

Beyond the Horizons Consulting

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Therapy for Business®

Have you ever wondered why some organizations function so well, while others seem to have nothing but logjams? — Leaders need to have vision which they communicate clearly to their employees. Leaders also need to engage their workers emotionally in the tasks at hand. Sometimes an organization needs a little therapy!

Our April Newsletter examines five different methods by which to evaluate employee performance. We continue by looking at the all -important question of how to choose or develop objective raters. Our April article begins on page 2 of the Newsletter.



Beyond the Horizons Consulting offers a variety of services for individuals, teams, and organizations.

- ◆ Individual coaching for managers is a process that begins by identifying your style, what you want to retain and strengthen, and what you want to modify. Objective assessments are part of the process, as are also a mutual give-and-take process of creative problem solving and supportive guidance.
- ◆ We offer group seminars on identifying and dealing with stress in a relaxing and supportive

environment.

- ◆ Our team building seminars will help your team or department run more smoothly, whether it is a brand-new team or one that has been put together after a reorganization.
- ◆ Our communication seminars identify crucial parts of the communication equation and help you put them all together by using role play, among other practical, hands-on experiences.
- ◆ Critical Incident Stress Debriefing (CISD) is a special tool we are equipped to provide to your business whenever there is a traumatic incident — death of a coworker, robbery, layoffs, etc. — in the workplace.
- ◆ We also offer group seminars utilizing excellent tools, including the Myers-Briggs Type Indicator or the DISC, to help you see *in black-and-white* differences in personality type and behavior.
- ◆ Our conflict resolution services help opposing parties identify mutual purpose(s) and restore harmony to the workplace.
- ◆ It is our pleasure to tailor a seminar to your company's, department's, or team's needs!

Our serene, off-site location appears featured in our May and June 2005 Newsletters.

Call us to schedule a complimentary consultation for yourself or your business!

Our helpful Office Administrator, Stan, will work with you to schedule a meeting time that fits your schedule.

Stan and Jean Eva can be reached at (505) 466-4990, or on-line at info@beyondthehorizonsconsulting.com.

Sources of Performance Ratings

GRAPHIC RATING SCALES

These are much like the 0 - 100% or A - F scales used in most public school systems. The disadvantages of such scales — besides the common fact of subjectivity among all these methods — are that they can suffer from halo effect and central tendency errors. “Halo effect” means that the rater has a tendency to overrate an employee’s performance, possibly because the rater likes that person or because giving team members good ratings is thought to enhance the manager’s overall performance.

EMPLOYEE COMPARISONS

One method is *rank ordering* all team members, that is, from best to worst. This again might involve huge subjective judgments. Another method is via *forced distribution*. Here we basically use a bell curve to designate the best (“A”) employees, who clearly represent a minority, the average (“C”) employees, who represent the majority, and the worst (“F”) employees, who like the A’s represent a minority.

CRITICAL INCIDENTS

This method involves using a team to identify those behaviors which are *hallmarks* for a particular job. For example, in customer service it may be key for an agent to ask at the end of a conversation with a customer, “Have I answered all your questions?” This item would then come at the top of a *behaviorally anchored rating scale (BARS)*. The most important question for managers and teams to ask as they develop a BARS is, “Is the observable behavior a true measure of the actual performance behavior?”

SELF-ASSESSMENTS

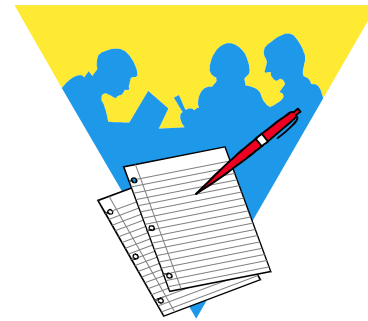
Self-assessments are valuable in that they demand mindfulness on the part of the respondent. They get employees thinking about their own performance and may be a greater motivator than any other method of assessment, particularly with certain personality types. A caution, however: Certain individuals tend consistently to evaluate themselves higher — or lower — than an objective rater would.

PEER ASSESSMENTS

These instruments tend to have high reliability, perhaps as

high as 80 - 90%. Here are some possibilities for peer assessments:

- 1 Peer nominations: Certain individuals are singled out by the team who demonstrate noticeably high performance on any number of dimensions.
- 2 Peer ratings: Employees evaluate each other on a number of dimensions using a 1 - 5 rating scale.
- 3 Peer rankings: Who among the group is the best on a particular aspect of performing the job? Who is worst? The advantage of combining both No. 2 and No. 3 is that there is breadth of rating over a number of dimensions. Thus the overall “portrait” of the person’s performance which emerges is multidimensional and rich in information. In addition, no one person gets to say all; thus the instru-



ment is less subjective. It also takes into account day-to-day observations of those who may best be able to appraise an employee’s per-

formance — his/her coworkers.

QUESTIONS TO ASK IN CHOOSING A RATER

If a company decides to use individual raters rather than or in addition to peer assessments, a number of factors arise in choosing unbiased raters. First of all, let us reiterate that the person who rates an employee on a given assessment should *not* be the same person who determines the actual amount of the raise. There should of course be a scale to be used as a guideline in determining monetary bonuses and raises, based on appraisals, longevity with the company, peer ratings or nominations, and the like.

Raters themselves can be biased on a number of counts. If a manager is evaluating a direct report, s/he may feel, without necessarily being aware of it, that the employee’s performance reflects directly upon her. Thus a supervisor’s judgment may be clouded by a need to preserve an aura of excellence, which then produces a “halo effect” on the appraisal(s). The question to ask is, “Can I (can this rater) be objective in evaluating the performance of workers I have personally trained and am currently responsible for?”