

DEVELOPMENTAL PERFORMANCE APPRAISAL: AN ANALYSIS OF THE
RELEVANT LITERATURE

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Under the Alternate Plan for the Master of Business Administration Degree this report may be presented to the student's examining committee as a study offered in lieu of a thesis.

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CHAPTER I

Introduction to the Problem

Almost every organization in one way or another goes through a periodic ritual, formally or informally, known as performance appraisal. Performance appraisal has been called many things. The formal performance appraisal has been called a tool of management, a control process, an activity and a critical element in human resources allocation. Uses for performance appraisal have included equal employment opportunity considerations, promotions, transfer and salary increases. Primarily performance appraisal has been considered an overall system for controlling an organization. Performance appraisal has also been called an audit function of an organization regarding the performance of individuals, groups and entire divisions.

The performance appraisal has been defined as any personnel decision that affects the status of employees regarding retention, termination, promotion, demotion, transfer, salary increases or decreases, or admission into a training program.¹ For this study,

performance appraisal has been confined to the formal performance appraisal with the above definition.

Appraisals have been cited to range from official, prescribed meetings between an evaluator and evaluatee to casual, change occasions where an evaluator observed work activities and indicated his or her assessment with an informal comment.² The main emphasis of this study has been the use of performance appraisal as a tool for employee development.

One of the major problems with performance appraisal has been the purposes which performance appraisal has been used. The study has examined the use of performance appraisal as an instrument of appraisal which could be related to the development of personnel.

The study also examined the use of performance appraisal for communicating expectations of both the organization and the employee. Benefits of communicating with each other were noted.

¹Gary P. Latham and Kenneth H. Wexley, Increasing Productivity Through Performance Appraisal, quoted in William F. Glueck, Personnel: A Diagnostic Approach, 3rd ed., (Piano: Business Publications, inc., 1982), P. 368.

²Derick W. Drinkeroff and Rosabeth M. Kanter, "Appraising the Performance Appraisal." Sloan Management , Spring 1980, 2! (3) (Spring 1980):3.

Statement of the Problem

The first question addressed in the study considered whether a company (called the Corporation in this study) has been using performance appraisal as a tool for organizational development or for employee career development. The second question raised has been whether performance appraisal could be used for both organizational development and employee development. This third question raised has been whether the use of performance appraisal being used for developmental purposes made employees more effective, thus making the organization more efficient.

Purpose of the Study

The study has attempted to accomplish several purposes by the examination of the concept of using performance appraisals as a means of employee development. These purposes have hopefully been accomplished through the use of a comparison of the performance appraisal techniques used by The Corporation as compared to other known appraisal methods and techniques.

The first goal has been to determine the methods used within the performance appraisal form provided by The Corporation. The performance appraisal has been

developed by The Corporation for internal use. The performance appraisal has been examined by sections and a determination has been made by the researcher as to which known methods of performance appraisal were used in those sections.

The next goal has been to determine whether the performance appraisal has been used to further develop the organization, to develop employees by providing for the employees career development needs, or both. This purpose has been accomplished by comparing the purposes of the traditional (overall) and developmental approaches of performance appraisal to the purposes for performance appraisal that were given by The Corporation.

Another aspect of the study has been to see whether the developmental aspect of performance appraisal could be applied to all employees or just to a chosen few. The

study has not attempted to go beyond recognizing different treatments for different groups of employees and the researcher considered this issue to have been beyond the scope of the study.

The Corporation has integrated many methods and techniques of performing performance appraisal into a practical performance appraisal in a general sense. The purpose of this study has been to determine whether the performance appraisal was used for employee development and whether the appraisal was emphasized as an important part of the performance appraisal process.

Hypothesis Used in the Study

The study examined the following hypothesis:

1. The Corporation's performance appraisal, when used properly, has not met the criteria of a developmental performance appraisal.
2. The use of an employee performance appraisal for developmental purposes has not served to make the employees more effective, as compared to a performance appraisal that has not attempted to develop employees.

The study will attempt to prove the first hypothesis by comparing the criteria used by the Corporation for performance appraisal as compares with performance appraisal being used for developmental purposes. As a means of verifying the hypothesis, the purposes for a developmental performance appraisal were compared to the purposes of The Corporation's performance appraisal.

In attempting to prove the second hypothesis, the study required the use of published information supplied by independent surveys and research groups. Information concerning the employees attitudes toward The Corporation's performance appraisal has been provided by The Corporation, but has been found to be limited in offering insight into the effectiveness of the appraisal.

Performance appraisal has been approached from two view points. Both approaches have intended to increase the organizations effectiveness.

The first approach has been used to rate the overall organizational performance. The overall organizational approach has been concerned primarily with personnel decisions about employees with little regard for the employees as individuals.

The second approach involved using the performance appraisal technique as a contributor to employee motivation development and human resources planning. The second approach has placed the emphasis on the overall organizational view. More importantly, the emphasis has been placed on treating the employee as an individual.

In assessing the need for the study, the researcher considered the known methods of performance appraisal and how a major corporation integrated the known methods into a performance appraisal. The prime consideration has been whether the performance appraisal had been used for employee career developmental purposes.

The researcher has been of the opinion that this study would provide an example of the application of known performance appraisal methods and techniques to determine whether The Corporation's performance appraisal had been used for developmental

purposes. Consideration of the effectiveness of a developmental performance appraisal has also been given.

Limitations

1. The researcher was requested not to publish the name of the major corporation that provided their performance appraisal information and appraisal instruments for use in this study.

2. Because of a recent decision by the corporation to market their performance appraisal system, the researcher has referred to the firm providing the performance appraisal information and appraisal instruments as The Corporation.

3. The study has been confined to the formal performance and employee development portion of the appraisal system of the company that provided the performance appraisal instruments for the study. The coaching, communications interview, and salary determination portions have been omitted.

4. Information regarding the effectiveness of the performance appraisals for most companies and government agencies were not a matter of public record. Therefore, the effectiveness of an employee developmental performance appraisal technique could only be determined from published information supplied by independent surveys and research groups.

5. The study has been limited to only the appraisal instrument and how the appraisal has been intended to be used, not with potential evaluator problems or biases arising from the use of the performance appraisal.

Delimitations

1. The study examined the use of performance appraisal by a major corporation for developmental purposes. A comparison to known performance appraisal methods and techniques has been used to determine the purpose of the performance appraisal instrument.

2. The main thrust of the comparison has been based on a managerial performance appraisal. The major differences between appraisal instruments for engineers, technicians, clerical, and production workers have been only briefly mentioned.

3. In reviewing the performance appraisal instrument used for production workers, the researcher noted that no provision for career development had been made.

4. A question has been raised concerning the need for developing the production labor force to the same degree as the professional labor force through the use of the developmental aspect of performance appraisal. However, the researcher considered the question to be beyond scope of the study.

5. Information regarding the actual effectiveness of the performance appraisal used in the study has not been made available to the researcher by The Corporation. The researcher has been required to draw conclusions as to the effectiveness of the developmental performance appraisal from a review of published information and information obtained from independent surveys and research groups .

Definition of Terms

Behavioral Anchored Rating Scales. - The term used to describe a performance rating that focused on specific behaviors or sets as indicators of effective or ineffective performance, rather than on broadly stated adjectives such as "average, above average, or below average". Other variations were:

- a. Behavioral observation scales
- b. Behavioral expectations scales
- c. Numerically anchored rating scales³

³Andrew D. Szilagyi, Jr. and Marc J. Wallace Jr., *Organizational Behavior and Performance*, (Santa Monica: Goodyear, 1980), p. 446.

Checklists. - The term used to define a set of adjectives or descriptive statements. If the rater believed the employee possessed a trait listed, the rater checked the item; if not, the rater left the item blank. rating score from the checklist equaled the number of checks.⁴

Critical Incident Technique. - The term used to describe a method of performance appraisal that made lists of statements of very effective and very ineffective behavior for employees. The lists have been combined into categories, which vary with the job. Once the categories had been developed and statements of effective and ineffective behavior had been provided, the evaluator prepared a log for each employee. During the evaluation period, the evaluator recorded examples of critical behaviors in each of the categories, and the log has been use to evaluate the employee at the end of the evaluation period.⁵

Forced Choice Method. - This appraisal method has been developed to prevent evaluators from rating employees to high. using this method, the evaluator has to select from a set of descriptive statements, statements which applied to the employee. The statements have been weighted and summed to at, effectiveness index.⁶

⁴William F. Glueck, Personnel: A Diagnostic ; Approach, 3rd. ed., (Piano: Business Publications, Inc., (1982)p. 385.

⁵Glueck, Personnel, p. 386.

Forced Distribution. - The term used to describe an appraisal system similar to grading on a curve. The evaluator had been asked to rate employees in some fixed

distribution of categories. One way to do this has been to type the name of each employee on a card and ask the evaluators to sort the cards into piles corresponding to rating.⁷

Graphic Rating Scale. - The term used to define the oldest and most widely used performance appraisal method. The evaluators are given a graph and asked to rate the employees on each of the characteristics. The number of characteristics can vary from one to one-hundred. The rating can be a matrix of boxes for the evaluator to check off or a bar graph where the evaluator checked off a location relative to the evaluators rating.⁸

Narrative or Essay Evaluation. - This appraisal method asked the evaluator to describe strengths and weaknesses of an employee's behavior. Some companies still use this method exclusively, whereas in others, the method has been combined with the graphic rating scale.⁹

⁶Glueck, Personnel, p. 385.

⁷Glueck, Personnel, p. 392.

⁸Glueck, Personnel, P. 386

Management by Objectives. - The management by objectives performance appraisal method has the supervisor and employee get together to set objectives in quantifiable terms. The appraisal method has worked to eliminate communication problems by the establishment of regular meetings, emphasizing results, and by being an ongoing process where new objectives have been established and old objectives had been modified as necessary in light of changed conditions.¹⁰

Paired Comparison. - The term used to describe an appraisal method for ranking employees. First, the names of the employees to be evaluated have been placed on separate sheets in a predetermined order, so that each person has been compared with all other employees to be evaluated. The evaluator then checks the person he or she felt had been the better of the two on the criterion for each comparison. Typically the criterion has been the employees over all ability to do the present job. The number of times a person has been preferred is tallied, and the tally developed is an index of the number of preferences compared to the number being evaluated.¹¹

Performance Appraisal. - The term performance appraisal has been called by many names, including performance review, performance evaluation, personnel rating, merit rating, employee appraisal or employee evaluation. A performance appraisal has been defined as any personnel decision that affects the status of employee regarding their

⁹Glueck, Personnel, P. 385.

¹⁰Henry T. Beam, "Bringing MBO Back to Basics", Supervisory Management, March 1979, P. 19.12

retention, termination, promotion, transfer, salary increase or decrease, or admission into a training program.

Ranking. - The term ranking has been used to describe an alternative method of performance appraisal where the supervisor has been asked to order his or her employees in terms of performance from highest to lowest.¹³

The Corporation. - The term assigned by the researcher in order to keep the identity of the company that supplied the performance appraisal forms used in this study from being disclosed at the company's request. This request had been due to a recent decision by the company to market their appraisal system.

¹¹Glueck, Personnel, p. 392.

¹²Latham and Reiley, Increasing Productivity, quoted in Glueck, Personnel, p. 368.

¹³Glueck, Personnel, p. 391-2.

Weighted Checklist. - The term used to describe a performance appraisal method where supervisors or personnel specialists familiar with the jobs being evaluated prepared a large list of descriptive statements about effective and ineffective behavior on jobs.¹⁴

Procedures Used and Organization of the Paper

In order for a performance appraisal instrument to serve as a tool for an organization and be developmental for employees, the performance appraisal must contain a development plan. Appraisals used for employee career development have been found to be oriented more toward the employee rather than the organization.

The study followed the procedures of a descriptive study. The study described how a major corporation structured a performance appraisal and made a comparison of the appraisal to known methods to determine the appraisals purpose. The researcher reviewed the performance appraisal instrument and determined the instrument and performance appraisal process to contain many methods of performance appraisal that

¹⁴Glueck, Personnel, p. 386.

were integrated into a practical appraisal instrument. Employee development has served as an important element of performance appraisal provided the evaluator has not been biased or subject to error.

Chapter II examined the development performance appraisal concept. Chapter III compared the performance appraisal instrument of a major corporation to known methods to determine the methods used to evaluate the company's employees and to determine the performance appraisal's intent. Chapter IV examined implications and research issues involving the use of a developmental performance appraisal. The summary, conclusions, and recommendations of the study were presented in Chapter V.

CHAPTER I I

THE DEVELOPMENTAL PERFORMANCE APPRAISAL CONCEPT

There have been two prevalent approaches to performance appraisal. This chapter will be concerned with the purposes for each performance appraisal approach and the purposes The Corporation has for their use. The use of Performance appraisal as a developmental tool and problems with appraisal will be discussed.

The first approach has been the traditional approach This approach has also been known as the organizational or overall approach. The traditional approach has been primarily concerned with the overall organization and has been involved with past performance.

The second approach to performance appraisal has been the developmental approach. This approach viewed the employees as individuals and has been forward looking through the use of goal setting.

Traditional Performance Appraisal Purposes

The purpose of performance appraisal has been fundamentally backward or historically oriented; past performance has been reviewed in the light of the results achieved. Performance appraisal for evaluation using the traditional approach has served the following purposes:

1. Promotion, separation, and transfer decisions¹
2. Feedback prior the employee regarding how the organization viewed the employees performance²
3. Evaluations of relative contributions made by individuals and entire departments in achieving higher level organization goals³
4. Criteria for evaluating the effectiveness of selection and placement decisions, including the relevance of the information used in the decisions within the organization⁴
5. Reward decisions, including merit increases, promotions, and other rewards⁵

¹Andrew D. Szilagyi, Jr. and Marc J. Wallace, Jr., Organizational Behavior and Performance, (Santa Monica: Goodyear, 1980), p. 446.

²Szilagyi and Wallace, p. 446.

³Szilagyi and Wallace, p. 446.

⁴Sziagyi and Wallace, p. 447.

⁵Szilagyi and Wallace, p. 447.

Posted on Performance Appraisal Tips Help Page
at

http://iso9k1.home.att.net/pa/performance_appraisal.html

6. Ascertaining and diagnosing training and development decisions⁶

7. Criteria for evaluating the success of training and development decisions⁷

8. Information upon which work-scheduling plans, budgeting, and human resources planning can be used⁸

Two serious flaws in the traditional approach to performance appraisal were noted. The flaws were:

a.) Organizational performance appraisal was primarily concerned with the past rather than being forward looking through the use of setting objectives or goals.

b.) Performance appraisal has usually been tied to the employees salary review. Dealing with salary generally overwhelmed and blocked creative, meaningful, or comprehensive consideration of performance goals.

Developmental Performance Appraisal Purposes

The developmental approach to performance appraisal has been related to employees as individuals. This approach has been concerned with the use of performance appraisal as a contributor to employee motivation, development, and

⁶Szilagy and Wallace, p. 447.

⁷Szilagy and Wallace, P. 447.

⁸Szilagy and Wallace, p. 447.

human resources planning. The development approach contained all of the traditional overall organizational performance appraisal purposes and the following additional purposes:

1. Provided employees the opportunity to formally indicate the direction and level of the employee's ambition⁹

2. Show organizational interest in employee development, which was cited to help the enterprise retain ambitious, capable employees instead of losing the employees to competitors¹⁰

3. Provided a structure for communications between employees and management to help clarify expectations of the employee by management and the employee¹¹

4. Provide satisfaction and encouragement to the employee who has been trying to perform well.¹²

⁹Elaine F. Gruenfeld, Performance Appraisal: Promise and Peril, quoted in William F. Glueck, Personnel: A Diagnostic Approach, 3rd. ed., (Plano: Business Publications Inc., 1982). p. 372.

¹⁰Gruenfeld, Promise and Peril, quoted in Glueck, Personnel: A Diagnostic Approach, 3rd. ed., (Plano: Business Publications inc., 1982), p. 372.

¹¹Gruenfeld, Promise and Peril, quoted in Glueck, Personnel, p. 372.

¹²Gruenfeild, Promise and Peril, quoted in Glueck, Personnel, p. 372.

In reviewing the purposes for performance appraisal at The Corporation, The Corporation stated that the performance appraisal has been a key part of the management process for the effective utilization of human resources. Through the performance appraisal process, The Corporation expected the following from company managers:

1. Translate organizational goals into individual job objective.
2. Communicate management's expectations regarding employee performance
3. Provide feedback to the employee about job performance in light of management's objectives
4. Coach the employee on how to achieve job objectives/requirements
5. Diagnose the employee's strengths and weaknesses.
6. Determine what kind of development activities might help the employee better utilize his or her skills improve performance on the current job. (Refer to Index I for The Corporation's official Statement of Purpose and Philosophy).

Review of Expectations

In reviewing the expectations of the company in light of the purposes of corporation's performance appraisal, the following has been noted:

1. The performance appraisals were expected to be forward looking and used for goal setting on an individual basis.
2. The Corporation's performance appraisal was concerned with developing the employees skills and to improve current job performance.

Both of the above expectations were key purpose for developmental performance appraisals. However, due to differences in the purposes for the developmental performance appraisal and The Corporation's performance appraisal, further analysis would be required.

The Performance Appraisal Tool

When used as a developmental tool, performance appraisal requires the addition of a development plan and required the appraisal be orientated toward the individual employee rather than the organization. The employee and manager must work together to negotiate goals that correspond to employee and organizational needs.

When used developmentally, performance appraisal generally involved the following elements:

1. The employee and manager completed separate assessments
2. The manager and employee had a face-to-face discussion of the separate assessments, often with a third party (such as a personnel officer) present to mediate and offer an outside view
3. The employee must have had a chance to declare his or her interest in other jobs or training programs via self-nomination processes formally included in performance appraisal
4. An action plan or "contract" between the manager and employee about further steps to help develop the employee.
5. In large corporations, increasingly, collection of data about worker skills and career goals in a central information bank has been noted¹³

¹³Derick W. Brinkerhoff and Rosabeth Moss Kanter, "Appraising the Performance of Performance Appraisal", Sloan Management Review, Spring 1980, 21 (3). p.4.

Alewine stated the performance appraisal objective has been to get employees to see themselves as they really are. The person being appraised should recognize the need to improve job performance and be committed to a plan for improved job performance. There must be a mutual agreement on a development plan for the coming appraisal period. The manager should remain alert to the employee's progress during the year as the development plan is being carried out. The first goal of the appraisal process has been to get the employees to see themselves as they really are. The second goal had been to get the employee to recognize the need to improve job performance. The third and final goal had been to involve the employee in developing a plan for improving job performance and better career planning.¹⁴

Also noted had been that if the employee's were involved in the performance appraisal from the beginning, informed of his or her progress (or lack of progress) all along, and given a stake in the process, then chances were better that the main object of the employees anger or frustration will not have been the employees supervisors or the

¹⁴Thomas C. Alewine, "Performance Appraisals and Performance Standards", Personnel Journal, March 1982, 61 (3), p. 213.

organization, but themselves.¹⁵ The development aspect of performance appraisal would be one way for the employees to get involved in the appraisal.

Problems with Appraisal

To improve the performance appraisal, the idea of performance appraisal for developmental purposes had been put forth by Mayer as a Staff Development Review. The Staff Development Review concerned a development plan for employees that had been a forward-looking process that placed primarily emphasis on the future and had been completed separate from the Salary review.¹⁶

In a study by Teel a significant finding had been that the employee's role in appraisal has been primarily a passive one. Four persistent problems were also identified. One concerned how to arrive at a single overall performance appraisal, often needed for compensation decisions, based on a series of individual ratings and/or narrative statements. A second had been how to managers to follow a strictly merit philosophy,

¹⁵Beverly L. Kaye and Sheily Krantz, "Preparing Employees: The Missing Link in Performance Appraisal Training", Personnel, May-June 1982, 59 (3), p. 29.

¹⁶Richard J. Mayer, "Keys to Effective Appraisal", Management Review, June 1980, 69 (6) p. 61.

rather than giving approximately the same percentage increases to everyone. A third concerned how to get greater employee involvement in the appraisal process, so that the appraisal process will become more of a joint problem-solving discussion and less of a "tell and sell" session. The final problem had been how to reconcile the developmental and administrative requirements of an appraisal system, since an approach that satisfied one was often found to be unsuitable for the other.¹⁷

Summary

A common theme in the literature on performance appraisal has been that employees needed to be involved actively in the performance appraisal process and that unless the employee had something to gain, the employee has not been likely to improve performance. Also noted has

been the purposes for performance appraisal using either the traditional or the developmental approach. Some times they were in conflict with each other. However, the use of the Performance appraisal for employee career development has not been

¹⁷Kenneth S. Teel, "Performance Appraisal: Current Trends, Persistent Progress", Personnel Journal, April 1980, 59 (4), p. 316.

determined to be detrimental to the performance appraisal process.

In order to better understand the application of the developmental performance appraisal, Chapter III will compare the performance appraisal instrument of a major corporation to determine the performance appraisal's intent. Chapter IV will examine the implication and research issues involving the use of a developmental performance appraisal. The summary, conclusions and recommendations of the study were presented in Chapter V.

CHAPTER III

THE PERFORMANCE APPRAISAL PROCESS

In order to obtain a better understanding of how the performance appraisal has been put together by The Corporation, the researcher has provided an overview of The Corporation's performance appraisal process. The researcher felt that the overview of the performance appraisal process would be necessary, since the process provided a framework for the performance appraisal.

The performance appraisal process at The Corporation has been stated by The Corporation as consisting of four inter-related steps. The first step was to establish a common understanding between the manager (evaluator) and employee (evaluatee) regarding work expectations; mainly, the work to be accomplished and how that work was to be evaluated. The second step was an ongoing assessment of performance and the progress against work expectation. Provisions were made for the regular feedback of information to clarify and modify the goals and expectations, to correct unacceptable performance before it was too late, and to reward superior performance with proper praise and recognition. Step three was the formal documentation of performance through the completion of a performance and development appraisal form appropriate to the job family.

The final step being the formal performance and development appraisal discussion, based on the completed appraisal form and ending in the construction of a Development Plan. Also noted was that The Corporation considered the performance appraisal process to have been within the larger content of the other performance related processes of work planning and salary action.

Performance and Development Appraisal Form

In reviewing the performance appraisal forms used by The Corporation, the appraisal forms were found to have similar formats for all of the job families with the exception of the production labor force. Each of the performance appraisal forms were found to consist of four sections. The Overall Performance Section, the Performance Factors Section, Development Plan, and the Salary Action Recommendation. The only exception noted being that the production workers third section contained a Work Improvement Plan in place of a Development Plan. The Salary Action Recommendation had been omitted from the production workers appraisal. Since the study has been limited in scope, no further reference to the production workers performance appraisal nor to salary determination as been made.

Comparison to Known Methods

In comparing The Corporation's performance appraisal to known methods and techniques of appraisal, the researcher concentrate on only the three sections of the performance and development appraisal forms which were concerned with performance appraisal. The researcher noted that the performance appraisal used by The Corporation has been to some degree inter-related with most of the methods currently in use.

Section I - Overall Performance. The first section of the evaluation instrument attempts to evaluate overall performance. The graphic rating scale has been used by the evaluator to check the box which best summarized the employee's overall performance (See Fig. 1, Section I - Overall Performance, page 31).

The use of an-overall performance rating in performance appraisal has been quite useful for the employees with respect to providing clear feedback about their overall performance. However, one apparent danger has been that the evaluator must be very cautions not to become subject to the human judgment pitfall, such as the employees

past record, leniency, central tendency or the use of performance ratings based on certain traits.

Section II - Performance Factors. The second section of the evaluation form concerns the performance factors (See Figure 2, Section II - Performance Factors, page 31, and Figure 3, Performance Factors continued, page 33).

The second section of the forms has been divided into three areas. The first area contains the Performance Factors and Definitions. The second area contains the Comments Section which corresponds in a column next to the factors area. An example of the form is given on page 30 and 33. The final area had been an Importance and Effectiveness Rating Summary (See Figure 3, Section II - Performance Factors continued, page 34).

Performance Factors were the criteria upon which the evaluator rated the employee. The factors on the appraisal form changed for each job family. The idea behind categorizing the factor was to provide a job-relevant checklist on which the evaluator could express judgments in an equitable and consistent manner. The overall purpose of providing the factors and definitions has been to establish shared performance expectations between the evaluator and the employee.

Factors were listed in columns along with the factor definitions. A corresponding column for the comments area

Performance and Development Appraisal

EMPLOYEE NO.	EMPLOYEE A ME	PRESENT GRADE & POSITION		APPRAISAL PERIOD FROM:
				DATE ENTERED PRESENT POSITION:
EMPLOYEE NO.	REVIEWER NAME	DIVISION NO	DEPT. NO.	DEPARTMENT NAME:

This form is to assist you in providing the employee with clear and realistic performance feedback and career expectations, to help plan his/her development, and to document the appraisal discussion.

SECTION I - OVERALL PERFORMANCE

The objectives of this section are: to provide the employee with clear feedback about overall performance; to explain the key considerations that go into it; and to assure that the employee's career expectations are in line with present performance.

Check the box below which best summarizes the employee's overall performance against work expectations. Your rating should consider: how well work plan objectives/work assignments are achieved; how the employee goes about achieving them; their difficulty; and what other results are being achieved apart from planned objectives/assignments. When possible, take into consideration your experience with other employees in similar jobs and along the same factors. The rating scale includes three ranges of acceptable and one level of unacceptable performance, defined as follows:

- Exceeding Expectations** Achievements consistently meet and exceed the position's key objectives or requirements.
- Achieving Expectations** Achievements consistently meet the position's key objectives or requirements. In some areas, accomplishments may exceed work expectations; in others, they may fall short a bit. Overall, however, the position's objectives or requirements are being met.
- Partially Achieving Expectations** Achievements partially meet the position's key objectives or requirements. With improvements in designated areas of the development plan, performance should become more satisfactory. If improvement does not occur, performance eventually will be considered not acceptable.
- Not Acceptable** Achievements do not meet the position's key objectives or requirements. Termination or reclassification should be considered unless performance improvement is shown rapidly.

NOT ACCEPT - ABLE	PARTIALLY ACHIEVING EXPECTATIONS			ACHIEVING EXPECTATIONS			EXCEEDING EXPECTATIONS		

COMMENTS: Document your rating in a manner which will satisfy this section's objectives.

Figure 1. - Section I - Overall Performance

SECTION II - Performance Factors

This section enables you to describe in more detail how the employee goes about achieving the results of the job by diagnosing relative strengths and weaknesses along different performance factors. In a given position, some factors will be more important than others. Each is illustrated by examples. For each factor:

- (1) Rate the **IMPORTANCE** of it to the employee's job by writing an "1" in the appropriate column of the "Ratings Summary". (If not applicable, use NA column.)
 - (2) Rate the employee's overall **EFFECTIVENESS** on it, based on typical level of performance during the review cycle, by writing an "E" in the appropriate column. (Use NA column if not acceptable. If there has been no opportunity to observe performance, then leave blank.)
 - (3) Use the **COMMENT** space to give specific examples typical of this employee's performance which illustrate the effectiveness rating given.
- Use the blank factor space to describe and rate any performance area not covered by the factors listed.

PERFORMANCE FACTORS & DEFINITIONS	COMMENTS
<p>1. QUALITY STANDARDS: Developing and/or maintaining acceptable standards for products/services/equipment.</p> <ul style="list-style-type: none"> - Ensuring that products/services meet reliability and quality standards established by the company and customers. - Completing work according to specifications. - Conducting evaluations to assure that equipment is in good operating order. 	
<p>2. PROBLEM SOLVING: Applying knowledge to solve job related problems for timely corrective action.</p> <ul style="list-style-type: none"> - Identifying and anticipating potential problems for timely corrective action. - Determining which problems require immediate attention. - Assessing the strengths and weaknesses of solutions and developing effective action plans. 	
<p>3. WRITING/DRAWING: Preparing reports or other documents in written or pictorial form.</p> <ul style="list-style-type: none"> - writing concise, organized, and easy-to read technical articles, correspondence, manuals, minutes of meetings, etc. - Providing others (e.g., technicians, draftspersons) with complete and accurate written directions and/or design. - Preparing technical recommendations so as to be readily understood by others familiar with the field. 	
<p>4. RECORD KEEPING: Developing an effective documentation system and keeping accurate records.</p> <ul style="list-style-type: none"> - Knowing what the key details are and how/when to document them. - Conscientiously recording technical data from key experiments; maintaining and updating technical records and logs. - Processing paper work quickly, accurately, and with close attention to important details. 	
<p>5. WORK PLANNING: Planning for both short term and long range goal achievement.</p> <ul style="list-style-type: none"> - Prioritizing tasks to assure optimum allocation of time. - Modifying plans to adjust for unforeseen situations such as changes in resources, organization, policies and technology. - Developing work plan consistent with department needs. 	
<p>6. FINANCIAL PLANNING: Estimating and monitoring expenses to achieve cost effectiveness.</p> <ul style="list-style-type: none"> - Providing accurate time and cost estimates/forecasts of current or proposed projects. - Notifying / justifying to management expected deviations from current budget - Controlling expenses within the budget. 	
<p>7. MATERIAL PLANNING: Allocating materials to optimize utilization of resources.</p> <ul style="list-style-type: none"> - Assessing needs for equipment, materials, and processing. - Utilizing available materials and method, to ensure completion of high quality work at minimum costs. - Organizing work site in such a way that it is neat and clear of potential hazards. 	
<p>8. ORAL COMMUNICATION: Communicating effectively, thoroughly, and accurately to an individual or group of individuals.</p> <ul style="list-style-type: none"> - Communicating ideas and opinions in a clear and concise manner. - Providing complete, reliable, and prompt information to superiors; sharing information required by other employee ~ and organizational units to achieve their objectives - Explaining designs of products/services to customers with varying levels of technical knowledge: knowing how to interface with customers. 	

Figure 2. - Section II - Performance Factors

has been provided. The researcher noted that different factors were given for different job classifications.

Factors used to evaluate the performance of managers were planning and allocating, crisis action, administration coaching, coordination, motivating, training, consideration, communication, representing, urgency/persistence, organizational commitment, know-how, and innovation. Engineer were rated on quality standards, problem solving, writing/drawing, record keeping, work planning, financial planning, material planning, oral communication, coordination, directing others, know-how, effort/persistence, and innovation.

The factors used for skilled hourly workers has been noted as being different than for the professional workers listed above. For example, factors used to rate technicians are quality of work, volume of work, diagnosing problems, safety and maintenance, documentation, communication, and attendance and punctuality.

Appraisal forms

also contained a blank factor space to use for additional factors that may-have applied to specific jobs.

The Corporation listed the performance factors in a column. A second column for comments has been provided. This portion of Section II has been determined to be similar to the essay method. However, the researcher noted that the managers were asked to comment on the employees relative strengths and weaknesses. An item of interest

PERFORMANCE FACTORS & DEFINITIONS		COMMENTS									
9. COORDINATION: Negotiating and cooperating with others to accomplish optimal utilization of available resources. - Gaining the understanding, support, and effective action of team members - Utilizing available support services effectively. - Coordinating the efforts of several units (or vendors) to achieve overall objectives with maximum efficiency.											
10. DIRECTING OTHERS: Serving as the head of a team/unit responsible for a given project(s). - Scheduling, assigning, and/or delegating work among employees to ensure maximum resource utilization. - Organizing team efforts to achieve project objectives within established deadlines and financial constraints. - Providing inputs to management regarding the performance of team members.											
11. KNOW-HOW: Keeping up-to-date technically. - Serving as a "resource person" on whom others rely for technical advice. - Using a broad range of information about engineering and applying it where it counts. - Keeping informed of the latest developments in the technical specialty.											
12. EFFORT/PERSISTENCE: Persisting with special efforts to reach goals. - Striving to achieve objectives beyond what is expected or required. - Displaying responsibility, initiative, and conscientiousness in completing assigned projects. - Demonstrating effort and success at self-improvement.											
13. INNOVATION: Originating and developing ideas for improving products/services. - Developing new solutions to old problems - Exhibiting original thinking, ingenuity, and creativity in the development of new or improved methods or approaches. - Anticipating important changes which may affect the job and capitalizing on them.											
14. OTHER:											
IMPORTANCE & EFFECTIVENESS RATINGS SUMMARY											
PERFORMANCE FACTOR		N/A	LOW			MEDIUM			HIGH		
T	1. QUALITY STANDARDS										
E	2. PROBLEM SOLVING										
C	3 WRITING/DRAWING										
H	4 RECORD KEEPING										
P	5. WORK PLANNING										
&	6. FINANCIAL PLANNING										
O	7, MATERIAL PLANNING										
I	8 ORAL COMMUNICATION										
N	9. COORDINATION										
T	10 DIRECTING OTHERS										
P	11. KNOW-HOW										
E	12 EFFOR1/PERSISTENCE										
R	13 INNOVATION										
	14.										
Performance Factor Areas: TECH = Technical, P&O = Planning & Organizing, INT =Interpersonal, PER = Personal											

Figure 3. - Section II - Performance Factors continued

has been that the manager were asked to keep track of critical incidents during the appraisal period. This information has been not only used for Section II, but was needed to fill in Section III, the Development Plan.

Along with being an essay method using the critical incident approach, the second section had a variation. The variation from the critical incident approach has been the use of the Importance and Effectiveness Rating Summary (See Figure 3, Section II - Performance Factors continued, page 33). In the Importance and Effectiveness Rating Summary, the relative importance of the factors (from the factors and definition area) to the employee's job during the review period were put on a graphic rating scale. The scale went from low to high. If the factor has nothing to do with the current job or effectiveness, not applicable was checked.

Upon determining the importance of the job, the manager placed an I in the appropriate rating cell. The next step was the effectiveness rating. with the effectiveness rating, the manager placed an E in the appropriate cell. The effectiveness rating was based on the persons typical level of performance during the review period. This scale had been integrated with the importance rating and was rated from low to high with the same scale as the impor-

tance rating.

The rating summary scale appeared as a large matrix with the performance factors listed in a column on the left and with nine rating cells for each factor on the right. The goal of the effectiveness rating has been to provide the employees with diagnostic feedback of his or her weaknesses. Managers were warned that a varied profile should emerge and that a flat profile should be avoided since it has been considered unlikely that an employee could perform equally effective or ineffective on all factors.

Besides differentiating the strengths and weaknesses of an individual relative to the individual, the manager has [o nave differentiated between the effectiveness levels of all employees within the same job family on any given factor. The reason has been to provide realizing to the performance effectiveness rating so that it has been focused on performance only. Considerations such as job grade level, experience, education, or other personal factors were ignored. The importance and Effectiveness Rating Summary once completed has been used as a diagnostic profile. The diagnostic profile has been the basis for the development plan.

An overall comments space has been provided for the evaluator to reference additional information or perceptions (pertaining to performance), which could not be documented elsewhere on the form.

Section III - Development Plan. The third section of the performance appraisal has been called a development plan for professional and skilled employees (See Fig. 4 Section III- Development Plan, Page 38). This section has been called a work improvement plan for production workers.

In the development plan, key strengths and weaknesses were listed and recommendations for utilization of strengths and recommendations for improving relative weaknesses of the current job performance have been indicated. This section compared closely with the essay appraisal method. However, the manager obtained his information for the essay from a critical incident list that he prepared on the employee during the appraisal period.

Consideration for the employees long term goals and development could be given by the manager, but there has been no specific area on the form for the manager to do so. Without a specific reference to long term goals and development, the area has been found easy to overlook. Managers that were receptive to long term employee career development could fill out the form by writing' in recommendations, but managers could just as easily overlook the developmental aspect beyond improving the current job.

Also noted has been that managers could intentionally over look development to keep employees who are good at certain

SECTION III - Development Plan

This section enables you to construct a development plan in line with the career expectations communicated in Section I, by addressing the key strengths and weaknesses diagnosed in Section II.

RELATIVE STRENGTHS	SPECIFIC RECOMMENDATIONS FOR BETTER UTILIZING EMPLOYEE'S STRENGTHS
RELATIVE WEAKNESSES	SPECIFIC RECOMMENDATIONS FOR IMPROVING EMPLOYEE'S CURRENT JOB PERFORMANCE

OVERALL COMMENTS:

EMPLOYEE COMMENTS:

THE INFORMATION PROVIDED ON THIS FORM WILL BE USED TO SUPPORT PERFORMANCE AND DEVELOPMENT RELATED DECISIONS. IT ALSO MAY BE PROVIDED IN INDIVIDUALLY IDENTIFIABLE FORM FOR RESEARCH PURPOSES WHEN NEEDED TO EVALUATE THE QUALITY OF THE APRAISAL SYSTEM AND ITS ADMINISTRATION, IN WHICH CASE 'q' WILL BE AGGREGATED WITHOUT INDIVIDUAL IDENTIFICATION. IF ANY FURTHER DISCLOSURE OF THIS INFORMATION IS MADE, IT WILL BE PROTECTED IN ACCORDANCE WITH CORPORATE POLICIES ON DATA PRIVACY.

This appraisal has been reviewed and discussed with the employee:

EMPLOYEE	MANAGER	MANAGER
DATE	DATE	DATE

jobs in those jobs rather than develop them for new jobs and lose them.

The developmental plan had an employee comments provision so that the employee could agree or disagree with the manager on the evaluation or put forth comments on what the employee perceived as being the best developmental plan. Also noted has been that on all performance appraisals the employee, manager, and manager's manager were required to have signed the appraisal form. Another comment has been that the employee by signing the review, acknowledged that the appraisal had been reviewed and discussed. However, the fact that the employee signed the review did not necessarily mean the employee agreed with the review.

Review of the Appraisal

In essence the performance appraisal has been using the critical incident approach where the performance factors were evaluated against critical incidents and goals that were worked out between 'the manager and employee. The goals were set by using the management-by-objective technique. The performance factors were derived from job analysis where the behaviors have been studied, then written as performance factors.

In reviewing the performance appraisal, the researcher

rated the performance appraisal as doing a good job in meeting its' multiple objectives. The researcher noted that at times some of the objectives did conflict. For example: The employees freedom in goal setting may have been stifled by the manager and the departments planning efforts.

Problems with the Appraisal

In reviewing the performance appraisal used by The Corporation, the appraisal has been found to be in conflict with some of the purposes of the developmental approach. The problems noted by the researcher were as follows:

1. The employees could declare the direction and level of the employees ambitions provided the employees wrote in the information in the employee comments section. The researcher noted that no specific reference to the career planning aspect has been made on the performance appraisal. By not addressing the topic, the topic has been found to be easy to overlook;

2. The organization showed an interest in development of employees. The interest has been more for improvement of the employee at his current job rather than for developing the employee's career. Proficiency at the employee's current

job before promotion could have been a criterion, but has not been stated as being so by The Corporation.

3. The performance appraisal has provided a structure for communications between employees and management that could help clarify expectations of the employee by management and the employee. However, the researcher noted that performance appraisal has been predominately concerned with the employee's past performance based on performance factor definitions and that no provisions for the manager to state specific expectations has been made.

4. The performance appraisal has asked the manager to state relative strengths of the employees before stating the relative weaknesses of the employee. The researcher can only venture an opinion that this has been done with the purpose of providing the employee with satisfaction in order to encourage the employee. Another purpose of stating relative strengths before weaknesses would be to soften the blow of criticism.

Effectiveness

To date The Corporation has ran no formal study to determine whether the use of performance appraisal with a development plan made employees more effective at the

employees jobs. Research yielded no data that would support a claim that developmental performance appraisals made employees more effective either. The researcher noted that a 1983 independent survey stated that 45% of the companies that had career planning as a component of their performance appraisal systems used a written development plan. Also noted has been that 32% of the companies participating in the survey had not addressed career planning at all.¹

The Corporation based their use of the development plan in the performance appraisal on an 1982 Employee Attitude Survey where the results indicated that employees with development plans were more satisfied with the overall performance appraisal system than employees without development plans (77% satisfied with development plans versus 60% satisfied without development plan)¹. The Corporation also cited more recent data from a 1983 Employee Attitude Survey that suggested that both managers and employees felt the use of the development plans had increased job performance (82% moderate or substantial increase) and increased job satisfaction (80% moderate or substantial increase).

¹Drake Beam Morin, Inc., "Performance Appraisal Survey Results and Analysis," New York, 1983. (Typewritten.)

Summary

The performance appraisal used by The Corporation has been determined by the researcher to be for organizational development with an emphasis on the employee's individual performance. The appraisal has placed a great deal of importance on improving the employee at his or her current job, but the researcher has been required to believe that The Corporation had expected proficiency as a criteria for promotion or career advancement.

The researcher has determined that the performance appraisal has not met the criteria of the developmental performance appraisal. The main reason for the appraisals failure to be considered developmental has been that the appraisal has been predominately concerned with the past performance of the employee with no provision for the employee to state future career expectations.

Examination of the implications and research issues involving the use of a developmental performance appraisal have been presented in Chapter IV. The summary, conclusions, and recommendations of the study are stated in Chapter V.

CHAPTER IV

IMPLICATIONS AND RESEARCH ISSUES

The researcher has noted that there were two approaches to performance appraisal. The first approach has been organizational or traditional approach. The second approach has been development approach. Purposes of the two approaches were then stated by the researcher along with the purposes for performance appraisal by The Corporation.

By comparing the purposes for the two approaches to performance appraisal to The Corporation's purposes, the researcher determined that The Corporation has been using the organizational approach to improve employee performance. Also noted has been that though the performance appraisal had a development plan, the appraisal did not meet the strict criteria of a developmental performance appraisal.

The Corporation performance appraisal has been reviewed by the researcher and a determination as to the methods and techniques used by the performance appraisal

has been made. Problems with The Corporation's performance appraisal were also noted. A description of The Corporation's performance appraisal has been provided. The researcher noted that The Corporation's performance appraisal has been missing elements required to make an appraisal developmental. These elements have been listed in the next section.

Missing Elements

While The Corporation's performance appraisal contained a development plan, the performance appraisal did not meet the developmental performance appraisal criterion in the strictest sense. The researcher found that the following elements were not contained in the appraisal.

1. Separate assessments by the employee and manager were not completed. The manager filled out the performance appraisal and the employee has been found to have less of an opportunity to contribute to the performance appraisal since no input has been requested of the employee.

2. A face-to-face discussion of separate assessments of the manager and employee has been determined as a missing element. The performance appraisal and the performance appraisal system were determined by the researcher to lack directions for the employee on doing the employees own assessment.

3. The employee's self-nomination process that has been a requirement of a developmental performance appraisal has not been included in The Corporation's performance appraisal. There had been no formal area devoted to the employee's future goals or to declare his or her interest in other jobs or training programs on the appraisal form.

Implications of The Corporation's Appraisal

1. While the performance appraisal appeared to meet the objectives of The Corporation, the appraisal failed to meet the criteria of a developmental performance appraisal in the strictest sense.

2. The performance appraisal contained a development plan, but the appraisal has been used to improve the employee's performance on his or her current job. The performance appraisal contained no reference to career development. However, there has been a comments section included where the employee could take the initiative to formally indicate the direction and level of the employees' ambition.

3. The appraisal did provide a channel of communication between the employee and manager. The researcher noted that the communications has been one way. The manager communicated to the employee with the appraisal, but the employee had no opportunity to give his input into the appraisal.

The researcher has been of the opinion that the lack of separate assessments by the employee and the manager made the performance appraisal a "tell and sell" session when the appraisal was ready to be communicated.

4. The Corporation appeared to be running an uncontrolled experiment on The Corporation's employees with their performance appraisal. The Corporation had done no formal research on the effectiveness of the development plan prior to implementing the development plan in The Corporation's appraisal. The Corporation's chief justification for using the development plan has been the results from the Employee Attitude Surveys (Subjective versus Objective Data) .

5. Not all employees were evaluated on strictly performance. Factors beyond the control of the employee being evaluated were noted to influence performance appraisals, particularly when the outcome oriented criteria, such as quantity of work or certain accomplishments were being used.

Implications of Developmental Appraisal

1. In reviewing the implications of developmental performance appraisal, the researcher noted that developmental

performance appraisals were different than performance appraisals with development plans. This has been shown by examining the concept and then comparing the concept to an actual performance appraisal with a development plan.

2. Performance appraisal has been found to be a way to improve employee-manager relations. However, improved employee motivation and effectiveness from the use of a developmental performance appraisal has not been proven and would be considered as an area requiring further research.

3. Developing employees by improving the employees current job performance has been a key factor to the organizational approach to performance appraisal. The developmental approach went beyond current performance and has been concerned with career development.

4. Developing employee's by combining organizational goals and the employee's individual career goals has been a key factor to the developmental approach to performance appraisal.

5. Career planning through the use of a developmental performance appraisal has been found to be a variable concept. However, the developmental aspect, unless specifically brought out by the appraisal, has been easy to overlook by managers and employees.

6. Performance appraisals may not have been able to be used for organizational and developmental purposes at the same time. Since there has been a conflict in the objectives of the organizational and developmental performance appraisal approaches, career planning may have been better off to have been treated as a separate issue.

Research Issues

Several areas for further research concerning the use of developmental performance appraisal have been noted by the researcher. These areas were as follows:

1. Has the developmental performance appraisal been a reliable indicator in evaluating performance?
2. Could the developmental performance appraisal reliably determine developmental deficiencies.
3. Were developmental performance appraisals having a positive effect on employees and managers? Were the employees more motivated, effective, happier, or better workers?)
4. Could employees who were developed through the use of developmental performance appraisals have achieved the same results without the use of a developmental performance appraisal?
5. Would the use of developmental performance appraisals be more appropriate

for all types of employees or for specific types of employees (For example: Engineers versus janitors).

Summary

This chapter examined the elements that were missing from The Corporation's performance appraisal that were required to make the performance appraisal developmental. Implications of The Corporation's appraisal and developmental performance appraisals were also discussed. Research issues raised by this study were then noted. The summary, conclusions, and recommendations of the study have been stated in Chapter V.

CHAPTER V

Summary, Conclusions and Recommendations

Summary

The problem proposed by the study has been whether a company called The Corporation, had been using their performance appraisal as a tool for organizational development, employee career development, or both. A comparison between the two viewpoints and the company's performance has been made. The viewpoint that compared with the purposes and individual elements of The Corporation's appraisal would determine whether the performance appraisal would meet the requirements of being for organizational or developmental purposes.

An analysis of the organizational approach to performance appraisal and the employee developmental approach has been made. Purposes and elements of the two view-points have been compared with those of The Corporation's to determine the intent of the performance appraisal.

The study then compared The Corporation's appraisal form with known methods and techniques used for performance appraisal.

In reviewing the literature and research information on the two viewpoints of performance appraisal, the researcher has determined that the performance appraisal has been for organizational development with an emphasis on the employee's individual performance. The Corporation has placed a great deal of importance on improving the employee at his or her current job, but the researcher has determined that the performance appraisal has not met the criteria of an employee career development performance appraisal.

The Corporation's appraisal failed to be considered developmental since the appraisal has been predominately concerned with past performance with no provisions for the employee to state future career goals or expectations. A number of problems have been noted that indicate there has been a conflict between the purposes of the developmental approach and The Corporation's purpose for performance appraisal.

Elements from The Corporation's performance appraisal that were considered to make the performance appraisal developmental performance appraisal were discussed. Implementations and research issues raised by the study were then noted.

Conclusions of the Study

As a result of the study, the formal hypothesis has been proved. The hypothesis were as follows:

1. The Corporation's performance appraisal, when used properly, has not met the criteria of a developmental performance appraisal.

The study indicated that the purpose of The Corporation's performance appraisal compared with those of the the organizational approach, rather than the purposes of the developmental approach. The performance appraisal has been found to place a great deal of emphasis on the employee as an individual, although the performance appraisal has been found to deal with only current job performance. The appraisal has a development plan, but no reference to the employees career development. An individual manager when doing an employee performance appraisal could write in a development plan with career development as an important goal or objective for his employee. However, the researcher is of the opinion that since career planning has not been specifically addressed that the topic has been easy to overlook or avoid.

2. The use of an employee performance appraisal for developmental purposes has served to make employees more effective than a performance appraisal that has not attempted to develop employees.

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The study indicated that no objective data to support a claim that the use of an employee performance appraisal for developmental purposes made employees more

effective at The Corporation. Though no research to support a claim that a performance appraisal for developmental purposes made employees more effective has been found, The Corporation justified their use of a developmental plan based on subjective data from their own internal employee attitude surveys. The Corporation's internal surveys showed that employees were more satisfied with an appraisal that had a developmental plan.

Recommendations

The following recommendations have been proposed by the researcher to resolve the conflict between the current performance appraisal used by The Corporation and the need for an employee career development program.

1. Have the employee and the employee's manager identify the employee's development objective and then put together a plan that outlined specific goals and deadlines on how the employee could broaden the employee's skills and increase his responsibility in the employee's chosen direction. This could be a part of The Corporation's Section III- Development Plan.

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2. Extend the development planning process beyond the formal performance appraisal. During the appraisal, the manager could suggest two or three career development objectives and ask the employee to identify one or two additional

objectives. When appropriate, employees could draft their own development plan to accomplish their career objective. The plan could be reviewed at a second meeting one month later.

With this process, the employees would get a clearer picture of their performance in light of achieving their career objective. This process should give the employees more of an opportunity to define their own direction and determine how to better use their skills and interests in their current job while developing themselves for their career step. The researcher has been of the opinion that when the employee helped to determine his or her career goals and objectives the employee would have a personal stake in seeing that the career objective, through the employee's effort, would be met.

3. Have the employee fill out their own career goals and expectations on a separate assessment and return the form to the manager prior to a career development discussion so the manager has a chance to review the employee's goals and expectations. The manager should then combine assessments with that of the employee's and recon-

cile the two assessments. The reconciliation should help reduce problems arising from incompatibility between the employee's career goals and demonstrated job skills.

4. The Corporation should run a controlled study to obtain objective data to prove their assumption that the use of a development plan made their employees more effective. The study should also be able to determine how much more effective the use of the development plan made their employees so that the costs and benefits could be compared.

5. The Corporation could start a central file on employee's goals and expectations so that when a need for a person to fill a job opening arose, the company could "match" the opening with the employee whose goals (and appropriate skills) matched those of the attributes of the job.

APPENDIX

APPENDIX

Statement of Purpose and Philosophy

Employees depend on their manager for accurate and clear performance appraisal. Having invested themselves in The Corporation, employees also look to their manager for regular communication that shares the manager's perception of their performance to assure that career expectations are in line with present performance and help them manage their careers more realistically. The purpose of Performance and Development Appraisal is this kind of communication, and this form serves as the documentation. The nature of the manager's communication will depend on the kind of performance the employee has exhibited. For example; there will be situations where the manager faces...

Employees whose performance is satisfactory and who are capable of handling responsibility beyond that required in the current job. They should be guided through the appraisal and development plan toward expanded responsibilities. Employees whose performance is satisfactory, but who should not expect additional responsibility beyond what they currently have. The appraisal discussion is the right opportunity for the manager to communicate this and enable the employee to adjust career expectations in line with present performance. A development plan should be worked out which will permit the employee's current job to continue to be challenging, productive and satisfying. If the manager feels that' additional experience or need skills may change the situation, and expanded responsibilities are a possibility, the development plan should reflect this as well.

Employees whose performance is unsatisfactory or close to it. They need to hear that accurately during the appraisal, rather than be surprised at some later

time when either discipline or termination are being considered. A development plan needs to be constructed that will bring their performance in line with current work expectations.

Although many performance communications will address the first two situations, equally important will be the last kind where the employee needs to receive clear feedback about performance to permit adjusting development plans or career expectations accordingly. The Corporation realizes that this is a difficult message to communicate because it is natural for employees to avoid hearing potentially unpleasant information. However, the manager is expected to do that; and the appraisal discussion is the time when this communication is to occur.¹

¹The Statement of Purpose and Philosophy had been found on the front jacket of every performance appraisal used at The Corporation.

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