

For Your Success

This module focuses on the data collection processes for performance management systems and factors that influence accuracy of appraisals.

Remember, this week you have the fourth Critical Thinking Assignment and required readings to complete. The Critical Thinking Assignment is due by Saturday. You have a seven-day grace period for full credit. If the assignment is not submitted by this day, you will receive no credit for the assignment.

There will also be a required Live Session this week. Your faculty will provide further details about this event.

Learning Outcomes

1. Understand and analyze the distortions of performance rating bias and evaluate methods to minimizing the impact.

1. Challenges in Data Collection

The 360-degree feedback process often is preferred over the group discussion method when it comes to evaluating performance. The challenge a company faces after gathering data from a **360-degree PMS process** is how to determine what factors and what evaluations from which levels are more important than others with regard to each department and each individual. *Read more about the 360-degree process in this [article](#).*

Hopefully, thorough data collection will align the PMS with organizational goals. To do so, the PMS process must account for **rater bias** or errors. Rater weaknesses can significantly impact evaluations. Research has shown that rater personality, rating format, and the method of evaluation delivery can all affect an evaluation. Leaders must be cognizant of PMS rating issues that can occur due to **intentional** and **unintentional** error. *Review the following rating issues that can have an impact on data that is collected:*

- [Agreeableness](#)
- [Personality Types](#)
- [The Halo Effect](#)
- [Inflated Ratings](#)
- [Unintentional Error](#)

Research shows that raters ranking high on **agreeableness** and who present the evaluation in person provide higher scores than do those raters who are low on

agreeableness. Research shows that those raters also score employees higher using a scale system over a behavior checklist.

Leadership should ensure that the PMS process is multidimensional:

- It involves different levels of appraisers with different abilities.
- It considers appropriate forms and methods to meet the organization's needs and facilitates rater objectivity.
- It considers frequency and manner of feedback delivery.

<http://maaw.info/ArticleSummaries/ArtSumFerreiraOtley2009.htm>

[Click to Enlarge](#)

Leaders should also educate employees about potential rater biases and errors so that awareness of the challenges can be considered and addressed. They should ensure that the necessary meetings take place before and during the appraisal process to stress clarity and understanding of the process by all participating parties.

Now that you have seen some of the risks associated with performance management systems, do you feel they are still useful? Most do, but the most effective systems have been created by leaders who understand the risks and who plan ahead. Segal (2011) said:

Some management mavens have questioned the utility of performance appraisals, calling for their abolition. But if done correctly, appraisals can stimulate productivity, shape culture, reward excellent performance, provide notice to employees who need improvement or development, and establish baselines for employment decisions. (para. 1)

Read more about Segal's [12 key points on performance appraisal errors](#) and then view [this video that also highlights rater errors and biases in performance appraisals](#).

Performance Rating

<https://www.youtube.com/watch?v=T0fSf9LnjsY>

Presents errors and biases of performance ratings.

In summary for this module, you have learned to how to evaluate the data collection processes for performance management systems. You have acquired insight on factors that influence accuracy of appraisals and how to analyze existing appraisal methods to create a more effective and more accurate appraisal process within the context of performance management.

Topic for Reflection

Consider your last appraisal and the person(s) who conducted the evaluation. What rater biases do you think impacted your appraisal? As a leader in your organization, consider what processes or requirements you would establish to reduce rater bias.