

# What is Performance Appraisal?

## Worksheet

Performance appraisal measures how well an employee meets role expectations, communicates feedback, identifies development needs, and informs career planning and pay decisions.

## Questions

1. When should appraisal conversations happen?
  - A) Only at the official annual review date
  - B) Ongoing, with a formal review at least annually
  - C) Every time an employee makes a mistake
  - D) Never - managers should focus on work, not conversation
2. A manager gives an employee a low rating without documented examples. What's the risk?
  - A) None - the manager has authority
  - B) Legal challenge, low morale, loss of trust
  - C) The rating is automatically overturned
  - D) No consequence; appraisals are informal
3. Which is a 360-degree feedback source?
  - A) Only the manager
  - B) Only peers
  - C) Manager, peers, direct reports, and self
  - D) Only direct reports
4. What is a key benefit of rating scales in appraisals?
  - A) They eliminate all bias
  - B) They ensure consistency and comparability across employees
  - C) They replace the need for conversation
  - D) They are loved by all employees
5. A marketing manager's annual review. What should be evaluated?
6. An employee disputes a 'Below Expectations' rating. How should the manager handle it?
7. How do appraisals drive salary decisions in a merit-based system?
8. Define: What is performance appraisal?
9. Define: Name three appraisal methods.
10. Define: Why is ongoing feedback important?

## Answer Key

1. B) Ongoing, with a formal review at least annually - Continuous feedback builds trust; formal reviews document and align.
2. B) Legal challenge, low morale, loss of trust - Lack of documentation opens the company to discrimination claims and erodes credibility.
3. C) Manager, peers, direct reports, and self - 360 means input from all angles - holistic view.
4. B) They ensure consistency and comparability across employees - Standardized scales allow fair comparison while reducing subjective drift.
5. Goal achievement: Did she hit campaign targets? (+\$500K revenue vs. \$600K goal = 83%). Competencies: Leadership, creativity, communication, analytical skills. Behaviors: Collaboration, initiative, problem-solving. Potential: Ready for director role? Needs what development?
6. Manager reviews documented evidence: missed deadlines, 2 quality incidents, low attendance. Employee explains: personal crisis (resolved), external blockers. Outcome: Rating stands, but manager agrees to coaching plan and re-assess in 3 months. Trust maintained by clarity and opportunity for improvement.
7. Ratings: Exceeds Expectations 5% raise; Meets Expectations 2% raise; Below Expectations 0% + performance plan. Example: \$50K salary, 'Meets' rating = \$50K 1.02 = \$51K new. Fairness: tied to documented, objective performance data.
8. A formal evaluation of an employee's job performance, achievements, and potential to guide feedback, career planning, and HR decisions.
9. 360-degree feedback, rating scales, narrative essays, critical incident method, management by objectives (MBO).
10. It prevents surprises, aligns performance with expectations, and shows the employee is valued throughout the year, not just at review time.

### **Bounlu**

All cards, step-by-step solutions and an AI tutor are in the Notek app.  
Promy turns exam dates into automatic reminders.