SYNTHESIS OF APPRAISER SKILLS IN PERFORMANCE APPRAISAL PROCESS

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ABSTRACT

SYNTHESIS OF APPRAISER SKILLS IN
PERFORMANCE APPRAISAL PROCESS

SAFIAN BIN BUJANG

The purpose of this study is to explore the conceptual framework of appraiser skill in the performance appraisal process and further to synthesis all the identified skills in a comprehensive set of requisite skills of appraiser to perform effectively in the performance appraisal process. This study adopted qualitative research strategies by using articles from online journals as the data source. The data were analysed using content analysis method. This study had identified seventeen requisite skills that appraiser should have in performing their duty. From the reviews, this study found that these skills are interrelated with each other. The finding of this study had expanded the current knowledge of this topic and open up new avenue for researcher to conduct future research. From the organisation perspective, the finding of this study will improve the quality of data generated from performance appraisal process. This study recommended further quantitative research to be conducted on this topic.
ABSTRAK

SINTESIS KEMAHIRAN PENILAI DALAM PROSES PENILAIAN PRESTASI

SAFIAN BIN BUJANG

CHAPTER 1
INTRODUCTION

1.1 Introduction

This chapter introduce the focal point of this study, which are appraiser skills in performance appraisal process. Firstly, it will present the background of the study and further discuss the problem statement on why there is a need to conduct a study on this matter. Next, it will present the question that this study wishes to answer. Before the end of this chapter, the limitation and definition of term are presented. This chapter will be concluded with a summary.

1.2 Background of Study

With changing paradigms of the way we do business and manage people, issues of productivity and the evaluation of performance have risen to the top of every decision-making agenda (Wright and Cheung, 2007). In this respect, performance management systems have come to play an even more indispensable role in helping organizations reach their goals of productivity. Performance appraisal can be use for numerous purposes including: reward; discipline; coaching; counselling; negotiating improvements in performance; improving the work environment; raising morale; clarifying expectation and duties; improving upward and downward communications; reinforcing management control; helping
validate selection decisions; providing information to support HR activities; identifying development opportunities; improving perceptions of organizational goals; and selecting people for promotion and redundancy (Wilson and Western, 2000).

Research and organizational experiences has demonstrated that in order to achieve performance appraisal objectives, performance appraisal system must have two key component; sound rating process and appraiser must have both skills and motivation to conduct effective performance appraisal (Fink and Longenecker, 1998). That is to say that the organisation must have clearly developed rating procedures, appropriate and easy to use instruments and a suitable system to manage and monitor the performance appraisal process. The second key component is the manager who is actually assigned to evaluate the employee’s performance. They or the appraiser must possess the skills require to perform the task and the motivation to conduct effective performance appraisal.

Performance appraisal may be seen as a viable organizational tool and may even be accepted as an important ingredient of the management process but it has serious limitations as an efficient and effective evaluative tool (Martey, 2002). Prowse & Prowse (2009) stated that performance appraisal is potentially a key tool for organisations to make the most of their human resources and the use of appraisal is widespread. Because the usefulness of performance appraisal as a managerial decision tool depends partly on whether or not the performance appraisal system is able to provide accurate data on employee performance, rating accuracy is a critical aspect of the appraisal process (Poon, 2004). Cook (1995) states that performance ratings that are a vital aspect of the appraisal process
suffer from many biases, meaning factors that should not influence appraiser but do, or factors that influence rating in ways about which appraisers are unaware.

Cardy and Dobbins in 1994 highlighted that proper appraiser training can increase the overall quality of the rating experience for the appraisee and appraiser alike while at the same time improving rating accuracy (Fink and Longenecker, 1998). Inaccurate rating may affect the effectiveness of the performance appraisals process (Fink and Longenecker, 1998). If the appraisee feel the rating is inaccurate, it is unlikely that they will believe in performance appraisals (Miller and Thornton, 2006). Rating errors can result from unintentional errors such as unconscious biases and information processing errors associated with how people observe, store, recall information; or from intentional errors, which result from such thing as appraisers wanting to be liked or fear of conflict or confrontation with appraisee when giving negative appraisals (Fink and Longenecker, 1998).

1.3 Statement of Problem

The literature reviews conducted for this study found that there is little research conducted in this subject that focuses on appraiser skills. Most of literatures in performance appraisals focus on appraisee and/or appraiser perception (Suliman, 2002; Analoui and Fell, 2002; Cook and Crossman, 2004; Poon, 2004); appraisal problems such as contrast effect (Becker and Miller, 2002); performance appraisal model, design and method (Boice and Kliener, 1997; Piggot-Irvine, 2003a; Khoury and Analoui, 2004; Miller and Thornton, 2006); social context (Levy and Williams, 2004); computer assisted instruction
and behaviour modelling (Davis and Mount, 1984); costs and benefits (Nickols, 2007); learning and training approaches (Piggot-Irvine, 2003b); and cognitions (Rusli Ahmad and Nur Azman Ali, 2004; Wright and Cheung, 2007). A literature review on performance appraisal from 1995 to 2003 conducted by Levy and Williams (2004) highlighted that researchers have shown considerable interest in variables related to the appraisers. They identified appraiser affect, appraisers’ motivation, role of individual differences and rating purpose on rating leniency, role of attributions in performance appraisal process, appraisers’ accountability and appraiser training.

Prowse & Prowse (2009) proposed that further evaluation of key interpersonal skills is required for appraisal systems to develop performance. This is due to the fact that appraisers are challenged with differing roles as both monitors and judge performance and an understanding counsellor. Without a clear understanding of the requisite skills and abilities related to the appraisal process, successful training programs cannot be developed or offered. When organisations fail to develop a clear skill set for any important organisation activity, performance will inevitably suffer and appraisal is no exception (Fink and Longenecker, 1998). A clear skill allows the development process to proceed at both an individual and organisation level.

Appraising performance is both a difficult and an essential supervisory skill (Dessler, 2005). An appraiser who rates his or her appraisee too high or too low is doing a disservice to them, to the company, and to him or herself. Therefore, appraiser must be familiar with the basic appraisal techniques, understand and avoid problems that can cripple appraisals, and know-how to
conduct appraisals fairly (Dessler, 2005). The know-how is the skills that the appraiser must have in order to achieve the objectives of the performance appraisal. In Fink and Longenecker (1998) review of research findings conclude that primary causes of ineffective performance appraisals from both the perspective of appraiser and appraisee is not poor rating procedures, forms or system but instead the poor rating skills of appraisers. For them to effectively evaluate appraise performance, they must have both the skills and motivation to do so (Longenecker, 1997).

Hubbartt (1995) noted that common problem to many performance appraisal processes is lack of consistency in ratings, failure to define performance goals or standard, and inability to effectively deal with poor performers. All of the mention problems are hinge on the ability of appraiser conducting the performance appraisal. When the appraiser conducting the performance appraisal process does not possess the skills required, problems are a foregone conclusion. Result of the study conducted by Dev Kumar (2005) in The Royal Malaysia Police revealed that there was rampant non-compliance with specific guidelines of the performance appraisal. Undoubtedly, the pertinent finding is that more than 90 percent of the respondents surveyed indicated the need for appraiser training and acknowledged the importance of rating skills or competencies necessary to conduct effective performance appraisal (Dev Kumar, 2005). No matter how well designed a performance appraisal system is, its effectiveness is largely determined by the understanding, commitment and skills of the managers who must actually implement the system. Performance appraisals require the appraiser to objectively reach a conclusion about their appraisee performance (Dev Kumar, 2005).
Based from the literature reviews conducted, this study concludes that there are limited researches that fully focus on appraiser skills in performance appraisal process. The reviews also established that appraiser skills have imperative impact on the overall performance appraisal process. Given the inadequacy but yet significant impact of appraiser skills to the effectiveness of performance appraisal, a study on appraiser skills is anticipate to fill the existing gap on this subject.

1.4 Research Question

The objective of this study is to explore the conceptual framework of appraiser skills in performance appraisal process. It was believed that appraiser should possess a requisite set of skills for them to perform their duties effectively. Therefore, to achieve the objective this study raises the following research question:

1.4.1 What requisite skills does an appraiser need to perform effectively in performance appraisal process according to the literatures?

1.4.2 How these requisite skills can be synthesis into a comprehensive set of skills for an appraiser to perform effectively in performance appraisal process?

1.4.3 How appraiser can make use of these requisite skills effectively in the performance appraisal process?
1.5 Expected contribution

It is expected that the finding of this study will contribute to the knowledge of skills required by the appraiser to perform effectively in the performance appraisal. This study hopes to provide a better understanding of the requisite skills for appraiser in performance appraisal process.

The ideas presented in this study may be used as a reference data in conducting a new research and serve as a cross reference to the future research that will give them a background, theory and overview of the appraiser skills in performance management process. This study also hopes that from the skills set require by appraiser gathered from the study, researchers can use this finding to develop a successful training program.

Much of the effectiveness of a performance management system hinges on the accuracy of the data generated by it (Miler and Thornton, 2006). From the organization perspective, it is expected that the result of this study will improve and strengthen organization performance management system through an effective performance appraisal. It is also expected from the finding of this study, the policy maker can make compulsory for the organization to ensure that their managers possess the required skills to be an appraiser.

1.6 Limitation of Study

The main limitation of this study is the methodology adopted for this study. This study confine to qualitative design which using online journals articles as the source of data. The articles used for this study is limited to online journals
that had been published in Emerald Group Publishing website. The data is restricted to what already exist thus causal effect could not be determined and the findings could not be generalised. Beside that, the data analysis method use in this study is also cause limitation to this study. The content analysis method chosen are subjected to researcher rigorous interpretation and inferences.

Another limitation is the focus of this study. This study focus exclusively to appraiser skill in performance appraisal process. Other elements of performance appraisal process such as appraisal instrument was not taken into consideration. This study also faces with time and other resource limitation to complete this study.

1.7 Definition of Term

Definition of term is divided into two categories i.e. conceptual definition and operational definition. Conceptual definition refers to definition extracted from literature. Operational definition refers to definition use by the researcher in the context of this study.

There are several terms interchangeably used to describe appraiser. Several researchers such as Van Scotter et al. (2007), Boice and Kleiner (1997) and Cook (1995) used the term rater in their paper. Cook and Crossman (2004) and Ford (2004) on the other hand used the term appraiser in their writing. Martey (2002) used both of the term interchangeably in his writing. As for this study, researcher will use the term appraiser throughout this paper.
1.7.1 Appraiser Skills

Ford (2004) define appraiser as supervisor, manager, director, or other superior who assess another person (appraisee) performance, completes the performance appraisal written document and guides the appraisal interview. Skill is a combination of abilities and capabilities that are developed as a result of training and experience (Werner and DeSimone, 2006). For this study, appraiser skills refer to manager’s abilities and capabilities in performing their duties and responsibilities in performance appraisal process.

1.7.2 Performance appraisal

The term performance appraisal has generally meant the annual interview that take place between the manager and the employee to discuss the individual’s job performance during the previous 12 months and the compilation of action plans to encourage improved performance (Wilson and Western, 2000). Werner and DeSimone (2006) define performance appraisal as an evaluation system that typically makes use of a standardized rating form that is used to measure various aspect of employee performance. While Dessler (2005) define performance appraisal as an evaluating an employee’s current and/or past performance relative to his or her performance standards. For this study, performance appraisal is an evaluation system that uses standardized rating form used by an organization for assessing their employees’ performance annually.
1.7.3 Performance Management System

Performance management is a management tactic that goes beyond the annual appraisal ratings and interviews, and seeks to incorporate employees’ goal setting, feedback, coaching, rewards, and individual performance (Werner and DeSimone, 2006). According to Dessler (2005) performance management is a process that consolidates goal setting, performance appraisal, and development into a single, common system, the aim of which is to ensure that the employee’s performance is supporting the company’s strategic aims. In this context, performance management is the overall process carries out by an organization to manage employees’ performance including all rewards and recognition, both monetary and non-monetary.

1.8 Summary

This chapter has highlighted that in this ever-changing world, performance management and performance appraisal is definitely the dominant tool for organization to reach their goals. Research and organizational experiences proof that appraiser is the key player to ensure the performance appraisal effectiveness. Thus there is a need for a comprehensive skill set for the appraiser that will increase the overall quality of performance appraisal. Further and thorough discussion on this matter will be presented in the following chapters.
CHAPTER 2
LITERATURE REVIEWS

2.1 Introduction

This chapter explore further on appraiser skills in performance appraisal. It will review past studies that have been done by other researchers on this matter. The discussion will start with the evolution of performance appraisal activities from then until now. Then a discussion on appraiser skills required in performance appraisal practices will be presented. Before the end of this chapter, relevant theories on appraiser skills will be discussed. This chapter will conclude with a summary.

2.2 Evolution of Performance Appraisal Activities

For centuries, organizations survived quite well without performance appraisal systems, which beg the question, “Why do formal performance appraisal exits?” (Weise and Buckley, 1998). The performance appraisal process can be traced back, at least, for many thousands of years. Weise and Buckley (1998) in their paper entitle ‘The Evolution of the Performance Appraisal Process’ cited that merit exams were given for selection and promotion decisions as early as Han Dynasty in 206 BC – 220 AD. In early 3rd Century AD, “Imperial Raters” were
employed by emperors of the Wei Dynasty to rate the performance of the official family members.

Most likely, formal performance appraisal begins in United States in early 1800s (Weise and Buckley, 1998). In 1813, an Army General submitted an evaluation of each of his men to the U.S. War Department. In the late nineteenth and early twentieth century, performance appraisals were used primarily by military and government organizations – due to their large size, hierarchical structure, geographical dispersal and the necessity to promote the top performers to higher organizational levels. During this time, most private organizations used informal measures to evaluate individual performance and make subsequent administrative decisions. These appraisal process appraised individuals on the basis of previously established performance dimensions, using a standard, numerical scoring system that focused on past actions instead of future goals and were always conducted by supervisor with little input from the employee (Weise and Buckley, 1998).

The psychological tradition developed in the 1930s used approaches that identified personality and performance used feedback from graphic rating scales, a mixed standard of performance scales noting behaviour in Likert-scales ratings, providing evidence to recruit and identify management potential in the field of selection (Prowse and Prowse, 2009). Later developments removed the middle scale from a five-point scale to develop into forced-choice scale judgements to avoid central rating. The forced-choice method is designed to reduce appraiser bias, creating more accurate rating (Weise and Buckley, 1998).
In the 1940s behavioural methods are developed using a motivational approach which includes Behavioural Anchor Rating Scales, Behavioural Observation Scales, Behavioural Evaluation Scales, critical incident and job simulation (Prowse and Prowse, 2009). The contribution of these developments has been an emphasis on the behavioural bases of performance rating (Weise and Buckley, 1998). All these judgements were used to determine the specific levels of performance criteria to specific issues and rated in factors such as “excellent”, “average” or “poor”. These feedback ratings were essentially developmental and also led to identification of any potential need for training and more importantly to identify talent for careers in line management supervision and further managerial potential.

Post 1945 developed into the result oriented approaches and led to the development of Management by Objectives (Prowse and Prowse, 2009). As a result of his study of managerial practices in General Motors, Peter Drucker first proposed Management by Objectives in The Practice of Management in 1954 (Weise and Buckley, 1998). It provided a forced distribution of rankings of comparative performance and paired comparison ranking of performance and setting and achieving objectives. The common performance appraisal cycle includes setting of objectives, negotiation, implementation, discussion, changing directions and eventual measuring of achievement.

In the 1960s the development of self appraisal by discussion led to specific time and opportunities for the appraisee to evaluate their performance reflectively in the discussion and the interview developed into a conversation on a range of topics that the appraise needed to discuss in the interview (Prowse and Prowse,
The typical practices of the past such as use of personality traits in appraisal, loose relationships between performance appraisal ratings and human resources outcomes and a dearth of specific job-related behaviour in evaluations were becoming targets of increasing amounts of litigation and regulation (Weise and Buckley, 1998).

The evolution of performance appraisal systems has expanded the number of available performance appraisal methodologies (Weise and Buckley, 1998). In today world of management, performance appraisal has been use for numerous purposes including: reward; discipline; coaching; counselling; negotiating improvements in performance; improving the work environment; raising morale; clarifying expectation and duties; improving upward and downward communications; reinforcing management control; helping validate selection decisions; providing information to support HR activities; identifying development opportunities; improving perceptions of organizational goals; and selecting people for promotion and redundancy (Wilson and Western, 2000).

To date, performance appraisals are used is almost all organizations worldwide. As organizations emerge to larger entities with professional management, a more formal performance appraisal system serves as an important tool in management decision making. The dilemma of appraisal has always been developing performance measures and the use of appraisal communicating individual performance is the key part of this success Prowse and Prowse (2009). These formal performance appraisal systems are not perfect and they continue to rely primarily on human information processing and judgement (Weise and Buckley, 1998).