CHAPTER 3

Performance Appraisal and Performance Management
A Multilevel Analysis
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Performance appraisals are used in most organizations as a means of providing feedback to employees about their performance on the job, and as the basis for making decisions about such things as pay increases and promotions. The term performance appraisal refers to the system whereby an organization assigns some "score" to indicate the level of performance of a target person or group. Performance management is somewhat different and refers to the range of activities engaged in by an organization to enhance the performance of a target person or group. The ultimate purpose of both activities, however, is to improve organizational effectiveness.

Given the central role these activities play in managing an organization's human resources, it is not surprising that a great deal of research has been directed to ways of improving the performance appraisal/management processes (see reviews by DeNisi, 1997; Landy & Farr, 1980; Murphy & Cleveland, 1995). What is not always clear from these reviews, however, is that the appraisal/management process is both a multilevel and a cross-level phenomenon; that is, appraisal and subsequent performance management activities take place at different levels of analysis, and many of the activities that occur at one level of analysis are assumed to have effects at other levels of analysis as well. The purpose of the present chapter is to more clearly delineate
formance appraisal and performance management are the central themes of the chapter. The chapter is divided into three parts: Part I focuses on the concept of performance appraisal and performance management, Part II discusses the methods and techniques used in performance appraisal and management, and Part III examines the impact of performance appraisal and management on organizational effectiveness.

The chapter begins with an overview of the importance of performance appraisal and management in organizations, highlighting the need for a well-designed system to evaluate employee performance and ensure organizational success. It then delves into the various methods and techniques used in performance appraisal, including different types of performance appraisal forms, such as checklists, forced distribution ratings, and behaviorally anchored rating scales. The chapter also discusses the role of managers in performance appraisal, emphasizing the importance of feedback and communication in the appraisal process.

Part III examines the impact of performance appraisal and management on organizational effectiveness. It discusses how effective performance appraisal systems can improve employee motivation, enhance job satisfaction, and increase productivity. The chapter also highlights the potential drawbacks of performance appraisal systems, such as bias and inconsistency, and suggests strategies for overcoming these challenges. Overall, the chapter provides a comprehensive overview of performance appraisal and management, offering insights and practical guidance for organizations looking to improve their systems.
Team-Level Appraisals

Team-level appraisal is a process in which the performance of the entire team is evaluated. This approach is based on the notion that team performance is a collective outcome that reflects the combined efforts of all team members. The focus is on the overall performance of the team rather than individual contributors. The evaluation process often involves assessing the team's achievement of goals, their collaboration, and their ability to work together effectively.

Individual-Level Appraisals

Individual-level appraisal, on the other hand, focuses on the performance of individual team members. This approach is concerned with assessing the contributions of each team member based on their individual responsibilities and tasks. Individual appraisals typically involve evaluating individual performance metrics such as productivity, quality of work, and adherence to standards.

The Multi-Level Nature of Performance Appraisals

Appraisals at the team level and individual levels are interconnected and should be considered together. The success of a team often depends on the performance of its individual members, and vice versa. Appraisals should aim to identify areas for improvement at both levels and encourage collaboration and shared goals.

Performance Appraisals and Performance Management

Performance appraisals are a critical component of performance management systems. They provide a structured framework for evaluating and discussing employee performance. Effective performance management systems integrate appraisal processes with strategies for development and improvement, fostering a culture of continuous learning and growth.
lead to social loafing (C. H. Kiefer, 1972, "Labor Productivity: Toward a Better Understanding of Behavior in Groups"). Along with this, the performance of one team member can also affect the performance of the whole team. This is because team members often interact and depend on each other to complete tasks effectively. The overall performance of a team is thus a reflection of the individual contributions of each member.

In the context of performance appraisal, it is crucial to consider the contributions of individual team members. Appraisal systems should be designed to recognize and reward individual efforts as well as the collective achievements of the team. This ensures that team members are motivated to contribute to the team's success, and it fosters a culture of teamwork and collaboration.

A decentralized information system is therefore essential for effective performance management. It allows for the collection and analysis of data from various sources, enabling managers to make informed decisions about individual and team performance. Such systems can be used to identify areas for improvement and to set performance goals.

Another issue associated with performance measurements is the potential for individual versus team performance. While team performance is often a result of individual contributions, it is important to ensure that each member is held accountable for their own performance. This can be achieved through individualized performance measures and clear communication of expectations.

In conclusion, performance management is a crucial aspect of organizational success. It requires a balanced approach that recognizes both individual and team contributions, and it must be supported by effective information systems to facilitate data collection and analysis. By focusing on these aspects, organizations can create a culture of performance that drives success and achieves its strategic goals.
A company's CEO often focuses on improving the performance of HR managers in order to improve overall organizational performance. Performance appraisal is a key process in this context, as it helps identify areas for improvement and sets clear performance expectations.

Performance appraisal is a formal process used to evaluate an employee's performance against set standards. It is an opportunity for managers to provide feedback to employees, and for employees to reflect on their own performance. Performance appraisals are important for managers and employees alike, as they help ensure that everyone is working towards the same goals and objectives.

When conducting a performance appraisal, managers should consider the following elements:

1. Goals and Objectives: Ensure that the goals and objectives are clear and specific.
2. Performance Standards: Establish clear performance standards that can be measured.
3. Performance Evaluation: Evaluate the employee's performance against the standards.
4. Feedback: Provide constructive feedback to the employee.
5. Development Plan: Identify areas for improvement and develop a plan for development.

Performance appraisals should be conducted on a regular basis, typically once a year, to ensure that employees are on track to meet their performance goals. They should be used as a tool for development and improvement, not as a way to eliminate employees.

In conclusion, performance appraisals are an essential part of the management process. They help ensure that employees are working towards the same goals and objectives and provide an opportunity for feedback and development. By conducting performance appraisals, managers can help their employees succeed and improve the overall performance of the organization.
Performance Appraisal and Performance Management

Managing Performance at Different Levels

Level of Performance Targeted for Change

General Choices

In general, the approach of performance management depends on the specific objectives of the organization. When the goal is to improve the overall performance of the organization, the focus is on developing strategies that can influence employee behavior and performance. The key objectives are to identify areas for improvement, set performance standards, and provide feedback to employees. This approach is effective in larger organizations where a coordinated performance management system is in place.

When the goal is to improve the performance of specific employees, the focus is on individual performance. This approach is often used in smaller organizations or when specific performance issues are identified. The key objectives are to identify areas for improvement, set performance standards, and provide feedback to individual employees. This approach is effective in smaller organizations where individual performance can be monitored more closely.

When the goal is to improve the performance of specific departments or teams, the focus is on team performance. This approach is often used in organizations with a decentralized structure. The key objectives are to identify areas for improvement, set performance standards, and provide feedback to department heads or team leaders. This approach is effective in organizations where team performance is critical to achieving organizational goals.

The ultimate goal of performance management is to improve organizational performance. This can be achieved through a combination of individual, team, and organizational performance management. By focusing on the right level of performance, organizations can achieve their strategic objectives and improve their overall performance.
The challenges in changing performance at the organizational level are compounded when we consider the need to change behavior. Performance management efforts often focus on the individual level, but the impact on the organization is significant. However, for changes to be effective, the focus must be on the organization as a whole.

In order to improve cooperation and coordination, we need to consider the entire organization. This means that individual changes must be part of a larger strategy. The challenges are compounded by the fact that changes at the individual level can affect the organization as a whole.

The nature of desired changes in behavior suggests that performance management efforts need to focus on the organization as a whole. This requires a shift in mindset from a focus on individual performance to one that recognizes the need for cooperation and coordination at the organizational level. The benefits of such an approach are numerous, including increased efficiency and effectiveness, improved decision-making, and enhanced employee engagement.

In conclusion, the successful implementation of performance management strategies requires a comprehensive approach that considers the organization as a whole. By focusing on the collective, we can achieve greater success in changing behavior and improving performance.
Levels of Performance Change

In the bottom half of the page, there is a section titled "Levels of Performance Change". It appears to discuss different levels of performance change that organizations might experience. The text seems to be discussing how organizations can adapt and respond to changes in performance levels. The section seems to be part of a larger discussion on performance management and how organizations can improve and adapt to different performance levels.

 emphasizes the importance of recognizing and addressing performance changes in organizations. It suggests that organizations need to be proactive in managing performance changes and that this involves recognizing and responding to changes in performance levels. The section seems to be discussing how organizations can improve and adapt to different performance levels.

There is also a mention of "levels of performance change" which could refer to the different stages or stages of performance change within an organization. This might include identifying the current level of performance, assessing whether it is improving or declining, and then taking appropriate action to address any changes.

Overall, the section appears to be focused on helping organizations understand and manage performance changes, which is an important aspect of performance management.
The various authors just cited, various propositions have been made about high-performance organizations. However, the term is not defined in the literature. In this chapter, we will review several models of performance management that are used in high-performance organizations. The focus is on the relationship between effort and performance, and the impact of performance management on employee motivation.

The role of performance management in an organization is crucial. It helps to ensure that employees are working towards the same goals and are held accountable for their performance. However, the implementation of performance management can be challenging, and organizations must be careful to avoid the common pitfalls.

Performance Management and Performance Measurement

Performance management is a process that involves setting measurable goals, monitoring performance, and providing feedback to employees. The goal is to align employee performance with organizational goals and to ensure that employees are motivated to achieve these goals.

The two main components of performance management are performance measurement and performance feedback. Performance measurement involves setting goals and objectives, and measuring performance against these goals. Performance feedback involves providing regular feedback to employees about their performance, both positive and negative.

The effectiveness of performance management depends on several factors, including the accuracy of performance measurement, the quality of performance feedback, and the alignment of employee goals with organizational goals.

The Role of Performance Management in Employee Motivation

Performance management can have a significant impact on employee motivation. When employees feel that their work is valued and that they are making a contribution to the organization, they are more likely to be motivated to perform. Performance management can help to create a culture of accountability, in which employees take responsibility for their performance and are held accountable for their actions.

In conclusion, performance management is an important component of any organization. It helps to align employee performance with organizational goals and to ensure that employees are motivated to achieve these goals. By implementing effective performance management practices, organizations can create a culture of accountability and engage their employees in the process of achieving organizational goals.
Linking Performance at Different Levels

However, the key to the success of the organization can provide some insights into how we ultimately change patterns and outcomes. For instance, if we focus on improving processes at the different levels, we can increase the efficiency and effectiveness of the organization. This approach helps us to identify and address the root causes of performance issues.

Bottom-up and Top-down Effects

Some suggestions for how these effects might be accomplished.

Performance Appraisal and Performance Management

More improvement in the formal level of the organization's performance management and its formal and informal performance management efforts are focused on the organization's overall performance at a lower level, but there are also some efforts to improve performance at a higher level in strategic planning.
In recognition of the impact that organizational productivity has on performance, performance improvement initiatives often focus on improving organizational productivity. This focus is driven by the recognition that improvements in organizational productivity can lead to significant benefits, including increased efficiency, reduced costs, and enhanced customer satisfaction. However, successful improvement initiatives require a comprehensive approach that addresses both the individual and organizational levels.

The diagram illustrates the relationship between individual and organizational productivity and highlights the importance of considering both levels in performance improvement efforts. The diagram shows that individual productivity is a critical component of organizational productivity, and that improvements at the individual level can have a significant impact on overall organizational performance.

The text discusses the challenges of improving organizational productivity and notes that success often depends on a combination of individual and organizational efforts. The text emphasizes the importance of understanding the factors that contribute to individual productivity and how these factors can be leveraged to support organizational goals.

The text concludes by reiterating the importance of focusing on both individual and organizational levels in performance improvement initiatives. It points out that effective performance management requires a holistic approach that considers the interdependence of individual and organizational factors.

For example, an HR executive at a large corporation might focus on improving productivity by implementing new training programs for employees, or by adopting new performance metrics that better align with organizational goals.

In summary, improving organizational productivity requires a strategic approach that considers both individual and organizational factors. By focusing on these areas, organizations can achieve significant improvements in performance and competitive advantage.
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Issues for Future Research

Although performance appraisal and performance management are already available and can enhance the potential of the performance management process, there are several issues that need further research.

1. Enhancing the effectiveness of performance appraisal.
2. Developing more comprehensive and meaningful measures of performance.

Future research should focus on these issues and develop more effective and meaningful performance management systems.
Chapter Five
(Schneider, Smith, & Spitz, Chapter Two, and Carte, Green, & Brown, 2001); this volume is a natural piece to begin exploring the topic because it is focused on the role of the individual. This work frames HR practices within the broader context of organizational interaction, highlighting the importance of individual-level performance and its influence on the organization's overall performance.

In summary, high-performance individuals contribute to an organization's success. Higher levels of performance are achieved at all levels, and organizations that prioritize individual performance can influence the overall performance of the organization. Poor performance at lower levels can influence performance at higher levels, and this can continue if individual performance for reasons such as.

Performance effects. Even in the presence of effective corporate-level performance initiatives, poor levels of performance will amplify deficits.

Individual-level performance that influences organization-level performance because poor levels of performance will amplify deficits.

The external environment

Poor performance at higher levels can influence performance at lower levels in other units of the same firm. Short-term performance in some units is driven by weak performance.

A corporate culture that focuses on the bottom-line customer costs.

A weak economy, which dampens performance and profits for all firms simultaneously.

The external environment and economic conditions at higher levels can influence performance at lower levels. This can continue if individual performance for reasons such as.

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Performance at Different Levels

Performance and reaction times were also measured at different levels. Some of these levels focus on reaction time and performance on simple tasks. For example, a reaction time of 1 second or less is considered fast. However, some tasks require a longer reaction time, such as tasks involving complex reasoning or problem-solving. These tasks require a higher level of cognitive processing and therefore take longer to complete.

In addition, the level of performance also depends on the individual's abilities and skills. For instance, a person who is skilled in a particular area may perform better on tasks related to that area than someone who is not skilled in that area. Therefore, it is important to consider the individual's level of expertise when evaluating performance.

The level of performance can also be influenced by external factors such as the environment, the equipment used, and the task specifications. For example, a complex task may be easier to perform in a quiet, well-lit environment than in a noisy, poorly lit environment. Similarly, the use of proper equipment can significantly improve performance on certain tasks.

Overall, performance at different levels is a complex and multifaceted phenomenon that involves a combination of individual abilities, task characteristics, and environmental factors. Understanding these factors is crucial for developing effective performance management strategies.
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Conclusion

Cooperative Performance

Comparison about Social Performance Influences Evolution of Overall Performance

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Multivariate Theory, Research, and Methods in Organizations

Cross-Level Effects

Underlying Processes

are making taking decisions

and how more you consider this information when they


CHAPTER 4

A Multilevel to Training
Enhancing H and Vertical

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Kenneth G. Brov
Daniel A. Weissb
Janis A. Cannon-
Eduardo Salas

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nizational environments were e
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that prediction has become re
pressured by technological, pol
changes that are global in sco
often incremental, it is also fr

Note: We would like to thank Irv Golds
Tannenbaum, and Shelly Zedeck for t
this chapter. The views, opinions, and 1
of the authors and do not necessarily r
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