees working in isolation (Hedge & Borman, 1995). This type of rating seems to have elicited a fair amount of support and counter support from a number of researchers. Those who support the method suggest that, from a developmental perspective, self-appraisal forces the employee to focus on what is expected in the job as well as allowing the supervisor to observe how the subordinate perceives his own level of performance. This would obviously help in the solution of differences of opinion. Those researchers who do not support the method suggest that self-appraisals are unreliable, biased and inaccurate compared to other rating methods.

London's (1997) view is that there is a natural tendency for people to over-estimate their own abilities or performance levels and are inclined to think that others rate them at the same level as they would rate themselves. He adds however, that people generally attempt to evaluate themselves accurately and that self-appraisals assist them in understanding their work environment and the demands that are placed on them. In practical terms, the concept of self-appraisal lies at the core of self-management and as such, the requirement for supervision from the point of view of monitoring work behaviours, decreases (Latham & Wexley, 1994). Self-appraisal may fulfil a useful function especially when the reason for the appraisal is aimed at promoting self-development (Gerber et al., 1987).

4.2.4   Subordinate Ratings

This is something, which is not really practised on a wide scale, Hedge and Borman (1995) claim that, although there is evidence to suggest that it is on the increase, there is no empirical research to support upward appraisal for any purpose. It has been suggested that subordinate ratings could assist management in identifying supervisors who are suitable for advancement due to their skills in managing people. The objectivity of subordinates' ratings causes some concern, especially where lenient supervisor receives better ratings than a stricter supervisor in a situation where such a lenient supervisor is likely to be promoted to a position more beneficial to the subordinates. Other advantages of subordinate ratings have been suggested, such as team development and an improved understanding of each other's functions.

4.2.5 Multi-source Ratings

Multi-source ratings refer to ratings which, as the term intimates, include inputs from subordinates, peers, supervisors, internal and external customs, or some combination of these and is sometimes referred to as a 360 degree rating (London, 1997). He adds that ratings are collected by the normal means and a modern trend is to collect information on a quarterly basis for the provision of feedback to managers. Swan (1991) points out that not all managers or supervisors have direct contact with their subordinates on a daily basis, therefore inputs from other sources are essential in producing a more accurate or comprehensive appraisal. Multi-source feedback is growing in popularity and importance as a method for assessing individuals and for providing them with input for development. Providing information on worthwhile directions for learning and growth does this.

Other advantages of the multi-source rating system are that different sources provide different perspectives, which give a more substantial base for observation. Multiple rater sources tend to be more accurate and they may also highlight inconsistencies, which in turn may reduce rating distortion. From the point of view of the organisation it enhances organisational development by identifying dimensions of managerial behaviour and clarifying management's performance expectations.

Multi-source feedback is also useful for administrative decisions, especially in terms of merit pay and advancement decisions (London, 1997). Care needs to be taken with regard to demonstrating the reliability and validity of the ratings if meaningful information is to be provided which cannot be manipulated by raters who may wish to impress or punish ratees.

4.2.6 Customer Appraisals

It has been suggested that customers or clients are in a unique position to judge the standard of service delivery (Hedge & Borman, 1995). Very little research however, is available to support or refute the use of these types of ratings. Customer ratings can however, be taken into account for developmental administrative or validation purposes.

Within the selected organisation used in this study, feedback from clients is received verbally or in writing on a fairly regular basis. This information is used during the rating process, but mainly with regard to substantiating incidents. One area of weakness with this method in terms of general application is the fact that

in many organisations only a limited number of personnel would be exposed to clients, such as for example sales personnel.

4.2.7 360 Degree Feedback

360-degree feedback refers to the practice of using multiple raters, mostly including self-rating, in the assessment of individual. The primary purpose for 360-degree feedback is to enhance a individual's awareness of his/her strengths and weaknesses. According to Tornow (1993), 360-degree assessment activities are usually based on two key assumptions:

- The awareness of any discrepancies between how we see ourselves and how others see us enhance self-awareness.
- Enhanced self-awareness is a key to maximum performance as a manger and thus becomes a foundation for management and leadership development programmes.

The various raters include supervisor, peer, subordinate, and self assessment, then they compared the assessments. Over-rating one-self is one of the challenges in 360-degree feedback. Self- assessments are important because individuals make judgements about themselves that are relevant to these indicators of performance. If individual over-estimates their aptitudes, they will devote less effort to their tasks than is needed to perform them adequately. If however, individuals do not understand what is expected, they may utilise their aptitude and devote their effort, yet still fail to perform the task correctly,

London, Smither, and Adsit (1997), argued that 360-degree feedback will have little impact in changing behaviour when those who are assessed are not

accountable for using the feedback and the assessors are not accountable for the accuracy or usefulness of the feedback they provide.

In theory, the presence of negative feedback and discrepant results across raters should motivate positive behaviour change in the person being evaluated. Brett and Atwater (2001) reported a finding that negative discrepant feedback was perceived as less accurate, less useful, and produced negative reactions among those so rated. However if employees received negative feedback Steelman and Rutkowski (2004) found that they will try to improve their performance if they believe that their supervisor are a credible source of information and that the feedback is high quality and given in a considerate and meaningful manner.

4.3 RATING ERRORS

According to Romberg (1986), when instituting an appraisal system, an employee needs to ensure that she/he meets a series of critical standards designed to avoid bias while enhancing accuracy as well as equity. This can be done by analysing each job in specific terms, analysing performance in behavioural terms rather than trait terms, communicating performance standards, providing feedback, and giving employees an opportunity to respond. It can further be done by training supervisors to conduct appraisals, keeping the system current, making personnel decisions that are consistent with performance ratings, ensuring confidentiality of performance data, and creating a workforce that includes women and disadvantaged members of the community as supervisors (Romberg,1986).

Feldman, (1994) stated that whilst social psychologists have been concerned about accuracy in interpersonal perception or social cognition for many years,

studies of performance appraisal in organisational psychology have been concerned primarily with accuracy. This is because decisions are based on performance ratings which impact on the welfare of the individual as well as the organisation. The assumption was made that rating-based measures reflected error, so efforts were initiated to devise improved measurement formats to combat this. Despite these efforts common errors, which occur during the appraisal process, appear to prevail in well researched documents.

Before considering some of the individual error types, a general problem which has been identified, is that the subjectivity of the appraisal tends to be strongly influenced when management changes the way or the reasons for which appraisals are to be used (Beach, 1995). As far as individual errors are concerned however, most researchers cover the same types of errors in rating although the terminology may differ from one to the other. McCormick and Ilgen (1985), discuss the halo effect, the constant error, rating restrictions, the contrast effect, personal characteristics of ratees, and the control of bias in ratings. Gerber et al. (1987) discuss the halo effect, performance appraisal standards, central tendency, strictness or leniency, recency of events, and personal bias. While Robbins (1986), discusses the problem from the point of view of, single criterion, leniency error, halo error, similarity error, low differentiation, and forcing information to match non-performance criteria. For the sake of orientation, each common group will be discussed briefly, Werther and Davis (1989), Daughtery and Roperkicks (1989), and Taffin (1962) identify the following types of errors of measurement in performance appraisal systems, *inter alia,* the halo effect error, recency effect error, error of central tendency, leniency and strictness errors, unclear performance standards, and bias.

Rating errors have been defined as a "difference between the output of a human judgement process and that of an objective, accurate assessment uncoloured by

bias, prejudice, or other subjective, extraneous influences" (Latham & Wexley, 1994 p. 138).

4.3.1   The Halo Effect

The halo effect or error refers to the tendency for a rater to let the appraisal on one trait or characteristic of an individual employee, excessively influence his or her appraisal of that employee on other traits or characteristics as well (Beach, 1980; Gerber et al, 1987; Henderson, 1984; McCormick & Ilgen, 1985; ; Robbins, 1986; Swan, 1991). Broadly speaking the rater bases the whole of his or her appraisal on an overall impression, which may be positive or negative. Feldman (1994) discusses both these forms of halo effect, referring to the former as dimensional halo and the latter as general impression halo effect. Henderson (1984) mentions a subset of the halo effect, which he refers to as the logic error whereby a rater confuses one performance dimension with another and then rates the dimension erroneously because of the mis-judgement. The converse of the halo effect is referred to as the Horns effect where the ratee's performances are underrated (Henderson, 1984; Philip, 1990).

Attempts to reduce the halo effect were investigated through the development of instruments which would be less affected by this tendency and as a result the forced-choice and mixed standard scales were designed for this purpose (McCormick & Ilgen, 1985) The essence and the effectiveness of these instruments is the fact that the scale values of the items are known to the rater, and that gives to the outcome of the appraisal.

4.3.2   The Contrast Effect

Contrast effect occurs when, instead of measuring employees against the requirements of their job, the tendency is rather to compare their performance with that of other employees (Latham & wexley, 1994; McCormick & Ilgen, 1985). The danger in this case is one of relativity, because a rater may rate one employee as outstanding when compared with another below average employee, when in fact the first employee's performance levels in real terms, when measured against his or her job requirements, may be average.

4.3.3   Rating Restriction

Rating restriction is invariable by a small standard deviation of the ratings or by a narrow range of ratings across a number of ratees. The range of restriction could occur at any place on the rating continuum (Landy & Farr, 1983). This error is closely related to the constant error effect as well as low differentiation (uniformity) and comes about through a tendency to use only a restricted range of the rating scale when allocating ratings to individuals (McCormick & Ilgen, 1985). Schneier et al (1987) relate this error to that of central tendency especially when the range is grouped toward the middle of the scale, because of the limited range of performance in some jobs, care should be taken not to interpret a limited range, as rating restriction.

4.3.4   The Constant Error

The rater is inclined to concentrate the ratings in one area of the rating scale. Concentration of ratings can be at the upper end, lower end or in the middle of

the scale. If the concentration is towards the upper end of the scale it is also referred to as the leniency tendency and if it is concentrated in the centre of the scale it is also referred to as the error of central tendency. Concentration at the lower end may be interpreted as the severity tendency (McCormick & Ilgen, 1985). The central tendency phenomena is said to emanate from a lack of detailed performance data (Beach, 1980; Gerber et al., 1987). Latham and Wexley (1994) say that central tendency typifies the rater who plays it safe by rating at the midpoint of the scale when the performance actually warrants considerably higher or lower ratings.

4.3.5 Bias

Bias can take the form of personal likes and dislikes which may influence the evaluations of ratees. Some performance appraisal techniques however, such as forced selection and management by objectives, tend to eliminate the effects of bias to a certain degree. Problems may be overcome by providing clear definitions of the dimensions being appraised and by giving the exact meaning of terms.

According to Dessler (1997) individual differences among employees in terms of characteristics such as age, race, and sex can affect their appraisals, often quite apart from each employee's actual performance. It can be concluded that it is the tendency to allow individual differences such as age, race, and sex to affect the appraisal rates these employees receive. The bias can be avoided by analysing each job in specific terms, analysing performance in behavioural terms, communicating performance standards, providing feedback, and giving employees an opportunity to respond.

Ratings can be expected to be more reliable when the test-retest method is used rather than the interrater method and when several items, rather than single items, are used to measure any given uni-dimensional variable.

4.3.6 Leniency and Strictness Errors

Leniency error embraces the error of severity and the concept means that the rating which the ratee receives is not a true reflection of his or her true performance level or it is displaced from the result warranted by the ratee (Landy & Farr, 1983). It is an ability of raters to remain consistently objective when judging (Gerber et al., 1987). Robbins (1986) refers to the error as positive or negative leniency and suggests that each rater has his or her own value system as a standard against which they evaluate performance and, relative to the true or actual performance, they may rate high or low. Henderson, (1984) on the other hand, suggests that it is the allocation of scores which are consistently higher than the expected average, or being too forgiving in terms of standards.

4.3.7   Similarity Error

Similarity error normally occurs when the rater evaluates giving special cognisance and higher ratings than deserved, to those ratees who posses the traits or characteristics that he perceives in himself (Henderson, 1984; Latham & Wexley, 1994; Robbins, 1986; Swan, 1991). This is also known as the just-like-me or same-like-me syndrome. The different-from-me error type works on the same principle but in reverse. According to Robbins (1986) these errors should decrease as the number of ratees per single rater, increases.

4.3.8   Recency of Events

Raters, when evaluating, tend to forget about events or incidents, which took place in the past and concentrate on the most recent behaviours (Gerber et al., 1987; Swan, 1991). This obviously creates distortion whereby the ratee may be rated on performance for two months immediately preceding the evaluation instead of on the whole year and, depending on whether he performed better or worse in those two months compared with the rest of the year, will have a major influence on the final results of his appraisal. The converse of this of course is where the ratee, knowing what normally takes place, may save his or her best performance for the month or two immediately prior to evaluation (Swan, 1991). This situation can be overcome by the critical incident method or MBO.

4.3.9   Summary

Rater error takes on new meaning when considering that raters are often, not only unaware that they are erring but even when they become aware of the fact that they are making errors, they are unable to correct the situation themselves (Latham & Wexley, 1994). The seemingly obvious response to this is training.

There are different approaches to appraisal training in which one is bringing to the attention of raters the common errors of judgement so that they become more aware of them and by so doing, avoid them (London, 1997). He continues by saying that other approaches concentrate more on changing the appraisal methods rather than the raters. Yet another approach try to improve the observation skills of raters based on the premise that if they have clear behavioural recall abilities, together with a clear understanding of performance standards, then the judgements should be comparatively free from unwarranted

influences. Another training method involves the provision of a frame of reference to raters in order to unable them to assess the accuracy of their appraisals as well as lectures and the discussion of behaviours and appraisal dimensions. He concludes by saying that appraisal methods, which are characterised by clear performance dimensions expressed in behavioural terms, are most likely to diminish rater errors.

Latham and Wexley (1994) does not accede to the fact that lectures are useful as a training approach for raters, but prefer the group discussion or workshop approach for meaningful behavioural change on the part of raters. The overall preference is for the workshop method; however they do concede that a fair amount of practice is required on these on-the-job skills, before any benefits become apparent.

4.4   RELIABILITY AND VALIDITY

Reliability has an effect on validity in the sense that a measure which is very unreliable cannot be valid (Latham & Wexley, 1944). Thus reliability is an attribute of one factor, being a job performance rating while validity is the relationship between two factors, being the manner in which a performance rating that correlates with another independent measure of performance. Landy and Farr (1983) state the inter-relationship more subtly by saying that, although an acceptable level of reliability is adequate for a performance measure to be useful, it would not be enough to ensure the worth of that measure. Balzur and Sulsky (1990) state that an unfortunate situation has existed thus far, in that validity and reliability have been under-utilised and have been less prominent than error and accuracy when measuring rating effectiveness.

4.4.1 Reliability

Latham and Wexley (1994) discuss three methods of determining reliability, viz. the test-retest method, the inter-observer or interrater method, and the internal consistency method. The test-retest method as the term suggests, assesses the consistency or stability of a performance measure from one period of time to the next while assuming that the ratee's level of performance has remained constant over that period. The inter-observer method assesses reliability by determining the extent to which there is agreement in the evaluation of a ratee by at least two observers who carry out their evaluations independently. The key to the test is absolute independence and there should be no influence from other parties or observers. Internal consistency should show that the items, which comprise a scale, are the same and are assessing the same dimension.

In addition to the above, Henderson (1984) discusses the split-half method, which means that the instrument can be split into two equal parts whereby comparable items are grouped into these halves for scoring purposes. If the instrument is reliable, each half should give the same or similar ratings. He also mentions the parallel test method and intra-rater reliability. The parallel test method is comprised of two comparable instruments of which the items in each one cover the same qualities and have a measuring system, which allows for the meaningful comparison of qualities. Intra-rater reliability, as opposed to inter-observer reliability discussed above, means that the same rater using the same instrument over a period of time should obtain the same results.

4.4.2 Validity

The accuracy and relevance of measurements are critical factors determining the validity of performance appraisals (Latham & Wexley, 1994; Milkovich & Widgor, 1991). Philip (1990) adds that it is necessary to consider validity as there are managers who waste their time by setting performance standards which have no relevance to the results. The establishment of valid processes and instruments in the appraisal system is of great importance especially in times of increased labour action (Henderson, 1984). For this reason, Latham and Wexley (1994) emphasise the importance of comprehensive and accurate job analysis which in the USA is a legal requirement in order to ensure that appraisal processes are valid.

Researchers such as Land; Wainer & Braun; Cronbach, cited in Milkovich & Wigdor, (1991) have proposed; three types of validity testing: content, criterion-related and construct validation and although these strategies have been used as separate entities in the past, the current thinking is that they should be integrated.

Content validity gives support to the accuracy of a measure by investigating the match between the content of the measure and the content of the job. It means that the behaviours which have been placed on the performance range scales should correspond with the behaviours required for carrying out a particular job. However, any justification of a measurement system based on the simple reliance of content validity has been disregarded by measurement specialists.

Criterion-related validation is not as useful for evaluation performance appraisals. It is used more in the statistical demonstration of relationships between the scores of individuals on a measurement instrument and their

performance scores, that is, the relationship between an employment test and the supervisor's on-the-job rating. This is probably one aspect of appraisals which appears to be sorely neglected as it seems to be of paramount importance that the profile of the prospective employee being tested on entry to a job should match the job profile and the incumbent should then be able to carry out the specific functions of that job while displaying the potential to progress to whatever level required.

Construct validity is viewed as a continuous process (Cronbach cited by Milkovich & Wigdor, 1991) whereby interpretations are supported by assembling many items of evidence. Positive results validate the construct and the measure simultaneously, while failure to endorse the claim results in a renewed investigation for new measuring procedures or for concepts which correlate better with the data. There are two forms of construct validity, convergent evidence and discriminant validity. Convergent evidence indicates that the measure in question is related to the other measures of the same construct while discriminant validity will show that the given measure of a construct has a weak relationship with measures of other constructs.

McCormick and Ilgen (1989) suggest that the most attainable form of validity is content validity because it is normally based on an understanding of the relevance of the evaluation to some particular job behaviour. Criterion-related validity is not quite as achievable because separate criteria of job performance, for example, are not always available or cannot be obtained. The process of constituting construct validity is furthermore, time consuming and often very complex. The action by psychometrists to expand the view of construct validity to embrace evidence of content and criterion validity as well as other evidence has enabled them to test hypotheses concerning the underlying nature of constructs.

This provides for the chance of introducing a range of forms of evidence to test validity (Milkovich & Wigdor, 1991).

A final thought on validity is the fact that once an instrument has been found to be valid it should also fulfil two other vital requirements and those are practicality and, standardisation. An instrument should be understandable, credible and acceptable to the personnel who will be using it. Standardisation should be aimed at minimising differences in the administration and scoring of the instrument especially in view of the appraisal of employees from different sections or departments of the organisation. If this is not so, differences in performance levels between employees in the organisation could be attributed to the appraisal system and not necessarily between the employees themselves.

4.5   THE EFFECTS OF ENVIRONMENTS ON PERFORMANCE APPRAISAL

Little empirical research on the links between environmental variables and performance appraisal has been carried out (Murphy & Cleveland, 1991). As a result of this, not much is known about the mechanisms which affect the appraisal process. Katz and Kahn cited by Murphy and Cleveland (1991, however noted five aspects of the environment which they feel should be monitored in order to be effective.

Firstly, *societal values* are seen as the extent to which socio-political norms and values support the concept of typical performance appraisals as practised in organisations.

Secondly, the *legal environment* is seen as the extent to which the legal system allows the practice of typical performance appraisals.

Thirdly, the extent to which general *economic conditions* are favourable for the organisation.

Fourthly, the *technical aspects* which determine the extent to which an organisation possesses the technology required to carry out its functions.

Fifthly, the extent to which the necessary *physical resources* are available to carry out its functions.

4.5.1   Societal Values

Murphy and Cleveland (1991) say that societal values will have a strong influence in the perceptions of the legitimacy of performance appraisal. According to them, most research carried out in this regard has been aimed at particular emphasis on the extent to which the socio-political system encourages either a democratic or autocratic control system as well as on the differences between capitalistic and socialistic systems. Locke, cited by Murphy and Cleveland (1991) concluded that under capitalism, the market would positively contribute towards a successful and effective performance appraisal climate, while under socialism there would be very little incentive for performance appraisal due to the lack of a price and profit driven system. He also researched mixed economies in which he claims that performance appraisal would be very difficult. In this respect Lerner, also cited by Murphy and Cleveland (1991), apparently does not agree with the findings of Locke. The authors think that Locke's findings tend to be influenced a little too much by the assumptions of classical economics, however they do appear to be credible.

4.5.2   The Legal Environment

Murphy and Cleveland (1991) report on the legal situation from an American perspective, however in South African legislation does exist whereby performance appraisal may be contested. Unsatisfactory performance is addressed through the Public Service Regulations (1994), Regulation A18.1 whereby the employer may state its case concerning the reason for 'adverse remarks' regarding performance but the employee or appraisee has the right to respond to any allegations under the same regulation. By implication, the Constitution grants employees the right to be appraised, as well as the right to be appraised correctly, via Section 33 (Just administrative actions), Chapter 3 regarding Fundamental Rights (Republic of South Africa, 1996).

The Statutes also cover procedures whereby dismissal may occur as the result of incapacity or poor work performance. Sections 8 and 9 of Schedule 8 of the Labour Relations Act (Republic of South Africa, 1995) address these issues and although Section 8 is mainly concerned with probationary periods, the point should be made that if dismissals can be affected through incapacity or poor performance, then the performance appraisal system or the means of measuring performance must be beyond reproach. The question should therefore be asked: is the performance appraisal system in use in the public sector administered to such a high standard that it can hold in a court of law? Admittedly the question of dismissal is drastic but the appraisal system should also be beyond reproach concerning any decision involving the career prospects of any employee, whether it be for administrative or developmental reasons. In the later case a poor decision could be covered by legislation dealing with unfair labour practices which is to be found in Section 2 of Schedule 7 of the Labour Relations Act (RSA, 1995).

What is interesting about the conditions set out in the legislation referred to above is that the main criteria of appraisal are addressed. Factors such as awareness of standards, clarity of instructions, appropriate evaluation, counselling and whether sufficient time has been allowed for improvement are all covered in the Statutes. Probably most important of all, is the fact that the legislation recommends a thorough investigation into the reasons why performance is not up to the required standard, because often the problem will not lie with workers themselves, but with external factors beyond their control which influence the functions they are expected to fulfil.

4.5.3   Economic Conditions

March and Simon cited by Murphy and Cleveland (1991) state that it is known that the Frequency and intensity of conflict in organisations is dependent on the circumstances present in the environment. For example when environmental circumstances are poor, conflict can be expected to increase. Economic conditions also affect organisational goals, however the literature concerning the effects of the economic environment on performance appraisal is very limited.

Murphy and Cleveland (1991) state that as organisations grow in an assumed improved economic environment, they tend to become more autocratic and inflexible with result that performance appraisal systems would be expected to become more formal. On the contrary, as organisations have to down-size, the incidence of poor performance becomes more prevalent especially when the organisation is forced to retrench a substantial number of its workforce.

4.5.4   Technical Aspects

Changes with regard to technical or technological aspects can have a noticeable influence on performance appraisal processes and results (Murphy & Cleveland, 1991). Changes in technology would probably have an effect on the structure of the organisation and in the light of this; concomitant adjustments to personnel and the handling thereof could be expected to be a consequential spin-off. New technology could for example results in a supervisor having to evaluate more employees which would mean less time available in which to observe behaviours and more time would be spent doing appraisals, but there would be a larger work group available within which comparisons could be made. The first two effects could lead to decreased levels of accuracy while the third effect could lead to increased levels of accuracy.

A further influence of technology on performance appraisal could involve relationships between supervisors and subordinates especially in cases where the subordinates become more highly skilled than their supervisors. The effects of such a situation could mean that supervisors may feel inadequate; hence there may be a reduction in the frequency of appraisals. Another effect could be that workers may not accept an appraisal from a supervisor in whom they have no confidence because they are unsure that the supervisor really knows what they are doing. A further effect is that new technology may diminish the positional power of a supervisor to a position where he or she is no longer managing but merely monitoring, which again may reduce their credibility in the opinion of the workers.

Landy cited by Murphy and Cleveland (1991) states that technology can in fact be used in the measurement of some facets of performance appraisal through

computers which not only record results of actions but also monitor the performance of workers.

4.5.5   Physical Environment

Although the effects of the physical environment on performance appraisal are not researched intensively, some research has been carried out with specific reference to the constraints which may negatively affect job performance. The main areas are shortages of tools and equipment, lack of materials and supplies, and an inadequate work environment in respect of lighting, noise levels, space, etc., (Peters & O'Conner cited by Murphy and Cleveland, 1991). The last point particularly overflows into the field of ergonomics which seems to be an area which is receiving more and more attention as organisations become aware of the benefits thereof.

4.6   FEEDBACK AND MOTIVATION

Constructive feedback is no less important during the appraisal process than in any other facet of management. Feedback forms are an important part of the appraisal process and when carried out efficiently it creates the perception among employees of rendering appraisal to be a fair process. Crainer (1997) goes as far as to say that the new model of performance appraisal revolves around feedback.

Bannister (1986), claims that feedback on performance appraisals serves two purposes. One of these is motivational whereby feedback can act as and incentive in promising future or as an actual reward. The second purpose is to act as a detector of error or as a cueing device where ineffective work

behaviours are identified and corrective action can be taken. Bannister goes on to say that positive feedback is recalled and accepted more readily than negative feedback and from general experience this statement can be supported fully. However, while the confirmation of positive behaviours is important in sustaining good performance, the importance of identifying and changing negative behaviours is probably more important in improving all-round performance of medium to long-term development of the individual.

London (1997), suggests that information is likely to be perceived more accurately under the following circumstances:

♦ When feedback comes soon after the behaviour.
♦ When it is positive.
♦ When it is frequent.
♦ When it is specific.
♦ When it comes from a source for whom the recipients have the highest regard in all aspects.
♦ When it covers behaviours, which the recipient has the power to control within his or her given environment.
♦ When it informs the recipient what behaviours lead to improved performance.

Gerber et al. (1987) list very similar aspects but in addition, suggest that feedback is more effective when it is requested rather than enforced.

The converse to the above situation is one whereby the supervisor does not like to give feedback at all, whether it is positive or negative. Some of the reasons given for this are that supervisors do not believe that feedback is useful or necessary. Some believe that they are not competent to judge others or they fear that the subordinates will react negatively to the feedback. They even fear

that their subordinates may use the feedback against them in an attempt to apportion blame away from themselves (Hillman, Schwandt & Bartz cited by London, 1997).

The credibility and expertise of the person giving feedback may also have an effect on how it would be received. This would probably be the case in highly skilled jobs where the worker is more skilled than the supervisor, in which case feedback and especially negative feedback may not be received favourably (Landy & Farr, 1983)

Whatever the case, employees like to know how they are doing and so they expect feedback (Robbins, 1986). Stressful issues can be overcome by sharing information on a daily basis, providing that this remains practical and beneficial but regardless of whether feedback is given on a daily or an annual basis, management or supervisors should offer feedback to workers. It should be seen as a communications process (Landy & Farr, 1983)

4.7 ETHICAL DILEMMAS AND FAIRNESS IN PERFORMANCE APPRAISAL

Ethics and fairness are very closely related, however in this sense fairness may be regarded as events which take place in the normal process of performance appraisal which are perceived to be, or are in effect unfair, while ethics may be regarded as deliberate inaccuracy or even manipulation during the process. the latter will more often than not fringe on legal implications.

4.7.1 Ethical Dilemmas

The use of performance appraisal in organisations can be morally justified despite the fact that it involves judging others by using subjective processes (Banner & Cooke cited by Longenecker & Ludwig, 1995). Justification for this can be based on the fact that the appraisal process can have positive outcomes for the organisation and the employee.

As far as dishonesty or unethical behaviour from the point of view of the ratee, is concerned, Folger and Lewis (1993) indicate that dishonesty with regard to appraisals occurs in the case of self-appraisals but especially when the appraisal is to be used for purposes which would be particularly beneficial for the ratee.

Longenecker and Ludwig (1995) discuss intentional inaccuracy from three perspectives. Very briefly these are the formalist perspective, which rejects any form of manipulation, and the utilitarian perspective that deliberates the outcomes of decisions and whether they will be for or against accuracy. The ethical aspect of this perspective manifests itself in the form of considering alternative actions, estimating the costs and benefits that a particular action will have on all parties concerned, and selecting the option that will afford the greatest utility. The business bluffing perspective refers to the action that may be taken in a card game where bluffing is an accepted part of the rules and the aspect of morality does not reflect on the player, or in this case the appraiser. It is interpreted as a negotiating strategy but in the present climate of workers rights and transparency this is surely not an acceptable practice. Requirements for an ethical performance appraisal system should therefore, include integrity, accuracy, flexibility and sensitivity.

4.7.2 Fairness

Four predictors have been identified which are said to be significant in the perception of fairness and accuracy of performance appraisals (Landy, Barnes & Murphy cited by Hedge & Borman, 1995). These predictors are frequency of appraisals; the elimination of weaknesses through plans developed with the supervisor; through familiarity and knowledge by the supervisor of the ratee's duties; and the supervisor's knowledge of the level of performance of the ratee. Philip (1990) expands on these predictors by suggesting that raters should investigate non-achievement a little more in depth than merely considering the inability of the employee to perform. For instance, he says that some or all of the conditions contributing to non-achievement could be beyond the employee's control. The workload may be excessive and the reason for the problem may be concerned with the plan rather than the performance. He also suggests that the setting of standards should be well defined in order to ensure accuracy while allowing for flexibility.

Leventhal, Karuza and Fry cited by Latham and Wexley (1994) on the other hand, approached the subject of fairness from the perspective of the presence of procedural elements in an organisation. They suggested that employees may ask themselves the following questions:

- Whether the rules governing decisions are administered consistently regardless of the person affected and over time.
- Whether the person making the decision does so in an absolutely unbiased fashion.
- Whether the decision was based on accurate and verified information.
- Whether the appeal procedures are honoured and whether they have legitimate recourse in the case of errant decisions.

♦ Whether a decision represents the standpoint of the majority of the employees in the organisation.

♦ Whether the decision is in line with societal norms and/or, ethical.

4.8 PROBLEMS CONCERNING PERFORMANCE APPRAISAL

Effectiveness of performance appraisal includes the human factor, which immediately conjures up perception of an unpredictable and subjective component. Problems, which can arise out of this situation and possibly adversely affect the appraisal process, should be taken into account in order to optimise the accuracy and effectiveness of the process (Saayman, 1981).

Traditional problems experienced with performance appraisal can be described in three categories. These include the design and development, implementation, and acceptability and, satisfaction with the system (Saayman, Long, 1981; Ivancevich & Glueck, 1986).

4.8.1 Problems with the Design and Development of Appraisal Systems

Performance appraisal can become ineffective if the system is poorly designed, criteria are irrelevant, a poor system's ability to discriminate cumbersome and lenghthy,, appraisal techniques or the system is not compatible with organisational structure, size, composition of the labour force and technology (Milkovich & Glueck, 1985). Performance appraisal policy should be clear and flexible but above all, stress the importance of the process. Finally, management should be seen to underwrite the system.

4.8.2 Problems that occur with the implementation of Appraisal systems

Not withstanding the fact that the design of an appraisal system may be close to flawless, the underlying factors such as rater errors, poorly defined criteria and standards which lead to problems affecting the implementation of successful systems have been highlighted in Chapter Two and earlier in this chapter and are normally placed at the doorstep of the rater. As already mentioned, the question of observation is possibly the most critical factor in that the greatest degree of distortion is likely to stem from it and filter through all the other potentially contaminating factors.

A number of authors have singled out feedback as an important aspect for the success of appraisal and London (1997) has suggested that its importance is due to the fact that it directs and motivates behaviour. It has reward value and provides for career development while contributing to increasing the self-awareness of workers and improving relationships between supervisors and subordinates.

Solutions to the main problems of performance appraisal which are individual rater subjectivity and rater error are firstly, multiple-source or 360-degree feedback processes, and secondly, training. The merits and de-merits of these interventions have been discussed in chapter two and earlier in this chapter.

4.8.3 Problems with Satisfaction and Acceptability of Performance Appraisal

A major requirement for the success of an appraisal system is that it should have gained the approval and support of subordinates and supervisors or management alike and this apparently is not always attainable Dipboye and Pontbriand (1981) suggest that support of the system will only be gained from all interested parties if the advantages of the system are seen to benefit them in some way. The best way to address the problems is to consider what characteristics should be present in the appraisal system that will cause it to be effective and hence, engender satisfaction and acceptance.

An interesting anomaly in terms of acceptability is that research tends to indicate that inaccuracies in appraisals often take the form of inflated ratings (Longenecker & Ludwig, 1995), however, the perception of workers appears to be that the reverse is actually the case.

4.8.4 How to Construct a Successful Performance Appraisal System

According to Dessler (1997), the design and implementation of an effective performance appraisal system for a department or a work unit is one of the most difficult tasks faced by supervisors and human resources development (HRD) professionals. A good performance appraisal system is often viewed as one in which supervisors simply complete the forms, after considerable prodding, forward them to the personnel department where they are often filed. In an under-performance appraisal system, the forms are seldom even completed.

It can be deducted that the key for improving the effectiveness, efficiency and appropriateness of a performance appraisal system is not to design another form or fine-tune an existing form, but to design a performance management system that would not only enable supervisors to solve performance problems, but also enable the human resources development specialists and staff to provide a successful work performance programme (Schneier, Beaty & Baird, 1987).

4.8.4.1 Deciding What To Appraise

Schneier, Beaty and Baird (1987) state that performance appraisal systems fail for a variety of reasons. The supervisor can legitimately appraise an employee on the number of units that control quality standards or a typist on accuracy, and the employees can measure their performance with agreed upon methods. What about initiative, appearance, tact or departmental skills and knowledge? When considering professional or administrative position that entails a variety of tasks, un-programmed tasks and complex requirements, the measurement problem becomes acute,

Even if a supervisor can determine what ought to be measured, she/he must still determine how well employees must perform. That is, performance standards must be set. For example, exactly how many errors of measurement an Accountant in Tender Board Section of the department in question is allowed to make per transaction or how effecting leading group discussions must the supervisor are? Responses can differ for different supervisors and units within a department. A performance appraisal system should stress the use of objective measures that may end up as easily quantified indices or deadlines that may not capture the essence of the work (Schneier et al., 1987). It can be deducted that the aim of an appraisal system is not to quantify everything but rather to avoid

biased measurements. Measurements that are agreed upon by both supervisors and employees, illustrated and fully defined, and related to job success. However, expecting all measures to be objective is realistic and often irrelevant since performance appraisal requires judgement.

According to Schneier, et al. (1987), supervisors need to make informed, accurate, data-based judgements of which some may be quantifiable and some not about performance. It can be concluded that the role of the human resources development staff is to provide the tools to assist the supervisors to make these judgements and to monitor accuracy, consistency and feasibility. It is deduced that to take out appraisal legitimate roles of observer, measurer and judge under a form of objectivity doom the system to failure.

4.8.4.2 Judgement Problems

The second set of performance appraisal problems comes from the supervisors because, no matter how conscientious and well-meaning a supervisor may be, human judgement tends to be subjective. The manner in which the supervisors process information about behaviour may affect the results more than the employee's behaviour itself. Performance appraisal means judgement while information processing is not merely completing forms (Schneier et al., 1987).

A supervisor might observe an employee performing well and attribute it to high ability which another supervisor who views the same employee might feel the task was not very difficult. The first supervisor, attributing behaviour to an internal cause (employee's own ability) might give a high appraising rating but the second supervisor, attributing behaviour to an external cause (the nature of the task), might give a lower appraisal (Schneier et al., 1987). Supervisors use

their own conditioning, perspectives, values, expectations, philosophies, biases, prejudices, problems; performance appraisal becomes quite difficult, with lenient and otherwise less than accurate appraisal being common, regardless of the type of the form used.

Supervisors work with employees to determine what specific achievements, behaviours and characteristics lead to successful performance, and with the assistance of the human resource development staff and the performer, develop viable standards. While there are innumerable methods used must be relevant in the context in which it will be used (Schneier et al., 1987). It can be concluded that performance standards must be helpful in setting and communicating performance expectations, directing effort toward successful performance-related feedback, solving performance appraisal problems, and linking performance to rewards. Skills and practices are needed, but setting standards get easier when supervisors and employees begin to describe the achievements, behaviour and characteristics required.

4.8.4.3 Reality Problems

According to Schneier et al., (1987), the measurement and judgement problems discussed above can be alleviated through various techniques relating to the design of performance appraisal formats and the training of the appraisers, respectively. However, the policy issues associated with the transition from performance appraisal to performance management requires forceful and committed management; trust in the accuracy of the performance appraisal results and a clear sense of purpose for the performance appraisal system.

What becomes a considerable obstacle to effectiveness, efficiency and appropriateness of performance appraisal system, however, does not relate to the psychometric properties of scales, the information-processing characteristics of the appraisers or the clarity of policies governing the system, but rather to the failure to recognise the realities of the supervisory function and the departmental culture or environment. Performance appraisal system often clash with the way supervisors perform their tasks on a day-to-day basis, what degree of control they have and other realties related to departmental activities (Schneier et al., 1987). It can be deduced that performance appraisal also requires the supervisors to relinquish the superior role to some extent in order to accept the coach role or to allow for participation in goal-setting or performance feedback discussions. Supervisors do not view their roles as including such administrative or personnel functions such as performance appraisal because they think that there are human resource development staff specialists for these activities.

4.8.4.4 Policy Problems

Even in public departments where careful attention has been given to identifying measures, setting performance standards and reducing subjectivity and bias in human judgement, the performance appraisal system may be ineffective if its results are not used or are applied inconsistently. Solutions involve policies that mandate the use of performance appraisal results as a rationale for reward administration, promotion, job assignment, and training (Schneier et al. 1987). It is thus important that those employees, given the highest appraisals must receive certain performance-contingent rewards while those supervisors who appraise and develop their employees effectively by using the performance appraisal system as a tool, should be considered successful supervisors and rewarded appropriately. If human resource decisions are not tied to the results of

the appraisal through a set of well-articulated and enforced policies, the performance appraisal system will be considered a relief, and not just a management tool (Schneier et al. 1987).

4.9 CHARACTERICS OF EFFECTIVE APPRAISAL

Burke, Weitzel and Weir in Latham Wexley (1994), summarised six main characteristics of effective performance appraisal, being, levels of participation, acceptance of appraisals, setting the goals, discussion of problems, criticisms, and freedom to exercise opinions.

4.9.1 High Levels of Participation

Latham and Wexley (1994) suggest that participation in the appraisal interview appears to increase the employees' acceptance of the supervisor's observations. An important factor concerning this investigation is that subsequent studies by other researchers (Leung & Li cited by Latham & Wexley, 1994) have indicated that increased participation does not necessarily enhance perceptions of fairness on the part of employees, especially in cases where the appraisal has been negative.

4.9.2 Employee Acceptance of Appraisals

Acceptance of appraisal by the employee and satisfaction with the supervisor tends to engender reciprocal behaviour from the supervisor who then becomes supportive of the employee (Latham & Saari cited by Latham & Wexley, 1994).

This in turn tends to increase the perceptions of the rating fairness, to the extent that the rater shows sensitivity towards the self-image of the employee.

Cleveland, cited by Pearce and Porter (1986), discovered that it was more the characteristics of the appraisal system (e.g. frequency of evaluations, rater knowledge and experience, etc.) which were better predictors of the perceived fairness and accuracy of the appraisal system than the actual rating the employee received.

4.9.3 Setting of Specific Goals

This activity is very much aligned with the principles of performance management and it has been said that through the setting of specific employee goals, there has been up to twice as much can improvement in performance compared with the setting of general goals (Latham & Wexley, 1994). Moon (1997) suggests that these respect characteristics of well defined goals and objectives should be Specific, Measurable, Agreed, Realistic and Timed. Briefly what is meant is that firstly, a goal must be clearly set where there is very little room for mis-interpretation. Secondly, it should be stated in quantifiable measures where possible or applicable. Thirdly, the goal or objective should be agreed upon by both rater and rate and fourthly, goals or objectives should be achievable or realistic. Finally, a time scale should be allocated so that objectives can be completed within pre- determined target dates.

4.9.4 Discussion of Problems

The discussion of problems areas, which may be having a negative effect on the employee's job performance and working towards solutions, tends to have an immediate effect on productivity (Maier; Meyer & Kay cited by Latham & Wexley, 1994). This action would take place during feedback sessions. Other studies that homed in on appraisals which concentrated on behavioural criteria and also included discussions of the employee's career, correlated with an improvement in post-appraisal job performance. In addition to these two variables, allowing the employee to participate in the appraisal process also indicated a significant correlation with post-appraisal job satisfaction (Nothan, Mohrman & Milliman cited by Latham & Wexley, 1994).

Other interesting details from the same study revealed that a well organised appraisal process compensated for poor inter-personal relations between the employee and the rater and conversely, inter-personal relations between the two parties compensated for a poorly conducted appraisal interview.

4.9.5 Criticisms

Research has indicated that the number of criticisms in an appraisal shows a positive correlation with the number of defensive reactions shown by the employee and in fact the areas of most criticism are the ones least likely to produce any post-appraisal improvement (Kay, Meyer & French cited by Latham & Wexley, 1994). Subsequent research however, has shown that when appraisal is negative, employees become more receptive when they are encouraged to take part in the session (Dipboye & Pontbriand cited by Latham & Wexley, 1994).

In a field of study of nurses in Scotland it was found that employees were far more encouraged to improve their performance when they observed that they were being appraised in terms of their performance rather their personalities. There was also the perception that the appraisals were fair which is important for employee morale (Anderson & Barnett cited by Latham and Wexley, 1994).

4.9.6 Freedom to Exercise Opinions

The more freedom employees have to exercise their opinions during the appraisal interview, the more satisfied they will feel with the process (Greller, Nemeroff & Wexley; Wexley, Singh & Yuki cited by Latham & Wexley, 1994). Once again, the more the inputs from the employee which were permitted to be given and taken into cognisance, the more the process was perceived to be fair.

4.10 SUMMARY

Other researchers and authors such as Schneier et al. (1987), approach effectively from a problem/solution viewpoint whereby they state a problem area and then suggest one or more possible solutions to a specific problem. This is a very effective method in that problems peculiar to a specific system in any given organisation are approached directly and no attempt is made to achieve effectiveness through introducing an idealistic or theoretical model. In this respect Longenecker and Goff (1992) argue that there is no use in having a technically sound appraisal system if the effectiveness of the process cannot be ensured. The needs of both appraiser and appraisee therefore, must be satisfied to ensure effectivity.

4.11 THE ROLE OF PERFORMANCE APPRAISAL IN PERFORMANCE MANAGEMENT

The more recent trend is to include performance appraisal as a function of the wider concept of performance management. Spangenberg (1994) suggests that a different approach is required whereby situational and organisational factors need to be considered. A more holistic approach to performance appraisal has therefore, been recommended whereby it is incorporated as an integral part of performance management. He describes performance management as the management of workers, which includes planning their performance, facilitating the achievement of goals and effecting the review of performance in such a way that it is both motivational as far as the worker is concerned but also in line with the objectives and the organisation.

In the case of performance management, the degree of integration of worker goals and organisational objectives and goals is far greater than the case of performance appraisal. Another major difference is that in the case of performance management, it is not a single event but a continuous process and the focus is on the future and not the past (Swan, 1991; Armstrong & Baron, 1998) describes performance management as including performance planning, performance appraisal, training and development needs assessment, coaching and succession planning. In fact the performance management process must link organisation or corporate strategy to specific employee behaviour (Mailliard, 1997; Weiss & Hartle, 1997; Heneman & Thomas, 1997). Panza (1997) goes a step further by stating that to use performance management effectively, managers should plan performance from three approaches being, macro (corporate strategy), process, and human factors.

The performance management approach is, according to more recent researchers, highly recommended, however not all organisations utilise this approach (Spangenberg, 1994). Notwithstanding the fact that the performance management approach is a relatively new concept and not without fault, the traditional approach to performance appraisal comes in for more general criticism against performance management by saying that despite the apparent advantages of this process, especially in the realm of consistent feedback, many organisations still do not utilise the system. Armstrong and Baron (1998) on the other hand, state that the system was initially inclined to be bureaucratic but is gradually moving toward a developmental approach to the extent that since 1991, two-thirds of organisations which operate some form of performance management system, have introduced personal development plans whilst the remainder still use competency based assessments.

While Spangenberg (1994) views performance management as the counter to performance appraisal which he sees as fraught with problems, Swan (1991) views it as a management tool which encompasses appraisal, whereas Schneier et al. (1987) emphasise that it should be approached as a management cycle and not an appraisal cycle. Swan suggests the eight steps to be included in the performance management process which focuses more on the micro situation:

- **Step One**. The performance and development plans agreed upon between supervisor and subordinate. Performance standards are also agreed upon in this step.

- **Step Two**. Feedback, counselling, coaching and documentation are continuous for the next year, or appraisal period. Intervention from the supervisor would take place here if improvements were required.

- **Step Three**. On the approach of appraisal time and prior to preparing the performance appraisal report, the supervisor solicits the subordinate's self-evaluation. This provides the supervisor with an extra source of input for his report and also helps to prepare the subordinate for the appraisal meeting.

- **Step Four**. The supervisor and subordinates meet to discuss the subordinate's self-evaluation. This step is used to clarify any uncertainties the supervisor may have concerning general information as well as details in the subordinate's self-evaluation. It is not used to discuss the merits of any particular matter.

- **Step Five**. The supervisor completes the appraisal form or report. He ensures that all the available information is used.

- **Step Six**. The supervisor previews the appraisal with his or her supervisor or the human resources component. The next level of supervision or human resources component is consulted mainly for reason of confirmation, understanding and agreement.

- **Step Seven**. The supervisor schedules an appraisal meeting with the subordinate. Enough time should be set aside so that all aspects of the appraisal can be discussed in full.

- **Step Eight**. The supervisor conducts the appraisal meeting. The subordinate should be given the opportunity to make written comments on the form as his or her signature alone will merely confirm that the report has been seen. During the same meeting, the plan for the following year

will be worked out, thus step eight merges with step one and so completes the ongoing cycle.

Although Spangenberg (1994) discusses the performance management process in great detail, his macro overview of the core processes is of value from the point of view of the grounding of organisational strategy. He names five core processes which are independent yet overlap to some degree and are as follows:

- The organisational mission, goals and strategic capabilities must be developed.

- Goals must be formulated and aligned at team and individual level.

- Structures then have to design or re-designed.

- The activity of managing performance takes place at organisational, process, as well as team and individual levels.

- Performance is reviewed.

Gosselin, Werner and Halle (1997) when carrying out research from an integrated point of view on performance management and appraisal, found that employees trusted their immediate supervisor the most in terms of accuracy for their appraisals. They also preferred having prior knowledge of their supervisor's expectations, receiving continuous feedback throughout the appraisal period and being formally appraised at least twice a year. This approach appears to satisfy both schools of thought.

In the light of the above, a very interesting approach is that of Stiles, Gratton, Truss, Hope-Haley and McGovern (1997) viz. that the management of performance has a major influence in determining the psychological contract in an organisation. The reason for this being, that any change in the performance requirements of employees and their remuneration as the result of strategic changes, will inevitably eventuate in redefined expectations and in such a way, alter the employment relationship and hence, performance.

4.12   SUMMARY

This chapter explained the purpose of appraisal, the classification of appraisal methods, types of ratings, typical rating errors, and other factors affecting appraisal such as the environment, feedback and motivation, and ethical aspects. Problems concerning appraisal were discussed together with a look at the characteristics of effective appraisals. It also affords an overview of what factors have to be considered when designing a performance appraisal model. The tendency is to perceive systems or processes from the point of view of the perfect model but unfortunately this cannot be achieved, especially when considering the human element involved in the process.

Performance appraisal was also considered in its role as an integral part of performance management and while some authors like Spangenberg (1994) are not at all partial to the concept of performance appraisal, others like Swan (1991) and Gosselin et al. (1997) are satisfied to accept performance appraisal as an integral of performance management.

It is probably safe to say no system will please or carry the approval of all its participants; however this should never prevent organisations from constantly

striving for better systems which will be accepted by an increasing majority of employees. The fact that no system will carry the approval of all participants will become apparent in the next chapter where comparisons are made between the research model and theory.

CHAPTER FIVE

A COMPARATIVE REVIEW OF THE PERFORMANCE APPRAISAL SYSTEM IN USE IN THE PUBLIC SECTOR

5.1 INTRODUCTION

This chapter provides a description of the performance appraisal system in use in the selected participating organisation for this study. It highlights the practical aspects of this system and relates the applicable theoretical factors discussed in previous chapters.

A performance appraisal system should be easy to understand, as it has to be as objective as possible, and implemented across the department. It should provide clear guidance to each staff member about what is expected from her/him and what will happen when they perform well, or do not perform, as expected.

5.2 AIMS AND FUNCTIONS OF THE SYSTEM IN USE IN THE PUBLIC SECTOR

The evaluation process refers to the overall Public Service performance appraisal system which is based on the Public Staff Code (1994), a document promulgated by the Departments of Public Service and Administration. It should be noted that the particular departments being researched on fall under the jurisdiction of the National Government and as such, is compelled to make use of the evaluation systems being used in the wider Public Sector.

The evaluations are spilt into two components or levels. The first being the assessment of the upper personnel structure (deputy directors and upward) and the second, is the assessment of officers and employees below the level of the upper structure (these include the assistant directors and personnel below this level). The latter component which can be referred to as middle management and lower is the one which concerns this research.

5.2.1 The Instrument and Process

At present the Public Service makes use of Personnel Assessment Questionnaires. The design and application of this instrument have been prescribed by the Department of Public Service and Administration (Public Staff Code, 1994)

The procedure regarding the way in which the appraisal process is handled is as follows:

♦ The appraisee maintains a record of all the 'incidents' surrounding his performance for the specific year of evaluation. An incident is defined as any task or action carried out beyond the normal scope of the appraisee's field of responsibility or work of a particularly high standard within his/her scope of responsibility.

♦ The incidents are then discussed with the appraisee's supervisor on the basis of, as they occur, on a weekly or monthly basis, or as a whole at the end of the evaluation period.

♦ Supervisors are then required to allocate ratings (degrees of efficiency) on a scale from 1 to 6 in the questionnaire in accordance with the incidents and reports substantiating the relevant elements as per Public Service Staff Code (1994). The scores are then totalled and converted to an overall percentage which gives an indication of the employee's promotability classification. The next part of the process is completed by the supervisor and divisional head, after which the questionnaire is forwarded to the assessing authority for ratification.

♦ The Human Resource Office completes Part A of the questionnaire and ensures that the rest of the questionnaire is correctly completed. The supervisor ensures that the appraisee has completed Part B of the questionnaire which includes a declaration that he or she (appraisee) has received feedback on performance/evaluation results. The supervisor completes Part C and he or she, together with the divisional head makes their recommendations in Part D. The questionnaire is then forwarded to the assessing authority.

♦ After the report has been verified and classified in terms of promotability through the process above, a further recommendation is made by the assessing authority as to the employee's acceptability to the next highest rank. If the employee is acceptable, a recommendation will be made as to whether the acceptability would be with or without reservations.

♦ After the classification of the report has been ratified, and approved by the head of department or his or her delegate, the appraisee is informed by means of a confirmation of assessment form (letter).

5.2.2 Aims of the System

The procedures appear to be fair and the stated objectives of the Public Service Staff Evaluation system do not differ in essence from the literature in that the objectives include both administrative as well as developmental aspects. However, the main criticisms from the point of view of users, is the application and implementation of correct procedures thereof. The stated purpose or objective of the Public Service personnel evaluation system is to determine the relative efficiency of officers and employees in order to:

♦ determine the promotability of employees to, and acceptability in, higher posts.
♦ the consideration of transfers within and between departments (i.e. correct placement).
♦ identify supervisory and/or management potential.
♦ determine the needs for training and development, especially those of under-achievers.
♦ decide upon corrective action.

The head of each department has the authority to constitute an assessing authority in compliance with the following requirements (only the applicable ones are listed):

♦ the chairperson and members should be fully acquainted with the relevant directives.
♦ It is essential that the members of the assessing authority are acquainted with the type of work performed by the employees to be assessed.

- ♦ Special attention should be given to the members' personalities, their knowledge of the assessment system and their attitudes towards personnel assessment.

- ♦ Members should at least be two ranks senior to the personnel being assessed.

Although the ideal situation is one wherein the interests of the organization and the individual are seen and experienced to be equally served, this does not appear to be the perception of many servants.

5.2.3 Sentiments of Public Servants Concerning the Appraisal System

Having reviewed the instrument and process of the Public Service Staff Evaluation system, it is important to consider the sentiments which many public servants expressed when discussing or questioned about the system (Sefala, 2003)

The system is perceived to be:

- ♦ Time consuming and laborious having to record, prepare and list incidents. In the collection of information for appraisal, an adaptation of the critical incident technique is used. This aspect probably receives the most widespread and vociferous criticism, mainly because each reportable incident has to be motivated on a report form and in a fairly comprehensive format which includes the date of the incident, general background, what specific actions were carried out by the employee in handling the incident, whether it was on their own initiative, what sacrifice had to be made on the part of the employee in terms of time and effort, was the action part of their normal duties, and what the result of the actions were. The last point could

refer to time saving, money saving, improving procedures, improving relations with clients, etc. from the point of view of time, the impact of this process can be placed into perspective when it is considered that many incidents can be recorded for each on of thirty different dimensions or elements. In fact at another State department in Gauteng, a personnel advisor appointed on contract from United Kingdom expressed his alarm at the fact that on a certain afternoon of each week, staff would suspend their normal activities to spend the whole afternoon preparing their incidents (Sefala, 2003).

The fact that this method is considered to be time consuming and costly, is confirmed by Henderson (1984) and Moon (1997).

♦ Subjectivity in terms of appraisals by supervisors. Many employees feel that to be rated by a single supervisor for the entire assessment period is not the ideal situation and lends itself to subjectivity. Although the question of continuity is often an advantage, the feeling is that assessments would be more acceptable if more people with whom employees had contact, were involved with inputs thereof. Other views are that there is not enough contact, with a specific supervisor for that supervisor to know how the employee is performing or progressing, or that the supervisor is not fully aware of what the employee is supposed to be doing (Henderson, 1984; Murphy & Cleveland, 1991; London, 1997).

The other point which occurs less frequently is that it often happens that staff functionaries are placed in supervisory positions over line functionaries especially where the line functionaries are specialized personnel and the staff functionaries are not. The feeling in this case is that the supervisor is not in a position to give objective evaluations. The latter situation is

supported through research carried out by Henderson (1984) and Murphy and Cleveland (1991) on technical aspects.

♦ Confusing in terms of having different instruments for different purposes instead of having a single multi-disciplinary instrument. More than one instrument is used in the overall evaluation system. The three basic instruments being used are the Personnel Assessment Questionnaire, Merit Award Questionnaire and 'Salary Notch Promotion' Questionnaire. The confusion is that many employees are unaware of when these instruments should be applied, how they should be applied, or the relationship between them and what they are supposedly measuring. The literature does not mention specifically that separate instrument are used in other systems but does mention that organisations combine split motivation, performance and salary discussions depending on their preference (Latham & Wexley, 1994; London, 1997). Coates (1998) on the other hand, is quite adamant that salary discussions should not be included in what he terms a 360-degree feedback session because it can undermine trust and create the inception of unacceptable bias in the ratings.

During informal discussions, most employees expressed the preference for a single, multi-disciplinary instrument. This they felt would contribute to less confusion, less waste of time and in an efficient and effective, integrated system.

♦ Insufficiently representative and unfair in that, at review level (assessing authority), ratees' evaluations are ratified and finalised by persons who don't always know them/or are not always aware of their true capabilities. The outcome of their assessment can also be influenced by the oratory

capabilities or personality of the person presenting it before the assessing authority.

Although one of the requirements of the assessing authority is that it is essential to have serving members who should be acquainted with the type of work performed by the employee being assessed, this fact is often hotly contested by many employees. The main criticism is that the members of the assessing authority are not familiar enough with them as individuals and as a result of that, their careers are often dependent on the oratory ability or personality of one person presenting their case before the assessing authority. This also often takes place without any physical inputs from people who are familiar with the individual's capabilities and able to expand on any points on which the committee might have needed further information or clarification. In other words judgements are made purely on the strength of a report. The feeling on this point is that committees should be further decentralised in order to create more direct involvement from people who are more familiar with performance capabilities.

♦ Unclear and indecisive reported incidents and weightings thereof are ill-defined, due to a general lack of training in the administration of the system and the use of the evaluative instruments. An unclear situation is the reporting of incomprehensive system of qualification of results to employees. If any guidelines concerning the weighting of incidents are provided they are normally very vague and reflect a situation whereby most scores are based on overall impressions, educated guesses, or gut-feel. This does not contribute towards an efficient or accurate system. Weighting appear to be a particular area of uncertainty because not only are the ratees unsure of how final values are arrived at for any given performance or behavioural dimension, but many of the employees who fulfil the role of raters are equally

unsure. It must be assumed that in many cases, committee members are equally uninformed as to how values for any particular worker are determined.

Other criticisms fall in the line with typical rater errors such as the halo effect, bias, rating restriction or central tendency, and the contrast effect, with the latter two tendencies inclined to be the most prevalent. The feeling is that not enough training in the administration of performance appraisal and the proper use of instruments is carried out.

♦ Non-beneficial in terms of notable career progress such as promotions, merit awards etc. many employees feel that there is no benefit from going through the 'pain' of performance appraisal when nothing seems to transpire from the exercise. If there is progress, this is often criticised as being too slow and not commensurate with the contributions which they make towards the achievement of organisational goals. Of course employee expectations can be seen as subjective and unrealistic, but surely if this view has been voiced long enough and strongly enough by the apparent, overwhelming majority, then there must be some merit in investigating this 'perception' further. In other words, the effort does not justify the results and could be related to negative valence as postulated in the expectancy theory. Moon (1997) confirms the perceptions of workers, in that performance appraisal never seems to lead to anything and is viewed as an annual chat or merely an exercise in going through the motions.

♦ Inadequate in terms of feedback which is generally weak and not regular or meaningful enough to make a difference in improving performance. The main criticisms are that the quality of feedback is generally poor and is not meaningful or regular enough to be of any use in terms of enhancing the

potential performance levels of employees. Should these allegations be accurate, they would be in direct contrast with the literature which suggests that the objective of performance appraisal is to improve the performance of individuals while enhancing the performance of the organisation as a whole (Crainer, 1997). Also the feedback should be specific and frequent (Robbins, 1986; Gerber, et al., 1987; London, 1997).

◆ Inefficient and de-motivating in that feedback on ratified appraisals takes place too long after the appraisal has been carried out. This is regarded as being inefficient and highly de-motivating. It is considered to be counter-productive in the sense that feedback is deemed to be most effective when given soon after the event as possible (Robbins, 1986; Gerber et al., 1987; London, 1997). When the ratified classification can mean a possible promotion, the delay could be understandably devastating in terms of de-motivating employees.

◆ Unethical in that supervisors are often prejudiced for various reasons when evaluating personnel. The feeling in this regard is that supervisors are inclined to manipulate assessments in order to achieve a number of objectives. The main criticisms are that employee's sense that they have been deliberately assessed too low or too high. In the first case, the supervisor attempts to keep the good workers back by preventing them from being promoted out of the section and in the second case, the supervisor may find the old way to get rid of a poor worker is to have him or her promoted out of the section. The main allegations have been in connection with the first scenario. Other allegations concern the favouring of some workers in a section to the detriment of others. Again these are instances which are well documented in the literature (Longenecker & Ludwig, 1995).

Needless to say however, those supervisors don't necessarily agree with sentiments.

5.3 Summary

From the aforementioned review it can be seen that in essence, the Public Service has a system which includes the basic elements that should make it a successful one. The only possible exceptions are that there are too many instruments and that the particular instrument used for personnel assessments is not diverse enough to handle an organisation which employs any job title from messenger to medical specialist. The interpretation and application of the system however, appear to be the areas which have led to negative sentiments and problems expressed by many public servants. These aspects could be addressed through training.

5.4 THE PROBLEM

There is an apparent discrepancy in perception and attitude toward performance appraisal present in most role players and it is from this point of departure that the research was undertaken. It is important therefore, to try to understand the reason for this phenomenon. The question which had to be asked was why are there differences in perception of the utility of performance appraisal systems with regard to fairness, ethics, motivation, accuracy, validity, rater error, effectivity and feedback?

5.5   SUMMARY

This chapter provided a comprehensive description of the performance appraisal process used for middle management and lower, in the participating organisation, while practical aspects of the model were merged with the theoretical factors discussed in Chapters Two and Three.

While the use of a single instrument (Personnel Assessment Questionnaire) for a highly divergent workforce as well as the particular nature of the instrument may be queried, the main area of contention appears to be inconsistencies in the application, interpretation and administration of the system. In this regard, the perception of the system seems to be negatively influenced, hence the development of the problem statement and aims.

CHAPTER SIX

RESEARCH METHODOLOGY

6.1 INTRODUCTION

In the previous chapter, the performance appraisal system as implemented by the participating organisation was discussed in detail. The following aspects were highlighted:

- Perception and experience of workers of the system.
- Variance of implementation of the system with the underlying theory.
- The derivation of the problem statements.
- The aim of the study.
-

It has in fact crystallised the underlying reason for this study and allows for the hypotheses to be developed further.

The importance of this chapter is to give a résumé of the research methodology, including a statistical analysis and a discussion regarding the statistical analysis.

6.2 AIMS OF THE STUDY

The aims of the study were stated in Chapter One and are re-stated here for easy reference.

The **first** consideration would be to investigate if and how perceptions between males and females differ in terms of the performance appraisal system in use, with specific reference to fairness, ethics, motivation, accuracy, validity, rater error, effectivity and feedback.

A **second** consideration would be to investigate if and how gender perceptions differ in terms of the factors mentioned above.

A **third** consideration would be to contribute towards the development of a measuring instrument that is both valid and reliable for the measurement of gender perceptions concerning performance appraisal in the South African context.

6.3   HYPOTHESES

6.3.1   Main hypothesis

There is a significant difference in perception of the performance appraisal system held by males and females with regard to fairness, ethics, motivation, accuracy, validity, rater error, effectivity and feedback.

From the main hypothesis, the following eight sub-themes are generated.

♦   **Sub-hypothesis 1**

There is a significant difference in perception of the performance appraisal system with regard to **fairness**, between males and females.

♦ **Sub-hypothesis 2**

There is a significant difference in perception of the performance appraisal system with regard to **ethics**, between males and females.

♦ **Sub-hypothesis 3**

There is a significant difference in perception of the performance appraisal system with regard to **motivation**, between males and females

♦ **Sub-hypothesis 4**

There is a significant difference in perception of the performance appraisal system with regard to **accuracy,** between males and females.

♦ **Sub-hypothesis 5**

There is a significant difference in perception of the performance appraisal system with regard to **validity**, between males and females

♦ **Sub-hypothesis 6**

There is a significant difference in perception of the performance appraisal system with regard to **rater error**, between males and females

♦ **Sub-hypothesis 7**
There is a significant difference in perception of the performance appraisal system with regard to **effectivity,** between males and females

♦ **Sub-hypothesis 8**

There is a significant difference in perception of the performance appraisal system with regard to **feedback**, between males and females

6.4 MEASURING INSTRUMENT

The diagnostic instrument used in this research has been adapted from those used by Mount (1983), and Le Roux (1989) to include aspects which are more in line with features of the performance appraisal system unique to the participating organisation. Le Roux used a sub-section (Satisfaction with the Performance and Development Appraisal) of the "Leadership Analysis Questionnaire" used by Mount in a similar research project. The instrument is a seven-point Likert Scale. A Likert scale is a type of survey question where respondents are asked to rate the level at which they agree or disagree with a given statements (Neumann, 1997).

The questionnaire, attached as Annexure A, consist of two sections, Section A covers demographic information while Section B consists of thirty seven items, which are directly focused on aspects of performance appraisal. Responses to Section B of the questionnaire were recorded on a seven-point scale which is expected to have elicited a higher degree of discrimination.

The questionnaire was prepared in English, for three reasons:

♦ **Firstly**, it was important to prevent distortion of the meaning of questions through possible inaccurate interpretation.

♦ **Secondly**, English has been accepted by most departments as the language to be used in general correspondence and hence, it was assumed that most employees would be comfortable in responding in this medium.

♦ The **third** reason was in the interests of the volume of the questionnaire, in that if it had been produced as a dual medium document, it would have been reasonably lengthy and respondents are reputed to shy away from such questionnaire.

The questions are aligned with the factors of the aims of the study. To ascertain responses on fairness (questions 1, 9, 17, 25, 32), ethics (questions 2, 10, 18, 26, 33), motivation (questions 3, 11, 19, 27, 34), accuracy (questions 4, 12, 20, 28, 35), validity (questions 5, 13, 21), effectivity (questions 6, 14, 22, 29), feedback (questions 7, 15, 23, 30, 36), and rater error (questions 8, 16, 24, 31, 37).

In view of the fact that the questionnaire has been extensively adapted to a unique situation, its reliability has been calculated by use of Cronbach's Coefficient Alpha to determine the degree of internal consistency. This has been carried out through the use of all the items from Section B of the questionnaire. The results are close to Nunnally's (1967) postulation that a reliability coefficient of around (0.86) is sufficient for research purposes. An expose' of the results is given in table 6.1

Table 6.1   Reliability of Questionnaire in terms of Scale Alpha

Subscale	Female	Male	Total	Coefficient Alpha
Supervisors	10	22	32	0.79
Subordinates	38	16	54	0.80
Total	48	38	86	0.86

The research study method will be a descriptive study whereby the existence and intensity of variables are to be described. Descriptive statistics is related to statistical result that makes us draw conclusions or inferences from the sample to the population. In this instance statistical manipulation is made to help in describing the phenomena of interest.

The research method was descriptive but also using questions and hypotheses as well. A survey literature on performance appraisal problems was made. The purpose of the literature review was to identify problems that cause performance appraisals to fail in achieving their intended objectives. A descriptive survey method was employed to process the data collected through the questionnaire.

Inferential statistics was also used to help the researcher understand the relationship between two variables, differences in a variable among different subgroups, and how several independent variables might explain the dependent variables. The data analysis methods was utilised to understand such complex data manipulations are correlations, T-Test and Anova.

6.5   METHOD

This is a hypothesis-testing study for which, in addition to the usual descriptive statistics regarding measures of central tendency and of dispersion, inferential statistics were used to test the chosen hypotheses.

6.6   RESEARCH PARTICIPANTS

Stratified sampling method used in order to ensure representativeness of the population and gender ratio of province. Stratified sampling is the process of grouping members of the population into relatively homogeneous subgroups before sampling, and the sampling frame will be divided into non-overlapping group strata (Neumann, 1997). Although a study on the performance appraisal system in the Public Sector should ideally be conducted in the wider Public Service, this is deemed to be impractical due to the size of the population. It is decided to focus on a conglomerate of State Departments in the Limpopo Province. Again, the size of the population in the whole of the Limpopo rendered any proposed study of this limited nature, impractical and it is finally decided to concentrate the study more specifically on the centralised Head Office (Polokwane) components.

It is however, believed that the population from which the sample will be drawn is representative of the Public Service for the reasons:

♦ that with the constant migration of public servants through inter-department and inter-provincial transfers, it can be expected that the application of the

system must become more and more stereotyped and therefore suffer similar criticisms throughout the Service.

♦ because the system is universally applicable throughout the Public Service, training methods and information concerning the administration of the system are originated and controlled from single central source. This means that individual departments cannot deviate from the rules as set out in the public Service Staff Code, thus leading to a situation which also lends itself toward uniformity.

The sample population will be drawn from two departments. The sample population will include employees representing male and female staff between the ranks of assistant director, administrative officers and clerks. In an attempt to improve the results, questionnaires will be distributed to a sample population of at least fifty for each group (a total of one hundred questionnaires). The sample population therefore, included employees representing supervisors and subordinates.

6.7   INFORMATION GATHERING METHODS

Information was collected from the two groups, namely the group representing the supervisor cadre, (from the ranks of administrative officer and equivalent to assistant director and equivalent) and the second group, from those ranks below the rank of administrative officer i.e., subordinates.

The questionnaires were distributed to participants who were drawn mainly from two departments in the Limpopo Province. This was done through liaison personnel who were identified by the personnel component. The two department

participated is the Department of Defence and Department of Local Government and Housing. Questionnaires were distributed to all employees who qualified to do so, by department. Respondents were supplied with envelopes in which the completed questionnaires could be placed and then sealed before returning them to the designated liaison officials. The respondents were given approximately one week to respond to the questionnaires. Such a technique was used to give the respondents appropriate time to respond.

The overall response to the questionnaires was very satisfactory in that 91 of the 100 questionnaires were returned of which 5 were unusable. The main reason for which the 5 questionnaires could not be used was due to incorrect completion or total incompletion of the questionnaires by respondents.

6.8   STATISTICAL ANALYSIS

The aim of the research was to compare if and how perceptions between males and females differ in terms of the performance appraisal system in use in the Public Sector, with specific reference to its fairness, ethics, motivation, accuracy, validity, rater error, effectivity and feedback. In order to operationalise this aim, use has been made of descriptive statistics as well as multiple comparisons. The descriptive statistics consisted of means and standard deviations while use has also been made of One-way analysis of variance (one-way ANOVA) and *Post Hoc* Tests. Howell (1990) states that analysis of variance is reputed to be the most used technique in contemporary psychological research.

The statistical analysis was carried out by means of the Statistical Package for the Social Sciences commonly known as SPSS. SPSS is a computer program

that performs statistical calculations, and it is consists of two basic components: a Data Matrix and a set of Statistical Commands.

After the data had been acquired, frequencies were calculated for each of the biographic items that were used in Section A of the questionnaires as well as for each of the questions in Section B. Frequencies were then calculated for each of the subgroups. Frequencies were then calculated for each of the dependent variables fairness, ethics, motivation, accuracy, validity, effectivity and feedback. The advantage of calculating the frequencies first, is that any errors in the recording of raw data can be identified immediately and corrected accordingly.

T-tests were carried out in terms of relationships between the independent variables, (males and females) with reference to each of the dependent variables.

Comparisons between all the independent variables, with the dependent variables were determined by means of the One-way analysis of variance procedure. Analysis of variance is also suited to situations where unequal numbers of observations exist.

6.9   SUMMARY

This chapter advanced the discussion of the hypotheses wherein the detailed assumptions of the study were stated and the direction of research methodology, conceptualised. Other facets of the methodology such as the measuring instrument, the method or nature of the study, research participants and information gathering methods were discussed in greater detail.

Most important however, discussion of the statistical analysis outlined the statistical approach or strategy on which the tests and procedures were based and serves as an apt introduction to Chapter Six where the results of the research are recorded.

CHAPTER SEVEN

RESULTS OF THE RESEARCH

7.1   NTRODUCTION

This chapter deals mainly with the recording of results gained through the statistical tests and procedures. The research hypotheses as stated in the previous chapter were thus, tested against the results. Satisfaction of the aims of the research which were assessed thereby will be discussed in greater detail in the next chapter.

Reporting of the results has been recorded according to hypotheses i.e., each sub-hypothesis is examined in terms of t-tests, one-way ANOVA's and subsequently, *Post hoc* Tests where applicable.

7.2   MEASURES OF CENTRAL TENDENCY

In table 7 below, the highest mean of 2.919 was observed for free regular evaluations. This implies that the respondents felt that it is not beneficial to be evaluated more regularly than once a year. The lowest mean was 1.930 for encourage other employment. This implies that the respondents of the study felt that the appraisals are not manipulated to encourage poor performers to seek alternative employment.

Table 7   Measures of Central Tendency: Item Statistics

	Mean	Standard Deviation
Free to discuss	1.9721	.87845
Free to reject	2.0349	.86020
Encouraged	2.0349	.81814
Qualified to make assessment	2.1395	.89657
Performance appraisal superficial	2.1047	.85446
Sense of urgency	2.1744	.79988
Meaningful feedback	2.1163	.85980
Biased judgement	2.1395	.79945
Assessment knowledge	2.1977	.85157
Appraisal manipulation	2.1512	.75953
Threatened by performance appraisal	2.2209	2.42245
Judgement objectives	2.0698	.89167
True reflection	2.1047	.79748
Free regular evaluations	2.9186	4.6658
Regular feedback	1.9884	.83306
Peers evaluation comparisons	2.1628	.80965
Fair hearing	2.1047	.82646
Promotions manipulation	2.0698	.83723
Environment effect	2.0233	.79671
Peer assessment	2.1395	.93510
Performance judgement	2.0581	.84512
Performance appraisal rewards	2.2209	.83174
Positive feedback	1.9767	.78180
Traits influence	2.0000	.85406
Outcome of appraisal	2.1163	.83199
Appraisal of poor performers	1.9302	.83723
Higher level of participation	2.0698	.83723
Self evaluation	2.0930	.82073
Recording of incidents	1.9767	.82572
Feedback perception	2.0930	.83494
Perceived traits	1.9884	.90090
Opinions of Performance appraisal system	2.1163	.83199
Favour manipulation	2.1744	.81446
Appraisal criticisms	2.1395	.82836
Weighting of incidents	2.1163	.80321
Feedback on performance improvement	2.0349	.78886
Usage of full range scale	2.0581	.81680

The highest mean of 2.919 was observed for free regular evaluations. This implies that the respondents felt that it is not beneficial to be evaluated more regularly than once a year. The lowest mean was 1.930 for encourage other employment (Table 7). This implies that the respondents of the study felt that the appraisals are not manipulated to encourage poor performers to seek alternative employment.

The minimum value of 1 and the maximum value of 7 were observed for free regular evaluations. This implies that at least one or more respondent felt is not beneficial at all to be evaluated more than once a year; while at least one or more respondent felt it would be beneficial to be evaluated at least more regularly than just one a year. The minimum value of 1 and the maximum value of 7 were observed for encourage other employment. This implies that at least one or more respondent strongly felt that the appraisal are not manipulated at all to encourage poor performers to seek other employment, while at least one or more respondents felt that the appraisals were totally manipulated to encourage poor performers to seek other employment.

The highest standard deviation was 4.666 for free regular evaluations while the lowest was 0.760 for appraisals manipulation (Table 7). This implies that there was a relatively strongly agreement that the appraisal were either manipulated upward or downward for any reason.

Table 7.1   Measures of Central Tendency: Factors

Factor	Mean	Standard Deviation
Ethics	2.072	.534
Fairness	2.081	.609
Motivation	2.098	.661
Accuracy	2.112	.531
Validity	2.089	.683
Effectivity	2.323	1.302
Feedback	2.088	.785
Rater error	2.070	.602

Amongst the eight factors of the study, the highest mean was observed for effectivity at 2.323 with a relatively high standard deviation of 1.302 as in Table 7.1. The lowest mean of 2.070 was observed for rater error with a relatively low standard deviation of .602. The perceptions of the respondents regarding most factors of the study were moderate since they were above 2.000.

7.3   MAIN HYPOTHESIS:

There are significant differences in perception of the performance appraisal system with regard to fairness, motivation and feedback exists between males and females.

TABLE 7.2   t-test regarding males and females

FACTOR	F	Sig.
Ethics	3.433	.067
Fairness	10.076	.002*
Motivation	4.830	.031*
Accuracy	3.199	.077
Validity	3.429	.068
Effectivity	.443	.508
Feedback	6.706	.011*
Rater error	.758	.386

- **P ≤ 0.05**

The results indicated significant differences between males and females in terms of fairness (f= 10.076; p< 0.05), motivation factor (f= 4.830; p< 0.05) and feedback factor (f=6.706; p< 0.05). Hypothesis is not substantiated in terms of regarding ethics, accuracy, validity, effectivity and rater error factors as in Table 7.2.

7.4   PERCEPTION OF GENDER IN PERFORMANCE APPRAISAL WITH REGARD TO FAIRNESS, BETWEEN MALES AND FEMALES.

The rationale of the hypothesis is that there are perceptual differences between males and females in the way fairness, ethics, motivation, accuracy, validity, rater error, effectivity and feedback is applied in the performance appraisal process.

The outcome of the t-test (p < 0.01) indicated a significant difference between males and females with regard to perceived fairness, perceived motivation and

perceived feedback. (see Table 7.2). The t-test for the Equality of Means also indicated significance especially with regard to perceived fairness (p < 0.001) (see Table 7.1). **The sub- hypothesis 1 is supported.**

There is a significant difference between males and females in terms of fairness factor (f= 10.076; p<0.002). The Post Hoc results shows that males perceived that performance appraisal is more fair (mean 2.34) than females (mean 1.88). Males feel free to discuss any aspects of the evaluation during the interview than females. This can be because most of the supervisors are males, so males feel free to communicate. Males perceived that evaluation is given a fair hearing than females. This can be for the same reasons that females feel threatened by male supervisors during hearing interviews. Males also perceived more fairness than females with regard to the opportunities given to them to express their opinions of the merits of the performance appraisal.

In Chapter Three the aspects of fairness were discussed and questions in the questionnaire were essentially based upon them. Specific mention must be made of the predictors of the perception of fairness and accuracy of performance appraisal, posited by Landy, Barnes and Murphy as cited by Hedge and Borman (1995). Philp (1990) recommended the setting of standards, while Leventhal et al. as cited by Lantham and Wexley (1994), advocate the presence of procedural elements in an organisation's PA system. Although the basic structures for the promotion of fairness appear to be in place in the participating organization, the statistics suggest that the application thereof is lacking. The statistics also support general comment by public servants that elements of the Performance Appraisal process are unfair, as stated in earlier chapters.

7.5   PERCEPTION OF GENDER IN PERFORMANCE APPRAISAL WITH REGARD TO MOTIVATION, BETWEEN MALES AND FEMALES.

There is a significant difference between males and females in terms of motivation factor (f= 4.830; p<0.031) (see Table 7.2). The Post Hoc result shows that males perceived motivation more (mean 2.21) than females (mean 2.01). **The sub- hypothesis 3 is supported**

Females feel less motivated than males. This can be because of lower positions they have in the organization. Motivation is closely related to feedback, it addresses the effects of feedback (Bannister, 1986), the discussion of feedback as a variable later on, deals more with the timing and mechanisms thereof. Females allegedly do not feel motivated to try harder or to do better because the information emanating from their appraisals is either non-existent, or of such low that they are given no encouragement or direction as to how they can improve their performance and make progress. Females are not encouraged by their supervisors to take more active roles in the daily duties. Females also perceive the criticisms during the discussion phase of the appraisal de-motivating. This could be the reason that they always perceived that supervisors always looked down upon them because they are women.

7.6   PERCEPTION OF GENDER IN PERFORMANCE APPRAISAL WITH REGARD TO FEEDBACK, BETWEEN MALES AND FEMALES.

There is a significant difference between males and females in terms of feedback factor (f= 6.706; p<0.011) (see Table 7.2. The Post Hoc results show that males perceived feedback in performance appraisal more (mean 2.28) than females (mean 1.94). **The sub- hypothesis 8 is supported.**

Feedback may be seen as the last function in a system's cycle but more importantly, it provides much of the input for re-commencing the new cycle. Crainer (1997) maintains that performance appraisal revolves around feedback. How, when and what is included in feedback is therefore, of paramount importance and it is with reference to those facts that this aspect is included for evaluation.

The outcomes of the t-tests were significant. The Post Hoc results are also significant showing that men feel that they receive feedback more than the females. This means that male feels that they receive regular positive feedback which motivates them to better their performance levels.

7.7   PERCEPTION OF GENDER IN PERFORMANCE APPRAISAL WITH REGARD TO ETHICS, BETWEEN MALES AND FEMALES.

The rationale of the hypothesis is that there are differences between males and females in the way they perceive ethics to be applied in the performance appraisal process. The underlying reason for the assumption is based upon general comment as discussed in Chapter One. The feeling is that manipulation of ratings takes place for the fulfillment of possible ulterior motives. Again the inference of a lack of mutual trust between rate and rater is apparent.

The outcome of the test was not statistically significant (see Table 7.2. **The sub-hypothesis 2 is not supported.**

Despite the fact that the overall performance appraisal is under review in the participating organization, from the point of view of ethics, this on its own is not enough. More attention needs to be given to team building and getting

relationships based on sound foundations. Perhaps the envisaged system will foster and encourage better relationships by increasing participation from all concerned parties, but the bottom line has to be, to engender mutual trust and respect. Literature in respect of ethics in the Performance appraisal process is limited, however Longenecker and Ludwig (1995) provide a comprehensive review of this aspect as discussed in Chapter Three (see paragraph 3.8.1).

7.8   PERCEPTION OF GENDER IN PERFORMANCE APPRAISAL WITH REGARD TO ACCURACY, BETWEEN MALES AND FEMALES.

The rationale of the hypothesis is that there are perceptual differences between males and females with regard to the accuracy of the mechanics of the performance appraisal process. It has a direct bearing on the reliability of the process. Bulzur and Sulsky (1990) urge that reliability and validity should become more prominent when measuring rating effectiveness (see paragraphs 3.6; 3.6.1) factors such as the qualification of supervisors to rate accurately on a continuous basis (not to be confused with rate error), who would be best qualified to rate accurately, and the use of consistent standards and criteria (see paragraphs 2.3.3) in the appraisal process, are included in this aspect.

The outcome of the test was not statistically significant (see table 7.2). **The sub-hypothesis 4 is not supported.**

The only explanation for this phenomenon could be that males are equally as frustrated as females and find themselves working with a system that supervisors does not understand.

7.9 PERCEPTION OF GENDER IN PERFORMANCE APPRAISAL WITH REGARD TO VALIDITY, BETWEEN MALES AND FEMALES.

The rationale of the hypothesis is that there are perceptual differences between males and females with regard to the validity of the performance appraisal process. The central theme of this factor is the relevance of measurements. This alludes to whether the appraisal process is achieving what it is designed to achieve (see paragraph 3.6.2)

The outcome of the test was not statistically significant (see Table 7.2). **The sub-hypothesis 5 is not supported.**

Responses to the questions concerning validity, produced means in the mid-range for all groups and it can only be assumed that the opinions reflect uncertainty or lack of complete conviction. A stronger response was expected, however the future research on this aspect should include a wider range of measuring factors. Another area of future research would be to establish whether one type of measuring instrument is valid for a wide variety of occupations in large organizations as was the case in this instance.

7.10 PERCEPTION OF GENDER IN PERFORMANCE APPRAISAL WITH REGARD TO EFFECTIVITY, BETWEEN MALES AND FEMALES.

The rationale of the hypothesis is that there are perceptual differences between males and females with regard to the effectivity of the performance appraisal process. This factor basically addresses how the system is approached within the organisation. Other considerations are the frequency of appraisals and the efficiency of the system in terms of time spent in relation to the results achieved.

The outcome of the test was not statistically significant (see Table 7.2). **The sub-hypothesis 7 is not supported.**

The overall assumption is, that as a result of the small degree of discrimination, the whole sample group perceives effectively in much the same way.

7.11   PERCEPTION OF GENDER IN PERFORMANCE APPRAISAL WITH REGARD TO RATER ERROR, BETWEEN MALES AND FEMALES.

The rationale of the hypothesis is that there are perceptual differences between males and females with regard to rater error in the performance appraisal process. This is very much a traditional area of research and has to do with the type of errors that raters are inclined to make as a result of a number of different reasons which are discussed in detail in Chapter Three (see paragraph 3.5).

The outcome of the test was not statistically significant (see Table 7.2). **The sub-hypothesis 6 is not supported.**

Although this research deals essentially with perceptions, actual problems do exist as confirmed through the literature and perhaps more can be done in the realm of effective training and multiple feedback systems more common to performance management systems.

7.12   SUMMARY

This chapter has given fuller implications of the results as recorded in the previous chapter, with the stated aim of considering how the results have contributed towards the aims of study. In this regard, it was noted that clear differences in the perceptions of the different main and sub-groups exist in terms of some of the variables which were measured. The fact that some of those which did not produce statistically significant differences are not to be ignored or neglected because in most cases, they represent a consolidated opinion of the whole sample population concerning any given factor.

The results should enable users of the system to modify it, if and when necessary. Another advantage would be to enable the organization to avoid problem areas which have been identified in the present system and which may cover common ground with problem areas in a new performance appraisal system. The bottom line of course, is to be able to change the attitude of workers towards appraisal in order to regard it as system which can not only be administered easily, fairly and efficiently, but is also considered to be useful in terms of the development and progress of employees.

CHAPTER EIGHT

CONCLUSIONS AND RECOMMENDATIONS

8.1   INTRODUCTION

The previous sections have covered the literature survey, the research design, and the presentation of the results as well as the discussion of the research results. This section looks at the conclusions and the recommendations that may be drawn from this research undertaking**.**

8.2   CONCLUSIONS

The results of the research have clearly indicated that perceptual differences exist between males and females in various computations for certain of the variables. From this point of view, the aims of the study have been achieved. This also means that the alleged complaints which public servants have aired, as recorded in Chapters One and Four, are substantiated by the results of this research.

The variables for which differences were observed are those of Fairness, Motivation and Feedback. The reason for this is that Fairness, Motivation and Feedback allude to the perceptions females may have of the manner in which their appraisals are handled by supervisors or through the system. In other words they possibly perceive their supervisors as not giving them a fair chance,

manipulating their appraisals, giving inaccurate evaluations or simply making avoidable rating errors.

Fairness indicated significant difference between males and females. This can be because most of the supervisors are males, so males feel free to communicate. Males perceived that evaluation is given a fair hearing than females. This can be for the same reasons that females feel threatened by male supervisors during hearing interviews. Males also perceived more fairness than females with regard to the opportunities given to them to express their opinions of the merits of the performance appraisal.

Females feel less motivated than males. This can be because of lower positions they have in the organization. Motivation is closely related to feedback, it addresses the effects of feedback (Banister, 1986), the discussion of feedback as a variable later on, deals more with the timing and mechanisms thereof. Females allegedly do not feel motivated to try harder or to do better because the information emanating from their appraisals is either non-existent, or of such low that they are given no encouragement or direction as to how they can improve their performance and make progress. Females are not encouraged by their supervisors to take more active roles in the daily duties. Females also perceive the criticisms during the discussion phase of the appraisal de-motivating. This could be the reason that they always perceived that supervisors always looked down upon them because they are women.

Men feel that they receive feedback more than the females. This means that male feels that they receive regular positive feedback which motivates them to better their performance levels. Females feel that the feedback is not given to them as it is towards men. The reason might be that most of the Supervisors are men. Supervisors must be trained to provide their employees with feedback on

job performance without generating animosity, to appraise as well as to criticize, to confront employees constructively, to listen effectively and to be sensitive to the situations and conditions that employees face. It is well known that the result of performance appraisal does little to improve job performance unless employees receive feedback

Except for the three variables, all other variables indicate no statistically meaningful differences in the PA perceptions and experiences of males and females who participated in the study.

8.3   LIMITATIONS OF THE STUDY

The main deficiencies of the study concern the methodology. In this respect, difficulty was experienced in defining the parameters from which the sample population was drawn. The fact that the Public Service is so large makes this an extremely difficult task; however, this should be offset to a certain degree when considering that the specific comments and critisms concerning the appraisal system, as mentioned in Chapters One and Four, are common throughout the Public Service.

Another factor is that migration of personnel throughout the provinces as well as centralised training methods and policy making, could be expected to foster a stereotyped approach or attitudes toward the system. Despite these facts, plus the fact that one hundred questionnaires were distributed with good response, a larger sample could possibly be used in future, bearing the financial implications in mind. This should increase reliability.

8.4   RECOMMENDATIONS

The fact that performance appraisal forms such an important role as a vehicle to career progress and success, and individual development on the one hand, and organisational efficiency and effectivity on the other, it should be an area of an organisation's HR activities that receives a high priority from all concerned. This was not apparent in some of the factors researched in this study and probably calls for more intensive research into those factors which allude to the lack of trust which subordinates have revealed in respect of fairness, ethics, accuracy, rater error and administrative aspects. It was noted that workers by implication, have the right to fair appraisals. Therefore, before employees begin to demand their rights more aggressively, organisations need to make in-depth investigations as to how their appraisal systems are being administered. Possibly a matter of greater importance, is that research should be carried out in respect of investigating the underlying reasons for the differences in perception of fairness, ethics, accuracy and administrative aspects between supervisors and subordinates.

Future research could be directed at the further development of a valid and reliable measuring instrument, regarding perceptions of performance appraisal in the wider South African context and not only the Public service.

Another area of future research would be to establish whether one type of measuring instrument is valid for a wide variety of occupations in large organisations as was the case in this instance.

According to Spangenberg (1984), organisations that have implemented performance management systems, incorporating performance appraisal, have

been very successful. This dispenses with the problem of performance appraisal becoming an isolated, once-a-year event and instead, forms part of a continuous process which cannot be fobbed off as something of mere nuisance value. All role players under these circumstances are forced to become involved on continuous basis. Perceptions under such circumstances could be drastically changed and researched in this direction could therefore, contribute significant findings in the interest of HR management in particular, as well as industrial growth and development in general.

8.5. SUMMARY

This chapter has given fuller explanation of conclusion, limitation and recommendations of the study. The participating organisation envisages the implementation of a different appraisal system in the future, a system that will be more oriented towards the management by objectives method. The expectation is that this will improve the system and hence, attitudes towards appraisal. However, it does not matter what is to be implemented, appraisals are about relationships, communication, co-operation, mutual trust and respect. Therefore, taking current perceptions into account, a good deal of effort will have to be put into changing the perceptions and opinions of ratees.

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