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"A TROUBLING
PERFORMANCE EVALUATION
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EVALUATIONS"

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A TROUBLING PERFORMANCE EVALUATION OF PERFORMANCE EVALUATIONS

CAUSE FOR CONCERN

Performance evaluation systems remain a topic of controversy and disagreement among human resource professionals. While most of us will defend our systems officially, we will generally indicate some concern informally. For example, when the CEOs and human resource professionals met at a regional conference in Northeast Minnesota in 1982, the results of an on-site survey were startling. The survey indicated that while 50 percent of the 300+ attendees stated that performance appraisals directly influence employee productivity, only 15 percent stated that they were satisfied with their performance appraisal systems.

In other words, while we as professionals perceive the value potential of performance appraisals, we confide that our systems are not **delivering** in most of our organizations. Similarly, employees, when asked, also show concern about the effectiveness of our performance appraisal systems.

In a survey conducted by the Minnesota Department of Transportation in 1987, the following results were determined from approximately 1,800 employees who responded.

While over 70 percent stated that performance appraisals are a valuable tool, only 35 percent stated that Mn/DOT's system was valuable. Similarly, while 56 percent stated that their formal discussion lasted 15 minutes or less; 57% stated that more time was not needed for these sessions.

Accordingly, the sources related the same unsettling message; our performance evaluation systems have been falling far short of their targets.

At the same time, our organizations and our expectancies for performance evaluation are changing dramatically. Most of our organizations are increasing our efforts in the area of quality improvement, which needs to be integrated into our performance evaluation systems. Similarly, a growing number of our organizations are redesigning work systems to further emphasize work teams.

Consequently, it is becoming even more critical that performance evaluations realize their potential to promote/support all efforts within the organization which strives to increase employee productivity.

SOME CONFUSION

A primary basis of the deficiencies in our performance evaluation systems lies in the familiar concept that "one size fits all." In reality, products bearing this claim satisfy a few customers who are properly fit while the majority of customers or employees are displeased. Such is also true of the customers of our performance evaluation systems. While employees represent a diverse group with many distinctions, the author will portray employees into dichotomous categories for simplicity. Most organizations have a group of employees who are performing at or below the average or acceptable standard of performance. In addition, our "neophyte" employees also may need additional direction and supervision. These struggling employees of marginal performance typically represent a small percentage of our work forces and are the target group for our traditional performance evaluation systems.

In deed, marginal performers must be closely monitored, documented and graded in order to establish the basis for efforts to improve the employee's performance or to remove the employee from that position if the marginal performance level is intolerable.

The traditional systems utilized by most of our organizations appear to fit this group of employees and even satisfy external customers such as arbitrators and the courts. However, the remaining group of employees who constitute the majority of good performers (or better) "the salient majority" are not as well fit and are not satisfied by our performance appraisal systems. It is this group of employees that can significantly increase our productivity and competitiveness in the marketplace. Current work force expectations make it clear to most human resource professionals that while this group of employees is very desirous of meaningful performance feedback, these employees/customers are not desirous of being closely monitored, documented, or graded. Accordingly, the very basis and strength of the traditional performance evaluation systems appears to have become a major weakness of the system for this critical group of employees or customers. A new and improved system is needed for the salient majority designed specifically to provide catalytic feedback, not only to boost motivation and productivity but also to better integrate our quality and customer service efforts.

Another basis for lack of effectiveness in our traditional performance evaluations is the belief that performance evaluation systems can deliver for a multiple of objectives. Instead of serving the singular and critical purpose of providing employee feedback, employees consider the system as an "all purpose tool" for such significant activities as compensation, employee development, etc. The problem with all-purpose tools is that they cannot be designed for a specific objective.

Accordingly, these tools seem not to work well for any of the many purposes they were designed. Such is definitely the case with our performance evaluation system. For

example, the linkage of performance evaluation systems to compensation may create some serious barriers to providing constructive employee feedback. Discussions of compensation are generally very heavy and serious conversations for employees. Employees perceive any discussions linked to compensation as negotiation sessions. Further, in the background of these negotiations, is the insatiable desire of employees for "internal equity." Accordingly, it is easily understandable why some attempts to give open and accurate feedback become complicated negotiation and documentation sessions. When objective feedback is given to a bonafide member of the salient majority without other strings attached, such as compensation or comparative rankings, employees are more receptive and appreciative. Additionally, when discussions are focused on performance alone, other positive techniques such as self-appraisal are supported. Without any such complicating factors, the research (Teel, 1978) which found that employers rate themselves equivalent or lower than their supervisors, seems even more plausible. Finally, this section of this article was **not** intended in any way to address the "merits" of merit pay. Rather the cogent contention is that performance evaluation systems should be designed and utilized for the singular purpose of providing employee feedback.

Once these critical issues of audience and purpose for performance evaluation systems are addressed, the Human Resource Professional can initiate efforts to convert the current traditional system into a catalytic feedback system.

CONVERSION TO CATALYTIC FEEDBACK

In order to convert our traditional systems to catalytic feedback systems, we must first change the **foundation**, the **focus** and the **communicative** mode for the appraisal

systems.

Before discussing the conversion process, the reader is reminded to reference the salient majority in this discussion. The catalytic feedback system is not designed to monitor or document the struggling or neophyte employee. Accordingly, the discussion of this new feedback system must be contexted with the salient majority as the singular target group for this discussion. While not discussed in this paper, perhaps the traditional systems in our companies can continue to be used for struggling and neophyte employees as a performance observation system and that companies can utilize and integrate two systems for all employees in the organization.

For most of our appraisal systems, the **foundation** of the systems is the position description document. While position descriptions are without question an invaluable tool for our profession for some purposes, position descriptions do not serve as well as a foundation for the performance feedback systems needed today.

Position descriptions represent a static microscopic purview of the employee's job. Such purview is critical for purposes such as compensation and job analysis and helpful for other purposes such as job previews. However, a problematic misconception of position descriptions is that the document serves well as a working agreement for the employee and supervisor or as an dynamic expression of each individual's expectancies. In order to receive feedback, an employee should have some understanding of what is expected and/or desired of him/her. The position description provides some guidance of what was indicated at one point of time, usually distant in the past.

Human resource professionals are keenly aware that the work place and employees'

jobs are continuously evolving at an accelerated rate. Henceforth, the traditional appraisal systems were based upon position descriptions with static microscopic purviews accurate and relevant data from some date in the past. This document is not appropriate for the supervisor and employee who are more eager to discuss what's actually happening or should be happening today or tomorrow, rather than yesterday.

Secondly, it is this new understanding that performance feedback is relevant and constructive when it is contemporary and not ancient history. Traditional system have focused on the past, usually addressing the previous twelve months. Both rater and raters have generally found that these periods of time are not only taxing upon our abilities to recall events and performance that transpired months earlier, but also are distant in time to impair the credibility and perceived accuracy of the dated information. The need for such retrospection also is recognized as contributing to the "big surprise" scenario that represents the classic horror story of performance appraisal. Nothing can be more damaging to the employee-supervisor relationship than criticism of the employee for some perceived performance shortcoming that was recorded in the past but previously was undisclosed until the annual performance appraisal discussion.

We all get defiant or irritated when someone digs up information and criticisms of an earlier period of time. In addition, how constructive and helpful is the discussion about expectancies and performance that occurred months before? Would not feedback relevant to expectancies and performance of today be more effective and/or catalytic for the employee and supervisor? Further, would not the focus of today's performance and expectancies be a more appropriate corner-stone for the companies efforts toward quality

and/or quality improvement?

Given the increased value of current information and the natural integration of contemporaneous performance discussions to quality, a catalytic performance feedback system must be focused upon today and tomorrow rather than a hundred yesterdays. Finally, while the new feedback system de-emphasizes yesterday, the system does not purport that feedback can be static and/or infrequent. Rather, the catalytic system relies very heavily on the **communicative** mode, premised upon the concept of continuous informal feedback. As stated earlier, the work and work systems in our organization are evolving at an accelerated rate. In order to properly direct and advise employees, constant feedback is essential to make employees aware of expectancies and work standards as these evolve or develop in the work place.

Accordingly, supervisors must continuously communicate expectancies and work standards by providing feedback on individual and group performance. This feedback should comprise both positive and critical statements in order to more clearly sketch the expectancies and performance standards for that particular time frame.

Such continuous and informal feedback eliminate any need to discuss yesterdays at a later date. More importantly, this feedback approach provides the information and guidance to the individual of work groups when it is relevant and a basis for change and consideration while actions/decisions are being contemplated. In essence, employees work groups and supervisors are in a better position and/or mind set to continuously ask "Where do we go from here?" The answers to this question constitutes the optimal foundation for change and/or improvement.

In essence, performance feedback should take on the mode of an ongoing constructive and non-threatening discussion. The discussion should be inclusive of feedback that supports as well as guides and redirects the individual's performance. Significantly, the performance feedback discussion must be a dialogue and/or a mutual exchange of information relative to the expectancies and perceptions of both parties. Supervisors as well as employees must appreciate this opportunity to learn from each other in the dynamic evolutions that are work places of today and tomorrow.

In conclusion, the traditional approaches to performance appraisal simply are not meeting the objective of providing the required and desired communication or feedback to most of the employees and supervisors in our organizations. Additionally, the traditional systems are not supportive and or consistent with other significant efforts to boost productivity such as quality improvement and high-performance work systems. The conversion of our systems to the more cogent and catalytic feedback systems can be accomplished by dramatic departures of the foundation, focus and mode of our performance appraisal systems. The work place and work force have been forced to evolve due to technology and competition while some human resource programs have not evolved accordingly. With the modifications recommended above, our organizations can seize the opportunity to update and enrich our performance appraisal systems. These new and improved feedback systems will insure that our employees and supervisors are adequately informed, supported, and guided for the many challenges of work for today and tomorrow in each of our organizations.