

# Assignment 4

Human Resource Management  
Course Code: HRM 301

## **Attribute Approach to Measuring Performance**

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# The Performance Management

It is the process through which managers ensure those employees' activities and outputs are congruent with the organization's goals.

To some people, performance management means collecting performance information. To others it implies a personal appraisal. The Performance Management, Measurement and Information project (PMMI) definition incorporates a range of different tools and activities used to drive improvement. We define performance management as: "Taking action in response to actual performances to make outcomes for users and the public better than they would otherwise be".

Action may be at individual, team, service, corporate or community level. Improvement to outcomes should benefit service users but does not always mean increased service levels – sometimes better outcomes can mean delivering better value for money. Reducing levels of service in one area may free up resources to be used more effectively elsewhere.

Performance appraisal is the process an organization uses to obtain information on how well an employee is going his or her job.

Performance feedback is the process of providing employees with information regarding their performance effectiveness.

## Approaches to Performance Measurement

In order to achieve effective communication, motivation and control, it is necessary to have accurate performance measures in place. Historically, performance has been measured by financial criteria, but many companies have discovered the 'new' performance measures to be a vital part of any strategic management system: measures which are not only quantitative and financial in nature, and which are not geared solely to the maximization of future profits. Measuring performance by using information from existing management accounting systems has generated narrow measures which tend to look back and give a historical view of performance. There was a growing concern that these traditional models were failing.

# Attribute Approach

This appraisal tool focuses on the extent to which individuals have certain attributes (characteristics) believed to be desirable for the company's success. Traits such as initiative, leadership, and competitiveness are chosen and individuals are evaluated on these.

## 1. Graphic Rating Scales

Graphic Rating Scales (GRS) is the most common form of the attribute approach to performance measurement. Using this method, the manager considers one employee at a time, circling the number that signifies how much of that trait the individual has. Graphic rating Scales can provide the rater with a number of different points (a "discrete" scale) or with a continuum along which the rater simply places a check mark (a "continuous" scale).

In another way, Graphic rating scales can provide the rater with a number of different points (a "discrete" scale) or with a continuum along which the rater simply places a check mark (a "continuous" scale). Graphic rating scales are easy to develop, but some graphic rating scale systems have been criticized by the courts due to their subjective nature.

It's a list of traits is evaluated by a five points rating scale. It's still a legally questionable method.

Here is an example below:

Rate each worker using the scales below						
<b>Decisiveness:</b>						
1	2	3	4	5	6	7
Very low			Moderate			Very high
<b>Reliability:</b>						
1	2	3	4	5	6	7
Very low			Moderate			Very high
<b>Energy:</b>						
1	2	3	4	5	6	7
Very low			Moderate			Very high
<b>Loyalty:</b>						
1	2	3	4	5	6	7
Very low			Moderate			Very high

## 2. Mixed Standard Scales

Define relevant performance dimensions and then develop statements representing good, average, and poor performance along each dimension.

Mixed standard scales are developed by defining the relevant performance dimensions with statements representing good, average, and poor performance. These statements are then mixed together. Raters indicate whether the employee's performance is above, at, or below the statements. A special scoring key is then used to score the employee's performance for each dimension.

## Evaluating the Attribute Approach

- a. Attribute approach methods are the most popular methods, are easy to develop and are generalizable across a variety of jobs and organizations. They can be as reliable and valid as more elaborate techniques if attention is devoted to attributes that are relevant to job performance.
- b. There is usually little strategic congruence between the attribute approach methods and the company's strategy; they usually have very vague standards that result in low validity and reliability; and when raters give feedback, these techniques tend to elicit defensiveness from employees.

Here are three tables of comparison of Graphical Rating Scale (GRS).

Table 1: Evaluation of Available Measurement Approaches

Criteria	Sub Criteria	GRS	BARS	MBO	Zigon's	TMD
Measurement Coverage	Process-Based Measurement	No	No	No	No	No
	Behavior & Skills Based Measurement	Yes	Yes	No	No	No
	Result-Based Measurement	No	No	Yes	Yes	Yes
Reliability	Inter-rater Reliability	Low	High	Very High	High	High
	Test-retest Reliability	Low	Medium	Very High	High	High
Acceptability		Low	High	High	Medium	Medium
Measurement Standards		Low	Medium	High	Medium	Low
Measurement Complexity & Prioritization	Complexity	Low	Medium	Low	High	Very High
	Prioritization	Low	Low	Medium	High	Medium
Measurement Frequency		Low	Low	Medium	Medium	Low
Strategic Congruence		Low	Low	High	High	Medium

Table 6: Weight and Priorities Results

	Weight	GRS	BARS	MBO	Zigon's	TMD	MDMP
1. Reliability	24%	7%	6%	11%	15%	23%	37%
2. Strategic Congruence	16%	6%	4%	13%	13%	22%	41%
3. Measurement coverage	14%	9%	6%	6%	12%	22%	45%
4. Ability to support different type of work	13%	8%	6%	5%	13%	25%	43%
5. User acceptance ("measurer")	13%	9%	7%	10%	19%	24%	31%
6. User acceptance ("measuree")	13%	10%	7%	9%	14%	24%	36%
7. Measurement complexity	7%	28%	22%	24%	15%	7%	5%

Table 7: Consistency Ratio and Weighted Priorities Results

	Consist. Ratio	GRS	BARS	MBO	Zigon's	TMD	MDMP
1. Reliability	0.9%	1.71%	1.50%	2.71%	3.69%	5.73%	9.09%
2. Strategic Congruence	1.5%	0.98%	0.62%	2.11%	2.09%	3.51%	6.59%
3. Measurement coverage	2.0%	1.23%	0.86%	0.81%	1.67%	3.13%	6.20%
4. Ability to support different type of work	2.5%	1.09%	0.86%	0.67%	1.69%	3.39%	5.72%
5. User acceptance (measurer)	1.2%	1.16%	0.85%	1.28%	2.34%	2.98%	3.89%
6. User acceptance (measuree)	1.8%	1.35%	0.97%	1.13%	1.82%	3.09%	4.77%
7. Measurement complexity	2.6%	1.85%	1.45%	1.59%	1.03%	0.48%	0.33%
Overall	1.6%	9.37%	7.10%	10.31%	14.33%	22.31%	36.59%
Rank		5	6	4	3	2	1

## Advantages & Disadvantages of Attribute Approach

### Advantages

- Most popular methods in organizations. Easy to develop and are generalize across a variety of jobs, strategies, and orgs.
- If time is taken identifying attributes relevant to job performance, carefully defining them, they can be reliable and valid (but depends heavily on raters).
- Are inexpensive to develop
- Use meaningful dimensions
- Are easy to use

## Disadvantages

- Usually have very vague performance standards and are open to different interpretations from raters. In this case reliability and validity are low.
- This method doesn't show how employees can correct deficiencies and support company goals. E.g. Rated 2 out of 5 for maturity (employees tend to feel somewhat defensive) – how to improve?
- Have high potential for rating errors
- Are not useful for employee counseling
- Are not useful for allocating rewards
- Are not useful for promotion decisions

## Trait

Attribute Approach has another similar method called TRAIT, which has another 4 methods. Here is a little description of each:

### Graphic Rating-Scale Method

It is a trait approach to performance appraisal whereby each employee is rated according to a scale of individual characteristics.

### Mixed-Standard Scale Method

This is an approach to performance appraisal similar to other scale methods but based on comparison with (better than, equal to or worse than) a standard.

### Forced-Choice Method

It requires the rater to choose from statements designed to distinguish between successful and unsuccessful performance.

### Essay Method

It requires the rater to compose a statement describing employee behavior.



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