



# Fast Findings: Research at-a Glance

Wonderlic, Inc.

1795 N Butterfield Rd, Ste 200

Libertyville, Illinois 60048

1.800.323.3742

www.wonderlic.com

## Competency-Based Performance Appraisals

These at-a-glance research findings provide a quick reference point on the validity and powerful impact of a comprehensive performance appraisal solution.

### Ensuring Consistency

Sammer, J. (2008). *Calibrating Consistency: Sessions ensure that one manager's 'competent' rating isn't another manager's 'superior.'*

Calibration is a face-to-face process

- Critical elements are the human interaction and dynamics of calibration meetings
- Include supervisors and managers responsible for conducting performance appraisals and the executive to whom they report
- Meeting should be led by experienced facilitator, such as organization's head of HR, internal HR person trained as a facilitator or an external consultant
- Core of the meeting:
  - Discussion of each employee's performance rating and the supervisor's reasons for that rating
  - Start with the outliers (extreme lows or highs)
  - ID high performers and why
  - Should be done before all performance ratings and compensation decisions are finalized

### Productivity, Fairness and Communication

IOMA (2007). *Make Employee Appraisals More Productive.* HRfocus

What's wrong with reviews?

- Perception of a hated paper chase
- Political factors
- Accurately measuring performance
- Potential biases by reviewers
- Trying to fit employees into bell curve
- Unintended consequences from reviews

Solutions

- Grade heads of all divisions on their ability to assess the human capital in their group
- Average the change in performance appraisals over time - management can track where improvement is needed

Benefits to process/content change

- Reduce surprises via regular employee communication
- Avoid extremes - severity and leniency
- Get employees involved beforehand
- Separate performance and pay increase discussions
- Know how to use the review for disciplinary purposes
- Avoid discriminatory language, avoid "attitude";

Catano, V., Darr, W., & Campbell, C. (2007).

*Performance appraisal of behavior-based competencies: A reliable and valid procedure, Personnel Psychology, 60, 201-230*

In addition to perceptions of fairness, participation by employees in the appraisal process is related to motivation to improve job performance, satisfaction with the appraisal process, increased organizational commitment, and the utility or value that the employees place on the appraisal (Cawley, Keeping, and Levy 1998).

Rao, T.V. (2008). *Lessons from Experience: A New Look at Performance Management Systems. Vikalpa, 33(3).*

Most important objective of the Performance Management System: To enable each individual employee to plan his/her work for the entire year (or a part of it as is possible in an organization), to ensure that he/she undertakes productive activities, utilizing his/her competencies in the best possible manner and contributing to the achievement of departmental or organizational goals and results, while at the same time constantly learning and developing one's own capabilities and enjoying work.

### Creating Legal Defensibility

Komaki, J. (2007). *Lead Article with commentaries. Daring to dream: Promoting Social and Economic Justice at Work. Applied Psychology: An International Review, 56, 624-662*

Court decisions from 1980 to 1995 - Companies who won in court were more likely to:

- Have conducted a Job Analysis
- Provide written instructions to raters before they complete their performance appraisals
- Allow employees to review results of their performance appraisals
- Have multiple raters who agreed on the quality of the plaintiffs' performance
- Training raters
  - Rater training that included how to fill out performance forms and provide feedback to employees was found to be marginally significant