

## **CRAIG, BEATTY AND BAIRD MODEL OF PERFORMANCE APPRAISAL – A COMPREHENSIVE OVERVIEW**

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### **Abstract**

Performance appraisal is a tool used to assess employee performance in a scientific manner. It is an operational function carried out by human resource department to enhance the productivity of employees and thereby achieve organisational effectiveness. There are several steps involved in the process of performance appraisal. Most of the literature suggested that Standard fixation, were the major steps consisting in performance appraisal. But at same time there is only a single standard model is available from different literature for the better understanding of performance appraisal process, i.e., Craig, Beatty and Baird (1986) model of Performance Appraisal. This article tries to give a more comprehensive overview on Craig, Beatty and Baird (1986) model of Performance Appraisal.

**Key words:** *Employee performance, Performance appraisal*

### **Introduction**

Performance Appraisal is an ongoing process having different steps. Performance appraisal is referred to as reviewing and evaluating the job Performance of individual as well as team. An effective system is one that identifies the achievement and specifies plans for development. Performance appraisal is a process in which the employees and managers work together for the success of the organization by setting expectation, reviewing results and awarding performance.

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The performance appraisal process, simply put, is the time of the year when the employees are evaluated on their performance during the last six months or one year depending upon the timeframe that is set for the same. The performance appraisal process is conducted between the employee and his or her manager for the first round and subsequently between the manager and the manager's manager before going into the third round which involves the above people excluding the employee but involving the HR manager as well. The various rounds that comprise the appraisal cycle correspond to the different stages of the process culminating in the final grading of the employee

## **Review of Literature**

Leonard (2018) Performance appraisal process consisting different steps, i.e. establishment of performance standards, employee communication, measure employee performance, comparing to all employee metrics, employee feedback and action plan development.

CIPD (2008) Measurement, feedback, positive reinforcement, exchange of views and agreement are the key elements of Performance appraisal.

Dick Grote (2002) Get top management involved, establish criteria for a perfect system, develop an execution team, initially plan the form, facilitate continuous communication, appraisee training, appraisees' orientation, use results, monitor and revise the programme are the steps involved in performance appraisal process.

Dessler (2000) Formulating work standards, assessing the actual employee performance with standards, motivating employees, giving proper feedback and to remove errors in performance or to continue to perform above par are the main steps in an performance appraisal process.

Weightman (1999) Performance appraisal is a well-known method of providing feedback, guidance and monitoring of employees in the organisation.

## **Craig, Beatty and Baird (1986) Model of Performance Appraisal – A Comprehensive Overview**

Craig, Beatty and Baird suggested an eight stage performance appraisal process. The eight steps are as follows:-

1. Measures and standards
2. Communicate expectations
3. Plan the performance
4. Monitor, assist and control
5. Appraising
6. Feedback
7. Personnel decisions
8. Develop

### **1. Establishing standards and measures**

The first step in performance appraisal is to identify and establish measures which would differentiate between successful and unsuccessful performance. These measures should be under the control of the employees being appraised. The methods or techniques for assessing performance should be decided next. In performance appraisal, the management wants to

- Know the behaviour and personal characteristics of each employee
- Assess their performance and achievement in the job

There are different methods available for assessing results, behaviour and personal characteristics of an employee. These methods are used according to the particular circumstances and requirements.

According to Craig, Beatty and Baird (1986) suggested that the following elements in this stage.

- i. Strategic thinking
- ii. Technical job knowledge
- iii. Written communication

- iv. Setting standards
- v. Writing and Setting objectives
- vi. Prioritising
- vii. Identifying competencies

- i. Strategic thinking

Strategic thinking focuses on finding and developing unique opportunities to creative dialogue among people who can affect an organisation's direction, i.e., the board and management. It is the input to strategic planning.

Wootton and Horne (2001) suggested, strategic thinking involves three main activities:

- b. Gathering information
    - c. Planning action
    - d. Formulating idea

The purpose of strategic thinking is to create a strategy that is a coherent, unifying, integrative framework for decisions especially about direction of the business and resource utilisation.

Michael Stanleigh (2005) explains that the strategic thinking as integral part of management. Management is strategic concerns and choices include:

- 1. The firm - defining the purpose of the firm
      - 2. Environment - defining its environment
      - 3. Advantages - creating a competitive advantage
      - 4. Growth - growing the firm, using the resources of the firm
      - 5. Evolution - evolving the firm to both adapt to and shape its environment to sustain advantage.

In the case of performance management, there must be a strategy for performance appraisal. A detailed strategy is important for the success of a efficient performance appraisal system.

According to Mintzberg (1994), seven dimensions of strategic thinking as ways of “seeing”. The exercise of each technique and the synthesis of the seven form of effective strategic thinking

- Seeing ahead
- Seeing behind
- Seeing above
- Seeing below
- Seeing beside
- Seeing beyond
- Seeing it through

viii. Technical job knowledge.

Employees who do not have a clear understanding of how their jobs fit into the overall work picture of their organisation are most likely to exhibit carelessness and the inability to make clear distinctions on which aspects of their job are most important. According to Erich C. Dierdorff and Robert S. Rubin, The employees vary greatly with regard to know accurately they understand the critical function of their jobs.

The workers should thoroughly understand the nature and objectives of their job and they also know the current method of performance appraisal. The Performance appraisal system provides information regarding their job and the expected standards of performance. This will also lead higher efficiency in the system of performance appraisal.

ix. Written communication

Written communication has great significance in today’s business world. It is an innovative activity of the mind. Effective written communication is essential for preparing worthy promotional materials for business development. Speech comes before writing. But writing is more unique and formal than speech.

Effective writing involves careful choice of words, their organisation in correct order in sentences formulation as well as cohesive composition of sentences.

In the case of performance appraisal system, the written standards increase the validity and reliability in procedures than speech. But while speech is spontaneous, writing causes delay and takes time as feedback is not immediate. But standards and procedures in writing is permanent record and this will convey a clear picture about jobs sequence to all the employees.

x. Setting standards.

A performance standard is a management approved expression of the performance threshold(s), requirement(s), or expectation(s) that must be met to be appraised at a particular level of performance. A fully successful standard must be established for each critical element and included in the employee performance plan. A written standard help the employees to know what they have to do to meet standards higher than fully successful.

A performance standard should be objective, measurable, realistic and stated clearly in writing.

xi. Writing objectives.

After the establishment of each element we must write the standards systematically. Before writing the fully successful standard, we must know the number of levels that the appraisal program uses to appropriate elements.

Well defined written standards must be accurate, precise, reproducible, and cost effective. These forms of standards are more useful to appraise each employee's individual performance more effectively.

Many supervisors find it helpful to remember SMART criteria when writing their objectives:

S- Specific – means that observable action, behaviours, or achievement is described.

M- Measurable – means that a method or procedure must exist to assess and document the quality of the outcome.

A- Attainable – means that the objective must be realistic.

R- Realistic – means that the employee have resources to get it done.

T- Time bound – means that there is a point in time when the work objective will short or be completed.

Properly written objectives:-

- Allow employees to understand what is expected of them from the beginning of the appraisal period.
- Enable the supervisor to more readily observe, document and coach
- Provide the employee a means of self measure.
- Provide tangible means of clarification if when disagreements about work assignments arise.
- Allow for an accurate comparison of “what was done” to “what was expected”.

#### xii. Prioritizing

Prioritising skills are the ability to see what task are more important at each moment and give those task more of the attention, energy and time.

According to C. Ray Johnson (2002), “prioritising is the answer to time management problem. We do not need to do work faster or eliminate gaps in productivity to make better use of our time. We need to spend more time on the right things”.

Prioritising is about developing choice of what to do and what not to do. To prioritise effectively we need to be able to recognise what is important as well as to see the difference between urgent and important. Prioritising principles are applied to both planned and unplanned activities.

Performance appraisal standards are fixed on the basis of job priority and also the assessment grades and score are fixed according to the nature and importance of each job. So prioritising is very important in the process of performance appraisal

#### xiii. Identifying competencies.

Competence has been long understood as a person’s ability or capacity to do a job. It is a set of individual performance behaviour which are observable, measurable, and critical to successful

individual and company performance. Individual characteristics of a person results in an effective and superior performance in the job.

Experts say that the steps required to create a competency model include:

- a. Gathering information about job roles.
- b. Interviewing subject matter experts to discover current critical competencies and how they envision their roles changing in the future.
- c. Identifying high performance behaviour.
- d. Creating, reviewing and delivering the competency model.

Types of competencies

- a. organisational competencies
- b. Core competencies
- c. Technical competencies
- d. Behavioural competencies
- e. Functional competencies
- f. Management competencies

In the case of performance appraisal the employees have predetermined level of competencies in each level of job. The standards are fixed according to the level of job. The competencies requires for different level of jobs are vary from one company to another. In a performance appraisal system the fixation of standards is based on the company level.

## **2 Communicating expectations**

The second sep in the appraisal process is communicating to employees the standards and measures which will be used in the appraisal process. Such communication should clarify expectations and create a feeling of involvement.

According to Craig, Beatty and Baird (1986) suggested that the following are the main elements of this particular process:

- i. Verbal communication
- ii. Listening

- iii. Negotiating
- iv. Empathy
- v. Reaching agreement

- i. Verbal communication

The written set of standards for performance should be communicated to the employees verbally. They should know what is expected from them. In the absence of any knowledge of standards, the employees will keep on guessing only. When the standards are made known to employees, they will try to make their performance equal and above them.

An informal communication is helpful for the routine supervision of individual performance. Verbal communication helps to recognise the problem area in a frequent manner. On the bases of information from the employees, the standards may be revised and modified.

- ii. Listening

Listening is the ability to accurately receive and interpret messages in the communication process. Listening is key to all effective communication, without the ability to listen effectively, messages are easily misunderstood. Communication breaks down and the senders of the message can easily become frustrated or irritated.

- iii. Negotiating

Before implementing performance appraisal programme a negotiation process is conducted. The employer and employee representatives joint together in a meeting and discuss the details regarding performance appraisal system. If any modification is necessary for the successful implementation of the programme, the management consult with the employees and finally obtain an amicable solution through effective negotiation.

- iv. Empathy

Empathy is the ability to experience and relate to the thoughts, emotions, or experience of others. Empathy is more than simple sympathy, which is being able to understand and support others with compassion or sensitivity.

Many leadership theories suggest the ability to have and display empathy is an important part of leadership. Transformational leaders need empathy in order to show their followers that they care for their needs and achievement (Bass, 1985). Authentic leaders also need to have empathy in order to be aware of others (Walumbwa, Avolio, Gradner, Wernsing & Peterson, 2008). Empathy is also a key part of emotional intelligence that several researchers believe is critical to being an effective leader (Bar-On & Parker, 2000; George, 2000; Goleman, 1995; Salovey & Mayer, 1990)

To improve the performance of their employees, the leaders may need to develop the capability to demonstrate empathy. Organisation can arrange a more empathetic workplace and help manager improve their empathy skills in a number of ways

- a. Talk about empathy
- b. Teach listening skill
- c. Encourage genuine perspective taking
- d. Cultivate compassion
- e. Support global managers

An organisation promotes the culture of empathetic environment. The employees are also got the opportunity to perform empathetically. In a performance appraisal programme the implementation and development of standards must follow an empathetic attitude towards its employees. Then only the job performance improved in a predetermined level.

- v. Reaching Agreement.

Performance agreement is the outcome of performance and development planning. Performance and development planning is carried out jointly by the managers and the individual employees. The starting point for the performance and development plans is provided by the role

profile; which defines the result; knowledge and skills and behaviours required. This provides basis for agreeing objectives and performance measures.

The performance agreement provides the basis for managing performance throughout the year and for guiding improvement and development activities. It is used as a reference point when reviewing performance and the achievement of improvement and development plans.

Performance agreements define:-

- Role requirements- these are set out in the form of the key result areas of the role.
- Objectives in the form of targets and standards of performance.
- Performance measures and indicators to assess the extent to which objectives and standards of performance have been achieved.
- Defining the knowledge, skills and competence to perform for job.
- Corporate core values or requirements – the performance agreement may also refer to the core values of the organisation.
- A performance plan- a work plan that specifies what needs to be done to improve performance.
- A personal development plan- which specifies what individuals need to do with support from their managers to develop their knowledge and skills.
- Process details – how and when performance will be reviewed and a revised performance agreement concluded.

### **3 Plan the performance**

In this stage, the manager plans for the realization of performance expectations, arranging for the resources to be available which are required for attaining the goals set (Samad, 2013). According to Carig, Beatty and Baird suggests following are the elements of planning stage of performance appraisal system:

- i. Leadership
- ii. Planning
- iii. Decision making

- iv. Problem solving
- v. Organising
- vi. Budgeting
- i. Leadership

Leadership is the process of influencing the behaviour of others towards the accomplishment of goals in a given situation. According to George. R Terry “leadership is the activity of influencing people to strive willingly for group objectives”

Some important functions performed by a leader are given below:

- a. Guiding people
- b. Developing people
- c. Maintaining discipline
- d. Building morale
- e. Representing the group

A leader noted not be a manager but a manger must have many of the qualities of a good leader. In performance appraisal a manager acts as a leader too. The styles of a leader can be categorised in to

- a. Autocratic leadership
- b. Democratic leadership
- c. Free rein leadership

The case of an effective performance appraisal system a managers must act as a democratic leader. A democratic leader takes decisions in the consultation and participation with the subordinates.

- ii. Planning

According to Haimann “planning is the function that determines in accordance what should be done. It consists of selecting the enterprise objectives, policies, programmes, procedures and other means of achieving their objectives”

Planning is useful to an organisation in the following ways:

- Focuses attention on objectives and results
- Reduce uncertainty and risk
- Provide sense of direction
- Encourages innovation and creativity
- Helps in co-ordination
- Guide decision making
- Provide a basis for decentralisation
- Facilitates control

The performance planning is a formal process in organisation for discussing, identifying and planning the organisational as well as individual goals which an employee can or would achieve in coming performance appraisal or review cycle.

A performance plan normally contains the following information:

- Specific goals for development.
- Performance measures.
- Action required achieving goals.
- An indication of long goals will take to achieve.

In this stage the management plan the entire action plan of action on performance appraisal system. It will used to control the variations from the standards.

### iii. Decision making

Decision making is a process of selecting from a set of alternatives course of action which is thought to fulfil the objective of the decision problem more satisfactorily than others. Decision making is a process of selection and aim is to select the best alternative.

The features of decision making are as follows:

- Decision making is a goal oriented process.
- Decision making implies a set of alternatives
- Decision making is a dynamic process
- Decision making is always related to the environment.

- Decision making is a continuous or ongoing process

The scientific decision making process involves the following steps:

- Identification of the problem
- Diagnosing the problem
- Discover alternatives
- Evaluate alternatives
- Select the best alternatives
- Implementation and follow up

In performance appraisal the manager should act as a rational decision maker. The decisions regarding the performance appraisal determine the success and failure of the entire system. So the rational decision leads the appraisal system effective.

#### iv. Problem solving

A fundamental part of every manager's role is finding ways to solve problems. It consists the following steps:

- Define the problem
- Generate alternatives
- Evaluate and select alternatives
- Implementing solution

A problem solving is a tool, a skill, and a process. As a tool, it helps to solve a problem or achieve a goal, As a skill we can use it reputedly throughout the year. And as a process it involves a number of steps.

In performance appraisal the problem occurs in the process of implementation, the remedial action must be taken to solve the concerned problem. Different approaches of problem solving are mentioned below:

- Routine approach
- Scientific approach
- Decisional approach
- Creative approach

➤ Quantitative approach

According to George R Terry “problem solving is a deviation from some standard, or desired level of performance to which a person is committed to find a solution.

v. Organising.

It is the process of determining, arranging, grouping and assigning the activities to be performed for the attainment of objectives. Organising process involves differentiation and integration of activities. The steps in organising involves:-

- a. Identification of activities
- b. Grouping of activities
- c. Assigning of duties
- d. Delegation of authority

In this stage the manager delegate the organisational objectives in to different departments. The organisational activities are further divided in to individual objectives. The expected standards are communicated to the individuals and the performance of each individual assess separately.

vi. Budgeting.

A budget is a plan which states expected results of a given future period in numerical terms. It is a plan of action or blue print designed to achieve a specific goals. A budget is an instrument of both planning and control. As goals are expressed in numerical terms co-ordination of department plan become easier. Budgets serve as a standard of performance. It is generally prepared for one year.

In a performance appraisal, a detailed budget is necessary for the successful implementation of the system. A budget help to control the cost involved the system. A manager plan the budget before the plan introduced.

#### **4 Monitor, assist and control performance (Monitoring performance)**

Performance appraisal is a continues process, involving ongoing ongoing feedback. Even though performance appraisal annually, it has to be managed ‘each day, all year long’.

Monitoring is a key part of the performance appraisal process. It should involve providing assistance as necessary and removing obstacles rather than interfering. The best way to effectively monitor is to walk around; this creating continuous contacts; providing first hand information and identifying problems which can then solved promptly.

According to Craig, Beatty and Baird the following are elements of performance monitoring:-

- i. Observing.
- ii. Coaching.
- iii. Counselling.
- iv. Instructing.
- v. Controlling.
- vi. Training.
- vii. Feedback.

- i. Observing

When we need to evaluate an employee’s performance, observing him and his work habit is the best way to make a fair assessment. By observing the employee, we avoid the potential for subjective assessment that come from his co-workers and customers. According to Tom Ryan (2014) the basic steps in observing performance are as follows:

- Step 1: Create basic list of criteria in which we are interested. This is considered as the starting point of the employee’s attitude, timeliness, effort, consistency, ethics and safety.

- Step 2: Observe the employee yourself, but do not let on that we are monitoring his performance. Observe directly and taking note of criteria we outlined earlier and anything else we find relevant.
- Step 3: Review other reports of the employee's performance.
- Step 4: Monitor the things that hinder employee performance.
- Step 5: Evaluate the employee based on objective criterion, such as timeliness submitting work, not subjective criteria involving personality.

Observing employee performance and providing behavioural feedback about it should be a routine part of the performance management process. (La Jolla, 2016)

## ii. Coaching

Achieving excellence through performance is accomplished in to two major ways. The first way taking a proactive stance by unearthing or preventing counter-productive methods. The second way is to correct performance problem as they arise within the organisation.

Training and coaching are use to help fix performance problems when part of the solution requires learning, but each uses a different approach i. training uses a structured design to provide the employees with the knowledge and skills to perform the task. ii. Coaching is a process that help the employee gain greater competence and overcome barriers to improve job performance on a need basis.

Coaching has been defined as the process of encouraging the individual to improve both job skills and knowledge (Hahne & Schultze, 1996), to assist in problem solving or mastering new skills (Bittel & Newstrom, 1996), and the process of providing others with valuable information so that the organisation learns (Schon, 1983)

Coaching helps to:

- Identifying road blocks to achieving the true potential
- Set practical, achievable goals
- Identify and maximise strengths
- Develop tools to overcome weakness
- Develop a greater understanding of wants, needs and desires.

- Sense, identify and understand the emotions and reactions of others.
- More effectively inspire and drive a team towards success
- Addresses and overcome negative behaviour and thoughts process that great road blocks.

### iii. Counselling

Performance coaching is basically given by the manager to an employee exhibiting poor performance. Mostly the counselling session take place when an employee fails to improve his performance even after receiving an informal notification or advice about the same.

Therefore, formal performance coaching sessions take place to discuss the problem areas and methodologies to overcome it. It can be done under various circumstances like the regular performance appraisal process, analysing the performance of a probationer or during a regular assessment of key development needs of the employees.

The process counselling is:

- Need identification
- Preparation for counselling
- Conducting the session: Draft plan of action
- Follow up.

Performance counselling helps the employee as well as the organisation to identify the weakness and then to formulate strategies to improve the performance.

### iv. Instructing

In a performance appraisal, supervisor gives proper inst/ruction to the employees regarding the system. A regular monitoring is essential for a successful implementation of a system. Proper timely instructions help the employee to perform their duties in an effective manner.

Proper and timely instruction is more essential and beneficial than an order.

### iv. Controlling

Controlling is one of the managerial functions. It is an important function because it helps to check the errors and to take the corrective action. So that deviation from the stated goals of the organisation is achieved in a desired manner.

According to Harold Koontz “controlling is the measurement and correction to make sure that enterprise objectives and the plans devised to attain them are accomplished.

The process of controlling involves the following steps:

- Set standards
- Measuring actual performance
- Comparing actual with standards
- Analysis of deviations
- Take corrective action

Control may be grouped in to three general classifications:

- The nature of the information flow designed into the system (Open or closed control)
- The kind of components included in the design ( Man or machine control system)
- The relationship of control to the decision process (organisational or operational control)

An effective control mechanism in a appraisal system ensure precise functioning of the process of performance appraisal. Through control system the deviations of the performance are minimised and increase the efficiency. This control system helps to maintain the standard performance in the entire process of performance appraisal.

#### vi. Training

Conducting training and development tools ensure that managers conduct performance appraisals effectively involves designing the process, training employees on how to use the tools, training managers on how to provide feedback and set performance goals while adhering the legal guidelines, distributing resources including instructions and monitoring the whole process (Tara Guggan, 2017).

Training and development activities designed to support an effective performance appraisal process involve establishing on ongoing communication process between employees and

managers. Learning how to define job responsibilities, competencies and performance measures ensures the performance appraisal process works to improve employee achievement.

A well planned and well execute training programme can provide the following advantages:

- Ensure higher productivity
- Better quality of work
- Improve learning
- Control the cost
- Reduced supervision
- Improve morale of employees
- Reduce the rate of accidents

vii. Feedback

After any performance review, feedback on performance is communicated to the employees so that they can regulate and improve upon his own performance. On the basis of performance review, rewards are decided. New goals and performance standards or targets for the future period are determined on the basis of feedback.

## **5 Appraising performance**

According to Craig, Beatty and Baird (1986), the appraisal stage involves observing, recalling, evaluating, written communication, judgement and analysis of data. Documenting the performance on the basis of these elements. In this stage the performance of each employee are evaluated with different technique or methods thereby assessing the current performance. The information about the appraisal used for further analysis. The major elements are:

- i. Observing
  - ii. Recalling
  - iii. Evaluating
  - iv. Written communication
  - v. Judgement
  - vi. Data analysis
- 
- i. Observing

During the stage of performance assessment the proper monitoring system is used to correct deviations from expected standards. If any kind of deviation is appear, the proper remedial systems are used for the settlement of the particular problem. If any deficiency is reflected, proper recalling machinery is used to fix the problem scientifically. Timely and proper rectification is necessary for the successful implementation of the performance appraisal system.

## ii. Evaluation

The primary goals of a performance evaluation system are to provide an equitable measurement of an employee's contribution to the workforce, produce accurate appraisal documentation to protect both employee and employer, and to obtain a high level of quality and quantity in the work produced

The steps in performance evaluation procedure are:

- Develop an evaluation form
- Identifying performance measures
- Set guidelines for feedback
- Create disciplinary and termination procedures
- Set an evaluation schedule

A performance evaluation system can motivate staff to do their best for themselves and the practice by promoting staff recognition and improving communication.

Evaluation should be conducted fairly, consistently and objectively to protect the employees. An effective performance evaluation system has standardised evaluation forms, performance measures, feedback, guidelines and disciplinary procedures. Performance evaluation is key factor in improving the quality of work output, inspire staffs make them more engaged. A performance evaluation method varies according to the nature of the work and designation within an organisation. The common methods of performance evaluation is already discussed, i.e., traditional and modern methods.

Performance evaluation is the most important step in the performance appraisal process. The methods of appraisal vary according to the situation. Only valid and reliable methods can give the right result. The selection of appropriate technique is most vital in appraisal process.

### iii. Judgement.

Judgemental performance appraisal appears to be a collection of methods, and as such, could be considered a methodology. A common approach to obtaining performance appraisal is by means of raters. Because the raters are human, some errors will always be present in the data. The most common type of errors are leniency errors, central tendency errors and errors resulting from the halo effect.

Halo effect is characterised by the tendency to rate a person who is exceptionally strong in one area higher than deserved in other areas. It is the opposite of the Horns effect, where a person is rated as lower than deserved in other areas due to an extreme deficiency in a single discipline. These errors arise predominantly from social cognition and the theory in that how we judge and evaluate other individual in various contexts is associated with how we ‘acquire, process, and categorize information’.

All these kinds of errors are related to rates judgement. Only the right judgement represents impartial and valid results in appraisal system. Proper training to the raters can reduce the judgement errors. “Rater training is the process of educating raters to make more accurate assessments of performance, typically achieved by reducing the frequency of halo, leniency and central tendency errors.

### v. Data analysis

According to David Weedmark (2014), performance data must be clearly defined and discussed with employees if the data to have any value for analysis or help to further business goals. As a small business owner, he can use a spreadsheet programme to record the data about job performance report and then compile those reports together to analysis group of employee or a single employee’s progress over time (David Weedmark, 2014)

The steps in data analysis are as follows:

➤ Quantifying data

Job performance can be analysed systematically, the information must be quantified.

➤ Clarifying definitions and objectives.

Most of the employees won't fully understand how the key performance areas affect a business overall success until we discuss it with them. Discuss the definitions and objective for each key performance areas in detail with each employee to get them to work towards the same objective

➤ Compiling data

For most small business, a basic spreadsheet program like Microsoft Excel is versatile enough for recording scores in key performance areas and then compiling scores for analysis.

➤ Analysis of qualitative and quantitative data

The job performance assessed either in qualitative or in quantitative terms. Both methods are varying according to the situation. Different statistical methods are used to analysis the data in different situations.

In quantitative research, social phenomena are systematically and empirically investigated by developing and employing mathematical models, theories or hypothesis. Quantitative research aims at uncovering patterns and relationships, making predictions and generalising results from sample to population.

Different statistical tools are used for data analysis in different fields, Atlas IT, Data Mining, IRT analysis, JGS, LISREC, LIWC, MatLab, MPlus, SPSS, SmartPLS, STATA, SEM, Win Bugs, etc..

Qualitative research aims at understanding the everyday meaning of various forms of social action, strategies practices, institutions and the circumstances under which they occur. The qualitative research process is not linier, but circular among the components describing, understanding and explaining.

v. Charting data

Using charts is helpful way to identify trends and difference in job performance. A class of software known as automated workforce performance measurement has been developed in response to the need for greater visibility in to how employees perform their work and a more detailed understanding of employee productivity rates. There business applications capture employee activity data at the desktop to identify productive and unproductive practices, automatically tracking counts, time, effort and the outcomes of activities. The result allow managers to make data based decision to improve employee performance, as well as about appropriate staffing levels, while giving employees verifiable proof of their contributions to the organisations objectives (Edward M.L. Peters, 2015)

We are living in a time of abundant data. It is imperative that we use our best efforts to eliminate information opaqueness and ensure that the most appropriate and valuable data are collected, analysed and presented in a way that makes a significant contribution to actionable decision making.

Additionally, we have the technology to equip managers to move beyond gut-level best guesses and quantitative assessment to the environment of data based decision making. In an ultra competitive global marketplace, organisational leaders ignore this approach at their own peril.

## **6 Performance feedback**

Performance feedback is an ongoing process between managers and employees. The exchange of information includes both performance expected and performance exhibited (Dona Griffin, 2014).

Feedback goes beyond managers. It extends to co-employees and even customers. Encourage employees to talk to management and report problems to resolve any issue. It is easier to motivate co-workers in an open culture of communication than if they are afraid to speak up.

Employees expect their leaders and managers to keep information confidential. If the manager breaks the trust, it is difficult to build it back up and the employee will refuse to participate the process of appraisal positively. Timely feedback is also necessary for the success of a performance appraisal system. A feedback to have a positive outcome, it should be specific rather than general.

Generalisation helps to gather information about what the staff is feeling, but it will not solve specific problems. It is important to focus on the behaviour misted of the person and make sure that the feedback geared to help and not hurt. And also be aware of the effects of the feedback and follow up on the situation to see what changes have been made.

According to Craig, Beatty and Baird defines ‘after the formal appraisal stage a feedback is desirable. This session should involve:-

- i. Verbal communication
- ii. Listening
- iii. Empathy
- iv. Problem solving
- v. Planning
- vi. Negotiating
- vii. Compromising
- viii. Conflict resolution
- ix. Reaching consensus.
- x. Verbal communication

Conflict can be defined as interference between individuals or group of people who have differing aims, values, expectations, and purposes”

During performance appraisal, a manager typically reviews a subordinate’s behaviour and actions on the job over the previous year. They solicit inputs from peers, superiors and others to get an accurate portrayal of the employee’s work, as this feedback may reveal interpersonal conflict or others workplace concern such as disrespectful treatment (Tara Duggan, 2014) Failing to address their problems during a performance evaluation dissatisfaction in the following year.

By using the technique of compromise, conflict negotiators can achieve “win-win solution, where all parties involved can attain a measure of satisfaction (Chris Joseph, 2014). Compromising looks for an expedient and mutually acceptable solution which partially satisfies both parties. In a performance appraisal process, a problem arising from the assessment the employee and managers mutually discuss the matters and finally reach a solution. Collective efforts can help to solve the problems regarding performance appraisal. Compromising both

parties for a common purpose is one of the methods of conflict management. So it is more practical when time is a factor. It also helps to reduce the stress and tensions of both parties.

## ii. Conflict resolution

Conflict resolution is a way for two or more parties to find a peaceful solution to a disagreement among them. The disagreement may be persona, financial, political or emotional.

When a dispute arises, often the best course of action is negotiation to resolve the disagreement. The goals of negotiations are:-

- To produce a solution that all parties can agree to
- To work as quickly as possible to find the solutions
- To improve, not hurt, the relationship between the groups in conflict

There are seven steps to successfully negotiating the resolution of a conflict

- i. Understand the conflict
- ii. Communicate with the opposition
- iii. Brainstorm possible resolutions
- iv. Choose the best solution
- v. Use a third party mediator
- vi. Explore alternatives
- vii. Cope with stressful situation and pressure tactics.

According to Eric Schreiner (2016) there are five types of conflict resolution strategies:

- a. Discussion
- b. Written communication
- c. Mediation
- d. Compromise
- e. Voting

In performance appraisal, conflict arises between appraiser and appraisee can resolve through discussion. In conflict resolution, the best solution is the solution that is best for both sides. It is not always possible to find, but we should use all the resources to solve the conflict as smoothly as we can.

### iii. Reaching consensus

Consensus is defined as “an opinion or position reached by a group as a whole” (American Heritage Dictionary). Consensus decision making is the process used to generate widespread agreement within a group.

Following are the principles of consensus decision making:

- a. Inclusion
- b. Participation
- c. Co-operation
- d. Egalitarianism
- e. Solution- mindedness.

In performance appraisal, the appraiser provides feedback to the employees. If any deviations from the standards, the manager discuss the problem with the employees individually. Finally the consensus is developed through discussion. It is very important for future performance.

Formal technique for consensus building comes from the consensus oriented decision making (CODM) model. It has seven key steps:

- i. Framing the topic
- ii. Open discussion
- iii. Identifying underlying concerns
- iv. Collaborative proposal building
- v. Choosing a direction
- vi. Synthesizing a final proposal
- vii. Closure

The consensus between operational level managers and employees on strategy implementation affects the effectiveness of performance measures and employee performance. Consensus is critical to the success of an organisation’s strategy implementation and the effectiveness of performance measures.

## 7 Personnel decisions

The ultimate goal of any performance appraisal process is to help employees and supervisors achieve the organisation's overall vision. Performance management supports that through three main strategies 1.Improved communication, 2.Improved performance 3.Enhance employee development.

The result of performance evaluation may be used to support personnel decisions.

These consists of

- Recognize exceptional or outstanding performance
- Manage the performance improvement process

According to Craig, Beatty and Baird, “on the basis of performance appraisal and feedback result, various decisions can be made about giving rewards (promotion, incentives, etc..) and punishments (demotion). The out of an appraisal system should be used for career development. They also suggested the following elements are included in this phase

- i. Decision making
- ii. Leadership
- iii. Prioritizing
- iv. Personnel practice knowledge
- v. Strategic thinking

The results of a good performance appraisal initiate a career path to the employees. They help the employees to develop their career. The positive impact of a good performance appraisal system result in career development and the negative impact cause punishments.

### Career Development

Career development consists of activities undertaken by the individual employees and the organisation to meet career aspirations and job requirements. An effective appraisal system can provide an objective assessment of current performance and future potential of employees. Performance feedback helps employees in understanding and developing their potential.

## Punishment

Disciplined employees are very necessary in every organisation. Effective discipline can help to correct employee behavioural issues and can increase productivity. Various punishments are used by management regarding indisciplined behaviours, demotions, dismissal, termination, etc., are punishment tools to employees.

## 8 Develop employee performance

The final stage of performance appraisal is developing employee performance. It is also called professional development, by providing opportunities for upgrading skills and professional interactions. This can be done by supporting participation in professional conferences or by providing opportunities for further study. Such opportunities can also act as incentives or reward to employees.

According to Craig, Beatty and Baird (1986), following are the elements of developmental process

- i. Planning
- ii. Organising
- iii. Training
- iv. Counselling
- v. Coaching
- vi. Creativity
- vii. mentoring

The result of an appraisal helps an employee know his shortcoming and how he can work on the same. Management takes necessary actions to improve the performance of underperformers. Employee development activities help employees to enhance their skills and upgrade their existing knowledge for them to contribute more effectively towards the success of an organisation.

Training and employee development activities make individuals reliable resources for the organisation and motivate them to deliver their level best. Regular training prepares employees for unpredictable changes in the system or unforeseen advance situations.

Following are the major areas to focus on employee development. The goal is to develop the skills, increase their knowledge, raise confidence and through that uncover hidden talents.

i. Coaching

Coaching consists of regular discussions between a manager and the employee with the goal of improving their performance. Coaching often used as a tool for dealing with poor performance with employee development the role changes to rising the employees performance to a higher level.

- Discover and discuss areas the employee needs to improve.
- Get buy-in from the employee that they are committed to improving
- Develop a plan to improve the employee skills and knowledge
- Meet regularly to discuss how the development is progressing

ii. Counselling

It is a discussion for the purpose of helping the employee to sort out any personal difficulties. In employee development there are may be added pressures or stress that can arise.

If the employee is struggling with the development task sit down and talk with them. They may have fears or other emotions that are interesting with their development. Teach them how to deal with their emotions so they can progress and learn how to handle them on their own in the future.

iii. Mentoring

Mentoring differs from coaching. Mentoring is about overall career growth and guidance. In mentoring, we want to motivate the employee and help them to understand their potential and how that potential can be achieved. Mentoring helps to develop career plan and help them to understand the future role in the organisation. The manager act as a mentor and his role is to interact with the employee on a daily basis.

iv. Teaching

With employee development, teaching revolves around essential skills. These skills lay a foundation on which the employee can build.

#### v. Training

The main purpose of training is to acquire and improve knowledge, skills, and attitude towards work related task. It is one of the most vital potential motivators which can lead to both long term and short term benefits for individuals and organisations.

Cole (2002) summaries the benefits of training are:

- Improve morale
- Lower cost production
- Reduce labour turnover
- Provide recognition; enhance responsibility, and the possibility of increased pay and promotion.

According to Wognum (2001), training and development needs may occur at these organisational levels namely, strategic level, tactical level, and operational level.

According to Wright and Geroy (2001), employee competencies change through effective training programs. It is not only improves the overall performance of the employees, to effectively perform the current job but also enhance the knowledge, skills and attitude of the workers necessary for the future job, thus contributing to superior organizational performance. All training activities must relate to the specific needs of the organisation and the individual employees.

## **Conclusion**

Performance appraisal is significant for any manager make sure that he or she periodically conducts a performance appraisal to establish the productivity of their employees. It is also a vital action because it helps in determining challenges and weak points of such employees so that we can find better ways of fixing them to enhance and yield desirable outcome ultimately.

Different literatures motioned various models of performance appraisal. But Craig, Beatty and Baird (1986) was a provided a detailed outlook for performance appraisal process. The entire process described in detail and it will help a better understanding of the performance appraisal concept. They mentioned that measures and standards, communicate expectations, plan the performance, monitor, assist and control, appraising, feedback, personnel decisions and develop employees are the essential steps in a performance appraisal process.

	<b>Measures and standards</b>	
	Strategic thinking Technical knowledge Written communication Setting standards Writing and setting objectives Prioritising Identifying competencies	
<b>Develop</b>	<b>Craig, Beatty and Baird (1986) Performance Appraisal Process Model</b>	<b>Communicate expectations</b>
Planning Organising training Coaching Counselling Creativity Monitoring		Verbal communications Listening Negotiating Empathy Reaching agreement
		
<b>Personnel decisions</b>		<b>Plan the performance</b>
Decision making Leadership Strategic thinking Personnel practices knowledge		Leadership Planning Decision making Problem solving Organising Budgeting
		
<b>Feedback</b>		<b>Monitor, assist and control</b>
Verbal communication Listening Empathy Problem solving Planning Negotiating		Problem solving Observing Coaching Counselling Instructing Controlling

Compromising Conflict resolution Reaching consensus		Verbal communication Training Technical knowledge Giving feedback
	<b>Appraising</b>	
	Observing Recalling Evaluating Written communication Judgement Data analysis	

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