

Chapter MP3 script 45

Performance Appraisal, Discipline and Grievances

In this recording we summarise the content of chapter 45 Performance Appraisal, Discipline and Grievances.

Studying this chapter should help you clarify the nature and purpose of performance management and performance appraisal; explain the appraisal process; identify key elements of the appraisal form; evaluate methods to measure individual performance at work; recognise good practice in the design and execution of performance appraisals; review disciplinary and grievance procedures; .

Introducing the chapter, the authors start with 1. According to HRM philosophy, employees are an important business resource that must be managed carefully in order to maximise return on investment and achieve business objectives. In recent years, performance management and appraisal have become key features of an organisation's drive towards achieving high performance and thus competitive advantage. Performance management has existed in the language of HR and people management since the 1980s. Since the early development of objective-setting (see chapter 18), the underlying assumption of performance management is that individual performance can be raised through a focus on setting and monitoring goals and aligning development and reward to individual aspirations and potential to grow and develop new skills. Performance management assumes that by raising individual levels of performance, organisational performance will also improve. Thus HRM aligns people strategies with business strategies by designing performance assessment systems which identify, develop and reward talent to achieve business objectives.

2. Traditionally performance appraisal systems have provided a formalised process to review employee performance, (Torrington et al 2009). They tend to be centrally designed, usually by the HR function, requiring each line manager to appraise the performance of their staff, usually each year. What is being appraised varies and may cover personality, behaviour or job performance, with measures being either quantitative or qualitative. Criteria such as the achievement of objectives, customer care, creativity, quality, flexibility, competence, productivity, teamwork may all feature in the process. Furthermore performance information may come from a variety of sources (different stakeholders and systems). Consequently every performance management system is different, with some being more effective than others.

3. In this chapter we explore the process and methods used, commenting on sources of bias and problems of under or over-rating. Ultimately, the performance system aims to reward and improve employee behaviour. However, when managers fail to create the desirable employee behaviours or encounter problematic undesirable behaviours they may have to resort to disciplinary action. Finally, grievances are concerns, problems or complaints that employees raise with their employer, (ACAS 2009). We will therefore explore discipline and grievance practices towards the end of the chapter..

The key concepts discussed within this chapter are:

Disciplinary Procedure - A set of rules or guidelines for dealing with instances of bad behaviour or rule-breaking amongst employees; the most common sanctions are warnings, suspensions and dismissals.; Grievance - concerns, problems or complaints that employees raise with their employers; performance appraisal - The process of assessing the performance of an employee in his job; appraisal can be used for salary reviews, training needs analysis and job improvement plans, for example.; Performance Management - A continuous process for improving the performance of individuals by aligning actual performance with that desired (and with the strategic goals of the organisation) through a variety of means such as standard-setting, appraisal and evaluation both informally, day-to-day, and formally/ systematically through appraisal interviews and goal-setting; .

Other terms discussed include:

360-degree appraisal; Appraisals; Performance assessment; Talent management; .

Summarising and concluding, the author(s) make the following comments - 38. In previous chapters

we have commented on the strategic role of HRM. Indeed the adoption of a performance management system can be seen as an attempt to integrate HRM processes with strategy. An organisation's goals (business strategy) are translated into sector and then departmental goals, manager and then employee goals respectively. At each stage, there will be an attempt to provide measurable performance indicators of the achievement of goals, (Bratton and Gold 2007). The general opinion is that performance management is most useful when it aligns individual objectives with business goals and helps individuals to understand the contribution they are making and how their role fits into overall strategic business objectives. However, this does not mean that performance management is viewed simply as a vehicle for cascading objectives. Performance appraisal is the systematic description of an employee's job relevant strengths and weaknesses. Appraisal provides an analysis of a person's overall capabilities and potential, allowing informed decisions to be made in the process of engaging and managing (controlling) employees. Appraisals are used to ensure an individual's performance is contributing to business goals. In this chapter we described the appraisal, discipline and grievance processes as means to manage behaviour within organisations, ensuring it contributes to strategic goals..

We have now reached the end of the chapter 'Performance Appraisal, Discipline and Grievances'.

There are a number of references for this chapter where further reading opportunities are identified for you.

Additionally, there are questions or activities to help develop and test your understanding of this chapter