

Performance evaluation

[Business](#), [Management](#)



Introduction

Companies and corporations exist to conduct businesses as established in their respective mission and vision statements. These goals, mission and vision statements are achieved through the employment of a workforce. The workforce therefore of a company is as important as the mission or vision statement as the case may be.

The employees are the backbone of the corporation. They move the company into what it is called for in the community depending on the nature of the business it is in. Thus, these employees must be treated with importance and high regard and in a manner consistent with equality and fairness. Corporations, in the conduct of their business, must ensure the safety and well being of every employee. In fact, laws provide for compensation benefits and packages to promote healthy working conditions and protect the rights of workers against possible abuses of the management and eventually endanger their rights guaranteed by the constitution as well as those provided for in statutes.

The foregoing however does not warrant unwarranted benefits in favor of the employees. The corporations or management has the right likewise to protect its own interest particularly that which relates to its relations with the employees. In corporate success, it is necessary that goals and objectives of the management and/or proprietors on one hand and that of the employees on the other hand meet in order to achieve the corporate goals. Thus, the need to determine whether individual performance meets the set corporate goals and objectives; it is equally important that both parties, the

management and the employees act together towards a common goal and only then there can be attained success in the business organization.

This paper treats in the relevance and significance of performance evaluation, performance management of employees particular performance appraisal as an aspect of performance management and other related topics.

Performance Evaluation, relevance

Performance evaluation is very important in all organizations, whether conducted for profit or not, as in the case of a bank in the present controversy. It is understood that bank operations are imbued with public interest and so must be conducted with utmost care and diligence; thus protecting the rights of the employees, employer, the government and most importantly the public.

Organizations view performance management in relation to performance evaluation as a key towards establishing or enhancing from among the employees initiative in work performance for increase marketability, speedy business transactions and business renewals (Haines, et al., 2004).

Effective organizations highly regard performance management in the course of their dealings. Employees are engaged as part of the planning process and more so in the evaluation process. Effective performance management subsumes an effective performance evaluation (<http://www.opm.gov/perform/overview.asp>, 2008).

Performance evaluation is the process of assessing individual performances of employees giving them an assessment on their effectiveness in the performance of their respective work assignments and which serves as a

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guide on the progress of their respective careers (https://my.tennessee.edu/portal/page?_pageid=34,275744&_dad=portal&_schema=PORTAL, 2008). Moreover, it is usually conducted by having an interview with an employee annually or semi-annually in order to determine the employee's weaknesses and strengths in the work and provide remedy for the same (Heins, et al., 2004).

It has for its aim the following:

“ collect and disseminate information relative to performance aspects”;

“ promote interdisciplinary flow of technical information among researchers and professionals”;

“ serve as a publication medium for various special interest groups in the performance community at large”, (Nain, No Year).

The present case involves an employee of a bank (Charlene) holding the position of Senior Teller of a loan department in a bank. Personal information reveals that Charlene is a black American and works with whites. Her being a Black may have affected her performance evaluation which will be explained in the following discussions.

Charlene works closely with another Black. In the course of their dealings, she is found to have exhibited a positive attitude towards work and mingles well with others. Her personal evaluation sheet reveals an exemplary performance worthy of promotion and emulation. Charlene expected to be promoted to a higher position which is a supervisor position in the loan department. However, one Terri came into the picture who has been a Senior Teller of one of the branches of the bank. Terri was eventually appointed to such supervisory position, and not Charlene. As a

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consequence, Charlene became subject to the supervision of Terrie who, among others, had the task of evaluating the performance of the former.

Work performances of Charlene show deterioration from the quality of work expected of her, in contrast to her prior work performances before Terrie became her supervisor, as reflected in the performance evaluation report. The latter shows that Charlene showed good performance which gained her promotions for short periods of time, implying a quality of work beneficial to the clients of the bank and the bank itself. However, Terrie's observations were totally in contrast to the prior performance evaluation reports. She observed the constant tardiness of Charlene as well as consistent mistakes in the conduct of the latter's responsibilities like the crediting of amounts causing prejudice and embarrassment to the bank.

The conduct of the performance evaluation upon Charlene in the present case has served the purpose above set forth, such as the determination of the performance aspects of the employee concerned thereby establishing discipline and control over such employee and serves as the information guide among the rest of the employees in the company.

By its nature, a performance evaluation is expected as much as possible to be free from inequality or biases, to effectively determine quality of work performance. Considering that it is intended to determine among others, productivity and profitability, the same must be based on sufficient standards free from biases. In the instant case, Terrie exhibited to have high regard to avoid having to commit prejudicial acts against Charlene due to her being a Black American. Resort to dismissal has not been adopted as a major recourse in order to prevent controversies arising from

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alleged discrimination. In fact the result of the performance evaluation such as the dismissal of Charlene has not been acted upon just to guarantee the total absence of discrimination in the workplace.

Moreover, performance management is seen effective as when the same is made by managers who are exceptionally focused. In a study conducted by Wood (2007), it is the senior management's duty, as in the case of Terrie, to align the mission and vision statement of the company and that of the employees, the latter through the conduct of performance evaluation. Together with the duty of the senior management to conduct performance evaluation is its duty to effectively communicate the company standards and corporate purpose across the organization, particularly to an employee who has already been the subject of surveillance and investigation pursuant to a low performance quality at work. In the present case however, the senior management failed to appraise the employee, Charlene of her deficiencies in terms of work quality, despite the continuous promotions she received from the same company. The deteriorating work performance has been brought partly by the management for failure to convey to her the established standards of the company; instead, she was given a high performance rating in her personal evaluation report. It is in this part that the performance evaluation report did not serve to work for the benefit of the employee concerned as well as the company. An important aspect of performance evaluation is not simply the routinary and ceremonial conduct of employee evaluation but that of actually appraising and informing the employee concerned of the outcome of the same for purposes of improvement and development in the work.

In the present case, the performance evaluation report sets as the standard in determining the quality of work performed by an employee. Studies have shown that performance evaluation serves as the gateway towards determining quality of work performance in relation to satisfaction not only to clients' standards but also of the stakeholders towards a future of high profitability (Mitchell, 2008).

Performance evaluation thus has a direct link to business profitability. Good quality of work entails high productivity and eventually high profitability. It is thus safe to say that an effective performance management must be taken into account in the course of the conduct of the business to align the needs of the corporation, the clients as well as that of the employees.

Components of Performance Evaluation

Performance evaluation as a process in general has the following components:

1. Performance planning – Under performance planning, corporate goals and objectives are laid down with certainty and concreteness to appraise employees the basis and quality of their work. This is a mode of aligning company goals and objectives in relation to individual goals and objectives, as well as qualifications of employees.
2. Performance coaching – When corporate goals and objectives are set forth and the standard for evaluating performances are laid, employees during and after the conduct of performance evaluation ought to be informed of the results thereof. Employees have the right to be given a feedback on the evaluation report to keep them in tract of their work

performances in career development and to better improve their work performances when appropriate.

3. Performance appraisal – This is often mistaken as performance evaluation but is in reality, only a part and parcel of what it is. It is the formal documentation of the feedback on the basis of the performance evaluation and conveying the same to the employee with the expectation that the employee concerned would improve his performance at work.

Performance Appraisal

In more concrete terms, performance appraisal is the process of conducting performance evaluation periodically, either annually or semi-annually. It is usually conducted to check employee weaknesses and strengths vis a vis requiring work improvement to meet corporate standards as well as international standards. Indirectly moreover, the same is used as a standard for giving out employee rewards for superior work performance (Haines, et al., 2004). Bacal (No Year) moreover, strongly stressed that performance appraisal must focus on work performance rather than being used as a tool on determining who to promote or who to remove from office. It should aimed at giving employees the real status of their work performance and demand from them efforts to improve the same, otherwise, proper sanctions be imposed.

However, as can be seen in the instant case, the performance evaluation conducted by Terrie and the other superior officers of Charlene, is not really intended to improve the performance of the latter. There have already been reported and observed deficiencies in the work which Charlene exhibited,

but all were not properly documented. Instead, her poor performance was made the basis for her promotion to get rid of her from the superior officer's control and supervision. The fear of removing her from work is fear in stupidity. It the duty of the management to properly appraise her of her poor performance in order to achieve the goal of performance appraisal, that is, work improvement. This actually did not happen. Every superior officer aimed at removing Charlene from his supervision and so indicate in the report a positive performance evaluation report so she would immediately be promoted to a higher position. It is evident that there is really no intent to improving her performance but only to get rid of her from the workplace. This is a misconception of what employee appraisal is.

Performance appraisal is intended for work improvement after a deliberate conduct of employee evaluation periodically. It is aimed at prescribing and keeping the company standards to improve work performance. It is not one primarily made to determine employees who deserve to be promoted or kicked-out from work as is usually done. This does not however totally foreclose the idea that performance appraisal or performance evaluation can never be the basis for work promotion. The same may hold true as one of its secondary purposes for the primary aim of performance evaluation is work improvement and not employee removal.

From the foregoing, performance appraisal is important in obtaining higher productivity in the work place. An effective employee is one who meets the demands set forth in the corporate policy and is able to cope with the required standards for improvement upon appraisal or otherwise. Corollarily, an effective employee is able to conduct himself consistent with corporate

demands and thus, meets the corporate goals and objectives. This means high productivity and profitability in the work place.

In sum, performance appraisal aims at increasing productivity and profitability by utilizing and maximizing the human resource (work force). This has a domino effect beginning from the performance of the employee to increased productivity. Thus, where an employee has failed to comply with his responsibilities and likewise fails to meet the improvements demanded of him, he then fails to give effect to corporate goals and objectives, in effect, failing to contribute to company productivity. In the case of Charlene, the performance appraisal has not been effective. She was neither performed nor consulted on the outputs of her work. She remained under observation by superior officers, without her knowing or being made aware of the consequences of her acts. Another superior officer came and guaranteed improvement on Charlene, which was however proved futile considering that the person from whom the improvement should come from and from whom it should have been demanded remained blinded. She may be aware of her tardiness and consistent mistakes and errors in the crediting of accounts in bank transactions, nevertheless, it is the duty of every superior officer to appraise her of her status and the impacts of her acts on the company and on the client. These, they failed to do in the performance appraisal.

An effective performance appraisal is one which truly understands the essence and use of the same. Many at times it has been misunderstood as a mode of removing unproductive employees or granting promotions to those who are showing exemplary performance in the work place. The same should substantially adhere to the key components such as performance

planning, performance coaching and performance appraisal; with the latter done by actually giving the employee concerned the opportunity to be informed of the status of his work performance, and require from him the improvements needed to meet the desired goals and objectives of the corporation. More importantly, the employee must be given the opportunity to correct himself considering that the end view of every performance appraisal is for work improvement and not removal or promotion as the case may be, although the latter two may be incidental to the conduct of performance appraisal. The same should highlight important aspects on work status and the required work improvement. Equally important is the opportunity of the employee to correct and improve work performance in a considerable period of time. Failure to this would render the term ‘performance appraisal’ futile.

In the instant case, it would have been a real performance appraisal where at the beginning Charlene was informed of the actual status of her work performance in the workplace. It is well to note that Terrie was doubtful on her actual work performance due to discrepancy on the words of other superior officers and the actual work performance evaluation report. The latter discloses a commendable work performance while the other officers say otherwise. It was later discovered that previous superior officers under whom Charlene had been subject of supervision and control were forced to indicate a positive work performance which gained Charlene her promotions for considerably short period of time. This is a clear mistake on the part of the management. Their acts of giving her promotions despite backlogs in work and poor performance are acts of tolerance which may be understood

by Charlene as something commendable considering that her attention was never called. Eventually Charlene was dismissed from work. It can be observed that while she was given several chances to improve, she was never actually subject of probation. She was asked to relate to the management her problems in her work but was never actually told of the consequences of her acts. She was given several opportunities but was never aware of her poor performance that would call her awareness and possible consequences of her acts

Conclusion

Performance management is an important aspect in business organizations to achieve high rate of production, good quality of work thereby increasing productivity and profitability. Performance management is a broader concept than performance appraisal. The latter is an aspect of the former. An effective performance appraisal is one which contains performance planning, performance coaching and performance appraisal. Performance appraisal is a process of formally evaluating the status of the work performance of the employee giving the latter the opportunity to know of his actual work performance and in case of poor performance, the opportunity to improve himself as an employee, and that only failure to comply the same warrants dismissal or removal. Work performance moreover may be made the basis of granting employee rewards and employee promotions.

An effective performance appraisal must properly identify the weaknesses and strengths of an employee and bringing to his awareness the results thereof for purposes of further improvement or maintenance of the work performance or immediate improvement in case of poor performance.

Employee participation is important not only in matters involving work loads but more importantly in performance evaluation. It is important that an employee is aware of his participation in the decision making processes particularly that which relates to his tenure in the organization. He is expected to meet corporate goals and objectives and so must be informed as to whether his performance matches that of the corporate goals. While management has the prerogative to terminate the employment in case of poor performance, an employee has likewise a right to security of tenure which must be respected and observed pursuant to an effective performance appraisal.

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