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**HUMAN RESOURCE
MANAGEMENT**

Why do firm need an appraisal?



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Why do firm need an appraisal?



- 1. To gather an information to make important decision such as promotion, termination, training, salary, and etc.
- 2. To get rid of low performance employee and promote high performance employee.
- 3. To get feedback from employees and to review employee strengths and weaknesses.
- 4. To provide more training and more knowledge to employees

What are the three steps of appraisal?



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- 1. Define the job duty – make sure that your employee understand the job duty and assignment.
- 2. Appraising employee performance – to compare employee actual performance and what the company expect from employee.
- 3. Feedback session – give the information and opinion back to employee.

Appraisal Tools



TOOLS USE FOR EVALUATING EMPLOYEES.

Appraisal Tools



1. Graphic rating scale: Basic tool for corporate employees

2 Employee 's name: John Doe	Excellent	Average	Poor
1. Quality of work			
2. Quantity of work			
3. Job knowledge			
4. Punctuality			
5. Cooperation			
6. Finish tasks			
7. Attitude			
8. Teamwork			

Appraisal Tools



- 2. Alternation ranking

Employee	Ranking	Sales Volume
John	1	78,000
Ian	2	56,000
Jim	3	45,000
Nancy	4	40,000
Danny	5	35,500
Liz	6	25,000
Paul	7	20,000

Appraisal Tools



- 3. Using **TOR** or **term of reference**
- TOR is the job requirement that employee has to finish each year
- Example: TOR of SSRUIC lecturers
 - - Teaching 12 hours per week
 - - Do one research
 - - Write one textbook
 - - Advise at least 20 students
 - - Participate in all SSRUIC activities

Appraisal Tools



- 4. Behavior rating scale

Employee's name: John Doe	None or a few	Many	Out of control
1. Late			
2. Absence			
3. Fail to finish task on time			
4. Fail to pass quality control			
5. Fail in the safety rule			
6. Fail to write a report			
7. Fail to make sale volume			

Appraisal Tools



- 5. Test the ability
- - Test how to use equipment
- - Test of ability in English or math
- - Test of quality control
- - Test of quantity of work per hour

Four basic results of evaluation



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Four basic results of evaluation



- 1. Highly Satisfactory – Promotable
 - - The best employee
 - - The highest ranking or highest score
 - - Employee is ready to be promoted to higher position

Four basic results of evaluation



- 2. Satisfactory – Not Promotable
 - - Pass the basic requirement
 - - Can do the job, but not the best
 - - Employee is ready to resume in the same position or same contract.

Four basic results of evaluation



- 3. Unsatisfactory – Correctable
 - - Pass some requirements but fail other requirements
 - - Fail some tests or low score
 - - Need a warning and need a training
 - - Employee will work under probation or under close observation.

Four basic results of evaluation



- 4. Unsatisfactory – Uncorrectable
 - - Fail most of requirements
 - - Fail most of the test, got lowest score
 - - Extra training will not help
 - - Employee has little value to the company
 - Employee should be terminated.



Problems with the evaluation system.

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Problems with the evaluation system



- 1. Unclear standard
- The evaluation must be able to set the high performance employee from the low performance employee.
- Example: John is a hard working employee and Jim is slow and lazy employee. However, the HR manager gives them same score and think both are okay.

Problems with the evaluation system



- 2. Halo effect (He is nice so he must good employee.)
- The evaluation must be able evaluate employee in many aspects before making a conclusion.
- Example: Jim is a lazy employee but he is very nice and very loveable. The HR manager likes him and think he did the job okay because he is a nice guy.

Problems with the evaluation system



- 3. Central Tendency
- The evaluation must not give every employee the same medium evaluation.
- Example: The HR manager gives the average of 75% evaluation to all employees.

Problems with the evaluation system



- 4. Too lenient or too strict
- The evaluation must not be too lenient until all employees get 100 percent or too strict that all employee fail.
- Example: The HR manager is too strict make all employee fail in the yearly evaluation.

Problems with the evaluation system



- 5. Bias
- The evaluation should not be bias by using race, gender, religion, and **connection**.
- Example: The HR manager gave Tom 100 % perfect on the evaluation because he is a nephew of the CEO.

Problems with the evaluation system



- 6. Irrelevant standard
- The evaluation must be directly linked to the job performance.
- Example: The HR evaluate John in his ability in English but the majority of John's clients are Thai.

Problems with the evaluation system



- 7. Unrealistic standard
- The evaluation must base on realistic things that employee can do.
- Example:
- The HR manager says only employee who has zero absence will get a raise.

10 Values HR manager needs to promote in the workplace.



- **1 Creativity** – ability to find new ideas, plans, and solutions
- **2 Self-control** – ability to control its own behavior
- **3 Goal-oriented** – ability to set goal and achieve it
- **4 Responsibility** – ability to finish the assigned task on time
- **5 Self-confidence** – ability to believe its own strengths
- **6 Initiative** – ability and effort to look for new ways
- **7 Persistence** – ability to overcome barrier
- **8 Optimism** – ability to think positively
- **9 Visionary** – ability to see and plan for future
- **10 Cautiousness** – ability to make decision under unsure condition

Assignment # 3



- 1. List and explain seven problems with evaluation system with your own example for each.
- 2. What are the four basic result of evaluation? Explain. Which one shows that employee should be promoted and which one shows that employee should be terminated?
- 3. What is the meaning of appraisal? List and explain the five appraisal tools? Which tools is the best for corporate employees? Which is the best for salesman?

Oral Test:

Ten Values HR needs to promote in the workplace



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