Chapter 10

TRUE-FALSE

1. The primary purpose of performance appraisal systems is to let employees know their pay raises.  FALSE

2. It is important for managers to recognize that no performance appraisal system is perfect. TRUE

3. Wherever performance evaluations are conducted, a particular structure must be followed. This structure exists to facilitate documentation that often allows for quantifiable evaluation. TRUE

4. There are two main constituencies in the performance management system:  employees and supervisors. FALSE

5. About 50% of all U.S. organizations use some form of performance evaluations.FALSE

6. Research finds that more than 90% of all U.S. organizations evaluate employees more than once a year. FALSE

7. EEO laws require performance appraisal systems be objective, job related, reliable, and valid, as they are used for promotion or termination. TRUE

8. The appraisal process begins with establishment of performance standards in accordance with the organization’s strategic goals. TRUE

9. The fourth and last step of the appraisal process is to compare actual performance with standards. FALSE

10. The major advantage of the forced-choice appraisal method is the appraiser does not know the “right” answers; hence bias and distortion are increased. FALSE

11. The performance method that selects one job trait, and then compares each employee in a group with the others is the group order ranking method. FALSE

12. Given that personality plays a major role in appraising performance, evidence suggests that training appraisers does not make them more accurate raters.  FALSE

13. Central tendency is a factor that distorts performance appraisals. TRUE

14. When evaluators rate other people in the same way that the evaluators perceive themselves, they make a halo error. FALSE

15. A major advantage to absolute standards is that they tend to be biased by positive leniency; that is, evaluators lean toward packing their subjects into the high part of the rankings.FALSE

MATCHING KEY TERMS AND DEFINITIONS

a) Absolute standards

b) Relative standards

c) Individual ranking

d) 360-degree appraisals

e) Peer evaluation

f) Performance measurement

g) Halo error

h) Graphic rating scale

i) Leniency error

j) Documentation

k) Paired comparison

l) Similarity error

m) Attribution theory

n) Management by objectives (MBO)

o)Forced-choice appraisal

16. A performance evaluation theory that attempts to differentiate between elements the employee controls (internal) versus those the employee cannot control (external). M

17. Measuring an employee’s performance against some established standards. A

18. Employees are evaluated on how well they accomplish a specific set of objectives determined as critical in the successful completion of their job. N

19. A record of performance appraisal process outcomes. J

20. The third step in the appraisal process. F

21. A performance appraisal method that lists traits and a range of performance for each. H

22. Evaluating an employee’s performance by comparing the employee with other employees. B

23. Ranking employees’ performance from highest to lowest. C

24. Performance appraisal distortion caused by evaluating employees against one’s own value system. I

25. Evaluating employees based on the way an evaluator perceives himself or herself. L

26. The tendency to let our assessment of an individual on one trait influence our evaluation on that person on other specific traits. G

27. A performance assessment in which coworkers provide input into the employee’s performance. E

28. Performance evaluation in which supervisors, peers, employees, and customers evaluate the individual. D

29. Ranking individuals’ performance by counting the times any one individual is the preferred member when compared with all other employees. K

30. A type of checklist where the rater must choose between two specific statements about an employee’s work behavior. O

FILL-IN THE BLANKS

31. A \_\_\_ critical incident appraisal  \_\_\_\_\_\_ system is a performance evaluation system that focuses on key behaviors that differentiate between doing a job effectively or ineffectively.

32. A \_\_\_\_\_\_ forced-choice appraisal

\_\_\_ system is a performance evaluation system in which the rater must choose between two specific statements about an employee’s work behavior.

33. Checklists and critical incidents are examples of evaluation against \_\_ absolute

\_\_\_\_\_\_ standards.

34. Paired comparison is an example of a \_\_\_\_ relative performance appraisal  \_\_\_\_ method.

35. \_\_\_\_\_\_ Management by objectives (MBO) \_\_ is a performance appraisal method that includes goal specificity, participative decision making, an explicit time period, and performance feedback.

36. A \_\_ checklist appraisal  \_\_\_\_\_ is a performance evaluation technique in which a rater checks off applicable employee attributes.

37. A \_\_\_ behaviorally anchored rating scale (BARS )\_\_\_\_\_ is a performance appraisal technique that generates critical incidents and develops behavioral dimensions of performance.

38. With \_\_360-degree

\_\_\_\_\_\_\_ appraisals, managers learn how employees feel about them and organizations learn what their suppliers think about working with them.

39. A(n) \_\_\_\_ upward appraisal

\_\_\_ is a type of appraisal in which employees provide frank and constructive feedback to their supervisors.

40. \_\_ Attribution theory

\_\_\_\_\_\_ is a theory of performance evaluation based on the perception of who is in control of an employee’s performance.

MULTIPLE-CHOICE

41. Performance management systems are used to provide

a) motivation, maintenance, and quality.

b) feedback, development, and documentation.

c) production and innovation.

d) technology and training.

e) guidelines, guarantees, and goals.

42. Which of the following is the best performance appraisal system?

a) Critical incident appraisal

b) Checklist appraisal

c) Forced-choice appraisal

d) Behaviorally anchored rating scale

e) None of the above

43. Miranda, the HR director, is conducting a workshop for managers on performance management systems.  She teaches them how to conduct appraisals and how to schedule them at established intervals.  She mentions the new emphasis is due to legal implications for which of these reasons?

a) EEO requires organizations to make reasonable accommodations.

b) ADA required organizations to have bias-free HRM practices.

c) EEO requires organizations to have bias-free HRM practices.

d) FMLA required valid data for performance documentation.

e) EEO prohibits discrimination in hiring practices.

44. Which of the following is NOT true regarding performance evaluations in the United States?

a) More than 90 percent of all U.S. organizations use some form of performance evaluations.

b) Once implemented, the evaluation system stays constant for 10 years before any changes are made to the process.

c) About half of all U.S. organizations evaluate employees more than once a year.

d) About a third of all U.S. organizations use some form of a forced ranking of employees.

e) About 25 percent of all U.S. organizations use some form of electronic, software-based evaluation systems.

45. B.W. meets Mark, his longtime friend, after a hard day at work.  He complains that he spent the whole day with performance appraisals for his subordinates.  He did 8 today, 8 yesterday, and has scheduled that many more for tomorrow and the next day.  A number of the sessions ended with shouting or tears. There was some minor name calling.  When Mark asks B.W. what was wrong with the performance appraisal system, B.W. just looks at him and says, “What could be wrong with it?  It’s the one I got from corporate 7 years ago?” Mark, an HR professional, could make which of these suggestions to his friend?

a) Attend an interpersonal skill seminar.

b) Take control of the discussion.  There should be no room for emotions.

c) Get your supervisor to perform performance appraisals for your employees.

d) Tailor the process to your needs and employees goals.

e) Let your HR department do the performance appraisals.

46. Demario, a college bookstore manager, is involved in the appraisal process for his 30 student workers. He is reading shift reports from the supervisors, looking at his own notes from walking through the store and speaking with employees, and studying the loss/return/breakage analysis.  What step of the appraisal process is he performing?

a) These actions are not part of the appraisal process

b) Reviewing reports

c) Setting measurable goals

d) Establishing performance standards

e) Measuring actual performance

47. Which of the following is NOT an appraisal method that uses absolute standards?

a) Critical incident appraisal

b) Checklist appraisal

c) Paired comparison

d) Graphic rating scale appraisal

e) Forced-choice appraisal

48. Davon, a college financial aid office manager, is involved in the appraisal process for his 40 student employees.  He spends 15 minutes with each student individually. Typical comments in these sessions are “You improved your service rate this semester from 1 student per hour to 17 students per hour. That’s good progress toward the standard 50 students per hour.” Or, “I have numerous complaints from students that your work is inaccurate.”   What part of the appraisal process is he performing?

a) These actions are not part of the appraisal process

b) Initiating corrective action

c) Discussing the appraisal with employees

d) Establishing performance standards

e) Measuring actual performance

49. Sharon, a student worker in a college food service location, has just received her first performance appraisal.  Her manager told her that her cleaning and sweeping skills were excellent, but that she needed to show up to work on time and follow the regulations for lunch hours, breaks, personal phone calls, and calling out sick.  Her performance will be evaluated again in 30 days. What was the outcome of this appraisal process?

a) Sharon was fired - very nicely.

b) Sharon received career development from her manager.

c) Sharon received no helpful feedback from her manager during this process.

d) Sharon’s manager initiated immediate corrective action.

e) Sharon's manager initiated basic corrective action.

50. Which of the following is NOT an appraisal method that uses relative standards?

a) Group-order ranking

b) Individual ranking

c) Paired comparison

d) Forced-choice appraisal

e) Forced ranking

51. Darnita, manager of customer service for a large company, is conducting performance appraisals for her staff.  HRM has given her a sheet with a number of grouped statements. She has to select 1 from each group.  For instance, she has to indicate whether an employee is “cheerful” or “confident”. She returns the form to HR, who score it and report the results to her.  What performance appraisal method is she using?

a) Adjective rating scale

b) BARS

c) Critical incident

d) Forced choice

e) Checklist appraisal

52. Annabel is an information specialist. Last year her boss evaluated her with an essay appraisal. She and several of her coworkers were so dissatisfied with the general and qualitative nature of the process that they requested a change.  This year he wrote about several key behaviors that she exhibited throughout the year that were very important for her job performance.  For instance, he described how she spent extra time evaluating network security protocol options.  What appraisal technique is he using?

a) Graphic rating scale

b) BARS

c) Critical incident

d) Checklist appraisal

e) Essay appraisal

53. Gloria is the HR manager of a medium-sized company. She is redesigning the performance evaluation system of her company. She wants to use an appraisal method that generates critical incidents and develops behavioral dimensions of performance. Which appraisal method should she use?

a) Forced-choice appraisal

b) Graphic rating scale appraisal

c) Checklist appraisal

d) Behaviorally anchored rating scales

e) Paired comparison

54. Hung Son, a construction manager, is evaluating his employees.  He fills out a multi-page form.  Each page looks like a big thermometer or rain gauge reading, and shows examples for ranking employees from high to low on the page.  He is to fill in the lines up to the action described for each employee.  For instance, a performance dimension scale for carpenters ranges from 1-often picks up wrong end of hammer to 9-correctly selects nail size and wood surface for various jobs.  What technique is he using?

a) MBO

b) BARS

c) Critical incident

d) Checklist appraisal

e) Forced-choice comparison

55. Elaine supervises 30 sanitation engineers.  She fills out a form that rates such factors as loyalty, cooperation, attendance, and job knowledge.  She checks off the answer for each item, which usually has 5 to 10 options. “Job knowledge is information pertinent to the job that an individual should have for satisfactory job performance” is one of the performance factors.  The choices, one of which she must check, are “poorly informed about work duties, occasionally unsatisfactory, can answer most questions about the job, understands all phases of the job, has complete mastery of all phases of the job.”  Which method is she using?

a) Graphic rating scale

b) BARS

c) Critical incident

d) Checklist appraisal

e) Forced-choice comparison

56. Raj is the owner of a small real estate agency in New York City. He has four employees and wants to be able to evaluate each employee against the other employees. Which appraisal technique should Raj use?

a) BARS

b) Graphic rating scale appraisal

c)  Paired comparison

d) Checklist appraisal

e) Forced-choice appraisal

57. My Satellite International, a major reseller of satellite access services, is growing by about 35% a year.  Lisa, a regional promotions and services manager, needs to provide a list of the top 20% of her employees to funnel into management training programs.  What performance evaluation technique should Lisa use?

a) Individual ranking

b) Group order ranking

c) Paired comparison

d) BARS

e) Checklist

58. One of the best known forced ranking systems is that of General Electric. What is the name of the program used by General Electric?

a) The 30-30-40 plan

b) The 30-50-20 plan

c) The 20-70-10 plan

d) The 20-50-30 plan

e) The 70-20-10 plan

59. Maurice is developing an MBO plan to review with his boss next week.  One of the objectives is “Get better evaluations from customer service.”  Evaluate this item.

a) The boss is the person to set objectives for MBO.

b) The objective should express a character trait, not an outcome.

c) The objective should be more specific.

d) The objective is too specific.

e) There are no objectives like this in an MBO.

60. Amit is a manager for a software company in Palo Alto, California. He wants to use an appraisal system that includes mutual objective setting and evaluation based on the attainment of specific objectives. Which appraisal method should Amit use?

a) Forced-choice appraisal

b) BARS

c) Graphic rating scale appraisal

d) Paired comparison

e) MBO

61. Ramone, an account manager for a large IT provider, has set his quota for next year 20% higher and decided to improve customer satisfaction quality by 10%.  What MBO step was Ramone performing?

a) Goal setting

b) Monitoring

c) Performance evaluation

d) Formal review

e) Self-control

62. Isabella is working with her boss on how to achieve the goals that have been set for the next year.  So far they have agreed that Donna will start a graduate degree, she will be given 2 trainee assistants, and her budget allocation will be increased by 20%.  What is Isabella doing?

a) Critical incident

b) MBO

c) BARS

d) MARS

e) Checklist appraisal

63. Which of the following is NOT a factor that can distort performance appraisals?

a) Leniency error

b) Central tendency

c) Efficiency bias

d) Similarity error

e) Halo error

64. Toni rates Allison, an excellent worker, "below average" on all of her performance evaluations. The first year that Allison worked for Toni she lost three major accounts, incurred a 20% cost overrun on a major printing project, and came in late to work three or four days each week.  Now, three years later, Allison’s personal life is stable, and she routinely saves costs, is never late, and has secured two new accounts in the last month. What rating error is evident?

a) Leniency error

b) Halo error

c) Similarity error

d) Central tendency

e) Inflationary pressures

65. Sometimes, managers evaluate employees based on the way they (the managers) perceive themselves. This is a(n) \_\_\_\_\_\_\_\_.

a) leniency error

b) halo error

c) central tendency error

d) similarity error

e) attribution error

66. Bill, an accountant, is amazed at his 2% salary increase.  Bill had the lowest error rating and the quickest completion times in the division. When Bill learned that Ed, another accountant who was slow and careless in his work also received 2%, he went to HR.  Bill was told that their manager had turned in average ratings for both of them, in fact for the whole department, and that 2% was the average raise that year for all employees. What performance appraisal rating error is evident?

a) Leniency error

b) Inappropriate substitutes for performance

c) Similarity error

d) Central tendency

e) Inflationary pressures

67. Kenyatta, a new manager with an outstanding performance appraisal for her first year, received an average raise and an average performance rating.  When she questioned her boss, she was told that her new job was easy and that only an idiot would not perform as well.  What rating error is evident?

a) Attribution theory

b) Halo error

c) Similarity error

d) Low appraiser motivation

e) Inappropriate substitutes for performance

68. Irina is a manager at Company ABC. She is dissatisfied with the performance evaluation system and would like to change it. She wants to develop an evaluation system in which supervisors, peers, employees, and customers evaluate the employees. Which appraisal system should Irina use?

a) Upward appraisal

b) BARS

c) 360-degree appraisal

d) MBO

e) Forced-choice appraisal

69. Eric asked a professor for a recommendation to graduate school.  The professor wrote a glowing letter that included the statement, “Although Eric received a ‘B’ in the introductory survey course, he ranked 6 out of 450 students taking the course that year.” This letter illustrates which point of effective performance management systems?

a) Combine absolute and relative standards

b) Use trait-based measures

c) Use multiple raters

d) Rate selectively

e) Train appraisers

70. Which of the following is NOT an important ingredient to create an effective performance management system?

a) Use trait-based measures

b) Combine absolute and relative standards

c) Provide ongoing feedback

d) Have multiple raters

e) Train appraisers

71. Don, a team leader in a college business course, wanted to fail Diane, a team member that he said did “nothing.” Dr. Smartee, the professor, refused to fail her, stating that the other team members had all given her satisfactory evaluations on their project review form. Why didn’t the professor back Don’s decision?

a) Selective rating is inappropriate.

b) Relative standards are better than absolute standards.

c) Multiple raters give a more reliable assessment than a single rater.

d) Trait measures are preferable to behaviorally-based measures.

e) Ongoing feedback prevents surprises.

72. Which of the following is NOT a key ingredient in designing an effective team appraisal system?

a) Measure individual performance, not team performance.

b) Measure both team and individual performance.

c) Tie team results to organizational goals.

d) Begin with the team’s customers and its work process to satisfy customers’ needs.

e) Train the team to create its own measures.

73. Which of the following is a major drawback associated with absolute standard methods?

a) Absolute standard methods are very expensive.

b) Absolute standard methods are unpopular among employees.

c) Absolute standard methods force managers to rank employees into specific performance categories.

d) Absolute standard methods tend to be biased by positive leniency.

e) Absolute standard methods require the use of multiple raters.

74. Which of the following is a benefit of using multiple raters?

a) It is less expensive for the company.

b) It forces managers to rank employees.

c) It requires the use of behavior-based measures.

d) It increases the probability of attaining more accurate performance appraisals.

e) It makes the job of the appraiser easier.

75. Tom was assigned to an Asian country as manager of operations for a U.S. manufacturing firm.  He routinely asks his subordinates for their ideas and jokes around with them.  His subordinate evaluations were very bad from this group, even though in the U.S. he was usually regarded as a “perfect” boss.  Explain the difference.

a) In this country, hierarchical values make it a disgrace to ask subordinates for ideas.

b) A hostile cultural environment exists.

c) The home office is so remote that it cannot be fully informed about overseas operations.

d) The economic base of the parent country differs drastically from the host company.

e) Tom is not a native of the parent-country.

76. Katsiaryna is a middle manager in a large company. She was just passed over for promotion and could not understand why. On a scale from 0 to 100, her overall performance score over the last three years has been 89.  In her company, the performance appraisal system defines outstanding performance at 90 or above, very good at 80 or above, good at 70 or above, average at 60 or above, and unacceptable as anything below 60. Katsiaryna found out that the average score for middle managers in her company is 91. What is the major appraisal problem in this case?

a) Inappropriate substitutes for performance

b) Inflationary pressures

c) Central tendency error

d) Halo error

e) Similarity error

77. The cultural environment in which one manages should be considered when appraising employee performance. The criteria used to evaluate executives in the United States and in China are different. Which of the following is the LEAST LIKELY to be included in the evaluation of a Chinese executive?

a) Industriousness

b) Diligence

c) Creativity

d) Positive attitude

e) Compliance with rules

78. Tom, who is not in Jane’s department, has been asked to conduct her performance appraisal, as her supervisor is on sick leave from the organization.  Tom has little knowledge of what Jane does, but he’s agreed to evaluate Jane.  Tom’s evaluation may be suspect because he \_\_\_\_\_\_\_\_\_.

a) did not explain to Jane the purpose of the meeting.

b) did not properly prepare for the appraisal in advance.

c) is not familiar with Jane’s job responsibilities or how well she performed them.

d) never took a course on how to appraise an employee.

e) does not know how to give constructive criticism.

79. All of the following are key components of the performance appraisal meeting EXCEPT:

a) focus discussions on the employee, not work behaviors.

b) give both positive and negative feedback.

c) prepare for and schedule the meeting in advance.

d) support your evaluation with specific examples.

e) involve the employee in the appraisal discussion, including a self-evaluation.