

A Guide to
Defining the Scale in
Performance Ratings



DIA Behavior



Defining the Scale in Performance Ratings

- 1. Behavioral Variability in performance ratings is high because of different people making the judgments. The raters have different motivations and also interpretations of the evaluation scales.
- 2. Aggregation can be achieved through using 360° feedback which averages what different people see boss, peers, subordinates, customers etc. However, some of the 360° feedback forms are too complex. They can also be subject to "creeping rating inflation," where everyone gets a high evaluation.
- 3. Creeping rating inflation can be overcome with a forced ranking of employees to a predetermined distribution. But this can be seen as punitive and have morale issues. Further, a distribution approach is problematic if the team is small or is already a high-performing team. The upshot is rank but not forced ranking.
- 4. Nevertheless, comparative ratings (eg of 2 people on the team) or relative ratings are less noisy than absolute ones.
- 5. The best approach for reducing Behavioral Variability in performance ratings is to:
 - a) Pick the right scales using a common frame of reference.
 - b) Improve the rating formats and training of raters.
 - c) Rating scales must be anchored on descriptors that are sufficiently specific to ensure they are applied consistently. The most effective approach is to use behaviorally anchored rating scales, in which each degree on the scale corresponds to a description of specific behaviors.
 - d) Create "frame of reference" training using video vignettes which act as reference cases for the anchor points on the performance scale. This helps reduce the impact of different raters assessing differently "good" and "great".

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