

Employee Performance Appraisal in the Hospitality Industry

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Introduction

In the United States, performance appraisal has been adopted as a universal process that can improve employees' work performance in the business and industry (Laird & Clampitt, 1985). This process has been used as the mechanism for measuring employees' daily performance, whether it is related to organizational goals or showcasing the strengths and weaknesses of employees' work behavior. Performance appraisal is to improve employees' work promotions in certain areas and influences employees' job performance by enhancing self-awareness, self-esteem, and work motivation (Ahuja et al., 2018). Laird and Clampitt (1985) found that the performance appraisal system includes unit achievement, subordinate coaching, teamwork, job knowledge, leadership and motivation, affirmative action, and overall evaluation of the employee's performance. This system provides feedback based on these seven distinct factors from the supervisor of the company. Performance appraisal is a method to evaluate the employees' overall job performance and provide feedback that helps employees enhance their strengths and overcome their weaknesses. Cawley et al. (1998) indicate that performance appraisal participation and subordinates' affective reactions have a strong relationship. They also emphasized the benefits of performance appraisal systems that employee participation was positively related to employee satisfaction.

A review of the literature on performance appraisal revealed that many performance appraisal studies find that individual and contextual factors could influence the efficacy and performance feedback. Researchers have to explore different ways in which performance changes as time goes by and performance measurement. Most performance appraisal studies focused on the explanations of assessment systems and the main factors that influence the utility of feedback to improve work performance (Tracey, 2014). Performance appraisal is one of the parts of human resources practices and organizational objectives; it should be considered as the effective process of obtaining, analyzing, and recording information of employees to evaluate their performance to improve their job satisfaction and overcome their weaknesses related to the workplace (Padmaja & Rao, 2015).

The purpose of this case study is to explore the current problems that hotels face when they provide the performance appraisal evaluation form to their employee and display the benefits of appropriate performance appraisal form on how to improve employees' work performance and satisfaction. In the hospitality industry, employee's performance and satisfaction are the crucial factors towards the requirements and functions of this workplace; therefore, using an efficient method to estimate employee's performance becomes more and more necessary because it facilitates employees to feel appreciated by their organization and helps the company accomplish its future goals. This case study will discuss the following questions:

1. How does the peer assessment or self-assessment help employees to enhance their strengths?
2. What problems could be caused by the performance appraisal system?
3. Why do employees go through considerable effort to undertake the performance appraisal system in the hospitality industry?
4. How does the implication of performance appraisal affect employees' job performance and satisfaction?
5. What can be recognized as an efficient performance appraisal method to evaluate the employee's work performance in the hospitality industry?

Performance Appraisal Literature Review

Performance appraisal is the process through which supervisors assess the involvement of their employees' job-related performance, and performance appraisal is the central practice in the field of management (Cappelli & Conyon, 2018). Companies need to get feedback on their employees' work performance to measure their employees' efficacy during their work time and enhance their strengths when communicating with customers. Coens and Jenkins (2002) suggested that providing feedback to employees could improve individual work performance, increase employee motivation and recognition, promote pay raises, and help managers decide on training and development needs. Laird and Clampitt (1985) claimed that the performance appraisal provides an opportunity for employees to improve their ratings. Additionally, giving positive comments and feedback to employees could increase their work motivation and give higher ratings to justify salary increases.

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Cappelli and Conyon (2018) stated that the evaluation of an employee's job performance is a standard practice in every organization; furthermore, they specified that performance appraisal directly influences employee work outcomes to different extents, such as employee bonuses, burnout, employee promotions, and turnover. Stathakopoulos (1997) stated that the purpose of his study was to explore the influence of the factors of performance appraisal system on managerial responses, so he found that the performance appraisal system has direct effects on dysfunctional behavior and satisfaction with the appraisal system. When managers or supervisors provide performance feedback to their employees, they intend to estimate their ability to accomplish specific tasks and achieve the company goal in the future. The managers tend to provide practical, helpful, and effective appraisals to their employees to improve their job performance and satisfaction.

Most studies revealed that performance appraisal enhances the employee's job performance and satisfaction and helps managers and supervisors make fair decisions for their employees (Hayes & Ninemeier, 2009). Nevertheless, the crucial problem of performance evaluation is the challenge to control external conditions. Besides, the employee might dislike the performance evaluations because external factors are hard to control based on the theories of rewards and punishment. Most managers refuse to do unfavorable appraisals because it could destroy the relationships between managers and their employees (Law, 2007). The positive relationship between employees and managers could increase both of their job satisfaction. A study demonstrated that the relationship quality between co-workers and employees significantly affected employees' job performance and satisfaction (Menguc et al., 2016). Another weakness of performance appraisal is that the appraisal system could cause performance pressure, which is the challenge of improving employees' job performance. A study focused on the negative and positive performance pressure factors indicated that the negative side of performance pressure could threaten performance appraisal. It indirectly produces employees less likely to control their behaviors with positive social etiquette. This study also suggested that managers must balance the negative aspects of performance appraisal on employees' daily performance and increase functional job performance (Mitchell et al., 2019). Based on these articles on performance appraisal, organizations' and companies' success depends not only on the productiveness and ability of employees but also on the employee's satisfaction and work motivation.

A review of the literature on performance appraisal by Cawley et al. (1998) revealed that employees' attitudes toward performance appraisal played a vital role in the appraisal processes because they also influence employee satisfaction. Besides, Burr and Cordery (2001) found a strong direct correlation between self-management and job satisfaction and task motivation, so the researchers suggested that increased job satisfaction and motivation through enhanced self-man-

agement efficacy could increase the skill utilization and work method control. Kromrei (2015) also demonstrated that self-assessment processes could improve the annual appraisal process and overcome the errors and biases caused by traditional evaluation processes. Improving self-assessment methods is an effective way to improve job performance in a systematic evaluation. The connection between performance appraisal and job satisfaction was also demonstrated by Ahuja et al. (2018), who studied the strength and direction of the performance appraisal satisfaction and organizational commitment and revealed that performance feedback and regular face-to-face feedback influence the employee's job satisfaction and total commitment.

The performance appraisal improvement process is one of the most critical aspects of the strategic planning process. One of the impartial and practical methods is the 360-degrees appraisal, which gathers information from many different perspectives; additionally, using this method for performance appraisal increased employee satisfaction with their job and helped them improve satisfaction and achieve organizational goals (Padmaja & Rao, 2015). A clear explanation of the 360-degrees appraisal method by Chopra (2017) said that 360-degrees appraisal is feedback from all people who observe the candidates and somehow affect their performance. Payne (1998) also demonstrated the positive aspects of the 360 degrees appraisal method, which could increase the objectivity of assessment and enhance employees' self-awareness through others' perspectives. It develops the organization's systems to be fairer and more reasonable, particularly in multi-national organizations and companies.

Case Synopsis: Performance Appraisal on Hotel Employee

Ginny Green has been working at the front office of a luxury hotel in Miami, Florida, for over two years. After receiving her bachelor's degree, she started her hotel career, and she likes working in the hospitality industry. She considers the front desk a crucial hotel department because the front desk employee has to provide an excellent impression for guests and has to possess superior guest service skills, such as communication, organization, and problem-solving skills. Ginny enjoys helping guests make the reservations, check-in, check-out, and provide other guest services. She considers herself a very organized, friendly, and enthusiastic person, so she finds herself a good fit for this work position. She also can manage the stress from daily life without letting life events affect work. She likes to show her professional side to the customers and likes to assist guests who have any issues or requirements; besides, she maintains a close relationship with her co-workers and is a positive team member. According to the peer assessment, Ginny can get along and work with people in different departments. Results from the trust between employees can enhance general acceptance and build a healthy working environment. It seems like Ginny is

fulfilling her duties towards customers and fits very well in her position. However, she sometimes feels a lack of motivation because she has to face different people with distinct conditions; especially, during the holiday season. That time starts from Thanksgiving and lasts until one week after the new year. During these periods, everything becomes so condensed and hectic, and employees must give quick responses to their customers. Ginny feels that guests become very impatient and irritable during the holiday season. Common complaint guests had toward Ginny was that she was too slow, and guests have to waste a long time waiting in line. Every time the human resources department gives Ginny feedback, she needs to improve her attitude and job knowledge, leaving her with insufficient motivation.

The manager stated, "the front office is the heart of the hotel, and the employee needs to consider the feedback from their customers carefully. It's not only to increase customer satisfaction in the future but also to make sure that the employees know their strengths and weaknesses." However, Ginny cannot fully agree with the manager. She thinks that some customers couldn't understand the working process and the current situation of the hotel. They tend to focus on their needs and sometimes ignore the working conditions and processes. She agrees with the human resources manager's feedback that she needs to improve her working skills and speed when assisting customers in solving their problems.

On the other hand, she thinks that the performance appraisal shouldn't only focus on one perspective. It's better to get feedback from various groups of people, for instance, co-workers, managers, supervisors, and customers, so multiple dimensions of perspectives can be considered. Ginny said, "it's fair to listen to different voices from a different perspective. Only one type of voice couldn't define the performance or ability of an employee." On the other hand, the human resource department manager emphasized that every customer's opinion is critical to the hotel. The opinion is equal to the expectation of customers in the hotel. A successful hotel has to avoid the negative comments of customers.

Ginny emphasized that there is another reason to cause her lack of working motivation; the appraisees tend to focus on those unexpected failures or isolated events instead of evaluating the whole period of working performance. "Lots of things occurred during the holiday season, which makes me feel stressed, and there are large amounts of customers who need to check in or check out every day. I have already tried my best and stayed in a positive attitude. Fortunately, the holiday season only lasts for one and a half months. As a front desk employee who is more likely to feel frustrated during multitasking, for instance, misunderstanding customer's requests, forgetting specific details in the customers' check-in process, and lacking communications with customers, during the busiest period, she feels that those appraisers should consider employees' work performance, job

knowledge, and achievement in general. They can then provide feedback that could guide the employees whether change their current behaviors and attitudes or improve specific working skills or abilities.

From her own experience, Ginny believes that the human resources manager could give her feedback based on her strengths and weaknesses of this job position instead of only telling her where she has made mistakes and improving these issues. She feels employees need to know their general performance from the experts to develop their work skills; besides, she believes that telling the employees about their advantages and failures will provide exhaustive information on employees' work performance and enhance their self-esteem and work motivation. Ginny likes her job, and she wants to learn more things from what she is doing and provide the best service to the customers.

Ginny has also found herself limiting her improvement even though she can notice where she needs to make a change. She feels that she puts effort into improving her performance based on the feedback. However, she isn't always able to have things under control. She feels that using performance appraisal to provide helpful feedback to employees is necessary, especially in the hospitality industry. However, monitoring feedback and attaining a better work performance still need consideration.

Conclusions

The performance appraisal process is used for employees to obtain feedback from the company, managers, co-workers, and customers by analyzing and managing their work performance to accomplish self-development and help the hotel company achieve its future goals. This is the case of the front desk employee Ginny Green who gets some negative feedback from her customers. This case discussed both positive and negative aspects of performance appraisal and how to increase employee work performance.

Discussion Questions

1. How can managers at this luxury hotel in Miami improve the performance appraisal process and provide appropriate feedback to employees?
2. How can Ginny's manager enhance her work motivation by evaluating the feedback?
3. What can Ginny's manager do to manage poor performance?
4. How do you believe the performance appraisal meeting could provide better feedback to employees?
5. Do you believe the benefits of performance appraisal could improve employees' work performance in the hospitality industry?
6. How do you think the performance appraisal process could change in light of the COVID-19 pandemic?
7. What are some best practices that managers could incorporate while conducting performance appraisals during and post the COVID-19 pandemic?