PERFORMANCE APPRAISAL:
The Importance of Rater Training

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INTRODUCTION

Performance appraisal, two rather simple words that often arouse a raft of strong reactions, emotions, and opinions when brought together in the organisational context of a formal appraisal procedure. Most organisations throughout the world regardless of whether they are large or small, public or private, service or manufacturing, use performance appraisal, with varying degrees of success, as a tool to achieve a variety of human resource management objectives (Longenecker, 1997). Organisations use different tools and have a number of goals for performance appraisals, often resulting in some confusion as to the true purpose of performance appraisal systems. However, at its core, the performance appraisal process allows an organisation to measure and evaluate an individual employee's behaviour and accomplishments over a specific period of time (Wiese and Buckley, 1998). Performance appraisal is a vital component of a broader set of human resource practices; it is the mechanism for evaluating the extent to which each employee's day-to-day performance is linked to the goals established by the organisation (Coutts and Schneider, 2004).

Yong (1996) defines performance appraisal as "an evaluation and grading exercise undertaken by an organisation on all its employees either periodically or annually, on the outcomes of performance based on the job content, job requirement and personal behaviour in the position". For example, the performance appraisal system in the Malaysian Public Service Department is a continuous process of evaluating every employee's performance which begins in January and ends in December every year. The system involves several steps, which can be considered as continuous, however periodic.

Performance appraisal objectives can be classified in a number of ways. One of the best known classifications was produced by McGregor (1987) who grouped the objectives as follows:-

- **Administration**. Providing an orderly way of determining promotions, transfers and salary increases.

- **Informative**. Supplying data to management on the performance of subordinates and to the individual on his or her performance.

- **Motivational**. Creating a learning experience that motivates staff to develop themselves and improve their performance.

The performance appraisal process can be traced back, at least, for many thousands of years. However, the first recorded appraisal system in industry was Robert Owen's use of character books and blocks in his New Lanark cotton mills in Scotland around 1800 (Newstrom and Davis, 1993). The character books recorded each worker's daily reports. The character blocks were coloured differently on each side to represent an evaluation of the worker ranging from bad to good, and they were displayed at each employee's workplace. Anecdotal evidence indicates that this practice had a facilitating influence on subsequent behaviour (Wiese and Buckley, 1998).

A generation ago, appraisal systems tended to emphasise employee traits, deficiencies and abilities, but modern appraisal philosophy focuses on present performance and future goals (Newstrom and Davis, 1993). Modern philosophy also stresses employee participation in mutually setting goals with the supervisor. Typically, modern performance appraisal systems are employed to achieve several objectives that include:

(1)   improvement in the communication between supervisor and subordinate through the use of feedback between them;
(2)   identification of the scope for performance improvement and the means to achieve this;
(3)   identification of individual training and development needs;
(4)   identification of the potential of individuals for promotion, placement, etc.;
(5)   as the basis for remuneration and reward, on the basis of performance; and
(6)   as a powerful means of managerial control, through the setting of objectives and a review of success or failure in achieving these (Edmonstone, 1996; Longenecker, 1997).

Research, as well as organisational experience, has demonstrated that in order to successfully achieve these rather broad objectives, performance appraisal systems must have two key components in place. First, they must have a technically sound rating process in place. That is to say, the organisation must have clearly developed rating procedures; an appropriate, user-friendly instrument (form); and a system in place to monitor compliance and to store appraisal data. The second key component to a successful performance appraisal system is the manager who is actually called upon to evaluate employee performance. The manager, placed in the challenging role of performance "rater," must have both the skills and motivation to conduct effective performance appraisals (Fink and Longenecker, 1998). Unfortunately, far too many managers do not possess these critical attributes.

According to Steers and Black (1994), "performance appraisal is one of the most important and often one of the most mishandled aspects of management". It has also been said to be one of the most problematic components of human resource management and is viewed as either a futile bureaucratic exercise or, worse, a destructive influence on the employee-supervisor relationship (Coutts and Schneider, 2004). A number

of studies suggest that managers regularly find the formal appraisal process to be frustrating, political and less than a meaningful experience, which does not bode well for management development. In a survey conducted by Coutts and Schneider (2004) on several police departments in the United States, they concluded that all too often the performance appraisal system of a police department does not constitute an especially effective component of the organisation's HR system and, therefore represents a poor investment of human, monetary, technological, and material resources.

The purpose of this paper is to highlight the common problems associated with performance appraisals. At the same time, this paper explores the type of rater training programmes available and the rater skills that managers require to enable them to perform effective formal performance appraisals. It will demonstrate that the managerial skills necessary to conduct an effective performance appraisal are indeed complex and, yet, highly interrelated and require attention to properly develop.

RATER PROBLEMS

Performance appraisals require the rater to objectively reach a conclusion about performance. The use of ratings assumes that the rater is reasonably objective and accurate. However, in reality, raters' memories are quite fallible, and raters subscribe to their own sets of likes, dislikes, and expectations about people, which may or may not be valid (Ivancevich, 2001). Raters have their own rose-coloured glasses with which they "objectively" view their subordinates. These biases produce rating errors, or deviations between the "true" rating an employee deserves and the actual rating assigned. Rating errors reduce the reliability, validity, and utility of performance appraisal systems. Biases in performance ratings manifest themselves in many forms. Some of the most common types of rater biases are:-

- **Halo effect**. Halo error occurs when the rater perceives one factor as having paramount importance and gives a good rating to an employee based on this one factor. The rater fails to discriminate between the employee's strong points and weak points; and the halo is carried over from one dimension to the other.

- **Horns effect**. This is the exact opposite of the halo effect, whereby the appraiser gives an unfavourable rating to overall job performance essentially because the appraisee has performed poorly in one particular aspect of the job which the appraiser considers all-important.

- **Central tendency**. This occurs when a rater avoids using high or low ratings and assign average ratings. The rater may believe that all the employees are equal, and do not want to rock the boat. The

result is a failure to reflect the true range of differences among the employees.

- **Standards of evaluation**. Problems with evaluation standards arise because of perceptual differences in the meaning of the words used to evaluate employees. Thus, *good*, *satisfactory*, and *excellent* may mean different things to different raters. Some raters are "easy A's", while others almost never give an A.

- **Leniency effect**. Giving undeserved high ratings is referred to as leniency. This behaviour is often motivated by a desire to avoid controversy over the appraisal. The downside of this error is that even poor performers may get good ratings and this could create resentment among the good performers.

- **Strictness effect.** Being unduly critical of an employee's work performance is referred to as strictness. Some managers apply an evaluation more rigorously than the company's standards.

- **Contrast effect**. This occurs when another employee's performance influences the ratings that are given to someone else. For example, when performance of an average employee is evaluated immediately after the performance of an outstanding employee, the rater might end up rating the average person as "below average" or "poor".

- **Similar-to-me error**. This error reflects a tendency on the part of raters to judge employees more favourably who they perceive as similar to themselves. It has been shown that the more closely an employee resembles the supervisor in attitude or background, the stronger the tendency of the supervisor to judge that person positively.

- **Personal bias**. Consciously or unconsciously, a rater may systematically rate certain employees lower or higher than others on the basis of race, origin, gender, age, or other factors.

- **Recency effect**. This error occurs when a rater overemphasises an employee's most recent behaviour. Most supervisors do not have the time or resources to closely monitor an employee's performance over a year or make detailed notes. Before the appraisal, the rater is forced to consult memory, which is clearer and more dependable in the months leading up to review, as opposed to the earlier part of the rating period.

- **Relationship effect**. Employees in high-quality trusting relationships with supervisors receive higher ratings regardless of how long they have worked for the supervisor, whereas employees in distant, low-quality relationships do better than average when the relationship is long-term.

ISSUES RELATING TO THE APPRAISAL SYSTEM
OF THE ROYAL MALAYSIA POLICE

The Royal Malaysia Police (RMP) has a performance appraisal system based on the system designed by the Malaysian Public Service Department (PSD). This system has undergone several changes and modifications over the years and the latest is a system incorporated in a revised scheme called *Sistem Saraan Malaysia* (SSM) implemented in 2002 (Public Service Department, 2002).

The senior police officers' performance appraisal system involves the process of work target setting, assessment of behaviour and job performance within a stipulated period. Pursuant to guidelines, the work targets are established in January following discussions and agreement between the first rating officer and the subordinate. The first rating officer is required to guide their subordinates to set work targets and to complete the annual work target. The appraisal process involves two-way interaction between the subordinate and the supervisor. The standard of work achievement will be measured based on cost, quantity, quality, and time (Public Service Department, 2002). Mid-term review on the accomplishment of those objectives is held in June/July and at the end of the evaluation period. The supervisor must inform the results of the appraisal report to the appraisee. The flow chart of the appraisal process is depicted in Figure 1.

Figure 1. Process flow of the RMP appraisal system
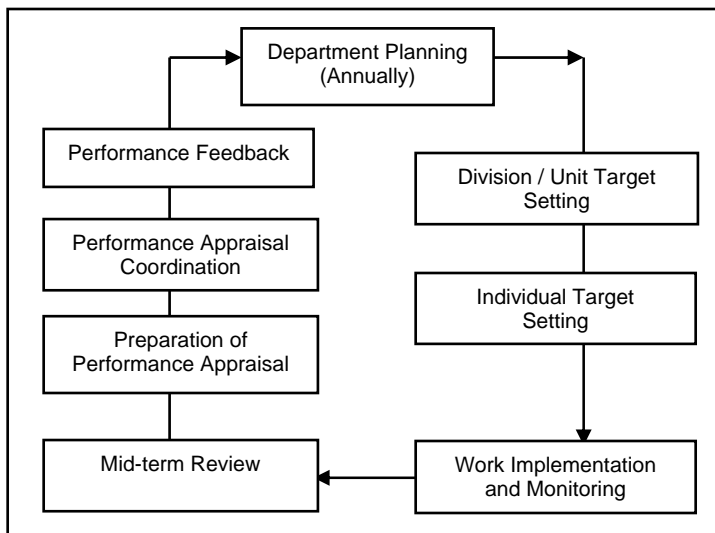
Source: *Arahan Bahagian Perkhidmatan / Perjawatan Bil. 8/2003 – Panduan Pelaksanaan Laporan Penilaian Prestasi Tahunan Sistem Saraan Malaysia*

A study was conducted on 145 gazetted officers of the rank of Assistant Superintendent of Police (ASP) to Superintendent serving in the Klang Valley to assess the extent to which the guidelines on work target

setting are adhered to, giving emphasis on the role of the supervisor and appraisee in the setting of work targets in the beginning of the year, mid-term review and the announcement of the appraisal results to the appraisee at year-end (Dev Kumar 2005). This study was also designed to obtain a general view of the level of understanding of officers on the importance of the performance appraisal system. It was conducted using a survey form to obtain the relevant data.

Results of the study revealed that there was rampant non-compliance with specific guidelines – annual work targets were not set according to schedule; there was no discussion between first rating officer and subordinate to set work targets; subordinate was not given guidance on setting work targets and performance indicators; mid-year review to monitor work progress was not conducted; annual work targets and mid-term review were only done at the end of the year; and subordinate was not informed of the result of his appraisal. Table 1 shows the 10 key findings of the survey.

Table 1. Response to performance appraisal survey (*n* = 145 officers)

Response	Percentage
1. Annual works targets not set in January	33
2. No discussion between first rating officer and appraisee when setting work targets	42
3. No guidance from first rating officer during setting of work targets	48
4. No mid-term review and discussion	51
5. No year-end appraisal interview	50
6. Appraisee not informed of appraisal results	49
7. Works targets and appraisal only done at the end of the year	76
8. No performance counselling during the entire process	68
9. Performance appraisal done at the last minute	65
10. Training required for raters	93

Undoubtedly, the pertinent finding is that more than 90 percent of the respondents surveyed indicated the need for rater training and acknowledged the importance of rating skills or competencies necessary to conduct effective performance appraisals (Dev Kumar, 2005).

RATER TRAINING

The annual fiasco of the performance review continues in many organisations despite evidence that it has the potential to be one of the most effective management tools in the entire kit (Picket, 2003). Considering the importance of the supervisor to the success of the appraisal process, many organisations do little to motivate or prepare raters

to conduct effective appraisals. Most supervisors have little, if any, training on how to properly assess employees' performance (Imundo, 1980). A weakness of many performance appraisal programs is that managers and supervisors are not adequately trained for the appraisal task and provide little meaningful feedback to subordinates (Bohlander et al., 2001). Because they lack precise standards for appraising subordinates' performance and have not developed the necessary observational and feedback skills, their appraisals often become nondirective and meaningless. Recent estimates suggest that very few organisations conduct rigorous, skills-based training with their raters (Grote, 1996). Instead, most organisations either hand performance rating forms and corresponding instructions to managers and tell them to evaluate their subordinates by a specific date or hold a short meeting to explain the rating purpose and procedure. Such procedures woefully underestimate the importance of managers having the proper skills or competencies to conduct effective appraisals. It goes without saying that a poor appraisal is worse than no appraisal at all. Bacal (1999) adds that:

> *"Performance appraisal isn't about the forms. The ultimate purpose of performance appraisal is to allow employees and managers to improve continuously and to remove barriers to job success, in other words, to make everyone better. Forms don't make people better, and are simply a way of recording basic information for later reference. If the focus is getting the forms "done", without thought and effort, the whole process becomes at best a waste of time, and at worst, insulting".*

An established body of literature shows that training can minimise rater effects. De Cenzo and Robbins (1996) unequivocally state that "if you cannot find good raters, the alternative is to make good raters". According to Edmonstone (1996), investment in rater training needs to be planned and implemented by organisations. Duncan (1983) stresses that raters should be trained to understand and use the appraisal system so as to maximise its positive aspects. It is the responsibility of the higher management to thoroughly train supervisors in conducting assessments, and to ensure that the learning is correctly applied (Imundo, 1980). Evidence indicates that training of appraisers can make them more accurate raters. Common errors such as halo and leniency can be minimised or eliminated in workshops where managers can practice observing and rating behaviours (De Cenzo dan Robbins, 1996). To conduct effective appraisal and counselling sessions requires the use of skills which few managers are likely to acquire in the normal course of their work. It is essential, therefore, that training should be given to raters. Without such training, managers may do more harm than good (Armstrong, 1988).

In a survey conducted by Longenecker (1997) on 120 managers in five large organisations in the United States, it was revealed that one of the main reasons why performance appraisals failed was because raters do not possess the skills and motivation to conduct appraisals. He noted that:

"While all of us informally evaluate people on an ongoing basis, a special level of skill is needed to do this effectively on a formal basis. Raters must possess specific skills such as performance planning, goal setting, coaching, decision making, interviewing and conflict resolution to be effective raters".

Torrington and Hall (1991) note that appraisers need training on how to appraise and how to conduct appraisal interviews. They add that an excellent performance appraisal system is of no use at all if managers do not know how to use the system for best effect. Apart from this, appraisees will also need some training if they have any significant involvement in the process (Torrington and Hall, 1991). Since employees are asked to contribute to the process (by being involved in the setting of work targets and in the review process), some training is required of them. This training should include how to set objectives, how to keep accurate records, and how to communicate all aspects of performance (Boice and Kleiner, 1997).

Hellriegel et al. (2002) notes that rating accuracy can be improved through training that focuses on improving the observation skills of raters. Training also builds confidence. A good training experience helps raters see that they can rate accurately and can handle the consequence associated with giving negative feedback.

RATER TRAINING PROGRAMMES

According to Boice and Kleiner (1997), rater training needs to focus on the process of managing, motivating and evaluating employee performance. A comprehensive training programme entails one to two days devoted to feedback and communication skills, developing goals and standards, documentation skills, conducting the appraisal interview, practice in using the rating form, and discussing rating errors to avoid (Roberts, 1998; Hodgetts, 1993). The training should also incorporate complete explanations of the philosophy and nature of the appraisal system (Flippo, 1984).

Many types of rater training programmes exist, differing in focus, cost and duration. The two common types are training programmes designed to eliminate common rating errors such as halo error and training programmes designed to improve the supervisor's observation and recording skills (Bohlander et al., 2001).

Gomez-Meija et al. (1995) state that one of the most effective ways to deal with errors and bias is to develop and communicate evaluation standards via frame-of-reference (FOR) training, which uses fictitious examples that an employee might exhibit. FOR training has been shown to improve appraisal accuracy. FOR training aims at establishing common reference among assessors as to what constitutes effective appraisal by establishing the rating standards and showing behavioural examples on various rating dimensions. Athey and McIntyre (1987) empirically found that

FOR training in comparison to training that is only "information providing" improved retention of information given during training, improved "distance accuracy", and reduced halo effect. In another study, McIntyre et al. (1984) found that FOR training improved accuracy and reduced halo effect as compared to training on rating errors. In another study by Woehr (1994), it was found that FOR-trained subjects not only produced more accurate performance appraisal, but also recalled more behaviour representing wider variety in performance dimensions.

Smith (1990) identified three types of training programmes designed to ensure that appraisers have a reasonably common frame-of-reference as follows:

1. **Rater error training**
   The aim here is to reduce rating errors by exposing raters to examples of common errors such as halo, leniency, central tendency, etc. As they become more familiar with these sources of errors, they are encouraged to avoid them.

2. **Performance dimension training**
   The aim here is to familiarise raters with the dimensions along which performance is appraised. This is done by providing descriptions of job qualifications, reviewing existing rating scales or having them participate in the development of such scales.

3. **Performance standards training**
   The aim here is to try and get the raters to share common perceptions of performance standards. This is done by presenting samples of job performance to those undergoing the training, together with the ratings assigned to the performance by trained experts.
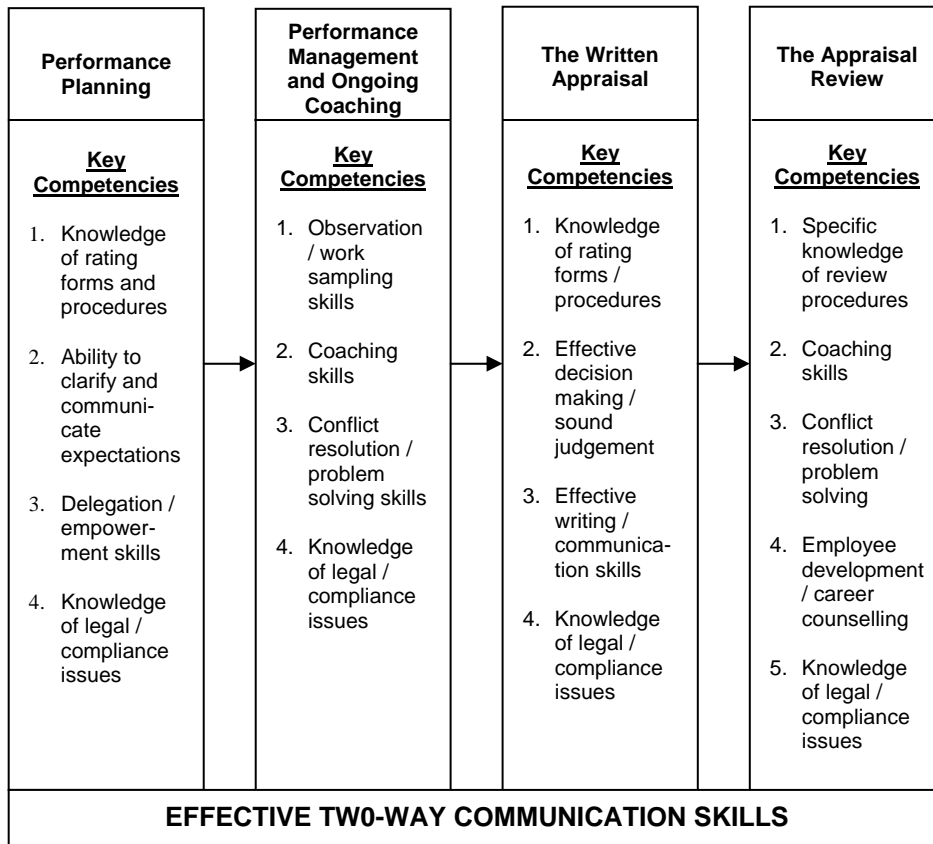
REQUISITE APPRAISAL SKILLS

Research has demonstrated that proper rater training can increase the overall quality of the rating experience for employees and managers alike while at the same time improve rating accuracy (Longenecker, 1997).The voluminous research literature on performance appraisal rater training has focused on several training issues, including improving raters' observational skills, reducing judgemental biases, and providing objective, meaningful, and constructive feedback.

Research findings on 149 managers who work in 22 different United States manufacturing and service organisations identified **ten rater skills** necessary to effectively conduct formal performance appraisals (Fink and Longenecker, 1998). There are four basic integrated phases in the performance appraisal process, each phase requiring the use of appropriate skills. Failure by managers to properly develop and employ

these skills results in a drastic reduction in the effectiveness of the appraisal process.

Figure 2 depicts each of these phases in relation to the key management skills utilised to effectively complete each step in the appraisal process. The foundational skill at all phases of the appraisal process is an effective two-way communications skill. In addition, knowledge of legal/compliance issues at every step of the appraisal process is also important.

FIGURE 2. Linking appraisal skills and the appraisal process

Performance Planning	Performance Management and Ongoing Coaching	The Written Appraisal	The Appraisal Review
Key Competencies	**Key Competencies**	**Key Competencies**	**Key Competencies**
1. Knowledge of rating forms and procedures 2. Ability to clarify and communicate expectations 3. Delegation / empowerment skills 4. Knowledge of legal / compliance issues	1. Observation / work sampling skills 2. Coaching skills 3. Conflict resolution / problem solving skills 4. Knowledge of legal / compliance issues	1. Knowledge of rating forms / procedures 2. Effective decision making / sound judgement 3. Effective writing / communication skills 4. Knowledge of legal / compliance issues	1. Specific knowledge of review procedures 2. Coaching skills 3. Conflict resolution / problem solving 4. Employee development / career counselling 5. Knowledge of legal / compliance issues
EFFECTIVE TW0-WAY COMMUNICATION SKILLS			

Source: Fink, S. dan Longenecker, C. O. 1998. *Training as a performance appraisal improvement strategy*. Career Development International **3** (6).

Phase 1: Performance planning

During the performance planning stage, supervisors and subordinates jointly set and clarify goals, performance expectations, and evaluation methods and criteria. The supervisors must ensure that the subordinates have the authority, knowledge, skills, and organisational resources to successfully complete work targets. In addition, supervisors need to communicate potential performance rewards/outcomes associated with different levels of performance. Specific skills required for managers to successfully complete this stage include:

- knowledge of organisation's rating forms and procedures – to clarify performance expectations, evaluation criteria, and methods;

- ability to clarify and communicate performance expectations – to communicate and set goals and standards of performance (specific, measurable, attainable, results oriented, with deadlines attached), to clarify the evaluation criteria of each subordinate they appraise, and to differentiate rewards associated with varying levels of performance;

- delegation/empowerment skills – to create accountability by clarifying duties, work assignments, goals and expectations, and providing sufficient authority to achieve assigned responsibilities; and

- knowledge of legal/compliance issues – to make sure that appraisal content is legally defensible and that rating procedures are uniformly applied.

Phase 2: Performance management and ongoing coaching

During the performance management phase, supervisors are required to track the employee's performance through effective work observation and sampling procedures, and provide appropriate ongoing feedback. The supervisors must monitor subordinates' behaviours and performance, record their performance, and provide feedback and assist through problem solving so as to help subordinates successfully achieve delegated responsibilities. Specific skills required for managers to successfully complete this stage include:

- observational/work sampling skills – so that proper dimensions of worker behaviour are observed using representative/nonbiased sampling techniques and that a proper written record is kept for these observations;

- conflict resolution/problem-solving skills – to potentially provide negative feedback in a manner which overcomes resistance and avoids resentment, and to help subordinates identify the cause of their problems or generate a strategy for improvement;

- coaching skills – to keep employees on the right track, provide positive reinforcement for good behaviour, and quick feedback for unacceptable or decreasing performance; and

- knowledge of legal/compliance issues – to make sure that written documentation of observed behaviour is legally defensible.

Phase 3: The written performance appraisal

During the written stage of the process, managers must make effective and non-biased decisions concerning subordinate performance and skillfully create a written record of their observations and conclusions concerning the nature of subordinate performance. They must employ sound judgment, effective decision making, and unambiguous and clear writing skills in creating a written document of the employee's contribution. Specific skills required for managers to successfully complete this stage include:

- specific knowledge of the rating form and procedure – to effectively complete the written appraisal document;

- effective decision making and sound judgment – to effectively evaluate the subordinate's actual performance on various rating criteria;

- written communication skills – to provide clear and unambiguous language to describe and document employee performance; and

- knowledge of legal and compliance issues – to ensure that managers generate a written rating document that is indeed representative of the employee's actual contribution and is not filled with unsubstantiated prose that makes the document difficult to legally defend.

Phase 4: The performance appraisal review

During the appraisal review, managers meet with subordinates to review performance ratings, deal with subordinate reactions (sometimes resistant or negative) to appraisal ratings, solve problems with employees on how to improve performance (if needing improvement), and potentially deal with career counseling and career development issues. Specific skills required for managers to successfully complete this stage include:

- specific knowledge of effective appraisal review procedures;

- coaching skills to discuss specific feedback issues;
- conflict resolution and problem-solving skills to identify and remove employee concerns and workplace frustrations and performance barriers;

- employee development/career counseling to help the employee identify opportunities for improvement and to discuss long-term career issues; and

- knowledge of legal/compliance issues to avoid discussions that violate existing laws or create unnecessary legal exposure.

There are several questions that need to be posed at this stage of the paper. At present, is our performance appraisal system perceived to be effectively serving the organisation's current needs? Do employees view the process as one that is performance enhancing? Are the managers / supervisors effective in their role as performance raters? The answers to these questions are critical and require attention by those responsible for the appraisal system. Based on the review of the skills needed at each stage of the appraisal process, Fink and Longenecker (1998) provide a checklist that can be used to evaluate gaps in current managers' appraisal skills and abilities and, therefore, better target training programs to ameliorate these gaps.

Table 3. An organisational assessment checklist of key rating competencies

To what extent do our managers…	Not at all	To some extent	To a great extent
1) Clearly understand our appraisal forms and rating procedures?	☐	☐	☐
2) Have ability to clarify and communicate job duties and performance expectation?	☐	☐	☐
3) Demonstrate effective decision making and sound judgment in the appraisal process?	☐	☐	☐
4) Act as effective coaches/mentors to their employees?	☐	☐	☐
5) Possess and utilize effective written and verbal communication skills in the formal appraisal process?	☐	☐	☐
6) Employ effective delegation and empowerment practices with their employees?	☐	☐	☐
7) Utilize effective observational and work sampling methods in monitoring employee performance?	☐	☐	☐
8) Foster employee development on both a short- term and a long-term basis?	☐	☐	☐
9) Successfully resolve performance problems and corresponding conflicts?	☐	☐	☐
10) Conduct legally sound performance appraisals?	☐	☐	☐

Source: Fink, S. and Longenecker, C.O. 1998. *Training as a performance appraisal improvement strategy*. Career Development International **3** (6).

CASE STUDY

> **Appraisal training programmes in Bank Simpanan Nasional**
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> Bank Simpanan Nasional Malaysia was established on 1st December 1974 under the Act of Parliament 146. The principle objectives of the Bank are to promote and mobilise savings, particularly from the small savers, to provide the means for savings by the general public, to utilise the funds of the Bank for investment including financing of economic development of the nation, and to promote the interest of its depositors and other customers.
>
> The Bank has currently 393 branches throughout Malaysia and about 5,000 employees. In 2002, the Bank implemented its new Performance Management System (PMS) for all its employees. The system is not unsimilar to the one designed by the Public Services Department. However, more emphasis is placed on its Management By Objectives (MBO) component.
>
> Before the PMS was introduced, training was conducted for all first rating officers including the senior management. Several workshops were held with the main aim of equipping the raters with the necessary skills to ensure the success of the system. A total of RM238,434 was spent on the workshops conducted by external consultants in 2002. Since then, the Bank has been conducting yearly refresher courses for its employees to ensure the smooth flow of the system.
>
> The investments made by the Bank in appraisal training programmes is said to have improved the rating accuracy and minimised rating errors tremendously. More importantly, the training programmes succeeded in developing a common evaluation standard among raters.
>
> (**Source:** The Human Resource Department, Bank Simpanan Nasional, 2005.)

CONCLUSION

Improving any performance appraisal system is a complex proposition that requires developing sound appraisal procedures and motivated as well as skilled raters. Appraisal training is important to the success of an appraisal system. There is no substitute for training, which can minimise the occurrence of rating errors and improve reliability and validity (French, 1990).

In the end, the reasons for not properly training managers to conduct effective appraisals do not hold water in our ever-changing work environment. If performance is important to an organisation, so is the

appraisal of that performance. If appraisal is important, then managers must be led to develop the skills presented in this paper that are critical for effective appraisal. Without these critical competencies, the organisational appraisal process cannot achieve its desired objectives. No matter how well designed a performance appraisal system is, its effectiveness is largely determined by the understanding, commitment and skills of the managers who must actually implement the system. Coutts and Schneider (2004) note that "police organisations that do not invest in performance appraisal training are sending a clear message, either wittingly or unwittingly, that they do not consider the performance appraisal system an important component of their HR practices". When the manager conducting any performance appraisal does not possess the skill or motivation to rate the subordinate's performance, problems are a foregone conclusion.

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