

Dimensions and standards of the model of management

There is a difference of opinion among performance appraisal experts on the exact meaning of standards of performance. Some use the definition "the conditions that will exist when the job segment is well done." Others use the definition "the conditions that will exist when the job segment is done in an acceptable manner." Although the difference between "well done" and "acceptable" seems to be slight, the difference is very significant. The following two examples illustrate the difference.

Characteristics of Standards

There are eight characteristics of effective standards:

1. They are based on the job and not the person(s) in the job. Standards of performance should be established for the job itself regardless of who occupies the job. For example, the job of marketing analyst or production foreman may be a job that a number of people perform. There should be one set of standards for the job, not one set for every person doing that particular job. Standards of performance are different from objectives. Objectives should be set for an individual, rather than for a job. And a typical characteristic of an objective or goal is that it should be challenging. Therefore, a manager who has several employees who do the same job will have one set of standards for the job but may have different objectives for each person, based on that person's experience, skills, and past performance. For example, the objective for a mediocre performer may be the same as the standard, while the objective for an outstanding employee may be much higher than standard.
2. They are achievable. This characteristic is directly related to the definition described earlier. It means that practically all employees on the job should be able to reach the standard. (An exception is a new employee who is learning the job. The standard may not apply until the employee has passed the probationary period.) Most production standards are set so that practically everyone can meet the standard and many employees can reach 125 percent of standard.
 1. They are understood. It almost goes without saying that the standard should be clear to manager and employee alike. Unfortunately, there is often confusion between the two parties on the exact meaning of a standard.
 2. They are agreed on. Both manager and employee should agree that the standard is fair. This is very important in motivating an employee. It is also important because it becomes the basis for evaluation.

3. They are as specific and as measurable as possible. Some people feel that standards must be specific and measurable. They insist that they must be stated in numbers, percentages, dollars, or some other form that can be quantifiably measured. Every effort should be made to do this, but if it can't be done, the standard should be stated as specifically as possible even if subjective judgment must be used to evaluate performance against it. Early in a performance review program, it might seem impossible to state standards in measurable terms. With practice and experience, it may be possible to be specific on all or nearly all standards.

4. They are time oriented. It should be clear whether the standard is to be accomplished by a specific date or whether it is ongoing.

5. They are written. Both manager and employee should have a written copy of the standards that are agreed on. In this way, they won't have to rely on memory, and the standard can be a constant reminder to both parties.

6. They are subject to change. Because standards should be achievable and agreed on, they should be periodically evaluated and changed if necessary. The need to change may be new methods, new equipment, new materials, or changes in other significant job factors. But they should not be changed just because a performer is not meeting the standard.

Who Should Set Standards?

Because standards are to be clear and agreed on, there is good reason to involve employees in setting their own standards. Another reason for this involvement is to motivate the employee to put forth maximum effort to achieve and even exceed the standard. Helping to set the standards will probably result in a higher degree of commitment.

There are three ways of getting employee involvement in setting standards:

1. The manager considers all factors, prepares tentative standards, and discusses them with employees to get agreement. The manager must listen to them and be willing to change the standards if the employees' suggestions warrant a change.

2. The employees set their own tentative standards and bring them to the manager for agreement. Employees should be told in advance that their recommendations will not necessarily be accepted.

3. The manager and the employees independently set standards for significant job segments. These standards are compared and discussed to reach agreement. Sometimes an outside person such as a consultant or personnel director can effectively conduct a meeting between manager and subordinates to establish standards. This neutral party can keep the discussion objective so that good

standards are developed and rapport is maintained between manager and employees.