

MOTIVATING PERSONNEL BY PERFORMANCE REVIEW

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Abstract

This study shows the results of self-evaluation and evaluation of employees of a service company. It has been proven that the differences between the evaluations were only minor. The subject entity employs young, ambitious people willing to get additional qualifications, punctual, awaiting instructions from their supervisors. The system of the assessment is interesting and worth spreading. This system consists in the spot assessment of the same problems by workers and superiors. Arising differences between assessments are attesting to the approach to studied area by judging sides.

Key words: work performance, performance review, employees, managers, company.

Classification JEL: M12 Personnel Management

1. Theoretical background for employee's performance reviews

Employees' performance evaluation is a system, which should be adjusted to a specific business and company, its organizational culture, challenges it faces an employee with (Bieniok, 2006, p. 36). It's a complex tool which occupies a major place in the human resources management process, as it can be used practically in all its areas, as shown in following figure, (Figure 1).

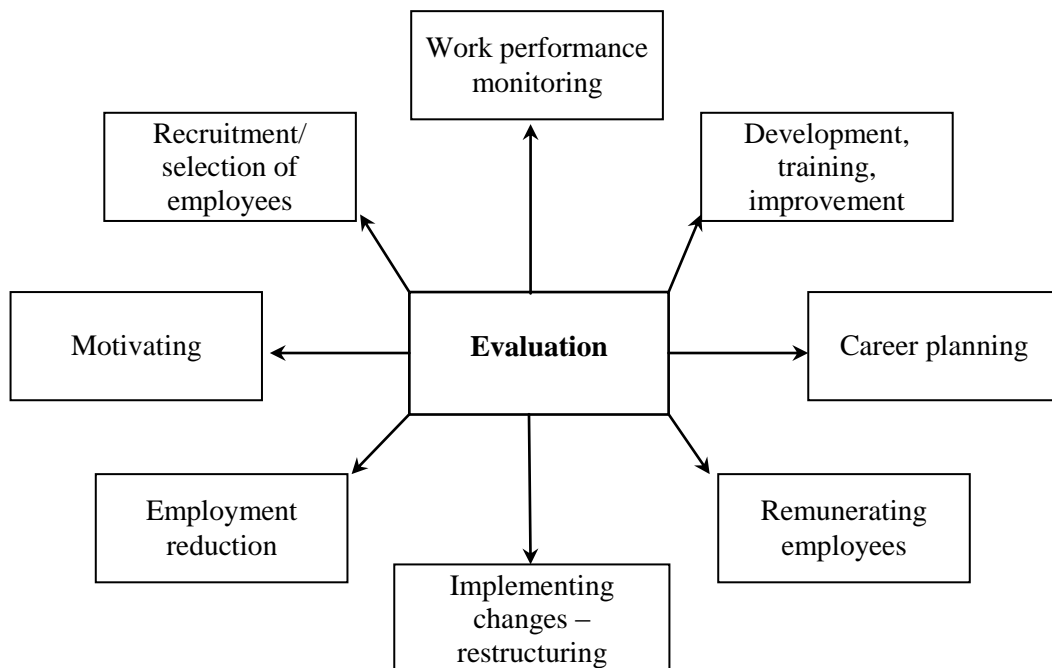


Figure 1: Role of evaluation process in human resources management

Source: Bieniok, 2006

Evaluation is useful for many particular reasons, which is represented in various forms and classify them depending on the specific needs of the company. D. McGregor enumerates three categories of evaluation (Listwan, 2002, p. 47):

- a) administration purposes, i.e. using evaluation results for creating personnel policy which refers to recruitment, employment, internal transfers and remuneration of employees,
- b) information purposes, i.e. providing data for managers about work performance of their subordinates, and for employees data on their strengths and weak sides,
- c) motivation purposes, i.e. providing feedback information to the employees which should motivate them for personal development and efficiency improvement (Golnau, 2004, p. 86; Borkowski, Rosak, Blašková, 2007, p. 66; Robbins, 2001, p. 31).

2. Subject of the research

The subject of this research is the company engaged in trading, administrating and managing real estate. The company apart from the owners employs 15 people, the features of which have been presented in Figure 2.

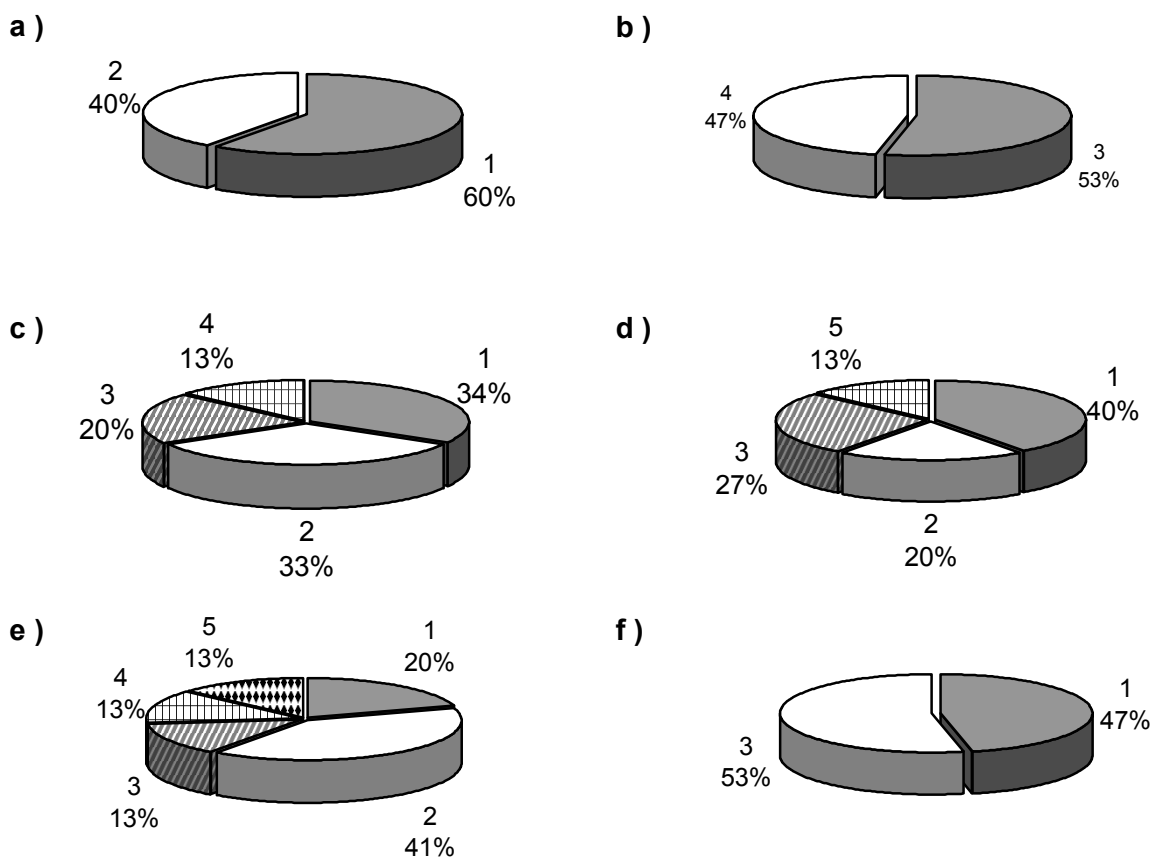


Figure 2: Characteristics of the staff of service company from the point of view of: a) gender, b) qualifications/educations, c) age, d) employment experience, e) number of work places, f) employment forms

Source: own study based on enterprise data

Marking: a) 1 = male, 2 = female; b) 3 = secondary, 4 = high; c) 1 = up to 30 years, 2 = 30 – 40 years, 3 = 40 – 50 years, 4 = 50 – 55 years; d) 1 = up to 5 years, 2 = 5 – 10 years, 3 = 10 – 15 years, 4 = 15 – 20 years, 5 = 20 – 25 years; e) 1 = first, 2 = second, 3 = third, 4 = fourth, 5 = fifth; f) 1 = regular/normal, 2 = transfer, 3 = due to better financial conditions. The data in Figure 2 may be presented as follows:

1. Majority of man in the company – 60 % (Figure 2a).

2. Over half (53 %) of employees have secondary education, the remaining part has higher education (Figure 2b).
3. The staff is young – 67 % does not exceed 40 years (Figure 2c).
4. The consequence of the above features of human resources is short work experience – 40 % to 5 years (Figure 2d).
5. For 41 % of the crew, it is the second workplace (Figure 2e).
6. 53 % of the employed changed the employer to the examined company due to better financial conditions (Figure 2f).

3. Results of the employee's evaluation range

According to the binding and valid evaluation system in the service company, there are three groups of employees' features:

- effectiveness of the performed work,
- employees' qualifications and willingness to improve them,
- personality features and behavior.

Each feature of an employee is evaluated by the interested person and by the supervisor on a scale from 1 ÷ 5. The evaluation result constitutes the sum of all evaluations and difference between the supervisor evaluation and employee's evaluation.

3.1. Employees' evaluation based on effectiveness of work performance by an employee

Acquired average grades for all the staff within the range of work effectiveness has been presented in Table 1. In the opinion of the evaluated ones, the level of realization of the assigned tasks (marking 1.1), as well as saving and lowering the costs (marking 1.4) all deserve to be highly evaluated, that is at the level of 4.27.

Table 1: Effectiveness of task performance by an employee – research results

Marking	Effectiveness of task performance by an employee	Average evaluation of an employee [S ₁]	Average evaluation of the supervisor [P ₁]	P ₁ – S ₁
1.1	Level of realization of assigned tasks	4.27	4.00	-0.27
1.2	Quality of performed work	3.87	4.07	0.20
1.3	Prompt performance of the work	3.93	4.00	0.07
1.4	Economy and caring for lowering the costs	4.27	4.40	0.13
1.5	Obeying supervisor's orders	4.07	4.33	0.26
1.6	Readiness to undertake additional tasks	4.20	4.13	-0.07

Source: own study

The surprising evaluation is the grade/rate for the quality of performed work (mark 1.2) at the level of 3.87. This means that the employees themselves are convinced that the quality of the services provided by them leaves a lot to be desired. That fact is not confirmed by the supervisor. Saving and caring for lowering the costs by the employees have also been highly evaluated by the supervisor. The acquired results have been graphically presented in the Figure 3. It results

from Figure 3c that only in two cases out of 6, average grade provided by the supervisor was lower than the average of the employees evaluation. Those two cases refer to:

- level of realization of the assigned tasks,
- readiness/willingness to undertake additional tasks.

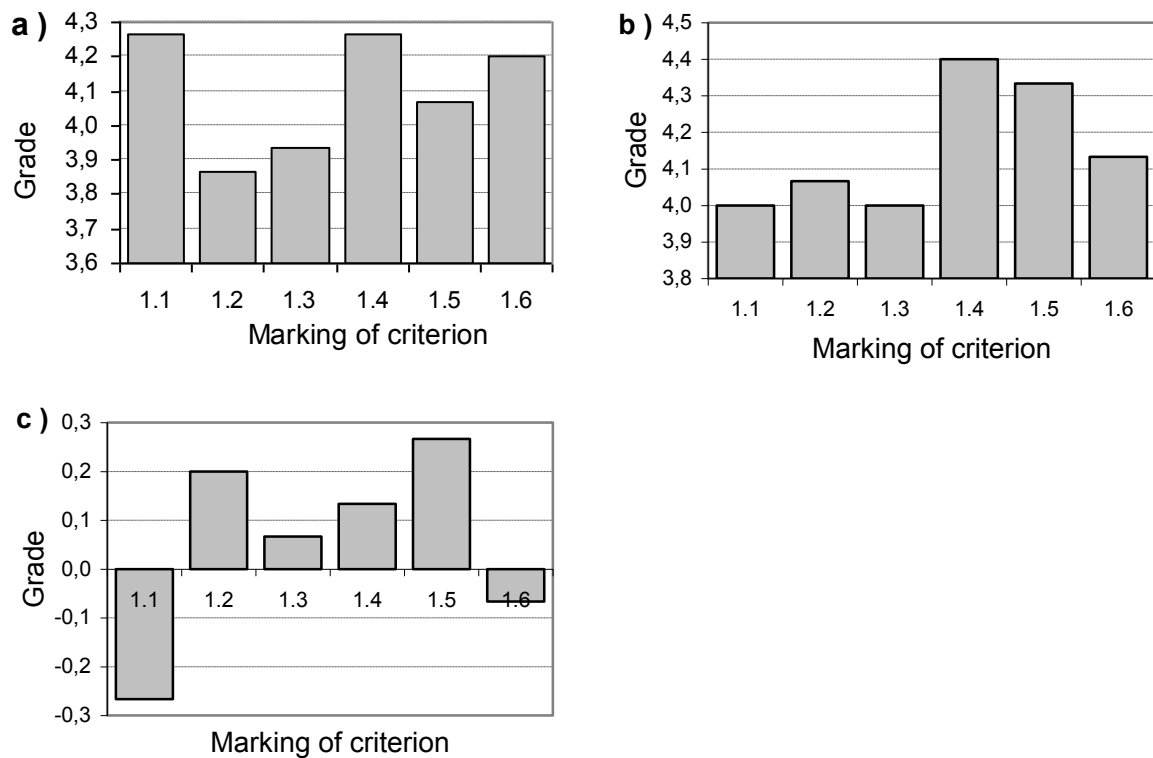


Figure 3: Levels of average evaluations of: a) employees, b) supervisors, c) difference of those evaluations for the criteria of the first area

Source: own study

3.2. Evaluation based on the qualifications

The method of presenting results is similar to the first area. In Table 2, the criteria's names and average evaluations of the employees and supervisors are presented.

Table 2: Qualifications and willingness to improve qualifications – research results

Marking	Qualifications – willingness to improve qualifications	Average evaluation of an employee [S ₁]	Average evaluation of the supervisor [P ₁]	P ₂ – S ₂
2.1	Professional knowledge	4.53	4.27	-0.27
2.2	Skills adequate for a given position	4.20	4.27	0.07
2.3	Interpersonal skills	3.93	4.27	0.33
2.4	Raising qualifications (courses, training)	4.20	4.33	0.13

Source: own study

Graphical presentation of evaluation results from the second area has been presented in Figure 4.

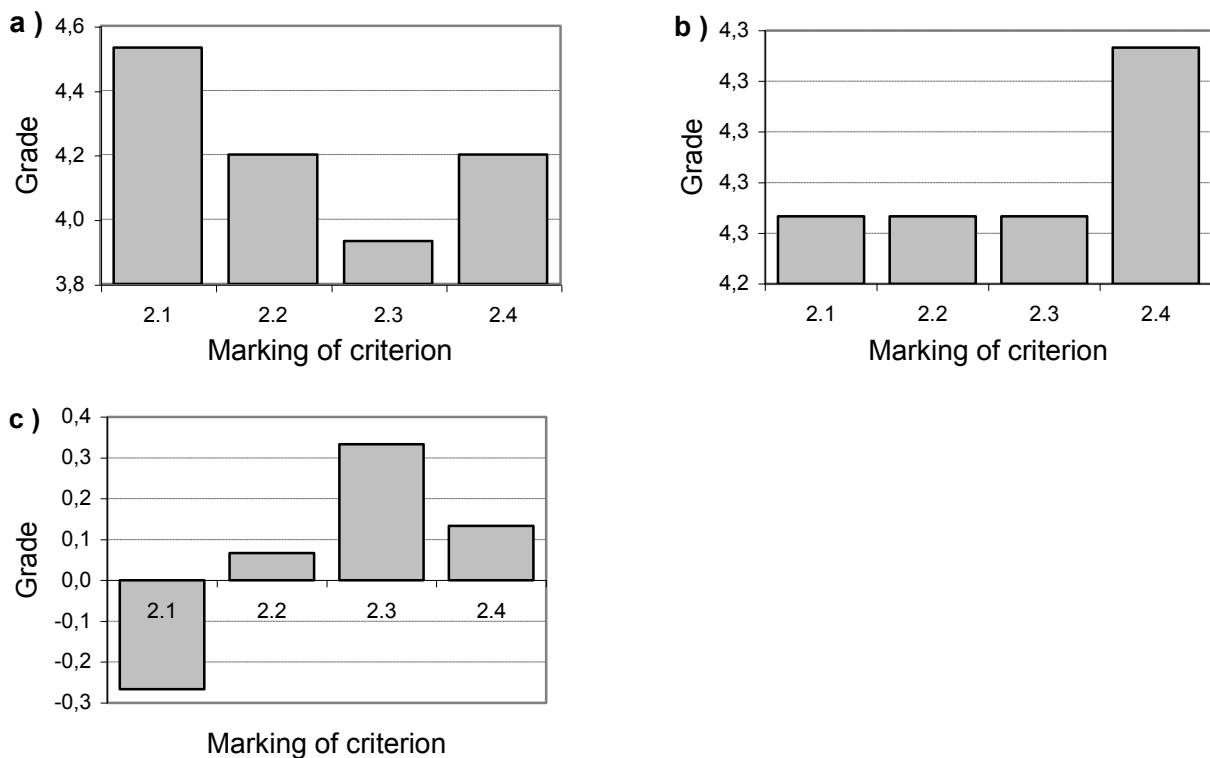


Figure 4: Levels of average evaluations of: a) employees, b) supervisors, c) difference of those evaluations for the criteria of the second area

Source: own study

Evaluation results from the second area can be presented as follows:

1. Professional knowledge (mark 2.1) has been evaluated highly by the employees themselves and by the supervisor however the employees have evaluated themselves higher than the supervisor (Figure 4a).
2. The employees have evaluated critically their interpersonal skills (mark 2.3) (Figure 4a).
3. The supervisors appraised highly improving qualifications (courses, training) – mark 2.4 (Figure 4b).
4. Only in one of four cases, the supervisor's evaluation was lower than employees' appraisal (Figure 4c).

3.3. Evaluation results regarding personality features and behavior

Third area – personality features and behavior – includes all of nine criteria, names of which and adequate results are incorporated in Table 3.

Data in the Table 3 constituted the base for Figure 5.

Table 3: Personality features and behavior – research results

Marking	Personality features and behavior	Average evaluation of an employee [S ₃]	Average evaluation of the supervisor [P ₃]	P ₃ – S ₃
3.1	Initiative and employee creativeness regarding work improvement	4.40	4.13	-0.27
3.2	Availability	4.13	4.33	0.20
3.3	Efficiency	4.07	4.33	0.27
3.4	Manners	4.33	4.07	-0.27
3.5	Own work organization	4.20	4.27	0.07
3.6	Self-reliance/Independence	4.13	4.20	0.07
3.7	Punctuality	4.40	4.60	0.20
3.8	Accuracy/precision	4.27	4.07	-0.20
3.9	Cooperation (ability and willingness to cooperate with colleagues and subordinates)	4.20	4.33	0.13
3.10	Relations with others (accommodating, sociable)	4.40	4.47	0.07

Source: own study

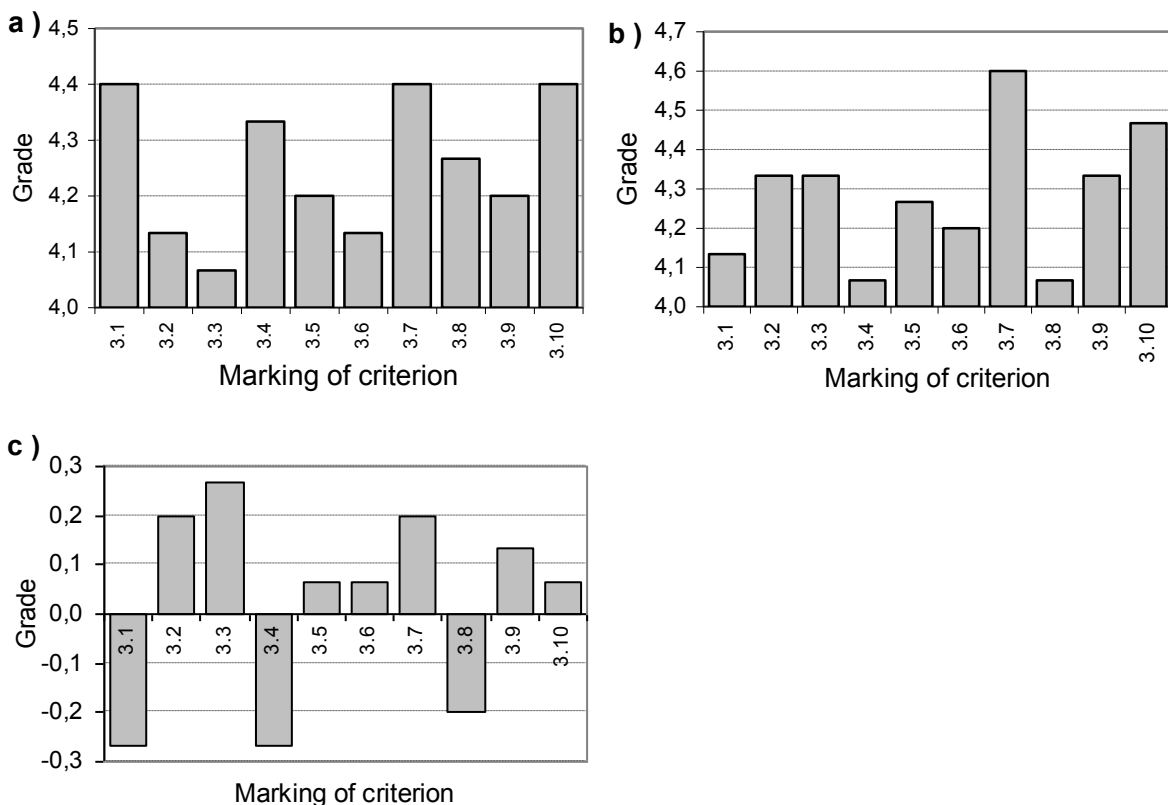


Figure 5: Levels of average evaluations of: a) employees, b) supervisors, c) difference of those evaluations for the criteria of the third area

Source: own study

The results of the third area evaluation are the following:

1. Punctuality (marking 3.7) was appraised as the most significant feature by both the employees and the supervisors.
2. The employees also highly appraised (at the level of 4.40) own features such as initiative and creativeness as well as helpfulness and easy manner (Figure 5a).
3. Efficiency (grade 4.07), in the opinion of the evaluating people is not their strong side. That would mean that they wait for the supervisors orders.
4. This conclusion is confirmed by the evaluation of availability by the supervisor.
5. The biggest difference is in case of efficiency (mark 3.3).
6. The advantage of the level of employee and supervisor evaluation appeared in case of initiative and creativeness (Figure 5c) of and employee as well as for manners.
7. In case of accuracy/precision, employees overestimated themselves.

In six cases (what constitutes 30 % of the general number of evaluations) supervisor's evaluation appeared lower than the employee's own appraisal, however in 14 evaluations, it was the supervisor who appraised their employees higher than themselves.

4. Summary

The presented at work system of the personnel rating is functioning in one Polish enterprise. In the summary one should emphasize that the system of the assessment is interesting and worth spreading. This system consists in the spot assessment of the same problems by workers and superiors. Arising differences between assessments are attesting to the approach to studied area by judging sides. These researches are an authentic source of information simultaneous about expectations of workers to start the thanks for which the management can stop own incentive instruments.

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