Performance Development & Review

Performance Rating Moderation

Information & Guidelines

November 2009
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Appendix A – PDR Performance Rating Descriptions
1. Objective of the PDR Performance Rating Moderation Process

Performance ratings criteria are fairly and consistently applied to evidence of individual performance using performance criteria whilst maintaining confidentiality of information.

2. Types of Performance Rating Moderation Meetings

The Director and Manager will confirm the format of moderation meeting prior to conducting the meeting.

All Supervisors report to a Department Manager

In this instance all supervisors will remain for the entire meeting to discuss ratings for all staff reporting to them.
Roles in Performance Ratings Moderation

Each participant in the moderation process plays a significant role in ensuring the process is followed and fairly applied.

There are four key roles – Manager, Supervisors / Team Leaders, HR and Director. Two of these roles are prominent in the Ratings Moderation meeting whilst the role of the Director is significant in the Ratings Review process.

3.1 Moderation Meeting:

Manager

The Manager is responsible for:

• chairing the meeting. They essentially have ‘ownership’ of the meeting.
• the meeting introduction
• setting the stage
• engaging in the discussion

Supervisors / Team Leaders

Supervisors / Team Leaders are responsible for:

• presenting staff member information accurately
• discussing whether the initial ratings are accurate and consistent

Facilitator / Human Resources

The facilitator is available to:

• ensure the process is adhered to
• engage in discussion where appropriate to ensure:
  a) confidentiality is maintained
  b) focus discussion on performance, not other issues

3.2 Review & Finalise Performance Ratings

Executive Dean / Director

The Director reviews the ratings outcomes from the Moderation Meeting to:

• check numbers of staff receiving each level of performance rating
• examine reasons as to distribution of performance ratings
• Give final sign off on staff member performance ratings.

In most cases the Director will not attend the Moderation Meeting.
4. The Moderation Process

4.1 Preparing for the Moderation Meeting

1. Human Resources send Performance Rating Moderation Information Pack to each Manager and Supervisor/Team Leader as pre-information for the moderation meeting.

2. Manager confirms with Director:
   - the departmental moderation process to be applied e.g. number of supervisors in meeting
   - the estimated time required for the moderation meeting
   - the date and time for the moderation meeting

3. Supervisor/Team Leader to submit individual staff member performance ratings to Manager who will populate a password protected Excel spreadsheet. The spreadsheet will be used as a source document in the moderation meeting.

   a) The document will be sorted by level and rating. – see examples below.

Professional/General Staff Example:

<table>
<thead>
<tr>
<th>Dept</th>
<th>Employee #</th>
<th>Title</th>
<th>Name</th>
<th>Position Title</th>
<th>Level</th>
<th>Rating</th>
<th>Moderate d Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance</td>
<td>56987</td>
<td>Mrs</td>
<td>Fredericks, Susan Jane</td>
<td>Manager, Management Accounting</td>
<td>7</td>
<td>Excellent</td>
<td>High Achieve</td>
</tr>
<tr>
<td>Finance</td>
<td>44589</td>
<td>Mr</td>
<td>Peterson, Frank</td>
<td>Manager, Accounts Payable</td>
<td>7</td>
<td>Proficient</td>
<td>Proficient</td>
</tr>
<tr>
<td>Finance</td>
<td>96350</td>
<td>Ms</td>
<td>Choon, See Pak</td>
<td>Manager, Management Accounting</td>
<td>7</td>
<td>Proficient</td>
<td>Proficient</td>
</tr>
<tr>
<td>Finance</td>
<td>56972</td>
<td>Mr</td>
<td>James, Richard John</td>
<td>Manager, Accounts Receivable</td>
<td>7</td>
<td>P/A</td>
<td>P/A</td>
</tr>
<tr>
<td>Finance</td>
<td>49821</td>
<td>Ms</td>
<td>Kingston, Wendy</td>
<td>Team Leader, Accounts</td>
<td>6</td>
<td>High Achieve</td>
<td>Excellent</td>
</tr>
<tr>
<td>Finance</td>
<td>35970</td>
<td>Mr</td>
<td>Padtha, John Terrance</td>
<td>Team Leader, Revenue</td>
<td>6</td>
<td>Proficient</td>
<td>Proficient</td>
</tr>
<tr>
<td>Finance</td>
<td>32587</td>
<td>Mrs</td>
<td>Wheeler, Julie</td>
<td>Accounts Payable Officer</td>
<td>5</td>
<td>High Achieve</td>
<td>High Achieve</td>
</tr>
<tr>
<td>Finance</td>
<td>56489</td>
<td>Mr</td>
<td>Hashtan, Hamid</td>
<td>Accounts Payable Officer</td>
<td>5</td>
<td>High Achieve</td>
<td>Proficient</td>
</tr>
</tbody>
</table>

4. Manager reads material and contacts HR if they need to clarify information regarding the moderation process, confidentiality guidelines and/or clarify roles.

4.2 Conducting the Moderation Meeting

This meeting will be attended by

- the Manager
- all Supervisors / Team Leaders who report to the Manager
• Human Resources / Facilitator

4.2.1 Introduction

Manager introduces the meeting. Outline the:

• moderation process that will be applied for the group.
• confidentiality guidelines including the use of information and note taking during the moderation meeting.
• Ground rules for a moderation discussion
• Role of HR in the meeting

Either a hard copy of Excel initial performance rating spreadsheet is distributed or projected.

Hard copies will be collected and destroyed.

4.2.2 The Meeting

Starting the Meeting

The meeting begins with an overview of meeting structure and guidelines. Meeting guidelines could include:

• Re-iterating confidentiality guidelines.
• Supervisors / team leaders can only comment on an individual’s rating only after a supervisor / team leader has completed presenting a staff member.
• Supervisors / team leaders must have current and direct knowledge of staff members in order to engage in discussion.
• Supervisors / team leaders cannot reference information from previous performance cycles.
• All anecdotal evidence provided by managers must be supported by evidence.

All supervisors/team leaders and department head to look at suggested ratings posted on the Excel spreadsheet.

In some cases trends may readily appear such as a heavy weighting in one category or a preferred rating given by one supervisor / team leader.

Conducting the Moderation Discussion

Start the moderation discussion with a presentation of evidence from supervisors / managers on their staff with an ‘excellent’ performance rating.

Group discussion centres on:

• whether everyone in the category meets the ‘excellent’ benchmark.
• who is on the cusp of ‘excellent’ and ‘high achieving’ and test whether the benchmark applies
• decide any movements based on the benchmarks

Discuss evidence from staff with a 'high achievement' performance rating.

Discussion will follow the same process as those in 'excellent' category

2. Discuss evidence from staff with a 'partial achievement' performance rating.

Discussion will follow the same process as those in 'excellent' category

3. Discuss evidence from staff with 'unsatisfactory' performance rating.

Discussion will follow the same process as those in 'partial achievement' category.

4. Discuss evidence from staff with a proficient rating who may sit on the cusp of either 'high achievement' or 'partial achievement'.

Again, follow the same process as per discussion of staff performance in other categories.

4.2.3 Concluding the meeting

If using hard copy spreadsheet, finalise ratings on the spreadsheet and populate the soft copy document.

If directly populating the Excel spreadsheet, finalise the ratings directly and save.

Manager to confirm next steps i.e. take ratings to Director, estimated time frames for final ratings.
4.3 Finalising ratings across Offices

There are two options for reviewing and finalising ratings across Offices:

**Option 1:** Manager and Director to discuss and finalise individual ratings for the department.
Director ensures spread of rating depicts differentiation of performance within the Office.

**Option 2:** All Managers and Director meet to finalise individual ratings and ensure spread of rating depicts differentiation of performance within the Office.
5. **Confidentiality Guidelines in the PDR Performance Ratings Process**

1. A staff member’s performance information will be discussed within the moderation meeting but not disclosed to any party outside their faculty/office and HR or used for any other purpose.
2. Only the staff member’s supervisor, their managers and HR can sight the staff member’s PDR documentation.
3. Private information that may impact upon the individual’s performance rating e.g. health status, personal circumstances, will not be discussed in the meeting.
4. Performance ratings for 2009 will not be kept on forms or files.
5. The information will be used to ensure an accurate application of performance rating criteria across the department.

5.1 **Applying Confidentiality Guidelines in the performance ratings moderation meeting**

**Before the performance ratings moderation meeting:**

- Ensure each supervisor / manager has a copy of the Confidentiality Guidelines and has read and understood them.
- Ensure all staff within the function know their PDR information may be discussed in the meeting in the process of ensuring an equal and transparent rating process is applied.
- Check all supervisors understand what is required to ensure these are maintained and the consequences for breaching the guidelines.
- Meeting participant’s performance will not be discussed when they are present.

**At the beginning of the meeting:**

- Clarify the purpose for which the performance information is being discussed.
- Outline the confidentiality guidelines to the group.

**At the end of the meeting:**

- All notes taken during the meeting by participants other than the staff member’s manager, will be destroyed and/or erased.
- Excel spreadsheets containing staff performance ratings will be returned at the end of the meeting.
6. **Information which can be used in the Moderation meeting:**

- Current completed PDR Form for the staff member
- Evidence of completion of individual staff member performance objectives
- Evidence of completion of individual staff member unplanned outcomes
- Position Description
- Other evidence of performance or information to support the appropriateness of an individual performance rating.
7. **Do’s and Don’ts for a successful Rating Moderation Meeting**

**Do:**

- Prepare for the meeting
- Bring the necessary information to the meeting
- Have current and direct knowledge of the staff member’s performance.
- Ensure there is a common understanding of the performance rating descriptors.
- Ensure you have read and understood the Rating Moderation Meeting confidentiality guidelines.
- Let the supervisor / manager of the staff member being discussed present evidence supporting the proposed performance rating before making comment.
- Stick to the evidence.
- Stick to the moderation process.
- Ask for examples

**Don’t**

- Let your biases lead your decision.
- Draw on past experiences with the staff member outside of the performance review period, to support your rating decision or agreement/agreement with the proposed rating.
- Rely on anecdotal information
- Discuss extraneous factors such as the staff member’s views, preferences and beliefs
8. Discussing Performance Ratings with Staff

Communicating the performance rating should contain specific information about the reason why the particular performance level has been assigned. It is also an opportunity to discuss future development opportunities, as they may exist in your department or elsewhere in the university or outline development requirements to improve work performance.

Giving feedback on the performance rating

It is strongly recommended you have a face-to-face conversation with your staff member about their performance rating. This allows your staff member the opportunity to ask questions or make their own comment on the final rating. Providing the staff member with a final performance rating via email or leaving a voicemail message does not give the same opportunities.

Informing the staff member their performance rating

You will need to communicate two pieces of information:

i) The staff member’s performance rating

ii) The evidence supporting the application of this rating.

Before telling your staff member their final rating for the year:

i) Ensure the rating is the final and agreed rating from the Head of Department / Office. It is strongly recommended you do not tell your staff member their performance rating prior to moderation and finalisation as this can lead to disappointment on the part of the staff member and mistrust between staff member and supervisor.

ii) Plan your feedback, particularly if the rating is below an individual staff member’s performance rating expectations and/or below Proficient. Think about how the staff member is likely to receive feedback – what are they likely to agree with? Where may there be sources of disagreement or angst?

Example:

Supervisor / manager: ‘Your performance rating for this year is Proficient. This rating was agreed and signed off by Head of Office. Supporting evidence for this rating included your satisfactory completion of all of your performance objectives as well as completion of those objectives that were unplanned but still fell within your role.’
Querying Performance Ratings

Supervisors may not discuss a staff member’s performance rating with other staff. They can discuss ratings with their line management. Discussing a staff member’s performance rating with another staff member is a breach of confidentiality. If a staff member queries their performance rating comparing it with another staff member’s rating, you will need to let them know you cannot discuss this. You may also need to give a fuller explanation to the staff member about his or her own performance rating.

Example:

**Staff Member:** ‘I have heard my colleague who is of equal grade and tenure got a higher rating than me. I think I do a far superior job than they do. Why did you give the m that rating?’

**Supervisor:** ‘I can’t discuss another staff member’s performance and their rating with you. I am happy to discuss how your performance rating was decided and how the performance rating process works.’

If the staff member disputes their performance rating they can discuss this with their supervisor / manager. If they still disagree with the final rating they can take meet with their manager’s manager to review the final rating as per the guidelines within ‘Managing Disagreements’ in the PDR policy. Every effort will be made to resolve it at this level.
9. **Rater Biases**

There are a number of kinds of biases common in performance appraisals. Awareness of common pitfalls can help avoid

**Initial Impression**

This is a rating based on first impressions. It occurs when you do not have day-to-day contact with your staff member.

*I’ve always thought of Jane as very competent when I saw her take charge in committee meeting.*

**Central Tendency**

A tendency to rate the expected norm for all goals. This may occur if you give a ‘Proficient’ rating for all staff members. This raises the ratings for poor performers and lowers the ratings for outstanding performers.

The two reasons why this can occur in rating staff performance are either:

i) your staff are equally proficient or

ii) there is a reluctance to deal with perceived consequences of giving some people positive evaluations and others negative.

The result is a failure to reflect the true range of differences amongst staff. Such ratings provide no useful information to the staff member or the university.

*All in all Peter does what he needs to at his level. He’s not high achieving but overall he seems to get things done. We’re very team oriented in this department and everyone would expect to have their performance rated similarly because everyone works towards the same goals.*

**Strict rating**

Rating consistently lower than normal or average. Some supervisors / managers expect more than others from their staff. The effect is to lower the ratings of staff in one area relative to others from another area.

*I don’t think I should lower my standards just because this level of performance would look good in another department.*
**Lenient Rating**

Rating consistently higher than the expected norm or average. The effect is to hurt the superior performers. Either you are easy to please or you have weeded out all but the star performers from your department. This can diminish the value of the higher rating.

*I've got a great group! Overall, they have a great track record and deserve to be rewarded with a high rating.*

**Halo Effect**

The halo effect involves rating a staff member highly on one essential job function which in turn influences the supervisor to give the staff member a similar rating on other aspects of their role. This often happens when the highly rated function is especially important to the rater and they want to believe a staff member’s strengths carries over to other aspects of their job.

*‘Marcia really performed well on his teaching this year so she must have worked hard to meet her research objectives.’*

**Horn Effect**

Rating an employee unsatisfactory in one function can lead a supervisor /manager to rate the staff member poorly in other areas.

*‘Morris didn’t deliver on his research objectives. I would think he hasn’t done too well on his teaching ones either.’*

**Latest Behaviour**

This rating is influenced by the most recent behaviour. It’s an easy trap to fall into when supervisors/managers haven’t been very good at keeping notes about performance over the course of the appraisal period. Recent behaviour may not be typical of overall performance or may be distorted by other factors such as illness or even the anticipation of a performance review.

*I know Ahmed did a good job on participating in the curriculum review project but has been late with some deadlines recently. It’s looking like he’ll be getting low performance rating.*

**Order of Performance Goals**

Two or more objectives on a PDR form closely follow each other and both describe a similar quality. This results in functions rated similarly because they are close together although performance for each goal might
have been different. This bias can occur when a supervisor/manager is concerned they may look inconsistent if they rate a staff member high on one objective and considerably lower in another.

‘I think Elaine is proficient in meeting quality goals and proficient seems about right for service standards as well.’

**Spill over Effect**

Allowing past performance ratings or position or status to unjustly influence current ratings. Not everyone is a consistent performer. In addition a staff member may become complacent assuming their position will guarantee they will get the same rating year after year.

‘Last year Paul got an ‘excellent’ rating. He’s going to be disappointed if he doesn’t get the same rating this year.’

**Status Effect**

Ovrrating staff members in higher-level roles or roles held in high esteem; underrating staff in lower-level jobs or jobs held in low esteem.

‘Anyone who can work in the Research Centre has to be an excellent performer.’

‘Chris, on the other hand has told me she doesn’t want to go further than where she is and she’s been doing the job for ten years. She lacks ambition.’

**Same As Me**

The rating is higher than deserved because the person has qualities or characteristics similar to those of the rater. This is a common pitfall. We tend to like the people we can relate to. And the more we like someone as a person, the more likely we are to rate them highly regardless of their performance.

That’s the way I would have handled it – truly brilliant!’

**Different From Me**

The rating is lower than deserved because the staff member has qualities or characteristics dissimilar to those of the rater.

True. Martin did deliver on his objectives. But I think some of this must have been luck because he didn’t go about it the way I would have chosen.’
Attribution Errors

Supervisors attempt to assess not only what the level of performance was but also why the performance was at a particular level. When performance is at unusually low or high levels, the appraising supervisor / manager tries to attribute cause to the performance.

Biases can emerge during the attribution process. For example, if supervisors feel that the cause of strong performance is based on great effort on the part of the staff member, they will receive a higher performance rating than if the supervisors believe the strong performance is due to natural ability or talent. Likewise, a performance failure due to lack of sufficient effort will be judged more harshly than a failure believed to be caused by lack of skill.

‘Even though Pak was outstanding in his analysis for the project, I’m not that impressed because I know he didn’t spend that much time on it.’

Actor-Observer Bias

This is based on the tendency for supervisors /managers to attribute too much of a staff member’s performance to personal characteristics such as ability, effort and personality. Meanwhile there is a tendency for the staff member to attribute their performance to situational characteristics such as task difficulty, equipment, resources and work environment. This bias illustrates supervisors/managers and staff can have very different perspectives when assessing employee performance.

‘I’m tired of Sue’s constant complaints that the software is producing unreliable data; these are just excuses for her laziness.’

Personal Biases

In addition to the above biases and errors that can affect any appraiser of work performance, the personal biases of any supervisor can also distort the accuracy of assessments. The most common personal biases are those based on the employee’s gender ,race, age, sexual orientation and physical characteristics such as disabilities.