

PERFORMANCE MEASUREMENT STRATEGIES & TOOLS

Focus	Brief Description	Ideal Context	(+)	(-)
Relative Standards	An employee's performance is compared to others doing the same job and then they are all ranked in discrete terms (1 st , 2 nd , 3 rd etc), or in categories (top, middle bottom)	Most basic, and better than nothing. Useful for resource allocation decisions. Rater must be familiar with the work of all those being assessed	<ol style="list-style-type: none"> 1. Forces differentiation and identification of best and worst performing employees 2. Useful in determining rewards, promotions, pay adjustments etc, IF there is fairness 3. May be useful for assessing piecework 	<ol style="list-style-type: none"> 1. Works within job roles, and not useful for roles across the organization 2. Very open to personal biases and lowers morale 3. Ambiguity makes it difficult to justify and identify specific gaps for improvement 4. Very Often legally indefensible
Absolute Standards	An employee's performance is measured against pre-fixed/ pre-determined criteria . Example: Graphic Rating Scales Simple, graphic/visual tool that uses Likert-style ratings for employees. Points may be totalled for overall performance score	Most common performance measurement tool widely used in varying formats and scales (below, meets or exceeds expectations; Excellent, Very good >>> poor/unacceptable)	<ol style="list-style-type: none"> 1. Gives specific information on specific dimensions 2. Relative fairness (compared to straight rankings) 3. Continuum makes variation possible 	<ol style="list-style-type: none"> 1. Rater may end up giving all employees similar ratings (no forced differentiation) 2. Different raters may have different 'standards' in mind 3. Sometimes legally indefensible
Behaviourally Anchored Rating Scales (BARS)	Specific examples of consistent behaviour are provided and weighted	Great for measuring service delivery employees with a lot of client-facing – where actual behaviors are critical	<ol style="list-style-type: none"> 1. Specifies actual, observable behavior 2. Useful for quantifying some intangible traits that are hard to measure 3. Very useful feedback (mirror) for employees – reflection of actual, expected behavior 	<ol style="list-style-type: none"> 1. Focus on <i>person</i> rather than performance/results (can trigger defensive reactions) 2. Time consuming to design. Requires several iterations for each role 3. Sometimes legally indefensible

PERFORMANCE MEASUREMENT STRATEGIES & TOOLS

Focus	Brief Description	Ideal Context	(+)	(-)
Behavioural Observation Scale (BOS)	Focuses on frequency of specific, observed behaviour – whether it was carried out or not, and how often it is observed	Useful in job functions with specific, expected frequency of actions – cleaning companies (checklists), safety-critical jobs etc...	<ol style="list-style-type: none"> 1. Builds consistency in actions 2. Easy to track 	<ol style="list-style-type: none"> 1. Can be subjective because it's still based on perception and limited human knowledge (not always witnessing the behavior) 2. 'May track routine behavior to the exclusion of equally critical 'soft' skills such as problem-solving, critical thinking etc. 3. May be easily tampered with (checklists)
Results-Based Format: Direct Index Approach (DIA)	An employee's performance is measured using impersonal/ depersonalized criteria – absenteeism, productivity, sales volume etc...	Great for system-generated data – speed, number of pieces produced, punctuality, number of websites visited etc.	<ol style="list-style-type: none"> 1. Technology-supported, and removal of potential human error or biases 2. Objective and can be assessed by anyone in the organization 	<ol style="list-style-type: none"> 1. May engender achievement of results at any cost. Performance assessments focus on the results achieved – the “end” rather than the “means”. 2. May also leave room for unethical behavior
Results-Based Format: Management-By-Objectives (MBO)	Objectives are set by both the manager and the employee. Outcomes may be routine or strategy-specific	<ol style="list-style-type: none"> 1. Useful for knowledge-based enterprises 2. Useful for dynamic industries 	<ol style="list-style-type: none"> 1. Focus on big picture can be good for the employee to see contribution to overall work 2. Stronger employee buy-in, especially because of goal-setting process 3. Offers flexibility for strategic alignment and adjustment at individual, departmental and organizational levels 4. Encourages productivity 	<ol style="list-style-type: none"> 1. Time consuming to develop the objectives, especially in the light of contextual changes in the industry, company, etc. 2. May engender achievement of results at any cost.