

**The Ministry of Education of  
Azerbaijan Republic**

**Performance management  
systems and employee motivation**

Laman Movlayeva

UNEC SABA

Azerbaijan State University of Economics







1. Introduction In this research, modern performance appraisal systems used by companies operating in Azerbaijan have been analyzed. Improved theories about performance evaluation systems, an important function of human resources, have been evaluated. The research aims to determine the extent to which contemporary human resources management systems and performance evaluation methods are applied in Azerbaijan's enterprises. In addition, this research will determine the relationships between the structural characteristics of companies, performance evaluation criteria and the institutional effects of performance evaluation techniques.

2. Human Resources Management Scientifically, the concept of human resources first emerged with the Industrial Revolution. In this period, economic life is developing rapidly, important industrial establishments are born and people have started to work in factories instead of houses. Frederick W. Taylor's understanding of scientific management is in line with the needs and values of the Industrial Revolution. Taylor objectively investigated the tools used, the human power needed, the time required, and aimed at less time to produce more. In the 1920s, there was a change in working relations due to the influence of trade unions and external factors, and the concept of personnel management started to be expanded. In the 1930s, the union law led the businesses to attach special importance to regulating relations with the trade unions. U.S.A. and in the 1970s, Europe's leading countries began to realize that more effective, more developed and not just machine-generated, human factors were essential. Contemporary human resources management has been shaped as a concept based on the human element today through these processes. In this study, it will be revealed what kind of importance the contemporary human resources management has gained importance in the investigated enterprises. The concept of human

resources today is aimed at the aims and targets they are a resource to use to arrive. Man is the most precious part of the production process and is the entity that is the target of production. The understanding of human resources covers everything from the top management working in an institution to the bottom level employee. This concept includes employees within the organization as well as employees who are regarded as outside the organization and potential employees. If an organization's other material resources are strong at any time, the success rate of that organization will be low if the human resources are not at a competent level.

The understanding of human resources management includes all the staff from the top manager who works in an institution to the employee at the bottom. The task of human resources management is to provide the policy and order necessary for the worker to increase the motivation rate, to prepare, develop and maintain the environment that will improve its performance (Sadullah et al., 2013: 2).

People's knowledge, abilities, abilities and competencies can vary. However, the employer should employ employees with competencies that match their core competencies. In this context, the most important thing that the human resources management has to do is to determine the necessary personnel for the institution and to select the personnel to meet the needs. Human resources management is concerned with skilled, energetic and productive employees who aim to continually improve themselves. If an enterprise can not employ the people needed for the required positions, the probability of achieving great success will be low (Saruhan and Yildiz, 2012: 21). Human resource management is usually intended to meet the needs of staff in the business. By meeting these needs, the aims of the institutions will be realized. Although human resource management emerged in 1980, approaches towards human

beings in organizations are quite old. Human resource management is based on people and it is more effective, creative and productive, from the other side to job satisfaction and to make them feel happy. All the processes from recruitment of the personnel in the business life, adaptation to the job, determination of the salary, legal connection to the company, productivity, performance, financial and tangible needs and finally leaving the work are passed on within the context of human resources management practices. Human resources management but it is not enough with this but it is a more modern and wider concept (Fındıkçı, 1999: 6, 9, 10).

For businesses, the human resource has a certain cost, but it can also be said to be productive. Especially in institutions where working conditions and duties are great, the cost of the workforce increases and at this point the cost element gains weight. Productivity is of greater importance. In that case, the efficiency and effectiveness of the organization will never be without people. If an institution's activity can meet the needs of the community, it will be created. Employees also work in the workplace if they can meet both their goals and their needs (Öznur, 2000: 29).

The main functions of planning, staffing and selection, training and development, reimbursement, occupational safety and occupational health, industrial relations, human resources management are identified. the task of planning job analysis to determine the knowledge, skills and competencies required at the capacity to do them, with the responsibilities required by the tasks required to meet the needs of the individual or the institution. All of these activities play an important role in the efficient fulfillment of other human resource management functions. Thus, the number of personnel and type of personnel needed by the institution for the future, how these personnel are brought into the

institution and how they need training (Can, Akgün, Kavuncubaşı, 2001: 5).

The first and main function in human resources management is recruitment and selection. The skills required by the organization need to be acquired in the organization. In this way, organizations can work efficiently and effectively and can reduce their costs. This event can turn into an important function that increases the competitive power of organizations (Pécs, 2012: 4).

During the period between the beginning and the end of the employee's work, the efforts of the management to ensure their own productivity are within the definition of training and development. Training and development process must be implemented continuously.

It is a fee to create a pay system that will satisfy the employee. While determining the business wage system, it aims to motivate workers at all levels and not attract them to work. The remuneration function not only charges directly for hourly wages and salaries but also indirect wage systems such as non-wage benefits. When rates are set, employees should be directly related to success rates, equal pay for equal work, market conditions, wage system should be based on the employer's work and duty to work (Bayraktaroğlu, 2011: 11).

The health of the workers has emerged as a major problem day-to-day from the industrial revolution, which created quite unfavorable conditions. It is aimed to ensure that the health of the personnel is to work in reliable conditions and to ensure that the employees in this direction are in good condition both cerebral and physically. The increase and continuation of the physical and mental health conditions of the personnel. Abolition of the contradictions related to the health of the internal and external environment, , the basis of occupational health and safety

It is the purpose. This includes the elimination of the risks to which employees will be subjected to extraordinary accidents and the assignment of employees to appropriate jobs according to their psychological and physical status, and consequently the more efficient work of the employees in their physical and mental work (Ayan, 2011: 264). It is also an important condition to ensure that the staff are more productive, efficient and not satisfied with their work. In a healthy organization, all organizational goals should make the staff more successful. A healthy organization is not only able to sustain its own life, but also a more successful organization in the long run (Genç, 2007: 232).

Industrial relations, based on relationships between workers, managers and trade unions and based on legal regulations, are part of the duties of human resources departments in some institutions. Essentially, the protection of trade union rights and the arrangement of collective bargaining are done together by the general managers and the human resources department. The most important factor in achieving the objectives of the institutions is the good structuring of the departments. In this respect, human resources, which are the inevitable feeling of management in institutions, must also be organized according to goals and targets (Dolgun, 2011: 29).

Realizing the strategic objectives of the organizations in a highly competitive environment requires close monitoring of the environment and taking precautions in the direction of the changes that are taking place in the environmental factors. Because organizations are influenced by factors such as technology, competition, laws, social values existing outside the organization as well as internal factors such as organizational culture, strategy, structure and systems, and changes in these factors. Human resource management (ICT) is influenced by internal



environmental factors such as organizational culture, mission, strategic goals, organizational structure, social and economic conditions existing in the external environment, changes in technology, social culture, legal regulations, structure of labor market. It is important to closely monitor the environment for high-performance human resources.

Within the context of intense competition, organizations need to be able to reach their strategic goals, to closely monitor the environment and to take precautions in the direction of changes in environmental factors. Organizations that are open systems are influenced by elements such as technology, competition, laws, social values, and changes in these elements as well as internal elements such as organizational culture, strategy, structure and systems. All internal and external factors have significant impact on HRM objectives, strategies and action plans. In this respect, it is important to monitor the environment in HRM with strategic approach. For this reason, it is strategically inevitable for HR managers and professionals to maintain HRM activities and practices in harmony with the environment. Managers need to know what is happening in the environment and determine the environmental impact of their impact on HRM. Otherwise, it will be very difficult to effectively bring in many HRM activities and practices (Bingöl, 2006: 58).

Environmental factors that directly and indirectly affect human resources management are considered as internal and external factors. The external environment includes all external factors that actively and potentially influence human resource management (Bingöl, 2006: 61)

The human resources department must be aware of the internal and external environmental conditions that affect human resources management, as the institution must perceive it as a whole of relationships arising from the interconnected internal and external

elements with a broad perspective. It is also important that the perceptions of the manager are examined. An environment that an administrator can assume as static can be perceived dynamically by another administrator. Human resources manager in what kind of environment

If it knows that it works, it will direct the human resources accordingly. Environmental factors need to be well studied so that they can be assessed realistically, without being too influenced by the tendencies of the personality to personality. However, it is known that managers generally examine key elements, not the whole environment. Such behavior provides time and cost savings. The main environmental factors to be examined are the legal, economic, social elements, the rapidly changing technology and the competitive environment in which the operator is located. The main elements of the internal environment are the mission, purpose and tasks, politics, organizational climate and society (Öznur, 2000: 43).

One of the factors affecting human resources management is the characteristics, quantity and quality of the workers in the labor market. In order to create the staffing system needed in an institution, the institution depends on providing employees who will benefit from it. Demographic changes in the country have an impact on the organization's ability to provide labor. The number of labor force and their characteristics such as age, gender and education are very closely related to both public institutions and private institutions.

Perhaps the most important reason why the human resources manager is getting more important every day is that he can react to legal regulations around the country. The legislation that the state derives has a full impact on human resources policies (Can et al., 2001: 38)

Businesses are affected by all qualitative and quantitative indications that they use in the social system they are in. This puts the conclusion that institutions must keep up with the socio-cultural changes that occur in society in order to be effective and productive. Because the socio-cultural environmental factors of the society in which the institution is located, the values that the society has in other words, education or religious institutions, culture, demographic characteristics and so on. has an important place in terms of institutions. It

For this reason, the social factor is also a factor that creates significant pressure on HRM. Since society's attitudes and beliefs can directly affect profitability, they inevitably affect the firm's behavior. When a company behaves as if it has a conscience and morality, it can be asserted that it has social responsibility. Many companies have developed patterns related to the moral and social issues that present the sense of social responsibility today.

The main aim in an institution is to keep the profit at the highest level and to ensure its continuity. However, the institution must also think about the prosperity of the society at the same time. Because if the society can not meet the wishes and expectations and the level of community prosperity decreases, the welfare of the business will go towards the decrease. If the enterprise behaves in accordance with the ethical norms of the society and contributes to meeting the social and cultural needs of the community, for example by helping the government to reduce the inflation rate, the image of that operator increases and the possibility of continuing its existence increases.

Workers are expected to improve their working conditions, raise wages and salaries, and guarantee themselves against unfair management of superiors. they have entered into some sort of institutionalization under the union concept. In those enterprises where the unions are concerned,

for example, their level of pay is high compared to those in other organizations. At the same time, non-wage working conditions are also quite good compared to others. On the other hand, trade unions, without the union, can increase their sector wages by "threat" effect. The existence of legal deposits raises the wages of non-unionists to prevent unionization by employers. For similar reasons, it is also possible to apply gains such as the non-paying seniority system, persuasion processes, pensions and health allowances.

Institutions are in fact owned by shareholders. Shareholders, known as interest groups for the Corporation, continue to establish and operate the business they can influence the programs they create with the idea that management will benefit the institution because of asset investments. Company executives are required to report to the shareholders the financing information of internal processes. Here, professional managers who manage operations on behalf of shareholders have important duties. Because, shareholders may not have realized the importance of human resources in business activities. However, the management concept of "people first", which gains more importance each passing day, plays a big role in success. In this respect, shareholders should be aware of developments in the sense that they are the main decision-making bodies, and thus have to adopt a management approach towards human beings (Özgen and Yalçın, 2014: 20).

Clients, one of the external environmental factors of businesses, are individuals who consume goods and services produced, benefit and pay a certain amount for these benefits. The goods and services produced by the institutions have a great vital importance for the institutions. Thanks to this process, the organizations go on their way to maximize their profits while maintaining their sales.

Business organizations may face intense competition in both goods and services, as well as labor markets. In a competitive environment, competitors are constantly in the struggle to obtain resources. This struggle continues on the international level by crossing the national boundaries. The most important benefit of examining the competitors in terms of human resources is to take the opposition of the qualified personnel who work in the institution to the competitor firm and attract competent employees of the competitor enterprises to the institution. Of course it is not right to resort to illegal means for this purpose. A good human resource manager should be able to recognize the key players in both their own organization and competitor organizations, and what competitors can do with their current human resources (Öznur, 2000: 52). The organization is constantly analyzing the competitive environment so that it can achieve superiority to determine strategy in line with the information obtained. Individuals who plan for human resources need to anticipate the changes that will be made in technology and determine how these changes affect human resources plans. Innovations in technology, while reducing the need for a section in other parts of the need to increase human resource is the question.

The internal environment, which can not be easily controlled by institutions or which can be controlled in a relatively easy way, has an important influence on the human resources management, as well as the external environment factors that are not controlled.

The mission is a description of what the business is doing for what it is doing, the definition of the cause of existence in society and the contribution of society (Öznur, 2000: 52).

The general rules that bring light to the decision-making process of decision are politics. Politics have a guiding and judicial flexibility in achieving their functions. One of the goals of management is to manage

human resources. Some policies that may affect the activities of the human resources manager include: creating a reliable work environment for the employee; encouraging the employee; organize fee systems to produce quality work; to create equal employment opportunities; the formation of main teams mainly from internal sources (Can et al., 2001: 39).

At the same time, organizational values, behaviors and choices that are closely related to culture have a significant impact on how internal affairs can be organized. The bottom level manager tends to include subordinates in decisions and give them freedom in some ways, Indeed, the manager will have to give up participatory management approach. In other words, the lower level manager has to adapt to the style of the top manager.

The organizational structure is closely related to the organizational structure of HRM, as it directly affects the productivity of workers and their behavior. As is known, organizations with ideological structures are autocratic, strictly formal and bureaucratic. However, the structures of flattened organizations with broad control are more flexible and more formal and more entrepreneurial. For this reason, an organizational structure has a strong influence on how decisions are made, how decisions are to be made, and what kinds of occupations are needed for organizational success.

As it is known, it is called as the occupation of all the institutional members, from the highest manager of the institution to the lowest-ranking staff, who is in charge of the production of an institution. The characteristics of the workforce employed in an enterprise are an important environmental factor that must be considered in HRM. The skills of employees are influenced by their educational attitudes, goals, gender, and personalities in their training and development and in the

determination of their wages as they enter into a desired pattern of behavior in their motivations. It is necessary to take into account the characteristics of the employees during the performance of the functions of the İKY. It is necessary for the superiors to be aware of the reciprocal relationships between the departments and to use them in a way that will be most beneficial for them (Bingöl, 2006: 75).

3. Performance Appraisal Performance appraisal is the determination of the benefits and drawbacks of all the activities of all workers, regardless of their position in an institution. Performance appraisal focuses on the staff who do the work, not on the work done,

(Özgen and Yalçın, 2014: 214), which assesses the benefits of the employee to the productivity of the company, which demonstrates the success, attitude, cultural status and characteristics of the company. The most important goal of performance appraisal is to improve performance in accordance with pre-determined criteria and standards, to reveal areas where staff need to train, failing to set criteria and standards. Another important goal of the performance appraisal process is to provide feedback to employees about their performance on the job. This feedback is useful for the personal development, self-confidence and motivation of the staff (Bayraktaroğlu, 2011: 104).

The first formal performance measurement, Taylor's scientific management initiative, preceded the application of work measurement names. After the use of the moving assembly line by Henry Ford in 1907 in the automotive sector, result-oriented evaluation methods based on mass performance were started to be used, using cheap, unqualified workers divided into simple and small jobs. In the years 1920-1930, wages to be paid to those who earned wages per hour became important in rational way and to establish a system accordingly. Thus, the first worker appraisal plans started to be developed. This valuation was given

the name "merit evaluation". While personality traits were taken as criteria in the years following the First World War, techniques based on criteria for work outcomes produced by people after the 1950s began to be used more commonly in U.S. organizations. In these years, the evaluation of the performance of managers and white-collar personnel has become more important than the blue-collar workers. In general, the development of the performance appraisal systems seems to be based on measurement and prejudice based on personal characteristics, on the basis of business outputs and tangible data

4. Implementation of Modern Performance Evaluation Methods in Azerbaijan's Businesses In this research, it is aimed to determine how frequently, by which methods, by whom, how performance evaluation methods applied in Azerbaijan enterprises are performed and to evaluate the effectiveness of the performance evaluation on the efficiency of the institution and the motivation of the employees, and the reasons for their explanations. The main purpose of the research is based on the questioning of the structural characteristics of companies of Azerbaijan's public and private institutions and domestic and foreign capital companies, performance evaluation criteria and performance evaluation techniques and the effects of these techniques on the institution. Structural variables, ie the company's structural information (year of establishment, number of workers, public / private, ownership of domestic / foreign capital), the performance of the employees and the performance evaluation of the institution will be established and the relationship between them will be revealed. For example, if performance appraisal in a government agency is carried out on an annual basis and more often by superiors, the performance evaluation process of the institution may not be sufficient. The results may not be at the expected value. The model of the study, as seen in Figure 1; the effect of the



firm's structural variables on the performance measurement criteria, the firm's structural variables and the effect of the performance measurement criteria on the individual institution.

**Today**, as the most important source of business is to see 'people', the importance of Human Resources Management has also increased considerably. All the processes from recruitment to dismissal are carried out within the scope of HRM practices in order to meet employee needs and motivation (Fındıkçı, 1999, p.5). An important function involved in this process is Performance Evaluation. Performance assessment is crucial in determining what organizational goals are and what individual contributions are for purposes. Performance appraisal is the process of staff recruitment, training, place in career steps, productivity etc. it provides feedback on many variables (Bayram, 2006, pp. 48-49). In order for the performance evaluation to achieve its goal of improving the performance of the people, the results of the evaluation must be provided to them through feedback. In this process called Performance Appraisal Interview Yada Interview an interview is held between the subordinate and the manager. People will understand how feedback is expected from them, what performance standards are, and how they need to improve themselves, seeing the differences / deviations between standards and actual performance. These interviews are also very important for managers to communicate with their subordinates, to guide them, to listen to their views and to ensure their participation.

Although the performance evaluation interviews are very important in the performance evaluation process, there has been no detailed research on the literature in the recent past. Although there are various definitions

and interview process information about the performance evaluation interviews, it can be said that there is a gap in the literature. In this project, an examination was carried out to see how effectively the performance evaluation interviews implemented in the enterprises were implemented. In this study, we tried to reach the results by asking about the interviews with the employees in the companies selected from various sectors and how the performance evaluation interviews were implemented. These results show that the performance evaluation interviews implemented in the enterprises are inadequate and have not achieved their purpose.

Performance appraisal negotiations should be viewed as an opportunity, not just a one-way application that notifies the manager's views. Evaluating the current situation in order to achieve better, ensuring that the employee is motivated to develop, and taking decisions in this sense is the main objective of the performance evaluation interviews. Achieving these goals is also an important aspect of an effective performance evaluation interview, ensuring an appropriate interview environment, conducting unbiased communication, giving feedback on behaviors rather than personality, ensuring dialogue with the astrologer, and focusing on future actions.

In this project; In the first part, the definition of the performance evaluation, the purpose and performance evaluation process are mentioned. In this process; performance evaluation methods, determination of criteria and standards to be used for performance evaluation, identification and training of performance evaluators, determination of performance evaluation periods, where performance evaluation results are used, and performance evaluation evaluations. In

the second part, the objectives, function, form and interview periods of the performance evaluation interviews, the preparations to be made before the performance evaluation interview, and the steps taken during the execution process of the performance evaluation interviews and finally the necessary conditions for an effective performance evaluation interview. In the third and final section, the review of the effectiveness of the performance evaluation interviews was reported.

## 1. PERFORMANCE EVALUATION

### 1.1. Definition of Performance Evaluation

Performance appraisal is one of the most important functions of human resource management, and the following definitions are included in the literature: "Success with work is a systematic process that considers strengths and failures in a joint assessment" (Helvaci, 2002, p. "Performance evaluation generally includes studies to analyze the effectiveness of a person, institution or group in any subject according to certain characteristics and to determine the level of achievement" (Ersen, 1997, p.113, Erdoğan, 1991, p.155).

"Performance appraisal is the period when an evaluator evaluates the performance of the occupants through comparison and measurement with pre-established standards" (Palmer, 1993, p.9). In other words, performance evaluation is an effort to determine the extent to which the individual who is working within the framework of a specific job and job description performs this task and job description "(Fındıkçı, 2000, p.297).

From all these definitions, the performance evaluation can be described as follows; is the process of evaluating the performance of an occupation

within a certain period, within the scope of its business objectives and duties defined in this direction. At the end of this evaluation process, the occupation will have seen how its own work has been accomplished, and that the enterprise has learned the skills of the occupation, whether the purpose of the recruitment has taken place. The data thus obtained can be used more effectively in the applications required for the future working life of the employee.

## 1.2. Purpose of Performance Evaluation

Institutional performance evaluation studies are carried out for the purpose of establishing objectives together with the employees, communicating with the employees, combining the efforts and evaluating the results. The main goal is to ensure that employees work effectively in line with the goals set within the organization. In this case, the main objectives in terms of managerial sense and personnel development can be listed as follows (Barutçugil, 2002; Eren, 1993; William, 1999; Bingöl, 1996, Fındıkçı, 2000, Palmer, 1993)

- To prepare the environment that will enable the measurement of success status as the lowest unit of various units of the operator,
- Contributing to the preparation of the environment necessary for the integration of the objectives and requirements of the business with the objectives and requirements of the employees,
- To obtain reliable information about the workforce and management potential and to collect information on the overall success situation and problems, to enable the prediction of future events,
- Ensuring that the job is shifted from one work to another, identifying and revealing hidden talented personnel, job enrichment, bridging, and

matching. to ensure that the work is based on more objective bases, to increase the quality of service,

- Providing employees with information about their level of achievement, enabling their superiors to know what they think about themselves and what they expect,
- Identification of personal goals, recognition of achieved achievements and meaningful work, so as to increase job satisfaction and motivation of the person, to ensure that employee and business goals overlap,
- Providing employees with incomplete and inaccurate directions and making them available with training and development plans,
- To obtain the data to be used in making administrative decisions such as wage increase, bonus, education, discipline, promotion,
- Providing feedback on the extent to which the standards set in job descriptions and job analyzes are approached

### 1.3. Performance Evaluation Process

#### 1.3.1. Selection of Performance Evaluation Method

Organizations choose a performance appraisal method according to their own needs, corporate culture, and needs. Therefore, what advantages and disadvantages of the method to be selected should be taken into consideration. Before choosing an organizational performance evaluation method, it is necessary to determine the basic skills of the organizations, organizational structures, the qualitative analysis of the functions such as unit, duty, age, level of education, the number of budget and occupation to be allocated, and finally the purpose of performance evaluation, It should be taken. The selection of the most appropriate performance method to be used in the whole process is

important in terms of the healthy results to be achieved and the method to be chosen separately must be based on objective and concrete results.

The most important performance evaluation methods in the literature are classified according to their characteristics and explained below.

#### 1.3.1.1. Interpersonal Comparative Approaches

In this method, evaluations are obtained as a result of comparing the performance of an occupation with one or more occupations. The methods developed by this approach are given below (Aksoy, 1986, p.43, Erdoğan, 1991, p.176, Uyargil, 1994, p.62, Beach, 1980, p.300)

##### Simple Sorting Method;

This method is the simplest and most economical method, and basically, the occupations of the executives are the most successful and the correct order of success (Can ve Kavuncubaşı, 2005, p.175). It is especially easy to implement in organizations with fewer occupations (Çiftci, 2007, p.176).

Simple ranking method, occupation only general achievement status, net contribution, etc. (Artan, 1979, p. 4), and it is criticized because it is a very difficult application to determine the number of successes and the number of successions. 160, Aksoy, 1986, p. 43)

##### Binary Comparison Method;

In this method the names of the occupation are written on a piece of paper or cards. Then each occupation is compared individually with the

other occupation and a sign is placed against the name of the occupation whose success is higher than the other. Once this comparison is completed for all personnel, the sign is placed against the name and the staff is sorted by the number of signs (Woods, 1997, p.203, Schermerhorn, 1989, p.434).

This method takes a considerable amount of time to implement if there are a large number of comparisons, a large number of comparisons and a decision every time. The biggest drawback of the system is that it is not known how much more or less successful two occupations are in different places in the ranking (Helvacı, 2002, p.162).

**Mandatory Distribution Method;**

In this approach, the evaluator is forced to evaluate subordinates within certain distributions. The reason for using the mandatory distribution term is that the evaluator's staff must be ordered by groups. In this way, the tendency to consistently give positive or average scores is abolished (Aldemir, Ataol and Budak, 2004, p.310).

This method is a grouping of general expressions rather than a comparison of success, performance and behavior among employees. With this method, the number of employees is determined by numerical slices of percentages, rather than the specific performance results of each employee. When the resulting distribution is examined, the overall performance evaluation of the institution is made by considering the weight in which percentile

**Graphical Evaluation Scales Method;**

Graph grading scales are the oldest and simplest method of evaluating performance. The main features of this method are stated as follows (Schermerhorn, 1989, p.433, Aksoy, 1986, p.77, Can, Akgün and Kavuncubaşı, 1998, p.173):

These scales vary according to the performance dimensions of the measures. When a graphical grading scale is developed, it is first determined in terms of performance dimensions that are important through job analysis, such as quality of work, quantity of work, work information, continuity of work, discipline or personality characteristics, reliability, diligence, communication, honesty, it is specified with a rating of 'sufficient' and 'perfect'. These ratings can be expressed in numbers or letters. By assigning numerical weights (scores), the performance scores of the occupants can be quantified. The evaluators assess the extent of the occupation's qualities and behaviors in terms of dimensions determined on the scale. In addition, when there is a point value at every level, the evaluation score is obtained by adding the marked grade points.

Although this method is used extensively, validity and reliability are considered to be an evaluation method that causes the evaluator to make a mistake. However, the field of application is expanding in terms of being easily arranged, the results can be expressed numerically and staff decisions can be applied easily (Tahiroğlu, 2003, p.182).

**Critical Event Evaluation Method;**

In this method, the valuer observes the occupation at work and identifies and records its effective and ineffective aspects. These records are



events that determine the success or failure of an occupation during work, and this occupation includes descriptions of work behavior and working conditions. In this method, evaluation is based on work-oriented behaviors rather than personal characteristics such as independence and loyalty (Palmer, 1993, p.47, Erdoğan, 1991, p.202).

The critical event technique provides reference points where managers can make useful discussions about the performance of employees, thus making it easier for employees to make suggestions and leads. In the event of a critical event, valid qualitative data is also provided. However, this method is very time consuming. It is also very difficult to strip the manager's prejudices when a subjective assessment is made. When a critical event occurs, it is often difficult to understand the situation and make the necessary changes if the employee is not immediately disputed about the matter. In the same way, astrologers are afraid of making mistakes by thinking that every move is observed and their efficiency may decrease

Control (Markup) List Method;

In this method, a number of statements are created that describe various forms of behavior for a job. This is done by experts who know the job well. These values, which represent all levels of effectiveness, are given a value or score. The score range usually ranges from 0 to 10. The behavior that makes the most contribution to organizational effectiveness is the highest score, and other behaviors are scored in terms of contribution scores to the goals. In forming the statements expressing the behaviors of the individual; attention should be paid to avoiding ambiguous and feature-oriented expressions (Benardin and Beatty, 1984, p.65), in order to express an idea only in scale or form,

using an understandable terminology, simply and explicitly expressing thoughts.

The evaluator marks the corresponding expressions in the list without knowing what the values are. In this way, the evaluator's cues expressing work-related behaviors are not to be informed about relative precaution. Then the corresponding score is determined. These scores are summed up to assess the performance of the person being assessed (Beach, 1980, p. 301).

The difficulty of the checklist method is that it is time consuming to create different questionnaires for each business category. It is also likely that the questions have different meanings for the evaluators. For this reason it is a difficult method to provide feedback to employees (Barutçugil, 2002, p.191).

#### Behavior Based Assessment Scales;

This method is a method of evaluating performance at the behavioral level. In this method, it evaluates the behaviors that should be fulfilled by the performance dimensions determined for each work and work group, regardless of various personality traits (Helvacı, 2002, p.164).

#### Behavioral Observation Scales;

Behavioral expectation is a method developed to remove the problematic aspects of the scales. This method is evaluated based on concrete observations, not on behaviors expected from them (Torrington and Hall, 1995, pp. 324-325).

### Evaluation Method According to Objectives;

According to the objectives, management is a process in which managers and subordinates jointly determine their objectives together, determine their areas of responsibility and the results they will achieve, and examine whether these goals and results have been achieved in certain periods. In the process of evaluating the results, the subordinates come together to try to determine the extent to which the collective agreed objectives have been achieved. Objectives are used as performance criteria for occupations. When assessed, the extent to which the staff has achieved these goals is examined (Balçı, 2000, p. 150).

As a planning technique for providing the subordinates' participation in determining the objectives of the management according to the objectives, it is possible to use different methods of evaluation as a success evaluation technique because they are aimed at giving them an orientation and providing objective feedback, (Helvacı, 2002, p. 167).

### Direct Index Method;

In this method, the performance standards are determined either by the manager alone, or the end result of the manager and subordinates working together. In both cases, performance standards are based on unbiased criteria according to the results required by the job. In the case of non-executive occupations, they are assessed in the same way according to quality and quantity standards, while management and subordinates'

attendance or job separation rates constitute one evaluation criterion. In quality standards, defective product quantities, the number of customer complaints, the number of parts produced, and concrete data such as customers constitute evaluation criteria (Uyargil, 1994, p.51). the sum of these numerical values gives the numerical index of the overall performance (Barutçugil, 2002, p.189), as the performance levels attaining the targets determined according to these criteria are determined by the scores.

#### 1.3.1.3. Current Approaches

Especially the differences that arise in the management understanding applied to the enterprises in recent years have brought about different performance evaluation methods. The performance evaluation methods that are increasingly used in today's business are:

##### Competency Based Performance Evaluation;

Today, performance is seen not only as an employee's accomplishment but as an employee's work. The important thing here is to focus on how the performance is improved. In this way, it focuses on the development of the employee and adopts a point of view not to the past but to the future.

Performance evaluation based on competencies consists of 5 steps (Martone, 2003, pp.24-28):

- Determination of Competence Criteria: At this stage, it is determined at which level each competency should be exhibited at the level.
- Monitoring of Performance: Throughout the process, continuous feedback is provided on the competence of the employees.

- **Assessment of Competencies:** At the end of the semester, the competence in which the performance of the employee is assessed is analyzed to determine if it has the required level.
- **Review of Performance:** At this stage, feedback is given on the results of the evaluation carried out at the end of the semester on the competences of the employees. This feedback also provides a development plan for employees to improve their weaknesses.

In performance-based performance appraisal, employees perceive their performance relatively objectively as compared to other methods because they are evaluated within the scope of observable behavior.

### 360 Degree Performance Evaluation;

360 degree performance evaluation, employee performance; (Barutçugil, 2002, p.202) in which the employee is informed of specific job performance information collected from his / her co-workers, directors, direct reports to him / herself and internal and external customers.

The 360 degree performance appraisal method aims at collecting information from a wide variety of sources with different perspectives on employee performance and the ability to interrogate it in a multidimensional manner (Turgut, 2001, p.62). In the operation of this method, first a skill model is developed that lists the skills and behaviors required for effective business performance. A performance questionnaire is also prepared based on the skill model. The people to assess the employee are identified. These people can be directly connected to them, coworkers at the same level, managers, internal customers, or any other person who can provide consistent performance

feedback about themselves. In some cases, external customers may rate the employee's performance. These people fill in the questionnaire forms and rate the employee's performance for each skill area. Employees may also fill out a form that grades their performance. In the final stage, survey responses are combined and a report is made that highlights the strengths and development needs of the employee, including a summary of perceptions of his / her performance (Barutçugil, 2002, p.203).

360 Degrees Performance In the evaluation, opinions of different evaluators and multiple evaluators are taken and this prevents the subjective evaluation of one person. At the same time, this assessment allows employees to see how their performance is perceived by the environment. In the same way, managers have access to a wider knowledge of their employees' performance.

### 1.3.2. Determination of Criteria and Standards to be Used in Performance Evaluation

In order for the performance appraisal system to be successful, it is essential that task and job analysis are made and work and tasks are defined. Later, the process of defining the criterion with evaluation dimensions in which the employees are to be measured is started. The points to be considered in the selection of the criteria can be listed as follows (Sabuncuoğlu, 2000, p.163):

- Criteria must be selected in accordance with the nature of the job and the level of responsibility. At the very least, different criteria should be used for workers, bureaucrats and managers.

- In choosing criteria, not only job-related but also occupational behavior should be considered.
- Criteria must be clear and understandable.
- The number of criteria must be limited and must not exceed 10.

Each criterion is evaluated numerically or according to certain adjectives and explanations. Sometimes he gets worse, sometimes worse. The numerical evaluation of criteria can lead to misleading. For example, if a score of 1 to 10 is given, it may be difficult to recognize the difference between 9 and 10. Furthermore, it is not well accepted that human abilities are subject to numerical evaluation.

Criteria that are fundamental to valuing with general lines; the basic quality and quantity of work, job knowledge and ability, individual characteristics, the relationship and behavior of the individual. These basic criteria are subdivided into sub-criteria within themselves and vary according to the nature of the work. The quality and quantity of the criteria to be evaluated for the appraisal manager and the subordinates will vary.

Performance standards also include two types of information for both parents and subordinates. The first is 'what to do'. This includes tasks for which a person is responsible for doing things, that is, job descriptions. The second is 'how to do it'. Performance standards do not give the answer to the second question. Often, performance standards involve two aspects of business, both quantitative and qualitative. Quantitative standards include the time required for a specific job to occur, the number of errors made, and the number of customers visited. For

qualitative standards, quality of work and criteria for the ability to analyze data can be considered (Uyargil, 1994, pp.27-28)

In order for the standards to be successful, they should be checked whether they carry the following characteristics (Sabuncuoğlu, 2000, p.164):

**Specificity:** Every employee should know exactly what he expects from himself.

**Measurability:** Performance measurement standards are simple if they are quantitative. If the use of numerical standards in the measurement of performance is not appropriate or appropriate; fulfillment of the task on time, contributions to team activities, etc. Non-numeric standards are used.

**Realism:** If standards are unavailable, employees who become aware of this will give up their efforts to reach these standards.

### 1.3.3. Identification and Training of Evaluators

One of the important issues related to the implementation of the performance appraisal system is that the evaluations can be done by who or by whom. The evaluators are determined according to the evaluation technique to be selected depending on the management and personnel policies of the organization. In choosing the evaluators; training, knowing the work of the people they will evaluate, knowing to operate, objectives and responsibilities should be taken into account (Barutçugil, 2004).

Another important factor in determining the evaluators is that the manager, who will make an assessment of the employee's performance,



must be unbiased and objectively assessed according to the emotional tendencies and the success of the occupation without the advance judgment. The level of achievability of these two conditions will affect both the success of the operator and the applicability of the selected evaluation method.

The groups to be evaluated can be listed as follows:

- Appraisal by the nearest superior or supervisor to whom the occupation is connected
- Evaluation by colleagues and subordinates
- Self-assessments of occupants
- Evaluation by a committee or group
- Customer evaluation

After the evaluators have been identified, the group to be assessed needs to be trained. In these trainings; the criteria related to the valuation methods to be used, the grades are introduced, the concepts used are explained, the filling of the valuation forms are taught and some useful advice is given. Educational meetings are held for this purpose and it is proposed that they should not go to unfair valuations, especially during valuation, for some prejudicial and emotional reasons. It is stated that the valuations made on the one hand provide the control of the occupation and on the other hand carry the qualification of self-control for them. A special place for humanitarian involvement in assessors' education can be given. Attempts are being made to teach students how to behave well and to provide their confidence and understanding of the workshops to be evaluated (Sabuncuoğlu, 2000).

#### 1.3.4. Determination of Performance Evaluation Periods

Evaluation can be done at a fixed time interval, as well as examples where the evaluation depends on certain situations. Accordingly, an evaluation can be made before the wage increases are made before the decisions on promotion and transfer are taken, or when the qualifications of the person, job or task change (Bingöl, 1996, p.221).

Generally, performance evaluations are conducted once a year or two every year for senior staff, and at least twice a year for beginners. The evaluation time is usually determined by the superiors. Sometimes, however, subordinates can be taken and decided (Aldemir et al., 2004, p. 304). Regardless of the time interval the organization determines for performance evaluation, a manager must always be aware of the needs of his or her staff (Palmer, 1993, p.16).

#### 1.3.5. Performance Evaluation Negotiations

In order for the performance evaluation to achieve its goal of improving the performance of the people, the results of the evaluation must be provided to them through feedback. In this process called Performance Appraisal Interview or Interview an interview is held between the subordinate and the manager. People will understand how feedback is expected from them, what performance standards are, and how they need to improve themselves, seeing the differences / deviations between standards and actual performance. These interviews are also very important for managers to communicate with their subordinates, to guide them, to listen to their views and to ensure their participation.

Performance appraisal negotiations should be viewed as an opportunity, not just a one-way application where the manager reports his / her views. Evaluating the current situation in order to achieve better, ensuring that the employee is motivated to develop, and taking decisions in this sense is the main objective of the performance evaluation interviews. Achieving these goals is also an important aspect of an effective performance evaluation interview, ensuring an appropriate interview environment, conducting unbiased communication, giving feedback on behaviors rather than personality, ensuring dialogue with the astrologer, and focusing on future actions.

#### 1.3.6. Use of Performance Evaluation Results

It is to encourage the targeted employees at the end of the performance appraisal period to give information about their performance during the base period and encourage them to perform at higher levels during the new evaluation period. The performance appraisal process can not be completed only with performance metering. Effective, efficient and beneficial use of performance appraisal results is also crucial for successful completion of this process. Otherwise, many data that do not work and unusual numerical results are encountered.

Performance evaluation results can be used in many areas. Some of these are summarized below (Uyargil, 1994):

- Strategic Planning: The performance evaluation model that each operator has developed and deployed for itself is an extension of the strategy of the business. Thus, performance appraisal mediates the

announcement and sharing of the points that the manager places in the context of the strategy.

- Fees - Salary Management: In order for performance appraisal to motivate people, opinions suggest that a close link between performance and reward systems and that one can clearly see this link. The best way to establish this link is to pay, salary, premium, commission, and so on. The use of the performance evaluation results of the person is also used as the data when the monetary awards are determined.

- Career Management: provides information to the career development system about the performance of the people in the organization, the performance evaluation for taking the necessary training for the upcoming jobs and the decisions about the job changes in the horizontal direction.

- Determining the need for training: the data provided by the performance appraisal gives information about the issues that the employees in the whole organization are as good as they are, are incomplete or inadequate. These inadequate areas reflect the training needs of employees in the company.

- Decision on performance: In the case of repeated evaluation periods, performance evaluation will be useful in the case of failure to perform in the performance evaluation results and in case the individual fails to demonstrate any improvement despite all training and improvement efforts.

- Rotation, Business Expansion, Business Enrichment Applications: It is possible to use individual assessment of the results achieved by performance appraisal and rotation of personnel who are unhappy in a certain place but who believe that they will succeed in another task. In the same way, the jobs of talented occupants who see their work as inadequate can be enriched or expanded, and new duties and responsibilities can be given. In particular, information obtained from interviews with people as a result of performance evaluation may form the basis of this practice.

- Other Human Resources Management Practices: During the performance evaluation process, information can be obtained in very important areas such as general discomfort, satisfaction rate, structure of human relations, whether or not they have targets during the performance evaluation interview.

#### 1.3.7. Performance Errors

The performance appraisal aims to evaluate the human resource in the hands of the operator in the most objective way. However, the inclusion of the 'human' element in the system has made it inevitable to encounter some mistakes in this system. In order for the performance evaluation system in operation to be implemented in the most efficient way, it should be ensured that these errors can be minimized.

The main mistakes made in performance appraisals are:

Hale Effect: It means that the evaluator can not see differences between independent and distinct features in athen performance and make an incorrect evaluation in this direction. The most obvious cause of this

error is; an aspect or dimension of the employee's performance is extraordinarily good or bad and the evaluators are influenced by this feature to do all the evaluation in this direction (Uyargil, 1994, p. 74). Conversely, the failure of an employee to perform in a certain area is called 'horn effect' (Palmer, 1993, pp.19-20), while 'exceptional' dimension of the employee's performance is called ' ' .

In order to avoid the impact, it is useful to go through the concrete examples during the evaluation, to evaluate the employee by different evaluators, and to continuously monitor the performance of the employee during the period.

**High or Low Evaluation (Softness - Hardness):** It is one of the mistakes that employees are evaluated during high evaluation, despite their actual performance. Especially important decisions such as promotion and rewarding can take place because of the use of these valuation results. The most obvious reasons for assessors to fall into this flaw are showing that they do not conflict with their subordinates, motivate their subordinates and improve their efficiency and are superior to other departments of their subordinates. In the case of low valuation, which is the opposite of high valuation, the evaluator evaluates some employees at the average level or higher, but low valued. The main bearing of the assessors is that they do not have the necessary standards. The reasons for falling into this fault are often the desire to draw the image of an anxious and distressing manager who may take his place (Tinaz, 1999, p.393). However, this situation is affecting and demoralizing workers in the negative way that standards can not be achieved.

**Average Appraisal:** Evaluators are evaluating all the average performance level by avoiding the points and grades at the endpoints. As a result of these mistakes which prevent the differences in the

performance levels of the employees from occurring, it will not be possible to take into account the influence of the performance appraisal on the employees' decisions (Uyargil, 1994, pp.77-78). This failure may be caused by the fact that the evaluators can not closely follow the performance of employees. For this reason, the way of valuation can be chosen with medium scores, which is the most riskless way. This error can be corrected by allowing others to participate in the valuation or based on some other evidence.

**Next-Time Impact:** The evaluator begins to research to find out about the employee in case the performance interview is approaching, as he does not follow the employee closely at every moment of the appraisal period. In this case, the final behavior of the employee is more emphasized and the final events are weighted at a higher rate than they should be. This is called the near-time effect (Sabuncuoğlu, 2000, p.190). In order to prevent this error from occurring, it is important that the evaluators keep a note of their performance.

**Contrast Effect:** A valuation error that occurs when the evaluator is evaluating a large number of employees in a short period of time. Here, the evaluator moves away from the objective criteria by mixing the people in successive valuations and evaluates in the comparative direction. In other words, each employee is influenced by the puaud of the person who was assessed before himself. In order to remove this error from the middle, it is suggested to perform a mixed sequence (Uyargil, 1994, p.80)

**Impact on position:** Some assessors tend to underestimate employees who are considered very important in the organization and employees who are highly regarded as relatively insignificant jobs and positions (Sabuncuoğlu, 2000, p191), affected by the position of the person they value. In the evaluation system, the clear definition of the expected

evaluation criteria for each work will help prevent such evaluation mistakes.

**Personal Prejudices:** In all valuation methods, it can be said that this is the most common mistake. These prejudices are not the work performance of the employee; related characteristics such as age, gender, race, personal characteristics or seniority, upper level friendship. Measures must be taken to ensure that such behavior is in practice.

This section describes the definition of the performance evaluation, the purpose and the process of the process. It is important that every step of the performance evaluation process be carried out in a manner appropriate to the structure of the business so that the most effective outcome from performance management can be achieved in an enterprise. The selected performance appraisal method, the criteria and standards to be used in this appraisal, the choice of the appraisers and the training of the performance appraisal method, the time to evaluate the performance and the performance appraisal negotiations are the factors that make this process effective. Each is an issue that needs to be carefully considered in accordance with the nature of the business and the human resource it possesses. Investigating and minimizing the causes of valuation errors that may occur in this process will make the performance measurement more realistic. It can be said that the performance evaluation negotiations, which are the last step of the performance evaluation system, also have a considerable amount of proposal for the whole system's activities. The role and function of these calls in the performance evaluation system will be addressed in the next section.



## 2. PERFORMANCE EVALUATION INTERVIEW

With increased communication within the organization, organizations are beginning to invest more in the resources they need to improve their employees' performance and achieve their growth. In this context, the main tool is performance evaluation interviews. These negotiations are strategic discussions that are carried out with a manager and his / her employee, which should be repeated every semester on the performance and development of the employee during the evaluation period. These talks; 'Performance interview', 'job evaluation interview', 'employee review', 'employee evaluation' (Asmuß, 2008, pp. 408-409).

### 2.1. Objectives of Performance Evaluation Interview

Performance appraisal talks are an important part of the performance appraisal system that the organization has. This function, which is very useful to both the company and the employees, is rarely performed by most companies as a formality or not at all. However, performance appraisal negotiations have become the most important management tool in terms of improving employee performance. A performance evaluation interview is an important function in terms of negotiating and determining some important issues related to 'performance improvement' (Brownell, 1994, p.11)

- disclosure of business requirements and standards
- Feedback based on the employee's level of achieving these standards
- Guidance for the performance of future work by preparing an action plan
- Rewarding and reporting of opportunities

In the context of these functions, a 'plan' should be developed in which the causes of the problems affecting the performance of the employee should be uncovered and applied, or to minimize these effects or reduce their impact on performance.

Performance appraisal negotiations are a mechanism aimed at reconciling employee talents and energies with the organization's goals and resources (Klein et al., 1987, p. 271). It can be said that the performance evaluation interviews were based on 2 main objectives; These are guidance and development, evaluation and negotiation. However, it is a matter of debate whether these two goals can be achieved in the same performance evaluation debate (Cederblom, 1982, pp.219-220).

Performance evaluation interviews are the basis for a successful performance evaluation process at the firm. Employees, who are the main tool in reaching the firm's objectives, have the opportunity to hear their own voices and convey their own opinions in this part of the performance evaluation process (Roberts, 2002). In this way, effective communication between managers and employees will ensure that employees' performance will be discussed, developed and guided. In this context, the performance evaluation interviews managers; subordinates aim to learn what they think about their performances and what their motivations are, to evaluate their subordinates' performances, to reward achievements, to identify their weaknesses, to take developer measures, and to plan their performance for the future so subordinates can be more successful.

The intent of the performance appraisal negotiations is to perceive that the information (information and advances) coming from the performance appraisal system by most of the executives is being critically transmitted and as a result, waiting for the employee to turn their prosperity upside down. However, performance appraisal negotiations are an opportunity for good communication with the managerial staff to achieve success. It is essential to motivate the worker and build common goals. Exposure to the criticism of the employee in this direction will cause the performance evaluation meeting to discuss the performance, and the guidance and development goals can not be achieved. Therefore, these meetings are important both for the manager and the employee to be satisfied and to gather around a common purpose.