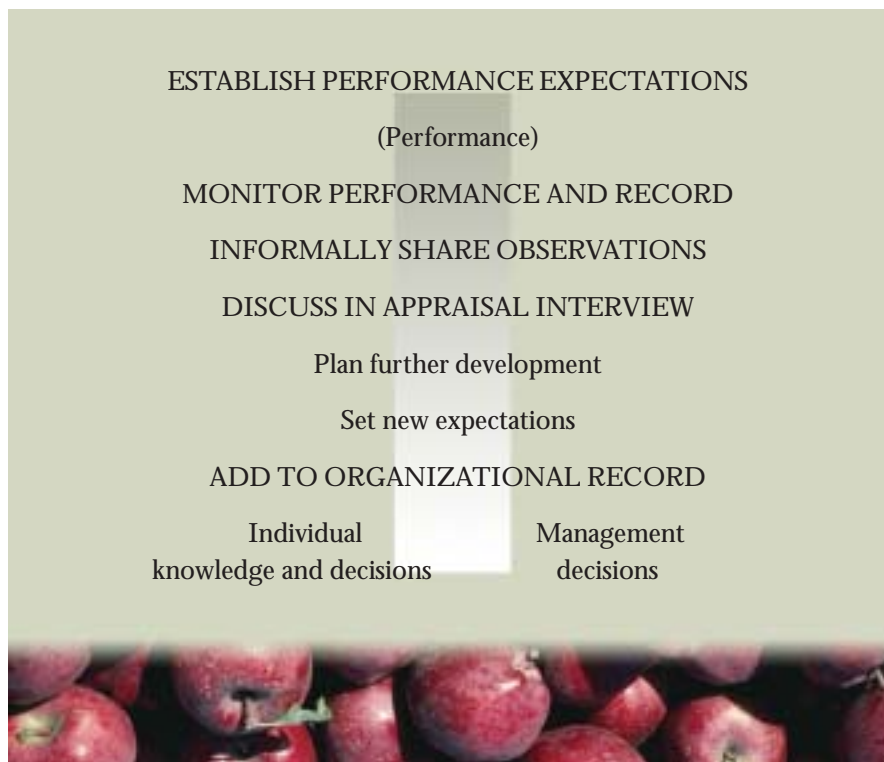


Figure 5.6. Steps in sample performance appraisal process.



Utility of Performance Appraisal

Establishment of a structured appraisal program is an investment that can pay off for agricultural producers in better management decisions, as well as enhanced worker performance. To the individual, a performance appraisal represents feedback, if nothing else. People generally prefer to know where they stand and how they are perceived. Uncertainty produces stress, making people anxious, uncomfortable, forgetful, bitter, resentful, or otherwise unwell in ways that may haunt the employer. Performance appraisals also help people make sense of the world and understand why it treats them as it does. Appraisal information explains decisions that may otherwise appear arbitrary, such as the granting of a raise, the sponsorship of a training program, or the transfer to a distant ranch. Most important to the individual employee, performance appraisal provides *direction and guidance*.

These steps also benefit the employer. The farm where employees get informative feedback, understanding, and guidance reaps the benefits of a healthier, less distracted, more knowledgeable, and ultimately more skillful staff. Appraisal information helps organizations additionally in respect to communication, reward distribution, personnel planning, training needs assessment, and employee selection. The process provides a stimulus and structure for regrettably infrequent employee-supervisor dialogue.



Views of a good appraisal

Employee's perspective:

- *"Enabled me to better compare my work to standards of the job."*
- *"Gave me clear guidelines for improvement and advancement."*
- *"Made me know that the grower sees my strengths and wants to use them more extensively."*
- *"Allowed me to voice concerns about my current job and career progress here."*
- *"Helped me understand a lot more about the whole business."*

Employer's perspective:

- *"Provided information about operations that I never realized."*
- *"Helped me see where the employee's personal goals and my farm objectives can mesh for a longer time."*
- *"Built a sense of teamwork to solve problems."*
- *"Gave me the chance to reinforce what I appreciate and want to see more of from this employee."*
- *"Clarified some needs for skill training."*

At their best, evaluation discussions are constructive exchanges of information, providing employees with more insight into their strengths and weaknesses on the job and managers with indications of how they can support better operations. In addition, evaluations can substantiate the rationality of promotional, pay raise, and disciplinary actions and particularly reduce the risk of legal proceedings when employees are discharged for cause.

Informational tools used for selection, promotion, pay raise, demotion, training opportunity, and layoff determination are subject to challenge if they yield disproportionate outcomes for protected groups (compared to non-protected groups). A performance appraisal is under the same legal requirements as a selection test or interview. It must be a good measure of performance (i.e., valid and reliable) if it is to be useful in defense against discrimination charges. Of course, better performance appraisal measures are also more useful internally to an organization.

Despite its utility, performance appraisal is often uncomfortable to the appraiser and the appraised, at once a most important and avoided supervisory task. Surveys conducted by the Conference Board found that 75 percent of responding organizations had appraisal systems for operational personnel, 94 percent for clerical, and 93 percent for supervisory. More than one-half of the organizations had developed new systems in the previous three years. Still, respondents widely regarded appraisals as a waste of time or an abject nuisance.

A ranch foreman compared systematic appraisal to a seatbelt: it is good for him but does not feel good, so he is reluctant to use it. But appraising employee performance need not be a dreaded task. Appraisals can be structured and carried out in ways that make them more or less useful and enjoyable.

Structuring Appraisal Systems

There are three major decisions to make when structuring a performance appraisal system: (1) who appraises, (2) when to appraise, and (3) what and how to measure. Good answers to these three questions are not the same in every case. Choices on these three issues ought to relate back to what the performance appraisal is intended to achieve. An appraisal used predominantly to produce information for administrative decisions would focus on evaluation of past performance through rating and ranking procedures, with the appraiser acting as a judge and the appraised as a passive recipient. If designed primarily as an aid to development and improved performance, however, the appraisal would focus on the future and tend to be more ongoing or stepwise in nature; the appraiser would act more as a coach or guide and the appraised as an active learner and planner.



Although structured planning and review sessions with individual employees can lead to better performance, less turnover and greater satisfaction in the work place, too often they do nothing of the sort, as workers and supervisors alike treat them as just a formality to endure. At the very worst, performance appraisals erode relationships, create hard feelings, and decrease morale. One tractor driver describes his review sessions as “the worst day of the year. My manager sits there and tells me ‘you didn’t do this,’ ‘you didn’t do that.’ I leave feeling completely demoralized.”

These techniques may help to get the most out of a planning and review session:

- Start off on the right foot—put emphasis on clarifying expectations and planning first and evaluate later.
- If you use a form, tailor it to the job—most stock forms are too general and trait-based.
- Ask employees to work with you in setting goals—supervisors need to do as much listening as talking.
- Approach the session more as a coach, counselor, and developer than as an evaluator.
- Separate planning and review from discipline. Address problem incidents when they occur, rather than putting off discipline to a planning and review session.