

Errors to Avoid in Performance Evaluations

I. Halo/Horn Effect

Halo/Horn error is the tendency to rate a person high on all performance factors or low on all of them because of a global impression one has.

Causes:

- **Compatibility.** This is the tendency to rate people whom we find pleasing of manner and personality higher than they deserve on all factors, not just interpersonal skills. Those who agree with us, nod their heads when we talk, etc., get better ratings than their performance justifies.
- **The one-asset person.** The glib talker, the person with the nice looks, the person with advanced degrees, or the graduate of our alma mater usually has the advantage of an upward bias when he or she is evaluated.
- **The high-potential effect.** We often judge the person's credentials rather than what the person has actually done for the organization.
- **The contrary person.** The boss may find it difficult to be objective and ignore his or her private irritations with a person who disagrees too often on too many things.

Cures:

- Attend to differences across performance factors. Develop a very clear idea of the nature of each performance factor and the kind of behavior it describes. Focus on differences, not similarities.
- Attend to all aspects of a person's performance. When an individual is particularly impressive/disappointing in one area, avoid the tendency to categorize other performance areas similarly.

II. Negative or Positive Leniency

Some raters are too hard to too easy overall in evaluating employees. Performance evaluation ratings that are severe or lenient give the wrong impression to personnel and to the employee.

Causes:

- **Membership in a weak team.** (Guilt by association) The good player on a weak team usually ends up with lower ratings than he or she would have if on a winning team.
- **The self-comparison effect.** The person who doesn't do the job as we remember we did it when we held that job will suffer more than those those who do work unfamiliar to us.
- **The boss as perfectionist.** Because the manager's expectation level is so high, he or she is somewhat disappointed and rates people lower than they deserve.
- **The effect of the person's past record.** The person who has done good work in the distant past is assumed to be okay in the recent past too. The impressions of past good work carry over into later periods.
- **The effective of recentness.** The person who does an outstanding job the previous week or the day before the evaluation discussion can offset mediocre performance over the previous months.

Cures:

- Develop an accurate understanding of the type of performance that presents each rating level.
- Calibrate your internal rating scale with a trusted colleague.

III. Central Tendency

Some raters evaluate all employees in the middle of the scale and avoid extreme ratings.

Causes:

- **The no complaint bias.** The appraiser is often apt to treat no new as good performance. If the appraiser has had no complaints either from or about the person, she or he assumes everything is fine, and evaluates the person as such.
- **Lack of clearly defined performance standards.** The rater may assume that all employees are performing about average because she or he isn't really sure what constitutes exceptional performance.
- **Avoiding risks.** Sometimes raters worry about consequences for giving employees high or low ratings. They are concerned about challenges by the employee, or a need to give more detail as reasons for lower ratings.

Cures:

- As with other rating errors, central tendency can be counteracted by developing very specific clearly defined objectives.
- Some evaluation structures literally force raters to spread out their ratings across the entire scale. If you commit central tendency error, try pushing yourself to vary your ratings within and across persons.

IV. Available Information Effect

Information that is readily available in memory will over influence ratings during performance evaluations.

Causes:

- Certain incidents can fortuitously trigger memories of a particularly good or bad performance by one or more employees. If this happens shortly before the performance evaluation, it could affect your ratings of that employee.

Cures:

- Before the evaluation, gather as much information as you can about all pertinent areas of performance.
- Maintain a performance event file for each employee. Keep records of successes as well as failures. Don't overlook satisfactory performance.

V. Direct Experience Effect

Direct experience can dominate abstract information even if the abstract information has greater accuracy than the personal experience.

Causes:

- If you were to see an employee slam down the phone and you knew she or he was speaking to a client, this probably would affect your opinion of the employee vis-à-vis the customer service performance factor. However, before you assign the employee a low rating, it is wise to collect information from other sources. You may find that this behavior is typical of the employee, or you may learn it is extremely rare.

Cures:

- Don't let a single experience determine your opinion of an employee's performance. Gather as much information as possible and try not to weigh one incident too heavily.