

Performance appraisal vs. salary increases case study

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



PERFORMANCE APPRAISAL

My Opinion on the Experts' Recommendations

Performance appraisal is all about evaluating the way an employee is doing their job and one of its main purposes is for career development. This is why I am of the opinion that the experts were right in asking Rob to separate the appraisals from salary increases. This is because salary increase does not necessarily constitute or result in an employee's career growth. The current appraisal method has been ineffective in that the secretaries have been appraised as 'good' or 'excellent' just so that they don't miss out on the annual salary increment. However, this in itself means that most of them are more focused on the salary increment rather than on giving quality work.

Also at the rate the appraisal system is going of recommending salary increments for almost secretary, Sweetwater is about to find itself in a financial crisis when it can't support the salary increments recommended. It should also be noted that performance appraisal is also used as a motivating tool. This means that when an employee does something good and they are appraised, they feel good and appreciated. In this case since the appraisal method is not effective; it is not motivating employees to produce quality as this is not recognized. The reason why I say this is not recognized is because an employee who is producing quality work will not feel appreciated while everyone else in their department gets the same appraisal as them even though some of the colleagues do not work as hard.

In addition to the recommendations made by the two experts, Rob should also organize a workshop for the administrators to be taught the importance of upholding integrity in the appraisal system. This will help them see that lying so that an employee is considered as an excellent employee is both detrimental for the organization and also for the employee.

Graphic Rating Forms

Graphic rating forms are an old performance appraisal tool. They may look dependable based on the fact that they are easy to use and since the appraisal is done on a continuum they are also easy to understand. However, these forms are not effective in that the performance of an employee is solely based on the appraisal form. I would also recommend that Rob shifts from this rating based on the fact that it is known to have a lot of emphasis on its limitations and the appraisal instrument (Jackson & Mathis, 2007, p. 342). For example, when the graphic rating forms were introduced some employees were not happy with them but when they were misused to appraise almost every employee, the employees now were comfortable with them. This shows that these forms are loved by employees only when they favor them. Rob should also do away with this appraisal system as in most cases different traits are grouped together and hence the rater gets only to give feedback on them in one box. This means for example when an administrator is to rate a secretary on their dependability; they are forced to answer this question with only one response even when an employee may be dependable in one area and undependable in another.

I would recommend that Rob replaces the graphic rating forms with the Management by Objectives appraisal method. The latter ensures that it is the employees who set their goals and that the management on its part helps the employees to achieve these goals. This appraisal method is more effective than the graphic forms in that the former is more goal-oriented and also seeks to proactively take charge of employees' performance instead of embracing a reactive approach.

If I was Rob Winchester I would go for the Management by Objectives appraisal method (MBO) for the secretaries. This would enable me to have the secretaries have a say in their appraisal method. Also it ensures that any negative feedback on a secretary's performance is not taken personally as it is the employee who set out what they wanted to achieve and hence their responsibility if they don't achieve it. This appraisal method is also commendable in this situation in that it allows for the secretaries to be guided on achieving their goals almost every couple of months which is better than the one year appraisal period currently in place. The MBO is also more about helping the employee achieve their goals than blaming them for not performing (Batten , 2003, p. 78). This in turn also ensures that there is career growth in the employees being appraised using the method. With this method, Ro would be assured that the administrators don't feel obliged to give good recommendations on an employee's performance as there is something to measure it against. Also, the obligation would be minimized as the employees are the ones who give the administrator what to measure them with. I would also use this method in Sweetwater as it is more

interactive than the graphic form rating system. The MBO allows an administrator to discuss with the secretary any concerns that there may be about the latter's performance. The MBO may also be used to give salary increments based on what percentage of set goals a secretary has achieved. This would be a more transparent system and one that is all about fairness in awarding pay hikes than the graphic rating forms which allow for bias.

References

Jackson, J. & Mathis, R. (2007). Human Resource Management. London: Cengage Learning.

Batten, J. (2003). Beyond Management by Objectives. San Jose, CA: Resource Publications.