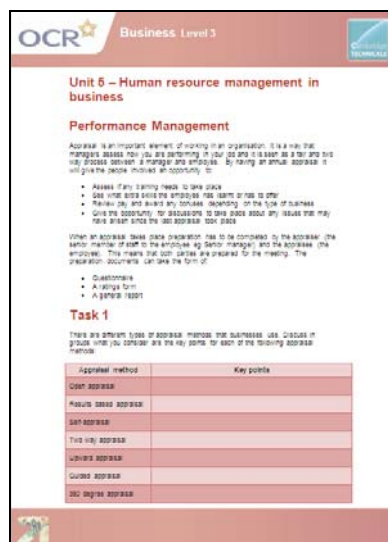# Unit 5 – Human resource management in business

## Performance Management

## *Instructions and answers for Teachers*

*These instructions should accompany the OCR resource 'Performance Management' which supports the OCR Level 3 Cambridge Technicals in Business Unit 5 – Human resource management in business.*



**Associated Files:**
Performance Management

**Expected Duration:**
Task – approx. 2 hours

Appraisal is an important element of working in an organisation. It is a way that managers assess how you are performing in your job and it is seen as a fair and two way process between a manager and employee.  By having an annual appraisal it will give the people involved an opportunity to:

- Assess if any training needs to take place
- See what extra skills the employee has learnt or has to offer
- Review pay and award any bonuses depending on the type of business
- Give the opportunity for discussions to take place about any issues that may have arisen since the last appraisal took place

When an appraisal takes place preparation has to be completed by the appraiser (the senior member of staff to the employee eg Senior manager) and the appraisee (the employee).  This means that both parties are prepared for the meeting.  The preparation documents can take the form of:

- Questionnaire
- A ratings form
- A general report

# Task 1

There are different types of appraisal methods that businesses use. Discuss in groups what you consider are the key points for each of the following appraisal methods:

| Appraisal method | Key points |
|---|---|
| Open appraisal | This gives the employer and employee the opportunity to discuss in a less formal and equal manner the appraisal of the employee. |
| Results based appraisal | This is normally focused entirely on strict targets set by the business, monthly sales results and revenue received to the business. |
| Self-appraisal | Employee's will have the opportunity to praise their strengths and may potentially grade themselves against their set targets |
| Two way appraisal | The employer and employee measure the performance of the employee, but the employees feedback is just as important and equal to the employers. |
| Upward appraisal | An opportunity for supervisors and managers to gain feedback from those they manage at every level in order to develop themselves further and improve skills and knowledge. |
| Guided appraisal | This is a formal appraisal and will involve meetings and completing forms prior, during and after the appraisal ensuring that the employer completes the correct business procedures. |
| 360 degree appraisal | This normally involves six different levels of employees depending on the employee's role within the business eg the appraisee, management, supervisors, peers, subordinates and customers.  This will show the performance of the employee in the whole of the organisation. |

# Task 2

Following your group discussion, use the internet to research each of the appraisal methods.  Which method do you prefer and why?

| Preferred method | Reason |
|---|---|
|  |  |

*This activity offers an opportunity for English skills development.*

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