



INTERNATIONAL HELLENIC UNIVERSITY  
SCHOOL OF ECONOMICS & BUSINESS ADMINISTRATION  
M. Sc. IN MANAGEMENT

**“EMPLOYEE PERFORMANCE MANAGEMENT WHEN  
THE COMPANY DEALS WITH THE CUSTOMER ON A  
DAILY BASIS ”**

*ASIMINA FARMAKI & MARTHA- DIMITRA MITSELOU*

**ID No. :** 1102100015 & 1102100014

**Department:** M. Sc. In Management (Oct 2009- Oct 2010)

**Supervisor:** Dr. PETRIDOU EVGENIA

**THESSALONIKI**

**2010**

## **ABSTRACT**

---

Performance management has been increasing constantly the last years. It is a tool used by companies for developing and training their employees. By this way a company can achieve a high probability of success, due to the fact that performance management can provide a good control that minimizes errors.

Some of the purposes of the performance management is to ensure that the work performed by employees accomplishes the work of the company, that have a clear understanding of the quality and quantity of work expected from them, and ongoing information is being given to the employees.

Furthermore, awards and salary increases based on employee performance are distributed accordingly, and when employee performance that does not meet expectations is addressed.

This research is based on the belief that the methods used in the companies in performance management can optimize the level of overall company's performance. It aims to examine various performance management methods with the aim of ensuring the best performance.

The research proposed is important because customer's point of view about the company's wellbeing is strongly related to the employees' performance management, especially in cases in which there is a direct contact on a daily basis. Company's management teams can benefit from rules that minimize errors. It is hoped that the outcome of the research will contribute significantly in understanding the importance of the implementation of performance management and the possible obstacles that should be confronted.

## **ACKNOWLEDGEMENTS**

---

We would like to thank professor Petridou Evgenia for giving us the opportunity of carrying out this research and for her guidance support throughout the project. Furthermore, we would like to thank SY.FA Thessalonikis, especially the heads of ordering and sales department (Mrs. Boutoura Maria and Mr. Papamichailidis Dimitris) and quality assurance manager (Mrs. Topalopoulou Christina), that gave us precious information and details in order to carry out the project. Finally, we would like to thank our families and friends for their support.

# Table of Contents

<b>Abstract</b> .....	3
<b>Acknowledgements</b> .....	4
<b>Chapter 1: Introduction</b> .....	8
1.1 Motivation .....	8
1.2 Objectives of the study .....	8
<b>Chapter 2: Literature Review</b> .....	10
2.1 Definition and Evolution of Performance Management .....	10
2.2 Performance Management Elements .....	12
2.2.1 Methods .....	12
2.2.2 Appraisal .....	14
2.2.3. Practices .....	17
2.2.4. Pharmaceutical industry .....	18
<b>Chapter 3: Stages of Performance Management</b> .....	20
3.1. Stages of performance management.....	20
3.1.1 Planning .....	20
3.1.2 Execution.....	20
3.1.3 Assessment.....	21
3.1.4 Review.....	21
3.1.5 Renewal.....	21
3.2. Methods for performance management.....	21
3.2.1 Competency Based Assessment.....	22
3.2.2 Balanced scorecard .....	24
<b>Chapter 4: Performance Appraisal</b> .....	27
4.1. Basic Purposes.....	28
4.2.Objectives .....	29
4.2.1 Provide Feedback .....	30
4.2.2 Training Needed .....	31
4.2.3 Clarify Expectations .....	31
4.2.4 Allocate Rewards.....	32
4.3. Appraisal Methods.....	32

4.3.1.Traditional methods.....	32
4.3.2. Modern Methods .....	37
<b>Chapter 5: Performance Management Practices .....</b>	<b>43</b>
5.1. Staff motivation.....	43
5.2. Focus on Costumer .....	45
5.3. Empowering Front Line Employees.....	46
5.4. Benchmarking .....	47
Successful Benchmarking.....	48
<b>Chapter 6: Case Study.....</b>	<b>50</b>
Cooperative pharmacists’ of Thessaloniki (SY.FA. THESSALONIKIS).....	50
6.1. METHOD-DATA COLLECTION .....	51
INTERVIEWS with close-end questions .....	52
PART 1 .....	52
PART 2 .....	53
PART 3 .....	54
6.2. FINDINGS.....	56
6.3. CONCLUSION .....	58
List of references .....	60

## **TABLE OF FIGURES**

<b>FIGURE 1: THE PERFORMANCE MANAGEMENT SYSTEM</b>	<b>27</b>
<b>FIGURE 2: PERFORMANCE MANAGEMENT METHODS</b>	<b>27</b>
<b>FIGURE 3: GRAPHIC RATING SCALE METHOD</b>	<b>36</b>

## **CHAPTER 1: INTRODUCTION**

---

### **1.1.Motivation**

Performance management applies to companies and includes recurring activities to establish company's goals, monitor progress towards the goals and make adjustments to achieve those goals more effectively and efficiently.

Performance management began around 60 years ago as a source of income justification and was used to determine an employee's wage based on performance. In recent decades, however, the process of managing people has become more formalised and specialised.

Some of the factors that have influenced the evolution of performance management have been the:

- Market conditions like competitiveness & organisational performance
- HRM's high road
- Management theories and movements "search for excellence" and the
- Technological developments-product and process technology.

### **1.2.Objectives of the study**

Objectives of this study are the deep understanding of the methods that are used in the performance management procedure, the identification of the causes that lead to low employee performance and the identification of the best methods that can improve the performance and minimize the possibility of errors.

Answers are expected to the following issues:

1. How the employee's performance management affects the company's performance?
2. What are the privileges of employees' performance management?
3. How customers contribute in assessing employee's performance?
4. Which techniques are used in performance management?

Chapter 2 contains the review of the literature regarding studies concerning evolution of performance management; the performance appraisal methods; and practices of performance management.

Chapter 3 includes the stages of performance management and there is a remark of Competency based assessment and Balanced scorecard.

Chapter 4 describes the performance appraisal methods (traditional and modern).

Chapter 5 indicates the multiple key practices that are necessary for performance management systems.

## **CHAPTER 2: LITERATURE REVIEW**

---

### **2.1 Definition and Evolution of Performance Management**

Performance is indisputably a crucial issue in every business. Due to its importance, it has been a matter that has been analyzed extensively. Many definitions have been given above the matter. Bates and Holton (1995) revealed that performance is a mixture of many dimensions, the quantity of which fluctuates because of a range of causes. There are diverse points of view regarding the definition of performance.

Kane (1996) disagrees that performance is somewhat an individual leaves behind and exists separately from the reason. Bernadin et al (1995) are concerned that performance should be characterized as the results of work for the reason that they offer the strongest association to the strategic aims of the business, client contentment and financial assistance. Campell (1990) considers performance as behavior and should be differentiated from the results because they can be influenced by systems issues. When managing the performance of teams and individuals both inputs (behaviors) and outputs (results) need to be considered. This is the “mixed model” of performance management (Hartle, 1995).

The introduction of performance management has occurred due to a range of reasons. First of all, the market conditions have played a very important role. For example, since the extensive competitiveness in the market has been revealed as exceedingly related factor to the organizational performance (Pollitt 2000), it made obvious the need for managing performance. The primary intention was to cope with the competitiveness in a positive way. Likewise, the accomplishment of the human resource work practices like the high commitment, have revealed a positive outcome to the organizational performance, revealing in this way an additional crucial feature that indicates the need to manage the performance. (Cook, 2000, Guest, 1999, Pfeffer, 1998).

Furthermore the advance of new management theories and movements, such as the “search for excellence” (Peters & Waterman, 1982) has prompted the need to set up the performance management. These factors, among many others such as the

organizational restructuring, and the new conditions in the business relations have played a crucial role.

Performance management is “a strategic and integrated approach to delivering sustained success to organisations by improving the performance of the people who work in them and by developing the capabilities of teams and individual contributors” (Armstrong & Baron, 2000). Another definition of the term performance management has been given as follows “a systematic approach to improving individual and team performance in order to achieve organisational goals...the approach you take should depend on your organisation: its culture, its relationship with employees and the types of jobs that they do” (Hendry et al, 1997).

Moreover performance management is “the development of individuals with competence and commitment, working towards the achievement of shared meaningful objectives within an organization which supports and encourages their achievement” (Lockett,2004), or the process of directing and supporting employees to work as effectively and efficiently as possible in line with the needs of the organization” (Walters,2004).

The idea of managing performance individually is far from new. Individual performance management is a big development in history, as it reflects the organisational development. Since in premature times businesses were not strictly defined, the performance management focus was on the persons performing assignments as part of a group. Eventually, more complex definition came into sight, primarily motivated by the armed forces, communal administration and industrial corporations. The essence of performance management can be seen a number of years ago.

Particularly, in 1648, it is stated that the Dublin (Ireland) Evening Post used to assess legislators utilizing an evaluation scale founded upon personal values ( Hackett, 1928 / Wiese & Buckley, 1998). During the nineteenth and twentieth century, performance assessments were exercised largely by armed forces and government institutions – attributable to their dimension, hierarchical composition, geographic distribution, and the requirement to elevate the most excellent performers to upper executive levels. At

that moment in time, mainly private businesses exercised unofficial methods to assess personal performance and formulate successive administrative resolutions. (Wiese & Buckley, 1998).

In 1911 Taylor additionally emphasized to the significance of the individual member of staff by supporting the compensation founded on financial motivations to those employees who may possibly enhance their productivity as a consequence of the application of management. This in succession necessitates the gauge of the performance of employees, particularly their productivity (Radnor & Barnes, 2007) 1918- 1955 the extensive application of performance assessment methods among the employees did not start until after World War I. Evaluation systems for appraising the employee performance in administrative and professional way, were not applied broadly until 1955 (Pratt, 1991)

In 1957 performance assessments appear and are founded on Management by Objectives. Workforce should be evaluated on the foundation of interim goals, set by both the worker and the supervisor.

## **2.2 Performance Management Elements**

### **2.2.1 Methods**

Performance management enables some methods, like the balanced scorecard and competency based assessment, in order to be effective. Balanced scorecard has the aptitude to supply planners with a system of communicating and examining a refined model of reason and result in the business-a model that offers managers with a starting point on which to control the drivers of required results ( Atkinson at al, 1997 pp. 93-94).

Executives comprehend that the business measurement system powerfully influences the performance of managers and the workforce (Kaplan and Norton, 1992). The balanced scorecard must preserve a strong prominence on financial results, which eventually are the consequence of the causal paths instituted in the scorecard (Kaplan and Norton, 1996). Therefore financial outcomes are achieved by effectively putting

into practice strategic plans in key business procedures standpoints (Mooraj et al, 1999, pp. 155).

On the other hand, many have condemned financial methods due to their insufficiencies, backward looking concentration and incapability to reproduce up to date value generating actions. Financial meters are usually regarded to be laggard measurements of performance since they register the outcome of conclusions not when they are made, but relatively when the financial effect of these decisions occurs, most likely this can be later than the conclusion was made. (Epstein and Manzoni, 1998)

Kaplan and Norton (1992) however identify that financial measures are essential both because a fine planned financial manage system is capable of developing broad developments in every part of the company and because advanced performance is anticipated to be revealed in enhanced financial processes. Extended performance evaluation methods are gradually seen as a mechanism for providing long term strategic aims (Butler et al, 1997).

Simons (1990), criticizes researchers who support tactical control systems, disagreeing that they, do not fully comprehend the ways by which strategic control has been accomplished. The balance scorecard does not correspond with their stakeholder attitude to performance assessment. (Atkinson et al, 1997). Balanced scorecard offers executives the instrumentation they necessitate to navigate to prospect competitive achievements (Kaplan and Norton, 1996).

Furthermore, businesses utilize the competency based assessment as a method that facilitates the selection the right person for the right job. A competency could be motivation, an attribute, a capability, a feature of self image, the social position or the wisdom that could increase incidents of efficient performances (Wexley and Klimoski, 1984). Appraisals within a competency based model can entail the collection of instruments that mirror the actions of an examinee, evaluating the variety of things an examinee can perform, rather than the comparative rank in a distinct group of other examinees (Nitko, 1980). The jeopardy of prejudice and unfairness in competency based assessment and compensation systems has been acknowledged as a

possible hazard (Stebler et al, 1997). Competence based assessment has been condemned for being a reductionism model, (Gould, 1996 / Preston Shoot and Jackson 1996), as declarations of competence are represented as straightforward, self descriptive and oversimplifying obstacles to surpass.

### **2.2.2 Appraisal**

Another particular issue in the process of performance management is the appraisal. The appraisal is strongly related to the performance management process.

Performance appraisal is a administration instrument; It is an element of an organizations' structure for ordering and directing employees (Swiss, 1991). Appraisals are considered amongst the most significant human resource methods in business insofar as they correspond to essential decisions to a mixture of human resource activities and results (Judge and Ferris, 1993). Due to its importance, a fine planned performance appraisal system can aid to formulate reasonable and unprejudiced decisions regarding personnel selection, appointment, improvement and training (Wood, 1989).

The most valuable issue in the process of appraisal is the feedback that can be obtained. In fact, there is significant verification that performance response if given suitably can guide to considerable developments in future performance (Guzzo, Jette, and Katzell, 1985 / Kopelman, 1986 / Landy, Farr and Jacobs, 1982). The main commonly gauged subordinate response to performance appraisal has been satisfaction (Giles and Mossholder, 1990).

The most common appraisal tools that are used are 360 degrees feedback and management by objectives. 360-degree feedback or multirater feedback is the procedure of gathering observations about a person's actions and the influence of these actions from the individual's superior direct information, and colleagues, members of task teams, inner and outer clients and contractors. (Richard Lepsinger and Anntoinette Lucia, 1997). The reception of the multi-rater feedback ratings is superior to the ones for conventional single resource response (Harris and Schaubroeck, 1988 / Latham and Wexley, 1982).

Successfully managed multi-rater feedback has been revealed to promote more valuable communication, augmented confidence, and improved self-esteem and contentment between managers and others (Bernadin and Beatty, 1987). Actually it can develop performance and facilitate behaviour modification over time (Atwater, Waldman, Atwater and Carter, 2000 / Smither, London and Reilly, 2005 / Walker and Smither, 1999) Members who obtain assistance from businesses for improvement of associated actions have more optimistic position toward the 360 degree procedure and are more probable to be implicated in developmental actions (Maurer , Mitchell and Barbeite, 2002).

In 360 degree procedure, feedback is requested not simply from a person's supervisor and peers but as well from the person himself, straight reports, superior and others, such as clients (Testa, 2000).

In order to be trustworthy, four features ought to be in attendance (Van Velsor, 1998).

- 1) Confidence in procedure must be built by defending the quality of ratings and certifying the secrecy of the ratters and the confidentiality of the contributors' data (Antonioni, 1994 / Brutus and Derayeh, 2002).
- 2) The procedure should centre on significant developmental objectives instead that external transformation.
- 3) The procedure has to be comprehended by everyone implicated equally the ratters and the participant.
- 4) 360 degrees has to be precisely related to developmental scheduling

It has been stated that every business that has not succeeded to congregate the aims of the 360 degrees procedure had fallen short to assist the response procedure. (Brutus and Derayeh, 2002).

Moreover, there is a second appraisal method. Management by objectives was first proposed by Peter Drucker, (1954). More in precise is a method of management in which executives and workforce in cooperation set objectives to accomplish, throughout a certain period of time and, after which they both assess performance by the degree to which these aims have been accomplished. Examples of objectives are attaining quality, sales, or revenue targets, or landmarks in a task.

Management by Objectives is constituted on the initiative that instituting goals among managers and subordinates will attain better effects than accidental methods or just-in-time resolutions (Odiorne, 1979). It firstly materialized in the 1960s as a method to manage rising economic situations. It proposed that the initial action in fulfilling the needs of these latest profitable environments is to recognize the aims of the business. With these aims identified, all less important managerial methods would support themselves throughout the institution of associated aims or objectives at every level of the business, down to individual workers (Ross, 1971).

In excess of a decade of experimental proof it is signified that Management By Objectives engages more than setting goals, it also denotes establishing short- and long-term tactics for accomplishing those aims (Castellano and Harper, 2001).

It incorporates three components:

- Goal-setting, to aid the accomplishment of wanted performance and outcomes, understandable goals must be set.
- Involvement in the decision-making process, which encourages insight throughout the organization. The exchange of ideas accomplishes these things.(Drucker, 1976).
- Objective feedback, provided at the end of the assessment phase, to support development.

This collaborative conversation often involves “telling and selling”, “telling and listening” and “problem solving” (Hunter and Rodgers, 1991).

On the other hand, Management By Objectives has been also disputed as a method. The procedure of conducting and issuing a ‘contract’ has been considered as malfunctioning since “the subordinate takes on specific obligations in return of an inexistent reward. There is no specific reward for success. Rather there is a vague expectancy of punishment for failure” (Halpern and Osofsky, 1990, pp. 325). Furthermore, it has been instituted that even top-level management do not get into the procedure, with many paying only lip facility to Management By Objectives. Devoid of top-level sustenance, it is just an implementation. As a chance to reinforce an association, it falls short, (Kondrasuk, 1984). The efficiency of MBO powerfully depends on the extent of top management aid for the process (Rogers and Hunter, 1991).

### **2.2.3. Practices**

Benchmarking is a valuable practice. It has been regarded as the procedure of learning from the finest practices and acknowledge from others, also it can be called bench learning (eg Karlof and Ostblom, 1993).It's theory is simply based on performance contrast, gap detection and the change management procedure ( Watson ,1993). It's key categories are interior competitive, functional and generic (Camp, 1989/ Zairi, 1992). On the other hand, badly implemented benchmarking exercises will consequence in a misuse of financial and human resources plus time consuming. Unsuccessfully implement benchmarking projects might have flawed an association's image (Elmuti and Kathawala,1997).

Benchmarking has its enemies. Indeed Campell (1999) proposes that companies should use up less time on benchmarking; as an alternative they should center on their personal planning processes with consideration to their own requirements.

Difficulties to thriving benchmarking consist of time restraints, competitive obstacles, cost, be short of management dedication and specialized human resources, confrontation to change, deprived planning and short term prospects (Bendell, Boulter and Kelly, 1993)

Regarding empowerment, it has been considered as the finest way to stimulate workers to enhance performance, provided that the workforce consider that their professions are significant and their assistance is appreciated (Kennish, 1994) .As a matter of fact, workforce become inspirited through empowerment and therefore augmented their performance (John, 2005/ Spector, 1986/ Kennish, 1994 / West, 2003/ Legal, 2001/ Howard ,2001)

Empowering the front line employees so as to accomplish customer services, could be extremely stimulating and as a consequence could improve efficiency and performance (Howard 2001). So it emerges to the businesses best concern to put into practice human resource management policies to preserve staff, to sustain service recuperation and employee empowerment strategies where feasible (Korczynski, 2002).

It has been stated that once a malfunction has taken place customers have a preference to contract with staff that is authorized to resolve their problem promptly (Boshloff and Leong, 1998).

Empowerment per se may as well assist to resolve employee dedication problems (Carr, 1994). Empowering employees is not as uncomplicated as it appears. Employees contribution in choice making does not always ends to positive outcomes. Particularly the efficiency of employee involvement hinges on different factors such as personal dissimilarities, organizational characteristics and situational requirements. (Locke and Schweiger, 1997).

Customer focus is another important practice. In fact most customers' desire high-quality service and a number of them will go somewhere else if they will not obtain it. (Berry, Bennett and Brown, 1989). Focusing on customers can provide many essential data that can help the business to improve. Businesses should pay particular attention to dissatisfied customers. The typical business will not hear from 96% of unhappy customers. For each person protesting, 26 will not complain. 13% of those encountering a problem with the association will narrate that experience to 20 or more people with obvious consequences. (Sines and Duckworth, 1994). There has always been tactical benefit in being close to clientele. Excellent customer relationships influence not only current sales but also prospect efficiency and development. Contented customers are the best basis of new business. Comprehension of changing clientele necessities in an adequate time period, constitutes it feasible from the part of the organizations to carry out production more efficiently, decreasing waste, inventory expenses and profits (Kanter, 1989).

#### **2.2.4. Pharmaceutical industry**

The pharmaceutical industry is close to the end of an extended business cycle that has seen vast augmentation in its revenues and productivity. The industry has started a dynamic development of its business model. It is changing from an industry subject to fully-integrated pharmaceutical companies to one with a lot of decentralized companies. Expenditure suppression and risk management have been of much larger significance. Outsourcing, unions and acquisitions, layoffs have developed into commonplace. Since the industry's economic transform, organizations affairs with

their workforce are also shifting. The previous relationship cannot be sustainable from an economic point of view. Many jobs at large pharmaceutical companies will be removed, but several of them will re-emerge in different form. Therefore, not only there will be elimination of employees jobs but also reduce benefits to many employees. Individuals working in this industry should expect to change jobs regularly. Their roles and responsibilities within the pharmaceutical industry will change with greater frequency than in the past.

Alterations will be made in the types of people are recruited and the programs in which they develop and train them. Moreover compensation structures should be redesigned and develop methods of encouraging behaviour that is very different from how they have historically operated. Furthermore, new career paths should be formed for the majority of the crucial jobs in the business .Formerly well-defined career paths are now less expected. Precedent successes do not constitute an assurance of prospect employment. As management groups at each company plan to reduce expenditures and generate a superior rate of return on the investment, workforce will be criticized more severely by their aptitude to play a fundamental role to the organizations' prospect success .Companies also have tremendously restricted funds. Consequently, they cautiously fill up every position with persons who have a profundity of ability and knowledge in an area of expertise.

All these stated above, demonstrate the need to manage performance in an effective way, by the pharmaceutical industry, in order to derive benefits, and to enhance sustainability. Clearly, the issue of performance management is essential for the pharmaceutical industries.

## **CHAPTER 3: STAGES OF PERFORMANCE MANAGEMENT**

---

### **3.1. Stages of performance management**

Performance management process includes five different actions in order to successfully manage people.

These stages are: planning, execution, assessment, review and renewal.

#### **Planning**

The first stage starts with the notification to the employee of the objectives that necessitate to be accomplished and the expectations that need to be fulfilled. The objectives can be long range , short range, depending on whether they can be terminated within the performance cycle or not .Furthermore ,they can be maintenance objectives, that help maintain the performance in pleasing levels, whilst the other hand problem solving objectives, that set the goal to improve performance. The expectations set the standards of how efficiently can employees reach their objectives and how capable they are to demonstrate their capabilities in the working environment. These expectations are set under three spectra:

- quality, meaning how well an activity is performed,
- quantity, thus how many of the goals are being achieved,
- cost, indicating the effective way to use the resources to reach a particular goal, in terms of manner and in terms of time .The last two have to do with the way that the objectives are reached and the amount of time that is needed.

#### **Execution**

The second stage, the execution, is the period within which performance actually occurs. In this period, both the workforce as well as managers encloses the chance to become part of the performance management process. From the individual's side, every employee should be devoted to the accomplishment of goals. Since the objectives have been set and are perceived as challenging and worthwhile trying, the employee should formulate efforts so as to attain them .Moreover, a further task of the employee during this stage, is to seek for performance response and coaching when is needed. Particularly, the employees should repeatedly request and try to use the information in order to develop the performance in case it is needed. Besides, there should ask for enlighten in cases -that any issues have arisen and also there can be a modification on the objectives if certain circumstances have changed.

Regarding the manager's responsibilities during this period, they have the responsibility to motivate the employees. Different kind of motivators could be used such as giving the opportunity to achieve, providing recognition and autonomy, and also the delegation of high level tasks.

Feedback, as well as coaching from the part of managers should be highlighted. This can occur by observing the employees effort, counselling the employees in actions that should be taken, recognizing when an improvement has been made and seeking to make the employee become more energetic in the detection of success and solutions.

### **Assessment**

The execution stage is followed by the stage of the assessment. In this stage there is a summarization of the employee's performance, throughout the time of the fulfilment of the objectives. The employee can set up a self-evaluation, in which he can refer to the accomplishment or not of the goals, can also indicate some names of clients who can provide feedback of his performance and furthermore can recommend for the next period of appraisal his goals that can be linked to the work. Then, managers should review the employees' performance, their progress and level of accomplishment of goals .The assessment in both sides happens independently.

### **Review**

In the next stage, the review, a scheduled meeting takes part between the employees and the manager where they gather so as to confer on the subject of the skills of the employee on the topic of the strengths and weaknesses. Also they compose a review that indicates the level of the expectancies that has been met, making also a supplementary discuss of the potential improvement of the employee taking into account his performance, skills and interests.

### **Renewal**

The last stage is the renewal. In this stage there are included all the data that had been collected in the previous stages and have been elaborated. Also there is a revision of the objectives that were to be fulfilled and possibly new objectives and new standards are being set for the following period.

## **3.2. Methods for performance management**

Organizations so as to manage performance efficiently make use of a number of methods

### **3.2.1 Competency Based Assessment**

Besides the tools stated, several businesses with the aim of improving their performance, have fostered the workforce improvement as a means that would hence guarantee the improvement of the corporation. The competency based assessment is strongly associated to this. As a matter of fact, the competency based assessment signifies for organizations the way to have efficient performance management, This is to initially point out the most vital positions in the organizations, detect which are the essential competencies needed in order to perform a role and then offer to the workforce the adequate education, promotion and appraisal processes so as to certify that the capable employees are in the key positions. Each business has as a goal to employ the most competent employees in crucial positions. In this procedure, feedback is tremendously significant. It should be highly related to the kind of the competencies needed for the position, and undoubtedly be provided by various sources so that a better insight to the particular needs is gathered. After the point that the organization has identified the crucial jobs and the skills needed, the subsequent concern is the training and development.

As a matter of fact, in the contemporary world, the function of training and development is vital, and emphasis should be given to the organizational need to endow in training, with the intention of grow. Training is “a systematic development of the knowledge, skills and attitudes required by employees to perform adequately on a given task or a job” (Abiodun, 1999). Another particular statement is from Adeniyi (1995) , who observed that “staff training and development is a work activity that can make a very significant contribution to the overall effectiveness and profitability of an organization”. The employees who are working in an organization have their own capabilities, that they may be at variance from the skills that are needed in order to satisfy the organizational needs .From this point of view , training can aid the employees gain the skills needed , enabling them to accomplish the organizational goals in an efficient manner. It is very common for business, ahead of organizing the training programmes, to recognize the needs, and then to execute an appraisal so as to make the efficiency of the programme known, which at all times is connected to the need that has to be fulfilled. On the other hand, development is an amalgamation of training and education which is used in order to provide the development of the individual as well as the organization. Development can be illustrated in a simple way as “attaining or upgrading the skills and attitudes of employees at all levels in order to

maximise the effectiveness of the enterprise” (Kelly, 2001). The major objective of training and development is to progress the capabilities of the employee, creating diverse objectives for dissimilar needs, and finally finding ways in order to achieve it.

Next step in the competency based assessment is the behavioural interviewing. In fact, the procedure of choosing the correct person to do the correct job is undoubtedly crucial, as it is strongly associated with the progress of the business. In order to employ the best employees, many businesses carry out the behavioural interviewing, that deeply emphasizes in precedent performance and behaviour. It was initially conducted in 1970s from industrial psychologists. The classical interviewing cannot succeed because of a number of reasons, such as the lack of trained interviewers or due to emotional reasons that are associated to the chemistry, and others. The behavioural interviewing on the other hand can aid the interviewer to exhibit his abilities and qualifications, enabling more neutrality in the procedure of employment. Furthermore, an important role in the competency based performance management plays the performance appraisal system. Devoid of an efficient evaluation system, the competency based management as a process could not have any positive results. So as to be effective, it should therefore offer continuous response and measurement with reference to the skills required for the position. The concern of consistency is another essential aspect that should be taken into consideration.

Besides, the launch of expectations towards people who want to submit an application for the position is another essential feature. This means that the employees should be aware of the qualifications needed for every job position. Furthermore, they should support their objectives and expectation to those of the organization.

The last elements in the competency based performance management system are the ongoing coaching, evaluation and recognition. Coaching is the action throughout which managers offer aid to the workforce so as to distribute knowledge, to accomplish growth of skills. Also, they lay emphasis on the cultivation of behaviours that will help them to arrive at the goals assigned from the organization and to prepare them for potential challenging situations. It is an interactive procedure in which capabilities can be enhanced. In fact, efficient coaching can enhance the organization through eradicating some performance complications, by developing the qualifications of the employees. Coaching is a very essential means for the managers, because it offers support to the employees throughout the period of development. Recognition refers to the actions of the organization to identify the efforts of the

employee to accomplish the objectives in an organization. Recognition should be considered from the workforce as an incentive, and rewarding means. The criteria with the intention of accomplishing efficient recognition engage actions such as the right of all employees to take the recognition, providing all the needed information to both employer and employee concerning the actions that merit to be recognized. In addition processes that are reasonable and do not provoke preferential treatment are the most popular among organizations. Finally, regarding the assessment, it is a procedure that has to do with the appraisal and review of the performance of the employee. Usually, it happens in a continuous basis for the reason that it provides to the workforce all the helpful information regarding what is expected from them to be performed. Also it furnishes information about promotions, disposals and issues regarding payment.

### **Balanced scorecard**

In addition to all the methods, there is also the balanced scorecard. It is a system that is used not only in business, but also in non-profit organizations and the government, with the intention of offering quantity and control of the performance in accordance to an explicit strategy. It has been primarily introduced in 1992 from Dr Robert Kaplan and Dr David Norton. They have stated for balanced scorecard the following: "The balanced scorecard retains traditional financial measures. But financial measures tell the story of past events, an adequate story for industrial age companies for which investments in long-term capabilities and customer relationships were not critical for success. These financial measures are inadequate, however, for guiding and evaluating the journey that information age companies must make to create future value through investment in customers, suppliers, employees, processes, technology, and innovation."

With this method the financial and non financial measures are elements of the information data given to the workforce among any business. The aims initiate from the mission and strategy of the business and the balanced scorecard converts these objectives into concrete procedures. The balance is unbiased among inner and outer measures, among precedent results and upcoming performance. Businesses that are considered pioneering, utilize the balance scorecard as a tool to attain management of their strategy in the long run period. Precisely, the balance scorecard uses four processes in order to structure the organization strategy. These processes are:

- 1. Clarify the mission and strategy*
- 2. Communicate and link the objectives*

### *3. Business planning*

### *4. Feedback and learning*

#### *Clarify the mission and strategy*

As far as the primary procedure is concerned, the balanced scorecard recommends that each business should be viewed from four viewpoints: financial, customers, learning and growth, and internal business process. Illumination of mission and strategy essentially means to set specific aims. This suggests setting definite financial aims and selecting in what market sections the business will compete. Subsequent to their implementation, the business moves into the inner organizational procedure. Metrics provide informational data about how well a business is going, and whether the services and products that are accessible to the purchaser, offer the desirable contentment. The ultimate standpoint, learning and growth, includes training and other activities that offer upgrading for the workforce and subsequently for the organization. Learning includes mentoring and coaching as well.

#### *Communicate and link the objectives*

The balanced scorecard strategic aims are conveyed all through the business with information sheets, bulletin boards, video and by electronic means , throughout group and individual processors. The contact serves for pointing out to the workforce all the vital objectives that ought to be achieved in order for the business strategy to be successful. The scorecard offers the foundation for communicating and attaining dedication to the organization's unit policy with corporate level managers and the board of directors .Also, it supports channel of communication among business units, corporate managers and board members, not just about short-range financial goals, but regarding the formulation and execution of a strategy for advanced performance in the prospect. Everyone in the organization should comprehend the business durable aims as well as the strategy for accomplishing these aims.

#### *Business planning*

The balanced scorecard has its extensive impact on the business success when it is arranged to provide organizational modification. Senior managers institute goals for

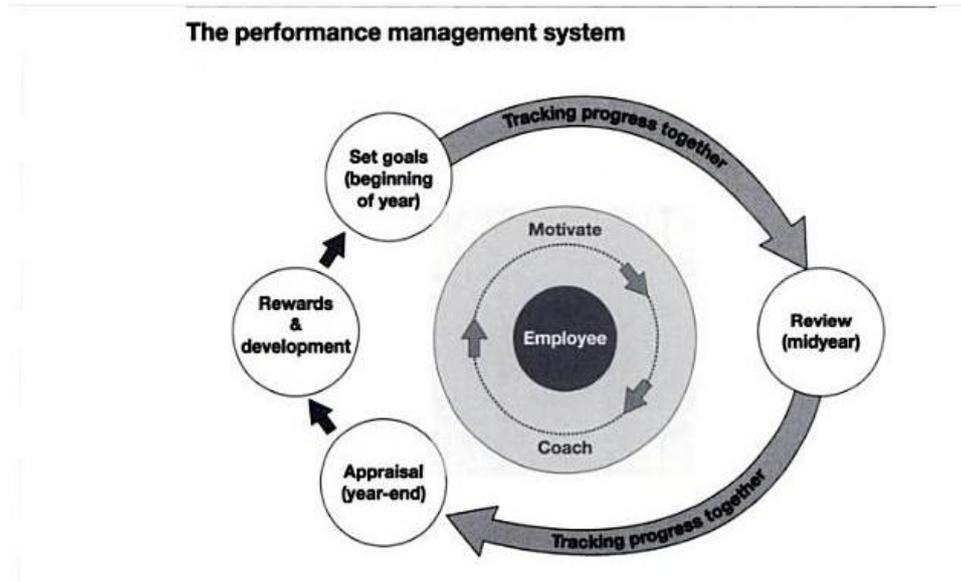
the scorecard appraisal. In order to accomplish business financial aims, managers must set targets for their consumer, inner business procedure and learning and growth goals. Once targets are launched, managers can side with their strategic superiority, response time, and reengineering proposals for accomplishing the breakthrough objectives. Thus the balanced scorecard offers focus and incorporation on constant development, reengineering, and alteration programs. Also it facilitates a business to incorporate its strategic forecast with its annual budgeting procedure. The scheduling and the target setting administration procedure facilitates the organization to enumerate the long term results, to spot mechanisms in order to accomplish them and found short term financial highlights for the monetary and non monetary measures on the scoreboard. In order to conclude, the authority of creating a balanced scorecard forces businesses to incorporate the two functions of strategic forecast and resources , by ensuring that finances do certainly sustain financial aims.

#### *Feedback and learning*

This is the ultimate procedure and is considered as the most pioneering and significant feature of the total scorecard management procedure. This procedure provides the potential for executive learning at managerial level. Balanced scorecard facilitates managers to supervise and regulate the execution of the strategy and to formulate essential changes when needed. By providing a means for strategic response and reassess, the balanced scorecard assists an organization to advance the ability to mirror on deductions and regulate theories about cause and effect affairs. Feedback about products and services, technological findings and new knowledge about inner procedures can be found in the balance scorecard facilitating strategic enhancements to be made continuously.

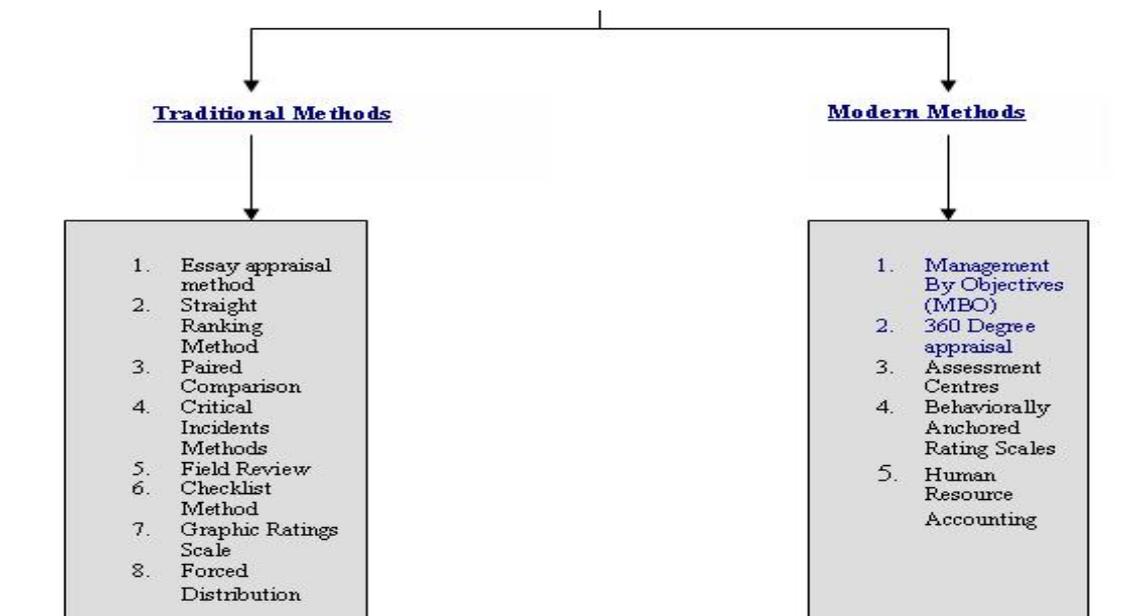
## CHAPTER 4: PERFORMANCE APPRAISAL

Employee performance management is the process of prioritizing team member tasks, ensuring that these tasks are completed effectively and in a timely manner, and providing feedback to the employee on their performance of these tasks.



**FIGURE 1: THE PERFORMANCE MANAGEMENT SYSTEM**

Performance appraisal is a procedure of evaluating the job performance of an employee. It is a process in a continuing basis of obtaining, researching, analyzing and recording information about the employee.



**FIGURE 2: PERFORMANCE MANAGEMENT METHODS**

#### **4.1. Basic Purposes**

Successful performance appraisal systems enclose two basic systems operating in combination: an evaluation system and a feedback system. The main aim of the evaluation system is to identify the performance gap (if any). This gap is the shortfall that occurs when performance does not meet the standard set by the organization as acceptable.

The main purpose of the feedback system is to inform employees about the quality of their performance. However, the information flow is not exclusively one way. The appraisers also accept feedback from employees about job problems and other.

One of the greatest ways to understand the purposes of performance appraisal is to understand the points of view of the main stakeholders: the employee and the organization.

##### *Employee Viewpoint*

From the employees' point of view, the reason of performance appraisal is four-fold:

- (1) Inform them about the position's requirements
- (2) Track their job and evaluate their performance
- (3) Assist them in order to improve their performance
- (4) Reward them. (Cash, 1993)

##### *Organizational Viewpoint*

From the organization's point of view, one of the most significant reasons for having a system of performance appraisal is to establish and maintain the principle of accountability.

For decades it has been well-known to researchers that one of the chief causes of organizational failure is "non-alignment of responsibility and accountability." Non-alignment occurs where employees are given responsibilities and duties, but are not held accountable for the way in which those responsibilities and duties are performed.

What typically happens is that several individuals or work units appear to overlap roles.

The overlap allows - indeed actively encourages - each individual or business unit to "pass the buck" to the others. Ultimately, in the severely non-aligned system, no one is responsible for anything. In this event, the principle of accountability breaks down completely. Organizational failure is the only potential outcome.

In cases where the non-alignment is not so severe, the organization may continue to function, even though inefficiently. Similar to a defectively made or badly tuned engine, the non-aligned organization may run, but it will be slow-moving, costly and unreliable. One of the principal aims of performance appraisal is to make people accountable. The idea is to align responsibility and accountability at every organizational level.

#### **4.2.Objectives**

The main objectives of performance appraisals are to measure and improve the performance of employees and increase their future potential and value to the company. Other objectives include providing feedback, improving communication, understanding training needs, clarifying roles and responsibilities and determining how to allocate rewards.

- **Set Performance Goals**

In terms of performance management, goal-setting is a vital element in employee motivation. Goals can encourage employee effort, focus attention, increase perseverance, and encourage employees to find fresh and better ways to work. (Locke et al., 1981). Also, the effectiveness of goal-setting as a stimulus of human motivation is one of the best supported theories in management. It is also quite clear that goals which,(according to Harris and DiSimone,1994), are “..specific, difficult and accepted by employees will lead to higher levels of performance than easy, vague goals (such as do your best) or no goals at all”.

### **Appraiser Credibility**

It is essential that the appraiser (usually the employee's supervisor) is well-informed and credible. Appraisers should feel comfortable with the techniques of appraisal, and should be familiar with the employee's job and performance.

Under these circumstances, employees are more likely to view the appraisal process as accurate and fair. They also express acceptance attitudes towards the appraiser's feedback and a greater eagerness to alter. (Bannister, 1986).

- **Provide Feedback**

The feedback received by the employee can be useful in various ways. It gives insight to how superiors value performance, highlights the gap between actual and desired performance and diagnoses strengths and weaknesses as well as shows areas for improvement.

### **Constructive Intention**

It is very essential that employees recognize that negative appraisal feedback is provided with a constructive intention, namely, to help them overcome current difficulties and to improve their future performance. Employees will be less anxious about criticism, and more likely to find it useful, when they believe that the appraiser's intentions are helpful and constructive (Fedor et al., 1989).

On the contrary, other studies (Baron, 1988) have reported that “destructive criticism” - which is vague, ill-informed, unfair or harshly presented - will lead to problems such as anger, resentment, anxiety and workplace conflict, as well as increased resistance to improvement, denial of problems, and inferior performance.

- **Improve Communication**

The method of performance appraisals helps superiors strengthen relationships and improve communication with employees.

### **Encourage Discussion**

Research studies show that employees are likely to feel more satisfied with their appraisal result if they have the opportunity to talk without restraint and discuss their performance. It is also more likely that such employees will be more capable to meet future performance goals. ( Nemeroff & Wexley, 1979).

Employees are also more likely to feel that the appraisal process is fair if they are given a chance to talk about their performance. Especially when they are allowed to challenge and appeal against their evaluation. (Greenberg, 1986).

- **Training Needed**

These appraisals also identify the necessary training and development the employee needs to fill the gap between current performance and preferred performance.

### **Career Development**

This provides an opportunity for discussion of career objectives, and creation of a strategy designed to take advantage of career potential.

- To provide a chance for career counseling
- To help in succession planning.
- To assess training needs
- To plan career development
- To assess and develop individual abilities
- To provide an objective basis on which to base decisions about training and promotion

- **Clarify Expectations**

Performance appraisals should make clear the roles, responsibilities and expectations of all employees.

## **Organizational Goals**

- To clarify, for the individual, organizational expectations
  - To provide an opportunity to view one's performance in the context of broader organizational goals.
  - To assess future promotion prospects and potential
  - To set objectives for the next period
- **Allocate Rewards**

Performance appraisals decrease employee grievances by obviously documenting the criteria used to make organizational decisions such as promotions, raises or disciplinary actions.

## **4.3. Appraisal Methods**

### **4.3.1. Traditional methods**

Traditional methods are the relatively older methods of performance appraisal. These methods are based on studying the personal qualities of the employee. These may include knowledge, initiative, loyalty, leadership and judgment.

#### **1. Essay method**

The essay method is mainly prepared by, the appraiser who created a written report about the employee who is being appraised. The statement usually focuses on describing specific strengths and weaknesses in job performance. It also suggests courses of action to remedy the recognized problem areas. Moreover, the statement may be written and edited by the appraiser alone, or it be composed in collaboration with the person being appraised.

#### **Advantages**

The essay method is far less structured than the rating scale method. It permits the appraiser to examine almost any relevant issue or attribute of performance. This contrasts extensively with methods where the appraisal criteria are rigidly defined.

Appraisers may emphasize to a great extent on issues or attributes that they feel are appropriate. Thus the process is open-ended and very flexible. The appraiser is not locked into an appraisal system that limits expression or assumes that employee traits can be neatly dissected and scaled.

### **Disadvantages**

Essay methods are time-consuming and difficult to administer. Appraisers often find the essay technique more demanding than methods such as rating scales.

The technique's greatest advantage - freedom of expression - is also its greatest handicap. The varying writing skills of appraisers can upset and distort the whole process. The process is subjective and, in consequence, it is difficult to compare and contrast the results of individuals or to draw any broad conclusions about organizational needs.

## **2. Straight Ranking Method**

This is one of the oldest and simplest techniques of performance appraisal. In this method, the appraiser ranks the employees from the best to the poorest on the basis of their overall performance. It is quite useful for a comparative evaluation. It is the simple process of placing employees in a rank one after the other from highest to the lowest based on their overall performance on the job. It is easy to select the best and the worst employee, the difficulty arise to select mediocre employees. This model also suffers from subjectivity.

## **3. Paired comparison**

A better technique of comparison than the straight ranking method, this method compares each employee with all others in the group, one at a time. After all the comparisons on the basis of the overall comparisons, the employees are given the final rankings. Based on the comparison a ranking system is developed. This ranking method is considered more reliable as it is based on a systematic method of comparison and evaluation.

#### **4. Critical Incidents Methods**

In this method, the evaluator rates the members of staff on the basis of critical events and how they behaved during those incidents. It includes both negative and positive points. The drawback of this method is that the supervisor has to write down the critical incidents (positive and negative examples) and the employee behavior as and when they occur. This method uses critical incidents, major lapses on the part of the employee to rate his performance.

#### **5. Field review**

In this method, a senior member of the HR department or a training officer discusses and interviews the supervisors to evaluate and rate their respective subordinates. After the session is over the specialist makes notes based on his interaction with his superiors. These notes are approved by the expert and are placed in the employees files. A major disadvantage of this method is that it is a very time consuming method. But this method helps to reduce the superiors' personal bias.

#### **6. Checklist method**

The estimator is given a checklist of the descriptions of the performance of the employees on job. The checklist contains a list of statements on the basis of which the estimator describes the performance of the employees concerning his job. A checklist represents, in its simplest form, a set of objectives or descriptive statements about the employee and his behavior. If the rater strongly believes that the employee possesses a particular listed feature, he checks the item, otherwise he leaves the item blank. A more recent variation of the checklist method is the weighted list. Under this, the value of its question may be weighted equally or certain questions more importantly than others. The following are some of sample questions in the checklist

<http://www.openlearningworld.com/olw/courses/books/Performance%20and%20Potential%20Appraisal/Performance%20and%20Potential%20Appraisal/Methods%20of%20Performance%20Appraisal.html> ):

Is the employee really interested in the task assigned? Yes/No

Is he respected by his colleagues (co-workers)? Yes/No

Does he give respect to his superiors? Yes/No

Does he follow instructions properly? Yes/No

Does he make mistakes frequently? Yes/No

A rating score for the checklist helps the manager in the evaluation of the performance of the employee. The checklist method has a serious limitation. The rater may be biased in distinguishing the positive and negative questions. Moreover, this method is expensive and time-consuming. Finally, it becomes difficult for the managers to assemble and analyze a number of statements about the employee's characteristics, contributions and behaviors. Nevertheless, the checklist method is frequently used in the employee's performance evaluation

## **7. Graphic Rating Scale**

In this method, an employee's quality and quantity of work is assessed in a graphic scale indicating different degrees of a particular trait. A variety of traits may be used in these types of rating devices, the most common of which are the quality and quantity of work. The rating scales can also be adapted by including traits that the company considers important for the effectiveness on the job. The factors taken into consideration include both the personal characteristics and the characteristics related to the on the job performance of the employees. For example a trait like Job Knowledge may be judged on the range of average, above average, outstanding or unsatisfactory.

**Table: Typical Graphic Rating Scale**

Employee Name..... Job title .....  
 Department ..... Rate .....  
 Date .....

	Unsatisfactory	Fair	Satisfactory	Good	Outstanding
Quantity of work: Volume of work under normal working conditions					
Quality of work: Neatness, thoroughness and accuracy of work Knowledge of job					
A clear understanding of the factors connected with the job					
Attitude: Exhibits enthusiasm and cooperativeness on the job					
Dependability: Conscientious, thorough, reliable, accurate, with respect to attendance, reliefs, lunch breaks, etc.					
Cooperation: Willingness and ability to work with others to produce desired goals.					

**FIGURE 3: GRAPHIC RATING SCALE METHOD**

**8. FORCED DISTRIBUTION**

In order to reduce the element of bias from the aspect of rater’s ratings, the evaluator is asked to allocate the employees in some fixed categories of ratings like on a normal distribution curve. The rater chooses the appropriate fit for the categories on his own judgment. In this method, the performance of the employee are determined in advance and defined in categories. The categories can be Grade “A” for an outstanding performance, Grade “B” for an excellent performance, “C” can be for average an “D” for poor.

Rating systems are used by companies to assess their workforce and rank them into one of three categories (excellent, good, poor). The system is considered to be widely-used, but remains somewhat controversial because of created competition, and also

the reality that not all employees will match precisely into one of the categories and might end up in a category that does not reflect their real performance. One of the first companies to use this system was General Electric, in the 1980s.

#### **4.3.2. Modern Methods**

Organizations so as to manage performance efficiently make use of a number of methods Firstly there is

##### **Management by Objectives (MBO)**

This is about a procedure that allows focusing in definite goals, and attempts to acquire the most excellent results from the existing resources. Management by objectives is a "synergetic approach to organizational management" which "emphasizes the importance of a supervisor and employee working together in order to craft individual goals (Stanley, 2004).

The phrase management by objectives however, was firstly used from Peter Drucker in 1954. The most essential feature in this process is that the workforce should have first of all a clear understanding of the roles and responsibilities that are expected of them, with the aim of being capable to deal with the responsibilities and the objectives that are to be accomplished in the prospect. A very significant function in this method is the motivation, through giving the chance to the workforce to have an energetic contribution in the procedure of setting objectives. As a matter of fact, the workforce can be particularly stimulated with a growing employee empowerment.

According to Drucker, managers should evade the widespread participation in every day actions, in order not to lose the core intention of the organisation. As a replacement for this, they should assist the organisation to maintain its objectives by putting into operation some performance systems that are able to certify that the organisation is on the right path so as to accomplish its goals.

The specification of goals that will in the long run demonstrate the welfare of the organization, is one of the significant aspects that illustrate the procedure of managing with objectives. Furthermore there should be a definite period of time in which the aims should be set. Subsequent to launching the goals, they ought to be accepted by

the employees so as to certify the fact that this will operate as a stimulator to the workforce and develop the performance as well. Feedback should be given in a regular basis, since in this way the workforce can be aware of their performance. This facilitates them to construct a self assessment of their performance and regulate their productivity in the needs of each particular objective.

### **360 Degree appraisal**

A further method of performance management is the 360-degree appraisal .It is also known as multi-rater feedback. It is regarded as process that is very frequently utilized among the organizations. It goes further than the classic procedure of evaluation between the supervisor and employee, and incorporates response from other parties too, such as superiors, subordinates, customers, peers, and self assessment. Throughout this process, employees are in the position to obtain continuous feedback, from different sources so as to offer more precise information that is above all, off the record.

Organizations that make use of this method act it for two core reasons. First of all in order to aid workforce to distinguish its aptitudes or disabilities, enabling them to achieve an insight in their personal performance, which can beyond doubt assist them to adjust and to expand it according to the particular requirements of the business, and secondly, as an appraisal instrument, which is more willingly than a common practice. The most common way to achieve the employee feedback is throughout the appraisal of the superiors, which can chip in as well to the reassignment of a effort or to its rearrangement. Due to its high significance as a resource of informational data, the organization should confirm that the superiors contain the capability to compose a fair evaluation, in the grounds that they have as well received training on how to accomplish the performance evaluation.

The self assessment is done in the main in an unofficial way, typically throughout the communication among manager and employee. Self appraisals are a crucial source of valuable data, and particular significance and adjustment should be given in cases of workforce that exhibit fear of constructing a reasonable evaluation of their own performance.

Moving on with the involvement of peers to the appraisal, it a matter of particular importance given that peers are the most significant evaluators regarding the performance of their equals. This is accelerated also from the fact that peers can incite great power to each other as much as the performance in the working environment is concerned. The evaluation can finish up fostering assistance and maintenance, on condition that the culture of the business consents to it.

As far as the subordinates are concerned, their appraisal can be as much as helpful as hesitant to put into practice. A feedback program can reveal to the managers the particular requirements of the workforce .Throughout this appraisal the anonymity is vital, for the reason that in a diverse way the subordinates may not be truthful in fear of punishment from the supervisors part.

Moving on with the contribution of the customers in the process of appraisal, it is obvious that it is also a source that goes beyond the typical chain of command, including persons that are outside the organization. Customers should better offer informational data for groups and not for individual behaviour, attributable to the fact that customers are superior evaluators about goods and services rather than individual performance. One concern that should be taken into account is the fact that the gathering of customers' information, throughout analysis as usual, is particularly costly.

### **Assessment Centers**

An assessment center is a procedure used to make personnel decisions in which participants are connected in a variety of exercises and their performance is evaluated by several assessors. The aim of an assessment center is to simulate job tasks so that an applicant can reveal skills or characteristics that would be helpful for the job. The assessment center method involves some evaluation techniques, including various types of job-related simulations, and sometimes interviews, and psychological tests. Common job simulations used in assessment centers are: in-basket exercises, group discussions, simulations of interviews with “subordinates” or “clients”, fact-finding exercises, analysis/decision-making problems, oral presentation exercises, written communication exercises (by William C. Byaham, PhD Development Dimensions International, 2008).

Evaluations of assessment center participants can be used for employee selection decisions (hiring and promotion), and to help identify training and development needs. The most widespread use of assessment centers is to evaluate participants' management potential. When used for selection or promotion decisions, the emphasis is on identifying participants who do well on essential job performance dimensions. When used for training and development purposes, the focus is on identifying participant deficiencies on critical job dimensions. The feedback and employee development suggestions that result from an assessment form the basis for training programs that are designed to correct performance problems. For organizations, assessment centers can serve as needs assessment programs that identify employee development and hiring needs.

After participants have completed their simulations, assessors spend one or more days sharing their observations and agreeing on evaluations. If used, test and interview data are integrated into the decision-making process. The assessors' final assessment contained in a written report, details participants' strengths and development needs, and may evaluate their overall potential for success in the target position if that is the purpose of the center. Perhaps the most important feature of the assessment center method is that it is related not to current job performance, but to future performance. By observing how a participant handles the problems and challenges of the target job or job level (as simulated in the exercises), assessors get a valid picture of how that person would perform in the target position. This is especially useful when assessing individuals who hold jobs that don't offer them an opportunity to exhibit behavior related to the target position or level. This is often the case with individuals who aspire to management positions but presently hold positions that don't give them an opportunity to reveal management-related behavior on the job.

### **Behavioral Anchored Rating Scales**

BARS refer to **Behaviorally Anchored Rating Scales**. It was developed by Smith and Kendall to provide a better technique of rating employees. It differs from other rating scales because that method focuses on behaviors that are specified to be vital for completing a job task or doing the job right, rather than looking at more general employee characteristics (e.g. personality, vague work habits).

For example, a rating item that says if the employee:

*Answers phone punctually and politely,*

Regarding BARS approach, this item would be analyzed more different in several tasks:

For example:

- Answers phone within five rings.
- Greets caller with "Good morning, This is the X(name of the company) Company, how may I help you?"

Notice how the BARS items are describe the important behaviors. Once those behaviors are identified for a particularly job, or employee, the items can be used to base a numerical or performance label on, let's say a five point, or seven point scale.

Behaviorally anchored rating scales (BARS) are an appraisal technique that measures behavior against levels of performance. BARS combine elements from critical incident and graphic rating scale approaches. The supervisor rates employees according to items on a numerical scale.

BARS uses judgmental measures developed to define the rating points in relation to actual work behaviors. Steps included in the procedure are:

- Creation of critical incidents (examples of effective and ineffective behavior).
- Improvement of the critical incidents and the formation of performance dimensions (the overall qualities defined by specific critical incidents).
- Confirmation check of the correlation of critical incidents to performance dimensions.
- Evaluation of the effectiveness of each incident as evidence of one's performance on the dimension.
- Assembling the final BARS form, often a 10-point scale constructed for each of the performance dimensions and placement of critical incidents in the scales.

Some of the purposes of using BARS include:

- Purpose to help in decision-making
- Helping to manage changes to identify individuals for promotion & to facilitate lateral transfers
- To reward good performance: merit-based salary and benefits, promotions
- Addressing poor performance: firing decisions
- To appraise the effectiveness of other organizational programs (selection, training, etc.)

## **CHAPTER 5: PERFORMANCE MANAGEMENT PRACTICES**

---

Performance management systems necessitate the implementation of multiple key practices. The more of these practices are being implemented, the more augments the probability of a performance management system be seen as efficient. There are six common practices that are related to the employee performance management.

### **5.1. Staff motivation**

All employees must be sheltered independently and cooperatively as much as training and improvement procedure is concerned. Organization must endure the difficulty from capital restraints for training levels as a method to decrease costs.

An optimistic stimulant attitude and practice can advance output, value, and service. Motivation can enable individuals to accomplish goals, to acquire a encouraging viewpoint, develop confidence and capacity, handle their individual improvement and assist others with theirs.

There are various motivational techniques:

#### **Training**

Training is considered as one of the most efficient methods to stimulate workforce – mainly for the reason that it is a method to demonstrate to the workforce that the organization concerns to offer the required coaching and guidance to certify the employee’s success.

#### **Cross-training**

Cross-training denotes training an employee tasks different than those that was engaged to execute. This enables the employee to obtain further abilities which can assist the professional improvement, and the manager to increase elasticity in scheduling.

#### **Recognition**

Company, administrative and peer appreciation are strong personnel stimulators. Employees should be conscious of all encouraging comments, particularly the observations in company’s surveys. Administration might give motivations to

personnel who are positively acknowledged from the company. In some cases gratitude is awarded throughout an employee-of-the-month programme which provides the prospect for managers and occasionally workforce to choose a member of staff for particular reference. Generally a worker merits this credit by exhibiting astonishing devotion to the organization, its principles and its objectives.

### **Communication**

Maintaining workforce familiarized with office processes can assist generating positive results. An information sheet or official statement is an outstanding method to institute and preserve official interactions. Some matters that are included in the statements are employment declaration, promotion, relocation, acceptance and withdrawal announcements as well as exceptional credit awards.

### **Incentive programmes**

Incentive programmes offer special acknowledgement and benefits to employees who have met certain working principals or defined aims. They may include acclamation letters, certificates of acknowledgement, apperception banquets or events, benefit attestations, free weekend packages, exclusive parking benefits, acknowledgement nameplates. The alternatives of motivation will depend on the acknowledgement being given, but the compensation must not be discretionary. All employees should be given the chance to be participants and must be totally conscious of what is demanded from them to be qualified for the incentive rewards.

### **Performance Appraisals**

Executive office employees need to feel safe with respect to their working performance. When rightly performed, a performance assessment can offer each employee with written response on his or her performance. Furthermore, it should be able to recognize both strengths and flaws in performance and offer tactics and actions for progress. As a component of the evaluation, the executive and the member of staff should be able to concur on definite objectives and target dates. The assessment should identify exceptional performance and the evaluator (i.e. the executive) must commit himself to supporting the member of staff in his or her professional progress.

## **5.2. Focus on Customer**

This practice consists of processes such as investigation, response, and other procedures that should be used to measure contentment of customers.

Customer Focusing is a method for discovering the customers, goods/services, quality features, and performance processes which are most important to the organization.

Managers often take it for granted that all staff are working towards the same customer oriented objectives.

A number of key processes will help to ensure customer focus, such as

### **1. Management systems.**

Constructing a management structure concerning the consumer requirements, is regularly ignored. It should be instituted a formation that exercises no more than the number of procedures and practices are unquestionably essential. every procedure should be precisely correlated to a consumer.

### **2. Innovation.**

Consumers desire merchandise and services that are frequently getting better. Innovation is the procedure that forces these developments and it is required to be cautiously observed and managed.

### **3. Training.**

Training is crucial instruments for assisting workforce to preserve a client focus. The training program ought to be planned including the client expectations and it should reinforce abilities that construct client contentment and consumers devotion.

### **4. Customer Perceptions.**

Efficient measurements of client discernments are amongst the mainly essential tools of the business. Subsequent to discover about consumer insights the business has to reassure that it can use this important data in order to derive benefits.

## **5. Complaint Resolutions**

A complaint can provide to the business an opportunity to discover its weak point, and take action in order to rectify this situation.

### **5.3. Empowering Front Line Employees**

Empowerment is the procedure of facilitating or allowing an individual to consider, act, take action, and manage job and decision making in independent manner. It is the condition of sensing self-empowered to take control of one's own decisions and actions.

Every business requires having processes for front line members of staff to pursue. These can be explained by numerous reasons.

1. It can facilitate companies to adjust to particular client conditions swiftly.
2. With front line member of staff accreditation appropriately established, a lesser amount of time will be used to offer approval for exclusions and extra time overseeing significant business tasks.
3. Failure to offer endorsement to front line employees will cause delays and awkwardness to clients, with possible escalation to top management or possibility of client loss.
4. Executives will be less resourceful as they will need to re-evaluate state of affairs and reach to conclusions regarding client's matters.
5. With lack of empowerment, front line personnel will face inadequacy of ability to satisfy clients. Therefore, their self-belief may possibly be effected.

The way to empower the front line employees might be achieved from actions such as offering empowerment and financial support for executive members of staff, offering direction and tuition to members of staff on paradigms of what is suitable and what is unsuitable use of the 'fix it fund'. Fine tune with added training as new circumstances

occur. Moreover celebrate fine examples. This will produce more of the type of performance that the company wishes to promote, watch feedback from executive members of staff on the most ordinary matters. Make necessary interventions to minimize the reason of client problems. Finally, recur: prepare, rejoice, watch and deal with the roots of matters.

#### **5.4. Benchmarking**

Benchmarking is the procedure through which a corporation evaluates its goods, services, and practices alongside its opponents, or those corporations that are perceived as leaders. Manager 's responsibility is to discover if the corporation is performing certain tasks and activities efficiently, whether its costs are in proportion to those of opponents, and whether its inner actions and company's procedures call for development. The initiative behind benchmarking is to gauge inner procedures against an exterior criterion. It is a way of knowing which organizations are top at performing definite actions and tasks and then duplicate them, or improve their methods.

Benchmarking concentrates on company-to-company contrast of how effectively fundamental purposes and procedures are being executed. Between many potentials, it may focus at the way supplies are obtained, contractors are rewarded, assets are administrated, workforce training, or how payrolls are being dealt with. Furthermore, it focuses also to the amount of time the corporation necessitates to progress new products to market, the way the quality inspection is executed, how client orders are fulfilled and delivered and the method that perpetuation is achieved.

Benchmarking facilitates executives to ascertain the most excellent practice that detects prospects for enhancement and augments performance in relation to client requirements. Furthermore assists managers to comprehend the most adequate and effective processes of executing an activity, to gain knowledge of the way lesser costs are in fact accomplished, and to develop the business competitiveness. Therefore, benchmarking has been exercised from organizations as an instrument to attain a competitive advantage.

Organizations typically take on benchmarking due to the developments that it might proffer such as diminishing labour cost, reformation of work throughout restructured

organization procedures and widespread directorial systems, improving data management function throughout combination and economization, collective organization and information technology scheduling, instigating new technology, outsourcing a number of assignments and operations, reorganizing the growth and sustainance procedures, and reorganizing and rearranging the information technology processes.

### **Benchmarking Basics**

The purpose of benchmarking is to spot the weak points inside an association and develop them, in order to have excellent performance. The benchmarking procedure aids managers to locate gaps in performance and transform them into prospects for development. Benchmarking facilitates organizations to discover mainly the flourishing tactics exercised by other organizations of analogous dimension, category, or regional position, and then implement appropriate techniques that they have possession of more proficient. Mainly organizations utilize benchmarking as a component of a general strategic procedure. For instance, organizations utilize benchmarking with the intention of discovering penetrating ideas for developing procedures, to sustain quality enhancement programs, to encourage workforce to develop performance, and to gratify management's requirement for reasonable appraisal.

### **Successful Benchmarking**

There are a number of means to thriving benchmarking. Management devotion is one that organizations frequently appoint. Given that management is dependable for the continual process and assessment of the corporation, it is essential that management is dedicated as a group to utilizing and putting into operation benchmarking strategies. A strong association of private contacts in addition to possess an open mind is also essential. With the aim of applying benchmarking at all phases, it is required have people with proper training in order for the procedures to operate precisely and effectively. Continuous efforts toward constant development are also required. Other means incorporate a benchmarking procedure that has past accomplishments, adequate time and personnel, and total acknowledgement of the procedures to be benchmarked.

Every program that a corporation explores or plans to put into practice should also place aims and goals for it. Benchmarking follows the same procedure. Thriving organizations establish objectives and aims concentrate and pursue them. As in any program, it is constantly crucial to collect precise and dependable information. The data should be comprehended and capable to be defined in addition to measured. Also they should be able to be clarified so as to make contrast with other businesses.

The above practices summarize the essence of high performance practices in organization. These practices put together can produce high performance of employees who are working in an organization.

## CHAPTER 6: CASE STUDY

---

### **Cooperative pharmacists' of Thessaloniki (SY.FA. THESSALONIKIS)**

In the 1980s, pharmaceutical companies and their employees had a relationship that could be described as more paternalistic. For their employees there was a sense of security. Their payments were really good, their retirements were accompanied with satisfactory pensions, jobs were stable and their benefits were supreme. It was easy to anticipate an entire career with a single employer. Moreover, many of these companies also shared their huge successes with their employees. Nowadays, as the industry's economics change, companies' relationships with their employees are changing as well. For that reason, the paternalistic relationship that carried on for almost a quarter century between employer and employee has now become economically unsustainable. It is increasingly becoming a typical arms-length relationship, similar to that of employees and companies in most other industries. Over the next decade, these trends are bound to change more rapidly. There will be fewer large companies and many smaller, as a consequence jobs at large pharmaceutical companies will be eliminated, but many of them will reappear in other forms either at other companies or as consulting opportunities.

As pharmaceutical companies change their business models, there will be a necessity to alter the types of people they recruit (and seek to retain) and the programs in which they develop and train them. They will also need to plan again their remuneration structures and develop methods of encouraging different behavior from the past. In addition, they will need to design new career paths for most important positions in the organization. The implementation of these changes will be difficult because these companies have operating cultures developed over decades and sub-cultures within different operating units. The new changes are going to oblige them to break down barriers between different groups while creating new groups. Moreover, the companies will need to reduce many positions currently occupied by long-time employees; therefore the relationship employer-employee inside companies will change for those who remain part of the organization. All companies will confront the fact that many of its best people will choose to leave for other opportunities. The

ability to manage all of this change from a human resources point of view will be one of the most important ability in the pharmaceutical industry over the next decade. These companies should, in consequence, redesign both their business models and their workforces. And it all must be done carefully and rapidly because they do not have the time to postpone current operations while they implement these changes. Therefore, they will need employers who can help alter their organizations in ways that do not disrupt their ongoing businesses. At the same time, they will need people who can help them find and develop individuals (from both within and outside the organization) who will serve as the next generation of leaders for companies that will be operating in a different economic environment from the past.

SY.FA. Thessalonikis is the pharmacists' cooperative, responsible for the distribution of medical products in the market of North Greece. It holds the biggest market share in North Greece (74%) and the second place nationwide. It was established in 1923 by 14 pharmasists who early realized that there was a necessity for a cooperative organization which will reflect the needs of the pharmacies. Throughout the years, SY.FA established a strong relationship not only with its members (shareholders and clients) but also with its suppliers. That is evidence that the possible changes in multinational pharmaceutical companies will affect SY.FA because of its correlation with them and its long-term and strong position in the market of northern Greece.

## **6.1. METHOD-DATA COLLECTION**

Data was gathered to build concepts and theories about the performance management of an organization in North Greece. Interviews with head of sales department and of ordering department (call center) reflect the situation of the departments.

To start with, interviews with close-end questions were used in order not only to be easier for the interviewers to answer but also structured in a convenient way for the interviewee to analyze. The source of the questions used was a book:

Moglia, Tony, 1997: *Partners in Performance : Successful Performance Management*, Menlo Park, CA, USA: Course Technology Crisp.

Also, the questions were translated in Greek in order for the heads of departments to understand the meanings better and make the procedure easier. The interviews took place in their workplace.

Moreover, the quality assurance manager informed us about the determined objectives of the departments, since according to ISO 9001:2008 standard, it is necessary for the organization to set terms regarding the processes that any company should handle when deals with the customer on a daily basis. In this case for example, the requirements for the employees in the ordering department are their speed of order fulfillment or their good behavior. Additionally, the requirements for the sales department are to promote the private label products of the company and meet the six month targets as far as their sales are concerned. Furthermore, according to the quality assurance department the company should review the requirements related to the product. For example, the company considers that the mistakes concerning the orders should be eliminated. It is wrong to send a product that the customers have never ordered and charge them for something else. That incident reflects the wrong doing of the ordering department because call center should decrease these types of mistakes. Speed is not the only aspect of customer service that matters. The company asks the opinion of pharmacists for its departments throughout questionnaires in order to understand their satisfaction level about the work done and their desires as customers.

## **INTERVIEWS with close-end questions**

### **PART 1**

This section presents some important questions to help you determine where you currently stand in the process of developing successful performance management.

*Circle your answer. Answer each question honestly.*

Do you currently have specific written performance goals against which your employees' achievement can be measured?

Yes No

Do your employees know about the written goals?

Yes No

Do you regularly reconfirm employees' goals in order to remain on target?

Yes No

Are your on-the-job goals sufficiently flexible to meet new demands or unexpected changes in the direction of work?

Yes No

Are you basically satisfied that your employees are making measurable progress toward established work goals?

Yes No

Do you feel that you are accurately evaluating progress toward employees' goals?

Yes No

Is it likely that employees would agree that you are accurately evaluating progress toward their goals?

Yes No

## **PART 2**

Regardless of how you answered the previous questions, you should realize that performance goals aren't about run-of-the-mill daily chores. Performance goals as discussed in this book Moglia, Tony,1997: *Partners in Performance : Successful Performance Management*, Menlo Park, CA, USA: Course Technology Crisp must meet certain criteria. They must

- Be important enough to stimulate extra effort.
- Be challenging enough to produce results that reflect the effort required to achieve them.
- Cover a sufficient period to accommodate short-range setbacks and disappointments.

The best method for achieving outstanding performance, meeting objectives, and ensuring appropriate recognition is to prepare and use Performance Agreements.

Research reflects that more than half the professional and clerical employees working today do not understand how their work is evaluated. To make sure this is not true for your employees, you need to discuss the process with them now. Review the evaluation process with every new employee as soon as they begin work.

People responsible for Performance Reviews often assign a low priority to them because they have not thought about the benefits of a good review session.

Following are some advantages of doing Performance Reviews on a timely basis.

*Check those that are important to you.*

- Performance Reviews give me valuable insights into the work being done and those who are doing it.
- When I maintain good communication with others about job expectations and results, opportunities are created for new ideas and improved methods.
- When I do a successful Performance Review, I reduce the employee's anxiety about how he or she is doing.
- When employees receive timely, corrective feedback on their performance, I increase productivity.
- Public recognition of positive contributions reinforces sound work practices and encourages good performance.
- When I facilitate two-way communication with employees, goals are clarified so they can be achieved or exceeded.
- Regular Performance Review sessions mean there are no surprises about how work quality is being perceived.
- Learning to do professional Performance Reviews is excellent preparation for my management advancement and increased responsibility.

### **PART 3**

Here are some tips on how to make the Performance Review happen successfully.

*Check those you are now using or will use in the future.*

- Reflect a positive, “can do and will do” attitude.

Present Future

- Demonstrate personal flexibility and adaptability.

Present Future

- Communicate the mission of the future and how it is bridged to the present.

Present Future

- Identify and talk through the concerns of each individual.

Present Future

- Discuss and clarify goals to reduce ambiguity.

Present Future

- Help employees assess their current role, express your expectations, and together develop a plan to meet job requirements.

Present Future

- Find out what employees are considering to be problems, and let them participate in finding solutions.

Present Future

- Quickly fix what's broken.

Present Future

- Explain the importance of letting go of the past, focusing on the present, and anticipating change in the future.

Present Future

- Help employees identify ways in which their career goals can be achieved or made more realistic.

Present Future

- Encourage employees to show initiative. They will grow in the process.

Present Future

- To educate and develop employees, delegate tasks and responsibilities.

Present Future

- Devote whatever resources you have available to recognizing and rewarding good performance.

Present Future

- In addition to the achievements themselves, recognize genuine attempts to achieve. Make sure policies and procedures always support and never prevent the accomplishment of goals.

Present Future

- Ask your employees frequently what you and/or the company are doing that makes them uncomfortable or inhibits their performance.

Present Future

- Be sure your behavior and communication practices continue to be consistent with what you expect from others.

Present Future

- If your work environment is in transition, discuss the result in emotional impact with employees. Assure them that what they are experiencing is normal. Help them move on to new commitments as soon as possible.

Present Future

Source:

Moglia, Tony. *Partners in Performance : Successful Performance Management*.

Menlo Park, CA, USA: Course Technology Crisp, 1997. p 48.

<http://site.ebrary.com/lib/amthess/Doc?id=10060435&ppg=56>

Copyright © 1997. Course Technology Crisp. All rights reserved.

## **6.2. FINDINGS**

We used the questions above so as to draw conclusions about the present phase in the process of performance management. Also, we wanted to be aware if the heads of departments pay attention to performance management and if they try to develop the situation and place the relationship with their employees in another basis. In addition, we realized that they follow the stages of performance management. That means that the employees are informed about the objectives to be accomplished and the expectations to be fulfilled. Then, both employees and managers become part of performance management procedure and try to accomplish its goals. Moreover, the employees are evaluated, by their managers through scheduled meetings where they discuss their progress, and finally new goals are set for the next period. As far as the evaluation process is concerned, the company uses the paired comparison method. Furthermore, performance management practices are implemented by managers, which make performance more efficient. They behave as leaders to inspire their employees and make them feel confident for the future. Also, they provide their employees with motives and training, since the organization concerns to offer the required coaching. In addition, the organizations focus is on customer satisfaction since both departments deal with them on a daily basis. As it was mentioned before, customers evaluate the employees for their performance.

One of the purposes of performance management is to ensure that employees have a clear understanding of their quality and quantity of work expected from them. Indeed, there are specific written performance goals and performance reviews that make employees aware of the goals of their company.

Performance appraisal was traditionally associated with a relatively straightforward process in which a line manager met annually to review the performance of their subordinates. In this case, the sales manager reviews the performance of the sellers not only each semester (six months) but rather every week, in meetings, which take place in their main workplace (SY.FA. Thessalonikis) and the manager of ordering department review them on a monthly basis with the guidelines provided by the quality assurance manager. So, performance appraisals have become far more than just an annual ritual and are viewed as a key lever to enhance organizational performance. Evaluating individual performance remains the main focus of performance management systems, but it is also used to help make reward decisions especially in private sector (Internal Revenue Service, IRS 2003a:9). During the 1990s there was an emphasis on reward driven systems (based on individual performance related pay) (Armstrong and Baron, 1998; 2005). That is evident in sales department where sellers have specified targets concerning the amount of sales. At South West Airlines and Yahoo, the extent to which employees are passionate, curious, motivated and compassionate is monitored carefully (Sartain 2003:7). These characteristics are important for both departments and the employees are evaluated through Performance Reviews. According to Deming (1982), appraisal was “a deadly disease”, which blamed individuals for general problems to organizations. This feeling prevailed in employees of ordering department and competition arouses.

There are several distortions regarding appraisal process. The first distortion is known as ‘halo effect’ distortion. The difficulty arises when one characteristic of the individual is used as the basis to rate the overall performance of the employee. A second problem relates to the unwillingness of managers to be too harsh or excessively indulgent, which can result in an error of central tendency in which everybody is rated as average. This reluctance to make a distinction between appraisees undermines the importance of the appraisal process. A third problem is called ‘recency bias’. In this case, managers rarely keep detailed notes about their

appraisees, and are not very accurate about rating all the behaviors there are required to judge, because there is a trend to base appraisals on the recent past, regardless of how representative their performance is over the year. This weakness may be tempered by the alteration within some organizations from appraisal as an annual process to a more continuous process of performance review (Armstrong and Baron 1998:115). These actually cause problems within organization to function smoothly regarding performance management. In our company, the managers keep detailed notes about their employees because they are obliged to control them in short-period of time. A difficult begins from the fact that the employees cannot be evaluated objectively so most of them are rated as average or assessed having very good performance.

The outcomes from the interviews are that the managers try to be flexible to meet new demands or unexpected changes. Moreover, they are not satisfied about the progress of their employees linked to the goals but they evaluate accurately their subordinates without having the same point of view for the evaluation. In second part of the interviews, the head of the ordering department mentions that all the advantages of doing performance reviews are valuable. On the contrary, the sales manager considers good communication, successful performance review and regular performance review sessions more important than the others. In third part, both managers think that they make a considerable effort regarding performance management. They help their employees and they discuss often with them in order to solve several problems.

### **6.3. CONCLUSION**

Employees and employers both gain equal benefits from appraisal. Problems that arise are corrective by useful training and apparent communication of the objectives and significance of the appraisal procedure. Employer practices which actually maintain trust by promoting transparency and practical fairness alongside respect for the individual are more likely to lead to appraisal systems which are accepted and valued by the workforce. In general, the implementation of an appraisal system represents the organized collection of information about employees. Appraisal data is a valuable

source of information about the usefulness of recruitment and selection and equal opportunity policies.

## LIST OF REFERENCES

---

Adele Bernestain , Customer Satisfaction Technique-Empowerment Of Front Line Employees,satisfactionsecrets(online)customer-satisfaction-technique-empowerment-of-front-line-employees/[online] available at:

<http://www.satisfactionsecrets.com/customer-satisfaction/customer-satisfaction-technique-empowerment-of-front-line-employees/> (09/09/2010)

Alan Bryman 1986 Leadership and organizations, England:Routledge, Kegan Paul plc Ald inc, 2010, The Competency Based Performance Management System, Aldinc[online] CBPMS\_White\_Paper.pdf [online] available at:  
[http://www.aldinc.com/pdf/CBPMS\\_White\\_Paper.pdf](http://www.aldinc.com/pdf/CBPMS_White_Paper.pdf) (18/09/2010)

Alison Wolf, 2001, Competence-Based Assessment, heacademy [online] assets/york/documents/resources/heca/heca\_cl25.pdf [online] available at:  
[http://www.heacademy.ac.uk/assets/york/documents/resources/heca/heca\\_cl25.pdf](http://www.heacademy.ac.uk/assets/york/documents/resources/heca/heca_cl25.pdf) (08/09/2010)

Ancher North & Associates, 2010, “Performance Appraisal: Basic Purposes” [online]available at <http://www.performance-appraisal.com/basic.htm> (17/09/2010)

Anthony G. Hopwood, Christopher S. Chapman, Michael D. Shields, 2009 Handbook of Management Accounting Research, London: Elsevier

Armstrong, Michael, 2006: A handbook of Human Resource Management, 10<sup>th</sup> edition, Kogan Page p.495-529

Arup Varma, Pawan S. Budhwar,Angelo S. DeNisi ,2008 ,Performance Management Systems: a Global Perspective ,Abdigton :Oxon

Aurel Brudan, Integrated Performance Management: Linking Strategic, Operational And Individual Performance, Pma pma-cd/papers/1090.pdf [online] available at  
<http://www.pma.otago.ac.nz/pma-cd/papers/1090.pdf> (18/09/2010)

Bacal & Associates,2000-2010. “What is BARS?”[online] available at <http://performance-appraisals.org/faq/bars.htm> (14/09/2010)

Bach, S., 2005: Managing Human Resources, Personnel management in transition, 4<sup>th</sup> edition, Oxford: Blackwell p.289-316

B.Madar, Performance Management Principles, Streetdirectory principles\_of\_performance\_management.html [online] available at: [http://www.streetdirectory.com/travel\\_guide/192942/corporate\\_matters/principles\\_of\\_performance\\_management.htm](http://www.streetdirectory.com/travel_guide/192942/corporate_matters/principles_of_performance_management.htm) (22/09/2010)

Balanced Scorecard Institute, 1998-2000, What Is the Balanced Scorecard, BSCResources/AbouttheBalancedScorecard/tabid/55/Default.aspxbalancedscorecard, [online] available at: <http://www.balancedscorecard.org/BSCResources/AbouttheBalancedScorecard/tabid/55/Default.aspx> (08/09/2010)

Barry M. Staw, 2006, Research in Organizational Behaviour: An Annual Series of Analytical Essays ... California : Elsevier ltd

Bratton John and Gold Jeff, 2007: Human Resource Management Theory and Practice,4<sup>th</sup> edition, Palgrave Macmillan p.274-305

Brian Cawley , Lisa Keeping, Paul Levy, 1998,Participation in the Performance Appraisal Process and Employee Reactions: a Meta Analytic Review of Field Investigations, Journal of Applied Psychology .page 1-2

Bruce Prideaux , Gianna Moscardo, Eric Laws,2006, Managing Tourism And Hospitality Services: Theory and International ApplicationsUK: Bidlees ltd King’s Lynn

College of Brockport, 2010,Behaviourial Interviewing ,Brockport career/behave.htm [online] available at:<http://www.brockport.edu/career/behave.htm>(27/09/2010)

Craig Cochran ,2006, Becoming a Customer-Focused Organization, USA:Graig Cohran

D. A. Olaniyan,2008, Staff Training and Development: A Vital Tool for Organisational Effectiveness, Eurojournals Ejsr\_24\_3\_01.pdf [online] available at: [http://www.eurojournals.com/ejsr\\_24\\_3\\_01.pdf](http://www.eurojournals.com/ejsr_24_3_01.pdf) (14/09/2010)

D. Richard Laws, Stephen M. Hudson, Tony Ward , 2000, Remaking Relapse Prevention With Sex Offenders: a Sourcebook, California :Sage Publications

David Hoyle, 2000, ISO 9000 Quality Systems Handbook, Great Britain: David Hoyle

David D. Dubois, 1993,Competency-based performance improvement: a strategy for organizational change, USA :HRD Press inc

Dennis M. Daley, 1992, Performance Appraisal in the Public Sector: Techniques and Applications ,USA: Dennis M. Daley

Dessler, Gary, 2008: Human Resource Management, 11<sup>th</sup> edition, Pearson Prentice Hall p.336-469

Durga Prasad Sah 2010 , management by objectives ,Hubpages mbo [online] available at: <http://hubpages.com/hub/mbo> (07/09/2010)

Elizabeth Houldsworth, Dilum Jirasinghe, 2006, Managing and Measuring Employee Performance, Great Britain: Kogan Page Limited

Encyclopedia of Business,2<sup>nd</sup> ed., “Assessment centers”[online] available at <http://www.referenceforbusiness.com/management/A-Bud/Assessment-Centers.html> (15/09/2010)

Eric Parsloe, Monika Jamieson Wray, 2000, Coaching and Mentoring: Practical Methods to Improve Learning Great Britain:Clays Ltd

Fransis Simmons, Management By Objectives, Education.concordia scarliner/hptinterventions/mbo.htm [online] available at: <http://education.concordia.ca/~scarliner/hptinterventions/mbo.htm> (06/09/2010)

Gerard Blokdijk, 2008 Change Management 100 Success Secrets - The Complete Guide to Process, Tools ,software and training in organizational change management, googlebooks changemanagement [online] available at:

[http://books.google.com/books?id=2Sof1el\\_a6gC&printsec=frontcover&dq=Gerard+Blokdijk,+2008+change+Management+100+Success+Secrets+-+The+Complete+Guide+to+Process,+Tools&hl=el&ei=tY6nTPuMF8z64AbVyZylDQ&sa=X&oi=book\\_result&ct=book-thumbnail&resnum=1&ved=0CCkQ6wEwAA#v=onepage&q&f=false](http://books.google.com/books?id=2Sof1el_a6gC&printsec=frontcover&dq=Gerard+Blokdijk,+2008+change+Management+100+Success+Secrets+-+The+Complete+Guide+to+Process,+Tools&hl=el&ei=tY6nTPuMF8z64AbVyZylDQ&sa=X&oi=book_result&ct=book-thumbnail&resnum=1&ved=0CCkQ6wEwAA#v=onepage&q&f=false)(18/09/2010)

Gopal K. Kanji, 2002. Measuring business excellence London:Routledge

Gurjeit singh , 2010 Performance Management [online] available at:

<http://www.slideshare.net/gurjeit/performance-management-3717713> (05/09/2010)

HCi Consulting, Realisation Consultin, Customer Focusing , hci hcisite3/toolkit [online]

available at: <http://www.hci.com.au/hcisite3/toolkit/custfocu.htm>(11/09/2010)

Iftikhar Ahmad and Siraj ud Din, 2009, Evaluating Training And Development, Gjms Vol-7-2.pdf [online]

available at: <http://www.gjms.com.pk/files/Review%20Vol-7-2.pdf>(7/09/2010)

Isha Mehra Prachi Sharma N Rakesh, INTERNATIONAL PERFORMANCE MANAGEMENT, scribd doc/10421764[online] available:

<http://www.scribd.com/doc/10421764/International-Performance-Management> (10/09/2010)

James C. Koch, Benchmarking, referenceforbusiness management/A-Bud/Benchmarking.html [online] available at:

<http://www.referenceforbusiness.com/management/A-Bud/Benchmarking.html>,

(02/09/2010)

James Forrest Courtney, John Digby Haynes, David B. Paradise, 2005 Inquiring Organizations: Moving From Knowledge Management to Wisdom USA:Group inc

James L. Moseley, Joan C. Dessinger, 2010, Handbook of Improving Performance in the Workplace, Measurement and Evaluation, International Society for Performance Improvement

Jeff Hiatt, Timothy J. Creasey 2003 Change management: The People Side of Change, USA:Prosci

John Bratton, Jeffrey Gold 1999 Human Resource Management: Theory and Practice, London: Macmillan press ltd.

John W. Fleenor, Sylvester Taylor, Craig Chappelow, 2008 Leveraging the Impact of 360-degree Feedback, Sanfransisco:Pfeiffer

Kate Williams, 2004, Introducing Management: a Development Guide ,USA:Elsevier ltd

Kathryn J. Hannah, Marion J. Ball, Margaret J. A. Edwards, 2006, Introduction to nursing informatics ,New York: Springer Science and Business Media

Kevin R. Murphy, Jeanette Cleveland, 1995, Understanding Performance Appraisal: Social, Organizational, and Goal-based ...California: Sage Publications

Margo Upson 2010, What is Leadership Management , Wisegeek what-is-leadership-management [online]  
available at : <http://www.wisegeek.com/what-is-leadership-management.htm>  
(11/09/10)

Michael Armstrong, Angela Baron 2005, Managing performance: Performance Management in Action, London: chartered institute of personnel and development

Michael Armstrong( 1994, 2000) Performance Management: Key Strategies and Practical Guidelines, Great Britain Clays Ltd, St Yves plc

Michael Steiner, David H. Bugen, Brian Kazanchy, William T. Knox IV, Margaret V. Prentice, Lauren S. Goldfarb , 2007, The Continuing Evolution of the Pharmaceutical Industry: Career Challenges and Opportunities, pharmawealthmanager Pharma%20Paper%20ADVANCE%20PUBLIC%20COPY%20Nov-30-2007.pdf [online]  
available at:  
<http://www.pharmawealthmanager.com/pdf/Pharma%20Paper%20ADVANCE%20PUBLIC%20COPY%20Nov-30-2007.pdf> (25/09/10)

Nancy Falchikov, Margo Blythman, 2000, Learning together: Peer Tutoring in Higher Education , London: Geoff White and Janet Druker

Neil Anderson, Deniz S. Ones, Handan Kepir Sinangil, Chockalingam Viswesvaran Handbook of industrial, work & organizational psychology , 2001 London: Sage Publications

Nick Gould, Dr. Mark Baldwin England 2004, Social work, critical reflection, and the learning organization, England: Ashgate Publishing Limited

Olivier Serrat, 2009, Coaching and Mentoring, Adb /coaching-and-mentoring. PDF [online] available at: <http://www.adb.org/documents/information/knowledge-solutions/coaching-and-mentoring.pdf> (22/09/2010)

Openlearningworld.com,1999-2010, “Methods of Performance Appraisal”[online] available at <http://www.openlearningworld.com/olw/courses/books/Performance%20and%20Potential%20Appraisal/Performance%20and%20Potential%20Appraisal/Methods%20of%20Performance%20Appraisal.html>(22/09/2010)

Peter Herson, Ellen Altman, 1996, Service quality in academic libraries, United States of America :Alex publishing corporation

P. J. Smit, 2000, Balanced scorecard Strategy Implementation: Readings, USA: Pearsons Editorial

P. J. Smit ,2000 Strategy Implementation: Readings, USA:Juta and Co Ltd Lansdowne

Patrick J. Montana, Bruce H. Charnov 2000, Management, New York: Barrons Educational Series

Peter F. Drucker, 1955. The Practice of Management ,UK: Elsevier ltd

Peter Ferdinand Drucker , 2003 Peter Drucker on the Profession of Management,USA: President and Fellows of Harvard college

Peter F. Drucker , 1974, Management: tasks, responsibilities, practices, Oxford: Reed Educational and Professional Publishing

Richard Luecke , Harvard Business School ,2004 Coaching and Mentoring: How to Develop Top Talent and Achieve Stronger USA:Harvard Business School Publicing Corporation

Robert Macredie 1998 ,Modelling for Added Value London: Springer Verlang

Robert S. Kaplan, David P. Norton, 2006 The balanced scorecard: translating strategy into action,USA: President and Fellows of Harvarrd College

Shameena Silva, 2007 ,Does Empowerment Motivate Employees in the Hospitality Industry, Germany: Grin Verlan

Soeren Dressler 2004 Strategy, Organizational Effectiveness and Performance Management USA:Universal Publishers

Srinivas R. Kandula 2003, Human Resource Management in Practice: With 300 Models, Techniques and Tools, New Delhi, prentice hall of India

Staff Motivation and Empowerment , Source: Go et al, Human Resource Management in the Hospitality Industry Wiley, 1996 , Olivermagro lecture 12 [online]

available at: [http://www.olivermagro.com/FO\\_Mgt/Lecture\\_12.PDF](http://www.olivermagro.com/FO_Mgt/Lecture_12.PDF) (11/09/2010)

Sungsoo Pyo, 2001, Benchmarks in Hospitality and Tourism ,NY: the Haworth press

Susan M. Heathfield, 2010, Employee Empowerment, Humanresources empowerment\_def.htm [online] Available at:

[http://humanresources.about.com/od/glossary/a/empowerment\\_def.htm](http://humanresources.about.com/od/glossary/a/empowerment_def.htm) (13/09/2010)

Susan M. Heathfield, 360 Degree Feedback: The Good, the Bad, and the Ugly,

Humanresources 360feedback/a/360feedback.htm [online] available at:

<http://humanresources.about.com/od/360feedback/a/360feedback.htm> (10/09/2010)

SY.FA Thessalonikis website, available at <http://www.pharmanet.gr/> (11/09/2010)

Thomas Backer, 2003, Evaluating Community Collaborators , New York :Springer publishing company Topbits, Change management, tech-faq,changemanagement.html [online]

available at :<http://www.tech-faq.com/change-management.html>(10/09/2010)

Thornton, Shane, 2009, “Objectives of performance appraisals”[online] available at

[http://www.ehow.com/facts\\_5407449\\_objectives-performance-appraisals.html](http://www.ehow.com/facts_5407449_objectives-performance-appraisals.html) (10/09/2010)

United States Department of Agriculture

Research, Education, and Economics ,Policies and Procedures 1998

Afm.ars.usda 440-01.pdf [online] available at:

<http://www.afm.ars.usda.gov/ppweb/PDF/440-01.pdf> (09/09/2010)

United States Performance Office of Management Personnel and Incentive  
Management Awards Division, 1997, 360-Degree Assessment: An Overview, Opm  
perform/wppdf/360asess.pdf [online] available at:  
<http://www.opm.gov/perform/wppdf/360asess.pdf> (15/09/2010)

University Of Oklahoma , 2010, Performance Management Quick Guide, Hr.ou  
pmcycledetail.asp#perfexpectations[online] available at:  
<http://hr.ou.edu/managers/pmcycledetail.asp#perfexpectations> (15/09/2010)

University of Strathclyde, 2005 , Performance Management 41938 people resourcing,  
hrm.strath teaching/postgrad/classes/full-time-  
41938/documents/Performance\_Management\_AW.pdf [online]  
available at:  
[http://www.hrm.strath.ac.uk/teaching/postgrad/classes/full-time-41938/documents/Performance\\_Management\\_AW.pdf](http://www.hrm.strath.ac.uk/teaching/postgrad/classes/full-time-41938/documents/Performance_Management_AW.pdf) (10/09/2010)

Vadim Kotelnikov, Management By Objectives MBO, 1000ventures  
mgmt\_mbo\_main [online]  
available at: [http://www.1000ventures.com/business\\_guide/mgmt\\_mbo\\_main.html](http://www.1000ventures.com/business_guide/mgmt_mbo_main.html)  
(13/09/2010)

What is 360 Degree Feedback, Custominsight/360-degree-feedback/what-is-360-  
degree-feedback.asp [online]  
available at: <http://www.custominsight.com/360-degree-feedback/what-is-360-degree-feedback.asp> (04/09/2010)

Wikipedia, 2010, Change Management, Wikipedia change management[online]  
available at: [http://en.wikipedia.org/wiki/Change\\_management](http://en.wikipedia.org/wiki/Change_management) (11/09/2010)

Wikipedia, 2008, Human Resources Development , wikipedia Human\_resource\_development [online] available at: [http://en.wikipedia.org/wiki/Human\\_resource\\_development](http://en.wikipedia.org/wiki/Human_resource_development) (5/09/2010)

Wikipedia, 2010, Management By Objectives, Wikipedia Management\_by\_objectives [online] available at: [http://en.wikipedia.org/wiki/Management\\_by\\_objectives](http://en.wikipedia.org/wiki/Management_by_objectives) (08/09/2010)

Zahirul Hoque, Wendy James, 2000, Linking Balanced Scorecard Measures to Size and Market Factors: Impact on Organizational Performance, Journal of Management Accounting Research, qa.au.edu page2/research/BSCSizeMarketFactorsImpactOrgPerformance.pdf[online] available at: <http://www.qa.au.edu/page2/research/BSCSizeMarketFactorsImpactOrgPerformance.pdf> (30/09/2010)

Zita M Unger, 2005, Online 360 Degree Feedback: On Target , e-evaluate-it aea-bi-tig/conference/AEA-2005\_Unger AEA Presentation 360.pdf [online] available at: [http://www.e-evaluate-it.com/aea-bi-tig/conference/AEA-2005\\_Unger%20AEA%20Presentation%20360.pdf](http://www.e-evaluate-it.com/aea-bi-tig/conference/AEA-2005_Unger%20AEA%20Presentation%20360.pdf) (07/09/2010)

