

Ethical Performance Appraisal Issues**I. OBJECTIVES**

- A. To make you aware that many performance appraisal decisions involve ethical issues.
- B. To familiarize you with some of the many ethical performance appraisal issues.
- C. To familiarize you with various criteria that can be used to determine if an action is ethical.
- D. To make you aware of some of the reasons why a manager may be tempted to act unethically when evaluating subordinates.

II. OUT-OF-CLASS PREPARATION TIME: 15 minutes to read each of the situations presented and answer Question 1 below**III. IN-CLASS TIME SUGGESTED:** 20–40 minutes**IV. PROCEDURES**

At the start of class, the instructor will divide the class into teams of three to five students. Your group should discuss each of the situations below and answer the following questions in the space provided:

- 1. Is the manager in the case acting in an ethical manner? Yes or No? (Answer Y or N under the letter "E" below.)
- 2. Would your group act in the same manner as the manager? Yes or No? (Answer Y or N under the letter "G" below.)

After all groups have answered the questions above, the instructor will ask one or more of them to present their answers.

In trying to answer the first question, your group may want to consider some or all of the questions listed below that could be used to judge whether an act is ethical. You may also want to consider other criteria/questions provided by your instructor or suggested in the textbook.

- A. Does the action involve intentional deception?
- B. Does the action purposely benefit one party at the expense of another?
- C. Is the action fair and just to all concerned?
- D. Would you or the manager feel comfortable if the action were made public, or must it remain a secret?
- E. Would you need to justify the action by telling yourself that you can get away with it or that you will not need to live with the decision's consequences? Would you recommend the action to others?
- F. Will the action build goodwill and better relationships?

INSTRUCTIONS: Read each of the following scenarios and answer questions 1 and 2 above in the space provided with either a "Y" for Yes or an "N" for No.

SCENARIO

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1. A supervisor has an employee who is an outspoken homosexual. The supervisor does not like homosexuals. As a result, the supervisor purposely rates him lower than deserved on his performance appraisal form.
2. A firm has recently been charged with discriminating against minorities. The firm denies the charges but asks all supervisors to make sure they do not discriminate. In order to avoid any possible discrimination charge, a manager rates one poor performing minority employee higher than deserved on the performance appraisal form.
3. A manager has a male subordinate who is married with three children. This employee is a known womanizer and has been spotted by several employees socializing with women other than his wife, including prostitutes. The supervisor does not believe this is appropriate and rates the employee lower than deserved on the performance appraisal form.
4. A female employee who recently had a baby negotiated a change from full-time to part-time status with the HR department. Her supervisor, also a working mother, resents the fact that she is able to spend more time at home with her child. The supervisor rates her lower than deserved on the performance appraisal form in an attempt to force her to switch back to full-time status or to quit.
5. A firm has a 360-degree performance appraisal system that includes asking all subordinates to rate and evaluate their boss. A manager wants to be promoted so he gives all employees higher performance evaluations than they deserve in hopes that they, in turn, will rate him higher.
6. A manager realizes that an employee's attendance is so poor that she is likely to get terminated within the next few months. So, in order to build a more solid case against the employee and further justify the inevitable termination, the manager rates the subordinate lower than deserved on the performance appraisal form.
7. A manager wants to get promoted in order to get a substantial raise. He believes that he will be judged, in part, in terms of how effective he has been at developing high-performing subordinates as evidenced by his subordinates' performance appraisal scores. In order to enhance his promotion chances, he rates his employees higher than deserved.
8. A manager wants to give one particularly hard-working, reliable subordinate a big raise in order to keep her from accepting a job elsewhere. The manager does not want to have to replace this employee and train a new one. However, there is limited raise money available, and it is based on merit. So, he rates another employee lower than deserved, thereby reducing this person's raise, in order to be able to give the other a larger raise.
9. A manager wants to get rid of a disliked subordinate, so she rates the employee lower than deserved in hopes that the employee will quit.
10. A manager wants to help a subordinate who has become a friend to get a promotion, so she gives her a higher evaluation than deserved.