After employee selection, performance appraisal is arguably the most important management tool a farm employer has at her disposal. The performance appraisal, when properly carried out, can help to fine tune and reward employee performance. In this chapter we (1) discuss the purpose for the performance appraisal, (2) introduce the negotiated performance appraisal.

One Monday morning, Roger, the farm manager, was confronted by two irate tractor operators who accused Francisco, the foreman, of unfair behavior. During the weekend, Francisco had employed a young tractor driver, with little seniority, to apply pesticides. The more senior employees were furious because the foreman had assured them there would be no tractor work available. When questioned by Roger, Francisco admitted to lying to the tractor drivers about the availability of work. He defended the decision, however, by explaining that the more senior employees were uncooperative.

The relatively new employee, Francisco had argued, could outperform both of the more senior men. Roger asked Francisco to communicate these feelings to the two senior tractor drivers. Francisco apologized to the men for lying. As he explained the performance issue, the two tractor operators became increasingly sullen. One of the men, red-eyed, asked why none of this had ever been shared with them before. Francisco agreed this would never happen again and that he would let his subordinates know how they were performing. While these two tractor drivers never became super achievers, they did improve their performance considerably.

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approach, and (3) talk about the steps to achieving a worthwhile traditional performance appraisal.

Strengths of the negotiated performance appraisal are its ability to promote candid two-way communication between the supervisor and the person being appraised and to help the latter take more responsibility for improving performance. In contrast, in the traditional performance appraisal, the supervisor acts more as a judge of employee performance than as a coach. By so doing, unfortunately, the focus is on blame rather than on helping the employee assume responsibility for improvement.

Does that mean that the traditional performance appraisal approach should be discarded? Not at all. Experts in the field have often suggested that the performance appraisal should not be tied to decisions about pay raises. When appraisals are tied to pay raises, they argue, employees are more defensive and less open to change. So how should pay raise decisions be made, then, if not through the performance appraisal? I would suggest that the traditional performance appraisal can still play a critical role in management and is ideal for making pay raise decisions. But it is in the negotiated approach where employees can truly come to grips with what it is that they need to do to maximize performance, potential career advancement and earnings.

For the employee to have enough time to respond and improve, the negotiated performance appraisal should take place at least 9 to 12 months before the traditional one. There are no such strict time requirements when the traditional approach (used to make decisions about pay) precedes the negotiated one (used as a coaching tool).

**Why Performance Appraisal?**

Performance appraisal is a vehicle to (1) validate and refine organizational actions (e.g. selection, training); and (2) provide feedback to employees with an eye on improving future performance.

**Validating and refining organizational action**

Employee selection, training and just about any cultural or management practice—such as the introduction of a new pruning method or an incentive pay program—may be evaluated in part by obtaining worker performance data.

The evaluation may provide ideas for refining established practices or instituting new ones. For instance, appraisal data may show that a farm supervisor has had a number of interpersonal conflicts with other managers and employees. Some options include (1) paying more attention to interpersonal skills when selecting new supervisors, (2) encouraging present supervisors to attend communication or conflict management classes at the local community college, or (3) providing the supervisor one-on-one counseling.

Data from performance appraisals can also help farmers (1) plan for long-term staffing and worker development, (2) give pay raises or other rewards, (3) set up an employee counseling session, or (4) institute discipline or discharge procedures.

For validation purposes (Chapter 3), it is easier to evaluate performance data when large numbers of workers are involved. Useful performance data may still be collected when workers are evaluated singly, but it may take years to obtain significant data trends.

**Employee need for feedback**

Although employees vary in their desire for improvement, generally workers want to know how well they are performing. A successful farmer recalled with sadness how as a youth he had worked very hard, along with his immigrant family, for a farmer who never seemed to notice the effort. Years later he met the former employer and asked why he had never made any positive comments about their work. The response from the former boss was, “I feared you would stop working as hard.”

People need positive feedback and validation on a regular basis. Once an employee has been selected, few
management actions can have as positive an effect on worker performance as encouraging affirmation. These are, in effect, good-will deposits, without which withdrawals cannot be made. This does not mean you should gloss over areas needing improvement. When presented in a constructive fashion, workers will often be grateful for information on how to improve shortcomings. Such constructive feedback, however, “can happen only within the context of listening to and caring about the person.”

In general, supervisors who tend to look for worker’s positive behaviors—and do so in a sincere, non-manipulative way—will have less difficulty giving constructive feedback or suggestions. Furthermore, in the negotiated approach, the burden for performance analysis does not fall on the supervisor alone, but requires introspection on the part of the individual being evaluated.

Feedback may be qualitative or quantitative. Qualitative comments are descriptive, such as telling the shop mechanic you appreciate the timeliness

People need positive feedback and validation on a regular basis. Supervisors who tend to look for worker’s positive behaviors—and do so in a sincere, non-manipulative way—will have less difficulty giving constructive feedback or suggestions.
and quality of her repairs. In contrast, quantitative feedback is based on numerical figures, such as the percentage of plant grafts that have taken. Some researchers feel feedback is particularly useful when workers have an achievement objective (see Sidebar 6-1).

**Sidebar 6-1**

**Performance Feedback**

Performance improved substantially (11 to 27 percent) in a number of settings when workers were given specific goals to achieve and received performance feedback. Two examples from the logging industry show how goal setting can work, one with the harvesting of timber and the other with truck drivers. In one study logger productivity increased 18 percent and absenteeism decreased with the setting of specific goals. Loggers had set their own goals tended to meet them more often than when goals were set by supervisors.

In a second study, management felt truck drivers were not loading their vehicles to capacity. Drivers—fearing a fine from the Highway Department, or even losing their jobs—seldom loaded their trucks more than 58 to 63 percent of capacity. After goals were set to load trucks to 94 percent of capacity, there were some striking changes. Within the first month, truckers were on the average achieving 80 percent capacity. Within three months, they were frequently surpassing 90 percent. The company saved an excess of $250,000 in a nine-month period.

In these studies, management provided a work environment where employees would not be reprimanded for failing to meet a goal. The truck drivers apparently tested management at one point by reducing their percentage of loading capacity. Only after being assured of management’s support did drivers increase their efforts again. The researchers felt (1) goals had to be challenging but achievable; (2) the importance of worker participation in goal-setting varied; (3) employees had to be provided with needed resources; (4) competition may be permitted but not officially fostered by the organization; and (5) employees must be competent, as motivation without ability is of little value.

Traditional performance appraisals put the supervisor in a position of being the expert on the employee’s performance. The worker often reacts with passive resistance or noticeable defensiveness.

Next to employee discipline, performance appraisal interviews are probably the most dreaded management activity. Traditional performance appraisals put the supervisor in a position of being the expert on the employee’s performance. The worker often reacts with passive resistance or noticeable defensiveness. No wonder supervisors are often hesitant to deliver bad news to workers. It is easier to ignore it and hope it goes away.

You can make the task easier by putting more responsibility on the worker for the performance appraisal. While there are many ways to achieve this, here is an approach that has worked well for me. It is based on effective negotiation techniques. A farm manager can ask the employee being appraised to bring three lists to the performance appraisal interview: (1) areas where the employee performs well (what he contributes to the farming operation);
areas where the worker has shown recent improvement (perhaps over the last year); and (3) areas where the worker feels weak, or thinks his supervisor would like to see improvement. It is appropriate to give the employee time to think through these lists, and so you may want to give employees a couple of weeks to complete the assignment.

Because you as the supervisor will also fill out the three lists, employees are more likely to bring candid responses to the table. It is critical to announce your intention, to the employee, that you will also complete these lists. I like saying something like: “I will fill out these three lists also,” and then repeat the purpose of each list again. “That is, (1) areas where you perform well and what you contribute to the organization from my perspective; (2) areas where you have shown recent improvement; and (3) weak areas where you still need to improve.” The key point here is that employees will hear you say that there are performance areas you value in their work, and just as importantly, that the employee can still improve in other aspects of the job.

This latter point is particularly critical from a psychological perspective. It is human nature not to want to bring up our faults; but it is also human nature to prefer to point out our own shortcomings rather than having someone else do it. This process allows the subordinate to think in terms of both his own performance expectations and perceived supervisor expectations.

There is a fourth list, just as vital as the first three. While we will talk about this list later, it is important to include it as an assignment ahead of time so the employee has time to think about it and come prepared. The fourth list is the employee’s response to the question: “What can I do differently, as your supervisor, so you can be more effective in your job?” If a supervisor is not truly willing to listen to what the employee may have to say here, the negotiated performance appraisal will not work as it should, and a more traditional performance appraisal would work better.

Although the appraisal process can take place between supervisor and employee alone, the use of a third party can greatly facilitate the success of the approach. The message is thus clearly sent to all involved that this process is important to the farm organization. The third party is there mostly to listen to each individual in a separate meeting (or pre-caucus), and help them brainstorm and prepare for the joint meeting. During the joint meeting, the third party can, using the negotiation process outlined in Chapter 13, help the stakeholders improve their working relationships and focus on needed changes rather than defending positions. This third party role may be played by your veterinarian, agricultural advisor, or interpersonal relations consultant.

The performance appraisal joint meeting

When the time has arrived to sit and discuss the employee’s performance, a relaxed, positive atmosphere should prevail before entering into the substance of the performance appraisal meeting. A location without distractions or interruptions is essential.

The worker is asked to read each list, beginning with the first. Managers should listen intently and take notes if needed, but should not interrupt the employee except to ask questions that help clarify an issue. Interrupting to clarify one’s understanding is almost always a good move. If the employee says something you find strange, troubling, or that we do not understand, it is good to ask the employee to amplify or explain a point. People seldom mind being interrupted when it means having the opportunity to offer clarification. Such questions should not put the employee on the defensive, nor should they be comments disguised as questions (see Chapters 12 and 13).

First list. The main purposes of the first list are to (1) recognize employees’ strong points and let them know these have not passed unobserved, (2) honestly build up employees so they can be more receptive to constructive criticism (an employee who is so
concerned about his self-esteem, or about being attacked, will naturally become defensive and less receptive to suggestions for improvement), and (3) help avoid coloring all of an employee’s behaviors with the same ink (e.g., thinking of her as a “difficult person” rather than as an employee who resorts to some “unproductive behaviors”).

As the employee reads her first list out loud, do not hesitate to add anything you may have forgotten to include in yours. Acknowledge what is being said by careful listening. After the employee finishes reading her first list, read your list to the employee. Make sure to praise the worker’s good points—even if the employee has already mentioned them.

The first list is the vital foundation to the process of performance appraisal. Time spent developing and discussing what employees do well is never wasted. In the rush of everyday activities, supervisors often focus on what an employee is doing wrong. How often do we take time to stop and give carefully thought out compliments? Not infrequently, employees will visibly smile when honestly complimented by their supervisor. Employees who feel that they are performing well in at least one area of responsibility, and feel validated by their supervisors, are more likely to want to improve their performance in other areas, too. We also said that sincere compliments are goodwill deposits without which withdrawals cannot be made.

It is the positive force, or momentum, that gives an employee the strength and determination to try harder in areas of weakness. Employees can quickly sense, however, when a compliment is not sincere. Furthermore, when supervisors are negative and find little to compliment in an employee, their subordinates are less likely to have the desire to make needed changes. These general principles, of course, are tempered by individual differences, such as a person’s self-esteem (Sidebar 6-2).

If the worker brings up, as one of his good points, a performance issue that you consider a weak point, attempt to understand the employee’s perspective, and under no circumstance disagree with the employee at this point. While there may be disagreements between you and the person being appraised as to whether something is a positive trait, this is not the time to bring such issues up. The opportunity will present itself when discussing areas that the worker needs to improve. Nor should we cloud the positive issues by telling the employee now that this point belongs both under the positive employee contributions and the list of items that need improvement. Nevertheless, when discussing employees’ weak points later on, it can

People's global self-esteem is affected by how they feel about specific areas of their life.
be very beneficial to remind them of their positive traits.

Second list. The function of the second list is to permit employees to discuss weak areas they have been working on. Of course, when an employee says he has improved in an area it does not mean he has totally conquered the problem. As before, the supervisor listens and asks for clarification, without interrupting the employee. The supervisor acknowledges
the comments of the employee, and then reads his own list.

Third list. The rationale of the third list (as well as the others) is to help make good employees better and to help those who are performing poorly improve. Everyone has areas in which they can improve. Just as we may color employees with negative strokes and not recognize the good in them, we can also neglect to help outstanding employees reach their full potential. This may be done by failing to acknowledge strengths or by ignoring weak areas, as insignificant as they may appear. In the process of sharing lists, areas of misunderstanding can be cleared up. A calf feeder may have incorrectly assumed, for instance, that the herd manager was upset about his immunization procedure when, in fact, the supervisor was quite pleased with it. Again, allow the employee to go first. Permit the employee to read his complete list uninterrupted, except to ask for clarification when needed. When an employee speaks of something as being a problem, challenge, or weak area, do not jump right up and say, “I agree, I also think this is a weak area for you.” In fact, when it comes time to read your third list, there is no need to repeat what the employee has said. Instead, bring up any issues that have not been raised. A key point to remember is that when employees acknowledge something as a weak point, they have taken ownership of that problem.

Ideally, the worker’s self-report will be complete and accurate. In some situations workers may overly criticize themselves in an effort to evoke a compliment or to have you reduce the seriousness of the situation. If the employee’s performance was truly deficient in some area—or you do not like feeling manipulated—ask, “what makes you think you did so badly?” Once the worker has acknowledged his need for improvement, the supervisor needs to be careful not to fall into a more traditional role of expert telling someone about his faults. Instead, the supervisor can now be an active listener, offering support and help to the worker in changing unwanted behavior.

When employees have discussed their third list in general terms, and if there are any new things to add from your list, these have likewise been mentioned in general terms, you can say something like, “Yūkiori, you say that X, Y and Z are weak areas for you. Tell me what specific steps you would like to take during the next few months to strengthen each of these.” You may want to begin with the area having the simpler or more straightforward solution. Or ask the employee to choose an area to begin the discussion.

When it comes to solutions, some workers may provide overly vague or simplistic ones, such as, “I’ll try harder.” Good intentions may not yield positive results, however, unless plans for exactly what will be done differently are evaluated. Nor does it help when an employee sets unrealistically high goals that have no reasonable chance of being carried out.

Despite what has been said about allowing the employee to solve his own problems, sometimes it helps to offer a few alternatives. What is most critical is
for the employee to feel empowered to accept, modify or reject the suggestions. For instance, in one performance appraisal an employee felt he was not always truthful and straightforward. The dairy farmer suggested, “I realize that when telling untruths has become somewhat ingrained, it won’t be easy to change from one day to the next. Let’s do this. If you ever tell me something that is less than the truth (and that will bother you, and you will know when that happens), let’s agree that you will come back and tell me the rest of the story.” The employee felt comfortable with the solution, and the proof is that within a week he took advantage of the dairyman’s offer and, thus, took responsibility for what he had done.

The more concrete and specific the solutions, the greater the potential for success. An employee in charge of the shop came to an agreement with his supervisor on how to make tools accessible to others and at the same time reduce the unorganized way through which tools were leaving the shop and not returning. Another employee agreed to give colleagues a five-minute notice that he would need them rather than demand instant help, unless, of course, it involved the safety of the farm animals or the situation was critical.

By the time the employee and supervisor are reviewing the third list, both individuals may be emotionally drained. There is the temptation to solve a difficulty with haste and expediency. Also, the employee may begin to get defensive, negating all the good that was said in the beginning of the meeting. Periodically remind the employee of something discussed in the first list (what the employee does well).

Take, for instance, a situation where you have been discussing an employee’s tendency to be a little self-righteous and discount other people’s opinions. You sense the employee is beginning to feel somewhat discouraged and deflated. You want the discussion to be more positive in an effort to find a viable solution. “You know, Kenny, I realize that it is because you care so much about this operation, because you take pride in your work, because you want things done just right, that you wish to express your opinions. And we certainly want to keep hearing them. The challenge, as I see it, is how do we encourage others to feel that their opinions are important? Especially those who are shy about giving their opinions to begin with?”

There comes a point, however, that more good can be done by continuing the appraisal at a different time. It is at these points when supervisor and employee may want to set a date to meet again (say, in two or four weeks) and brainstorm potential solutions. While the supervisor may give a couple of potential ideas to the employee to get him thinking, she needs to make it clear that it is the employee who has to buy into the solutions and bring as many potential ideas to the next meeting as possible.

Depending on the extensiveness and importance of the challenge involved, thinking through a particular work process and all the likely places where problems may be introduced may be helpful in better understanding the complete problem. The effectiveness of brainstorm sessions may depend on the willingness of participants to think outside traditional solutions.

If the process has functioned well, there will be fewer negative points that have to be brought up by the supervisor. Any issues on the supervisor’s third list that have not been aired, need to be brought up now. However, there will be situations where this technique will not work, and the supervisor may be forced into a more traditional approach.

Sometime before ending this part of the performance appraisal meeting, it is good to review exactly what has been agreed to (a copy of these decisions may be printed out and given to each participant for further review and for a record of the meeting) as well as pending issues for future solution. Without specific goals and objectives with timetables for their execution, the performance appraisal most likely will do more harm than good. Following through on the timely achievement of these goals is just as vital.

In providing feedback on below-standard performance, it is unfortunately
easy to generalize. Instead, supervisors need to separate the specific area of performance needing improvement, or risk failing to communicate. For instance, a vineyard worker may be demoralized by hearing he is a bad pruner, especially if he puts much effort into it. Instead, he may be told he tends to leave overly long spurs. His foreman may want to provide additional instruction and watch the pruner until it is clear he has understood. Likewise, telling an employee she is lazy, stubborn, inconsiderate, or does not take initiative is likely to yield negative reactions. As an alternative, you may want to discuss the critical incidents that are behind these conclusions.

Before closing the performance appraisal meeting, it is important to refocus so the employee leaves with a positive note. Where multiple encounters are required, every effort needs to be made to start and end each meeting on a positive note.

Fourth list. The fourth list based on the question, “What can I do differently as your supervisor so you can be more effective in your job?” is just as crucial as the first three.

When sincerely asked and when workers are given time to prepare a thoughtful answer, especially after the employee is put on notice that his own performance is being evaluated in such detail, this question can improve the performance appraisal process manyfold. Also, because this question is asked last, I feel that employees are more likely to speak up, especially now that they know how serious the process is. The wording is such that it elicits genuine worker input. When the employee speaks in response to such a question, the supervisor needs to control the natural tendency to want to defend or explain past behaviors. The supervisor needs first to make an effort to understand the employee and then ask the employee to understand her (see Chapters 12, 13 and 18).

One farm employer had a standard operating procedure where anyone ordering fertilizers or supplies had to check the prices with three different agricultural vendors within a given time period. As a result of this negotiated appraisal process, a top manager made a suggestion to his employer, “You keep the notebook with current data on costs for materials in your office. When you are not here, I have to make the three calls before I place an order. Instead, if I had access to that book, I could check to see if you had already made one or more of the required calls. When I do end up having to make calls, these can be annotated and dated with the new data right on your notebook. Then, that saves you time, also.”

As soon as the employee realizes that the purpose of the discussion is to solve problems rather than assign blame, difficulties are more likely to be raised and shared. This is an opportunity to fix challenges and make tasks run more effectively. The reason this approach works so well is that when a supervisor recognizes—and acts on—the need to make changes in her own behavior, she will make it easier for the evaluated worker to also make positive changes.

The most effective performance appraisals not only involve a discussion between an employee and corresponding supervisor, but also examine the relationships between the evaluated worker and others with whom he may come in contact. So, for instance, instead of asking for anonymous evaluations from a colleague with whom the employee works on a regular basis,
each can answer the question for the other of how to best provide mutual help. And they do so in a collaborative rather than competitive environment.

Follow-up to negotiated approach.
This negotiated approach to performance appraisal can, perhaps, make the most visible contributions where an employee’s performance has been sub-standard. You may get the most benefit for the time spent on the appraisal from the employee who is giving you the biggest challenge. However, managers often have a tendency to forgive deficiencies, almost to a fault. But once a supervisor decides that enough is enough, he may have trouble seeing and recognizing positive employee progress. One farm operator spent considerable time and money in an effort to help an employee improve, including sending him for counseling on interpersonal relations. This effort came too late, however, because the farm operator terminated the employee without allowing enough time to see if counseling would work.

A follow-up meeting a month or two after the initial performance appraisal to discuss where the employee has improved, as well as areas that need special attention, can often be profitable. At one ranch, an employee had improved in a number of areas, but several key weak areas soon surfaced—including some that were not discussed in the original meeting. The farm operator was highly frustrated and wondered if this employee could be rescued. Fortunately, they met once again for a successful follow-up appraisal.

In many ways, the follow up is similar to the original meeting. The employee who was appraised should have the opportunity to come prepared to discuss what has worked and has not worked for him thus far. The farm supervisor likewise prepares the same way. Focusing first on the positive is as critical to the success of the follow-up meeting as it was to the original one. The idea is to prevent blaming and defensive behavior. While the negotiated approach to performance appraisal does not guarantee success, it does an excellent job of making it clear what each party has to do to achieve that success. When introducing a sensitive topic, the farm supervisor may want to remind the employee of her good points and potential. The discussion, then, is about specific points that are standing in the way of the employee reaching her full potential.

ACHIEVING A WORTHWHILE TRADITIONAL PERFORMANCE APPRAISAL

Here are some key steps you can take toward achieving effective performance appraisals—ones that can be used to validate the selection process as well as to make decisions about pay or promotions:

1. Select what performance data to collect.
2. Determine who conducts the appraisal.
3. Decide on a rating philosophy.
4. Overcome rating deficiencies.
5. Create a rating instrument.
6. Deliver useful information to employees.

Select what performance data to collect

One way to classify on-the-job worker behavior is by considering the three Ps—productivity (what was done), personal traits (how it was done, conduct) and proficiency (skill).

Productivity can be measured in terms of specific performance accomplishments. Examples include reducing calf mortality, increasing yield of the alfalfa crop, or diminishing bruises in the cherry harvest.

Personal traits such as motivation, willingness to take criticism, cooperation, initiative, dependability, and appearance (dress and grooming) may be considered. Personal trait ratings are useful, even though they sometimes say more about how supervisors get along with an employee than how well the employee performs on the job. Farmers are unlikely to want to reward performance—no matter how excellent
it is—if a worker only performs grudgingly and after repeated admonitions.

When personal traits are considered as part of a performance appraisal, specific characteristics should be related to the job. Often, a personal trait issue can be translated into an achievement. Instead of talking about worker dependability (personal trait), for instance, one may want to address how well an employee reports on assignment completions (productivity).

Proficiency—skill, knowledge, and ability—plays an important role in worker performance. When appraisals address worker proficiency factors (e.g., AI skills for a herdsman), they help assure worker interest in overcoming deficiencies that may be blocking future performance or growth. A farm personnel manager may be appraised in terms of understanding labor management principles, knowledge of applicable labor laws, skill in conducting interviews, or ability to counsel employees, for instance.

In evaluations, farmers need to strike the right balance between productivity and personal traits. Jobs vary in the importance that can be attached to such factors. An equipment operator who spends hours preparing land, furthermore, has less need for teamwork than two milkers who work side by side. Over-emphasis on personal traits may increase compliance at the expense of both creativity and performance. Stressing achievement over personal traits may lead to a philosophy where the end justifies the means—no matter how dysfunctional or unethical the behavior.

Determine who conducts the appraisal

Input into the appraisal of worker performance may come from many sources including the employee, co-workers, supervisors, subordinates, or even persons outside the organization. Ratings from multiple sources usually yield more reliable performance appraisals.

Employee. Usually, but not always, the employee has a good understanding of his daily performance and how it can be improved. Employees can be the most important persons in the evaluation process, as we saw in the negotiated approach. Nevertheless, employees have a vested interest in making positive comments about their own performance, and can usually benefit from outside evaluation.

Co-workers. At times co-workers have a better grasp for a colleague’s performance than the supervisor, but co-worker evaluations have a tendency to be lenient or overly harsh. Sometimes co-workers hope management will read between the lines and praise irrelevant or insignificant factors. Peer review is usually anonymous and several peers are involved in the evaluation. This anonymity, while often needed, can also lend itself to abuses.

Supervisor. Performance appraisal data obtained from the immediate supervisor is the most common rating source. Supervisors are often in the best position to give workers an honest evaluation. The danger in supervisory evaluations is the substantial amount of power and influence wielded, often by the hand of a single rater.

Subordinate. Formal evaluation by subordinates is unusual, although from time to time subordinates may be asked for input into the evaluation of their supervisor. When subordinates have an input into their supervisor’s evaluation, supervisors have been known to improve their interpersonal relations and reduce management by intimidation. Issues of anonymity and adequate sampling of subordinates may be important in traditional appraisals.

Outside the organization. Evaluations by outside clientele may be useful in instances when there is much personal contact with outsiders or when the person being evaluated knows more about aspects of the job than the farmer or supervisor.

Decide on a rating philosophy

Performance appraisal data can also be classified according to whether employees are compared against others or are rated against a standard.
Comparison against others.

Normally, when comparing employees against each other, a few employees end up at the top and a few at the bottom in what is known as a normal distribution curve (also known as “grading by the curve,” see Figure 6-1). The majority end up somewhere in the middle. Where the employee is ranked depends on how a person performs in comparison to others.

The principal advantage of the comparison method is preventing raters from placing all employees in one category (for example, all superior). Two disadvantages—especially when very few workers are involved—include assuming (1) employees fall in a normal distribution (there may be four excellent performers in a group of five, or none in a group of three), and (2) there are similar differences in performance between two adjacent employees, for instance, between those ranked 1 and 2 and those ranked 4 and 5.

Rating against a standard permits a supervisor to classify employee performance independently from that of other employees. Both supervisor and employee have a reference point for accurately looking at an employee’s long-term performance growth.

Ratings against a standard do not preclude comparisons. While employees may typically compare themselves to others, there is little to be gained by having the organization promote such comparisons. They are likely to create envy, vanity and dysfunctional competition. In a healthy organization, one employee’s success need not mean another’s failure. If all can succeed, much the better.

Farmers who choose to use a standardized approach must next decide whether to judge all workers on an absolute standard or whether to consider an employee’s time on the job. Those who prefer an absolute standard tend to give lower scores to employees, as they fear new workers who receive high marks will not feel the need for further improvement. In contrast, raters who feel a worker has done superior work considering his time in the position, may rate him as such. An evaluation six months or a year later yielding a superior mark would require a corresponding
improvement on the part of the worker. I prefer the latter approach, because it seems more positive.

**Overcome rating deficiencies**

Supervisory evaluations often suffer from numerous rating deficiencies:\(^5\)

One particularly good or poor trait may contaminate other performance areas considered in the evaluation.

Once a worker is classified as a poor performer, it may take a long time for a supervisor to notice the worker has improved.

Supervisors tend to remember events more recent to the evaluation. Workers, realizing this, may strive to improve performance as time for appraisals near.

Supervisors may tend to rate workers as average, especially when rating forms require a written justification for a high or low rating. Others may tend toward being either overly strict or lenient. Lenient raters may later appear to contradict themselves (e.g., when a worker is disciplined or does not get a raise):

“As with olives, where a small olive may be graded ‘large’ and the largest ‘super’ or ‘colossal,’ the worst rating many companies give their employees on appraisals is ‘good.’ Thus, the employer might be in the position of arguing that ‘good’ actually means ‘bad.’”\(^6\)

Raters may also be influenced by an employee’s personal attributes such as national origin, level of education, union membership, philosophy, age, race, gender, or even attractiveness (Sidebar 6-3).

**Create a rating instrument**

You can choose from several data collection and evaluation techniques, or rating scales. Whatever instrument is used, it should provide meaningful information to both employees and management.

There are a number of ways of classifying performance appraisal instruments. Data can be presented in terms of critical incidents, narratives, or predetermined anchors. A combination of approaches is often necessary to end up with a useful performance appraisal. Appraisal instruments require substantial rater training if results are to be meaningful.

**Critical incidents.** This technique involves noting instances where workers react particularly well or poorly. Such as when a milker noticed elevated milk tank temperatures even if not part of her job description.

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**Sidebar 6-3**

**Physical Attractiveness**

Studies show attractive people are often judged to be more intelligent and have other positive qualities.\(^7\) In one study, for instance, men gave attractive women higher scores on the quality of writing. Photographs of the supposed authors were attached to the essays.\(^8\) First impression attractiveness can have an even more serious impact on employee selection. This is particularly true where candidate impressions are formed solely on an interview and not moderated with data obtained from practical and written tests.
reacted particularly well or poorly. To be effective and accurate, critical incidents need to be jotted down as they take place and are still fresh in the supervisor’s mind.

Examples of negative critical incidents include not observing elevated milk tank temperatures, or milking cows with antibiotics into the tank. Examples of noteworthy positive incidents are milkers who constantly provide accurate information on sick cows, or cows in heat; an employee who volunteers a money saving idea; or a worker who averted an upcoming disaster outside normal responsibility areas.

The strength of the process is in the concreteness of the examples provided. If care is not taken, though, the critical incident is susceptible to emphasizing negative worker behavior. When used alone, employees may have difficulty translating critical incident reports into improved day-to-day performance. Further, long periods of time may not yield any particularly good or poor behavior.

The critical incident approach can be used to come up with data and ideas to develop more complex rating scales.9

Narratives. As compared to the critical incident, narratives provide a broader outlook on worker performance. Narratives work best when raters have the skills and take the time to provide a thorough, analytical report while maintaining a positive tone.

Predetermined anchors. Appraisals where raters simply check or circle the most appropriate answer can potentially make for more standardized evaluations than either the narrative or critical incidents and are less time consuming for the supervisor (see Figure 6-2). Their ease in use may be deceiving, and raters may give the appraisal less thought than it deserves. Anchor-based appraisals include rating factors with a numerical scale (e.g., 0 to 3), or an adjective-descriptive scale (e.g., superior, good, below average).10

The most useful method is a combination approach that includes either a numerical or descriptive anchor, as well as critical incidents and a narrative performance description.

**Deliver useful information to employees**

This brings us back to sharing information with the employee (see Negotiated Performance Appraisal). Evaluations work best when workers know the evaluation criteria in advance. Such areas of evaluation can form the basis for an intelligent conversation about performance between supervisor and employee. In one farm operation a manager was able to not only discuss a foreman’s performance within his present job, but also the types of skills that were needed if the foreman was interested in a potential promotion to assistant manager.

Despite the importance of formal appraisals, an effective manager does not wait for formal performance appraisal interviews to communicate with employees. Sharing information about performance should be done frequently and in a positive manner. There should not be too many surprises for the employee when both discuss the evaluation. The negotiated performance appraisal, to a great extent, accomplishes the task of removing possible surprises at a much deeper level, as it encourages candid conversation between the individual being appraised and the supervisor.

Regardless of the approach taken, it helps to involve the worker in making plans and taking responsibility for improvement. Allowing the worker to take a major role in the performance appraisal interview does not guarantee the interview will be fun, but it can do much to reduce its unpleasantness.

**SUMMARY**

Key objectives of performance appraisals include: (1) validating selection and other management or cultural practices; (2) helping employees understand and take responsibility for their performance; and (3) making decisions about pay or promotions.

Important steps to obtaining useful traditional appraisals include determining the type of data to be collected as well as who will conduct the ap-
praisal, establishing a rating philosophy, overcoming typical rating deficiencies, creating a rating instrument, and engaging the employee in making decisions on future performance changes.

An effective negotiated performance appraisal helps the employee take additional ownership for both continuing effective performance and improving weak areas. Employee goals set through performance appraisals should be difficult but achievable, as goals that are overly ambitious are doomed for failure. Some employees tend to boycott their own progress by setting impossible goals to achieve. Finally, employees want to know what you think of their work. Letting workers know that you have noticed their efforts goes a long way towards having a more motivated workforce. Perhaps the most important contribution of the negotiated approach to performance appraisal is improved communication between supervisor and subordinate, often permitting conversations in sensitive areas that may not have been discussed in the past.

CHAPTER 6 REFERENCES


4. I refined this approach working with an agribusiness firm during a VOCA/US AID labor management mission to Uganda, East Africa, in 1996. While one of the top managers suggested that I was wasting my time with this approach, after she met with her boss for a performance appraisal using this list approach, she thanked me explaining that she had never had a more productive meeting with the owner / operator.


10. One popular performance appraisal approach of the “descriptive” type is the behaviorally anchored rating scale (or BARS). These scales are anchored with descriptive alternative behaviors. For every given category of behavior or performance, statements are ordered in an ascending or descending order of excellence. One challenge to BARS is the great number of descriptive category areas needed. Another difficulty is ordering observations so each statement of higher performance excellence subsumes the others.