

Is your appraisal working?

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A quick answer:

It depends on who you ask and what they see as the purpose of performance management..?

- Leaders – performance improvement?
- HR – administrative purposes?
- Users
 - Managers – focus, motivation.....?
 - Employees – feedback, development.....?

A quick two minute review

Purpose	Results
Individuals activities aligned to organisational goals (eg staff clear on goals)	Yes/No/Partially
Evidence of business improvement (eg productivity, innovation, collaboration)	
Good fit between tasks required and training (ie staff competent for their roles)	
Signs of better motivation (eg through employee engagement surveys)	
High completion rate of 'forms'	
No sign of discrimination of protected groups (eg in rating allocations)	
User satisfaction with process (managers and staff)	
Employees report development goals being met	
Employees report quality feedback on performance and advice on improvement	

And what is the evidence for your views?

- Gut feel?
- Anecdote?
- Data
 - Forms returned, completed?
 - Equality assessments?
 - Employee survey?
 - Satisfaction surveys?
 - Performance measures?
 - Other statistics?

An appraisal of appraisals (1)

For managers, it was time consuming and not adding value. For HR, it was a high administrative burden. For the employee, it was a disengaging conversation around a numerical rating.

An appraisal of appraisals (2)

A process-driven business system where the correct completion of the process has become more important than triggering action that develops individuals and so improves organisational performance

Why might PM not be working?

- Unclear purpose and mode
 - HR process not linked to business goals
 - What does good look like (system or performance)
 - Improvement or assessment?

Improvement versus measurement

Improving performance – focus on individual and their contribution to the business – looking *forwards*, action-oriented

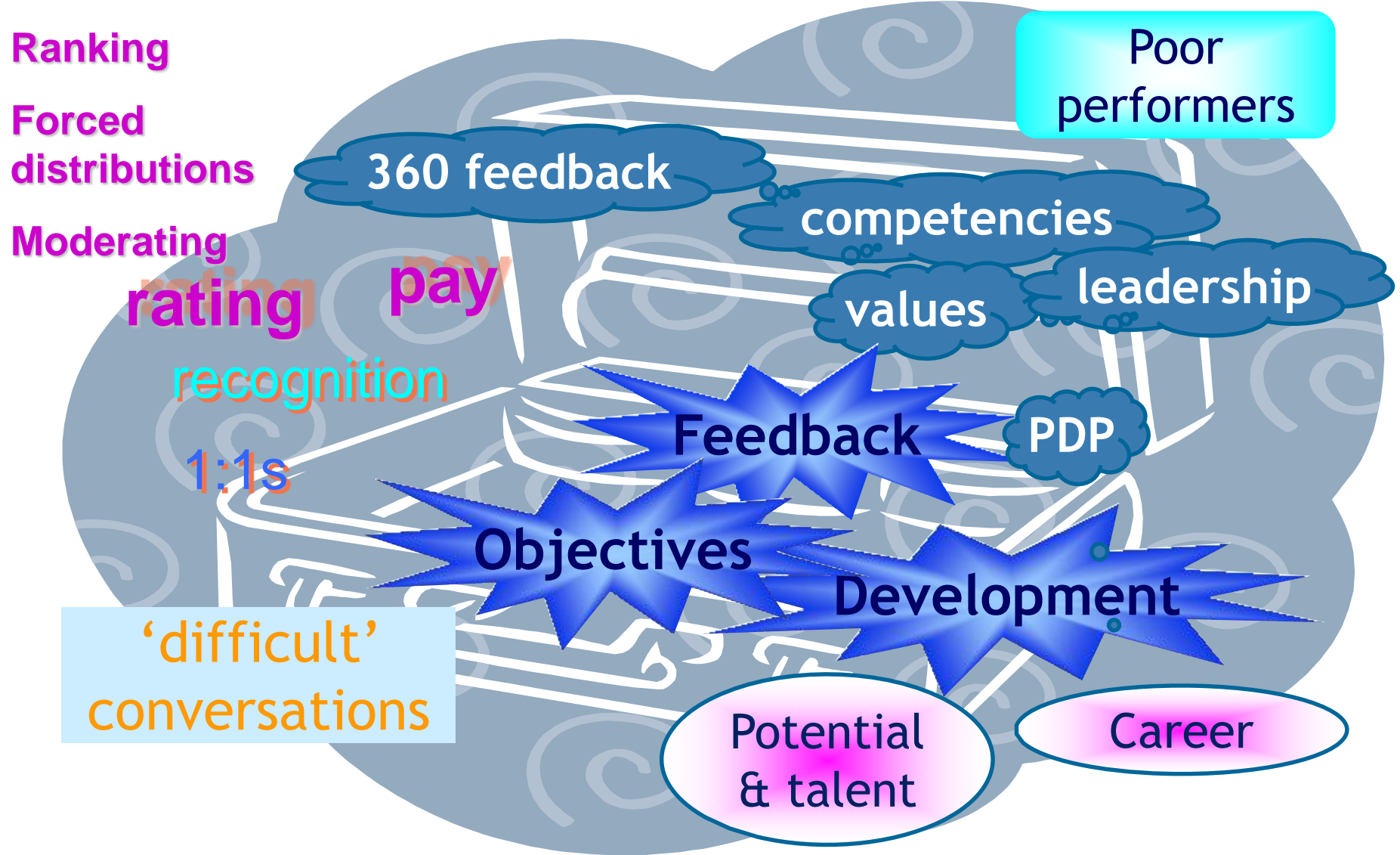
versus

Performance *measurement and recording* (evaluative purposes) – focus on comparing employees – looking *backwards* – dominated by recording

Why might PM not be working?

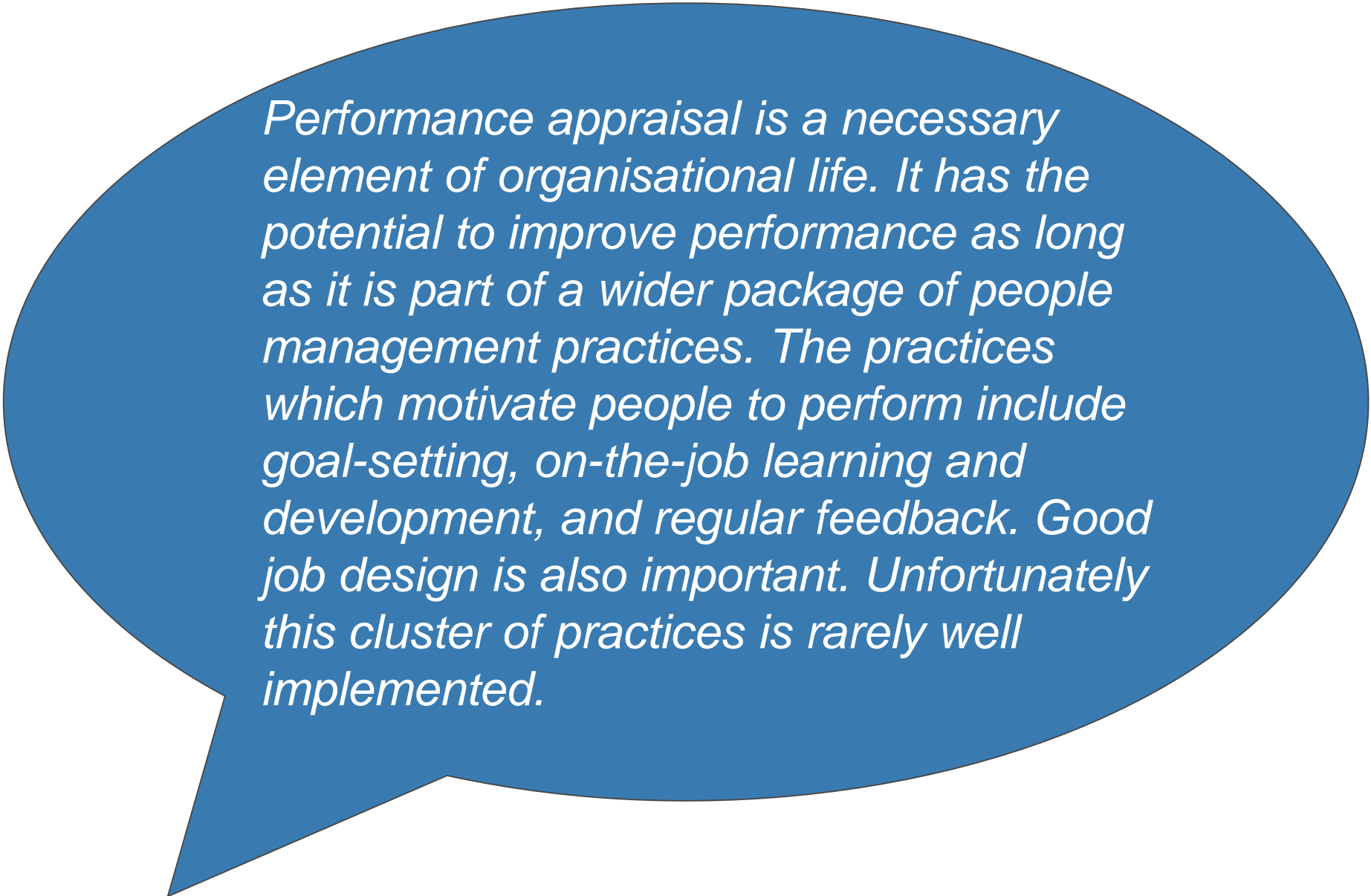
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- Poor design
 - Overloaded – trying to hit too many requirements
 - Backward not forward looking
 - Dominated by a 'best practice' conventions (eg SMART objectives)

Performance management: the overfull suitcase (Hirsh, 2011)



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 - Overloaded – trying to hit too many requirements
 - Backward not forward looking
 - Dominated by a 'best practice' conventions (eg SMART objectives)
- Good idea badly implemented
 - Lack of line ownership & skill
 - Compliance not conversations
 - Complex, bureaucratic process



Performance appraisal is a necessary element of organisational life. It has the potential to improve performance as long as it is part of a wider package of people management practices. The practices which motivate people to perform include goal-setting, on-the-job learning and development, and regular feedback. Good job design is also important. Unfortunately this cluster of practices is rarely well implemented.

Developments in performance management

Developments in performance management

Challenges

- Corporate & personal goals are passing ships

Optimum process of performance management (in a knowledge/professional organisation)

External environment

Professional
values/
identities

Institutional
objectives

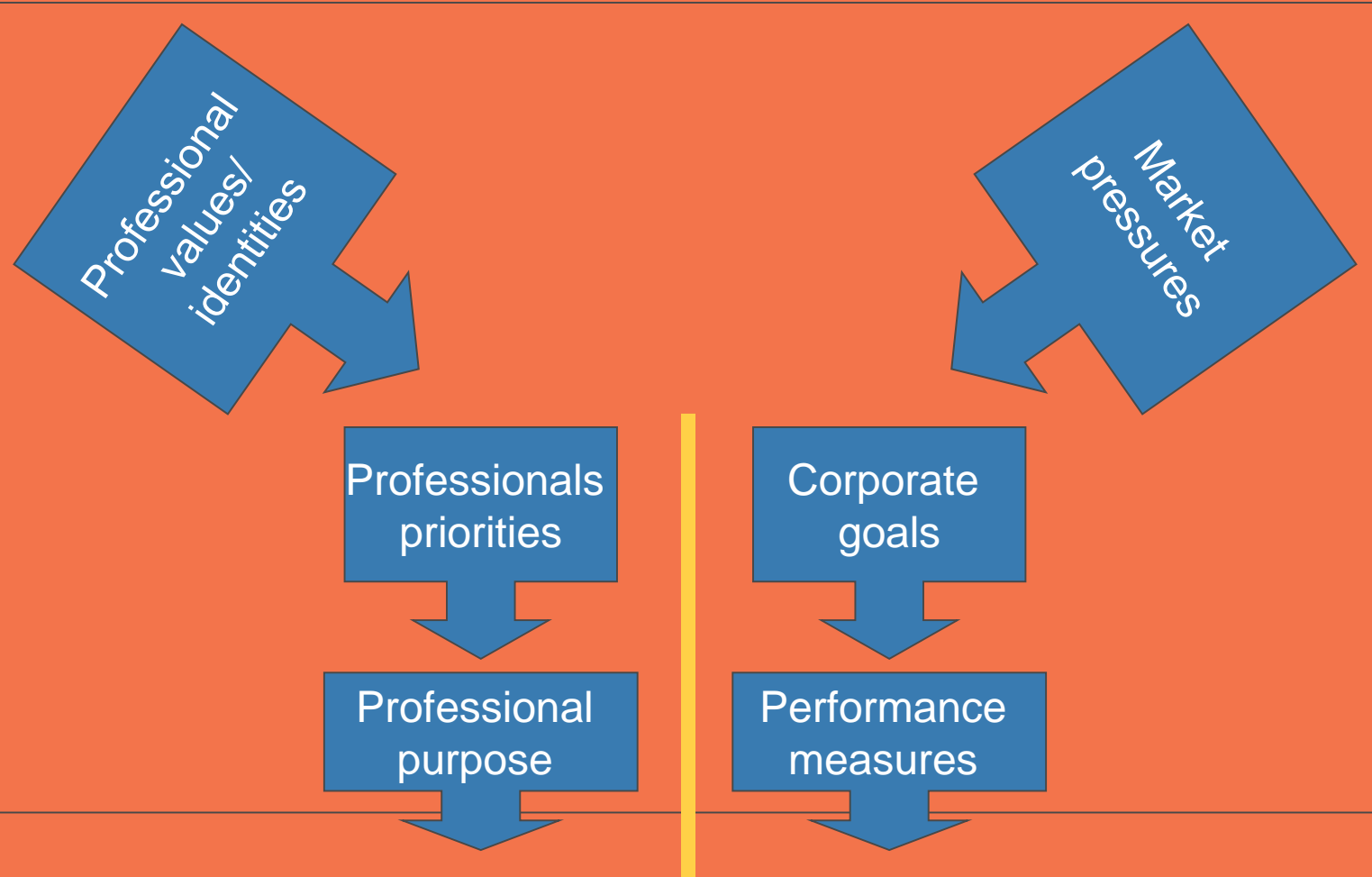
Common organisational
goals and priorities

Leadership of people
and organisation



Actual process

External environment

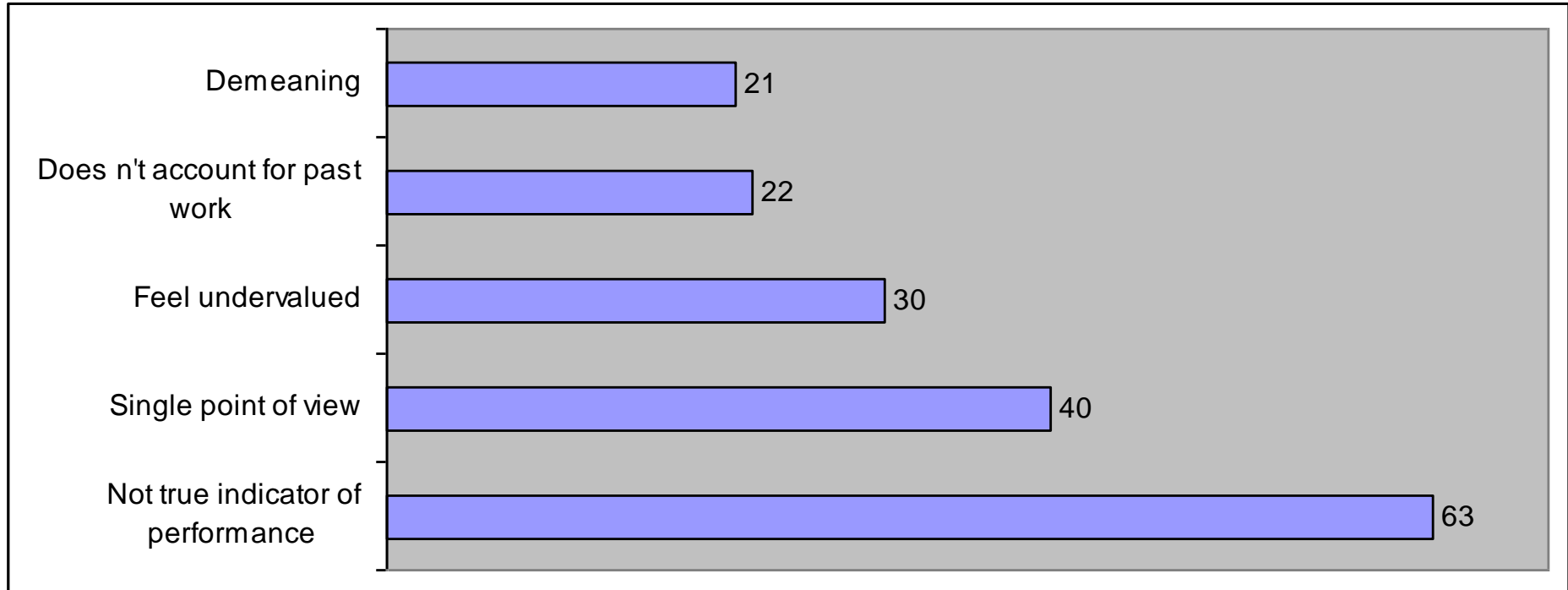


Developments in performance management

Challenges

- Corporate & personal goals are passing ships
- One model but different needs
- Ill judged competencies
- Unsafe conversations
- PRP not delivering
- Inaccurate ratings not reflecting performance
- Poor performance not addressed
- 360 inputs of varied validity
- Too high tech, too low touch
- Lack of job knowledge is inhibiting assessment quality

Top five reasons why people dislike performance reviews



Developments in performance management

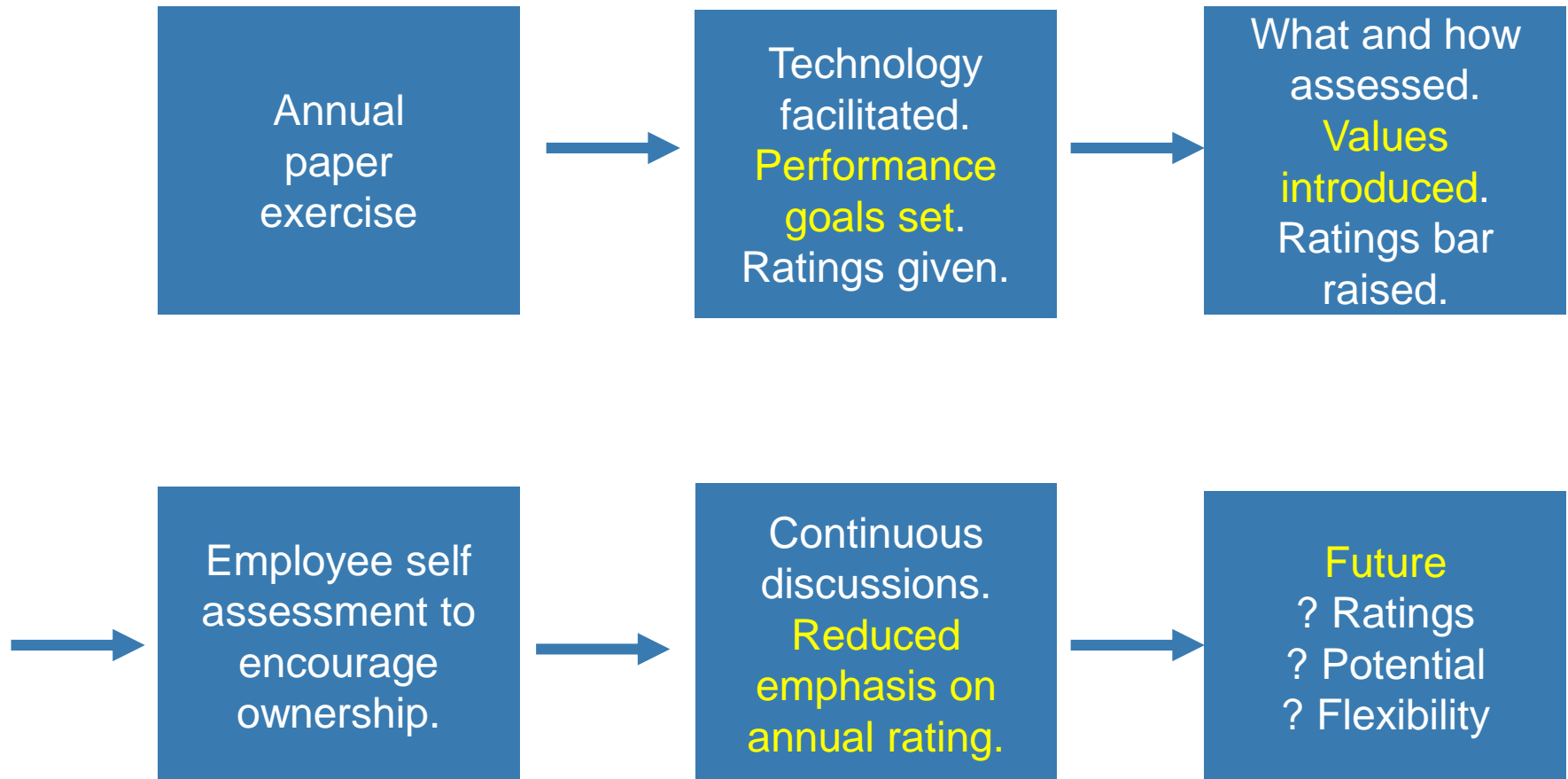
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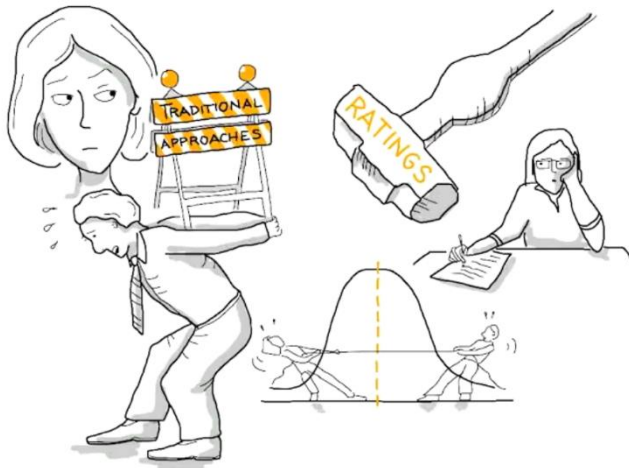
Improvements/changes

- Golden thread
- E-enabled
- Process standardisation
- Continuous not one-off process
- Positive psychology
- Underpinning values
- Multi-source feedback
- Removal of ratings
- Segmentation

A typical progressive approach to change (adapted from Connect Education & Care)



A more radical change - courtesy of AUTODESK.



No performance ratings or appraisal paperwork

Focus on crisp, real-time, high-impact conversations – at least quarterly

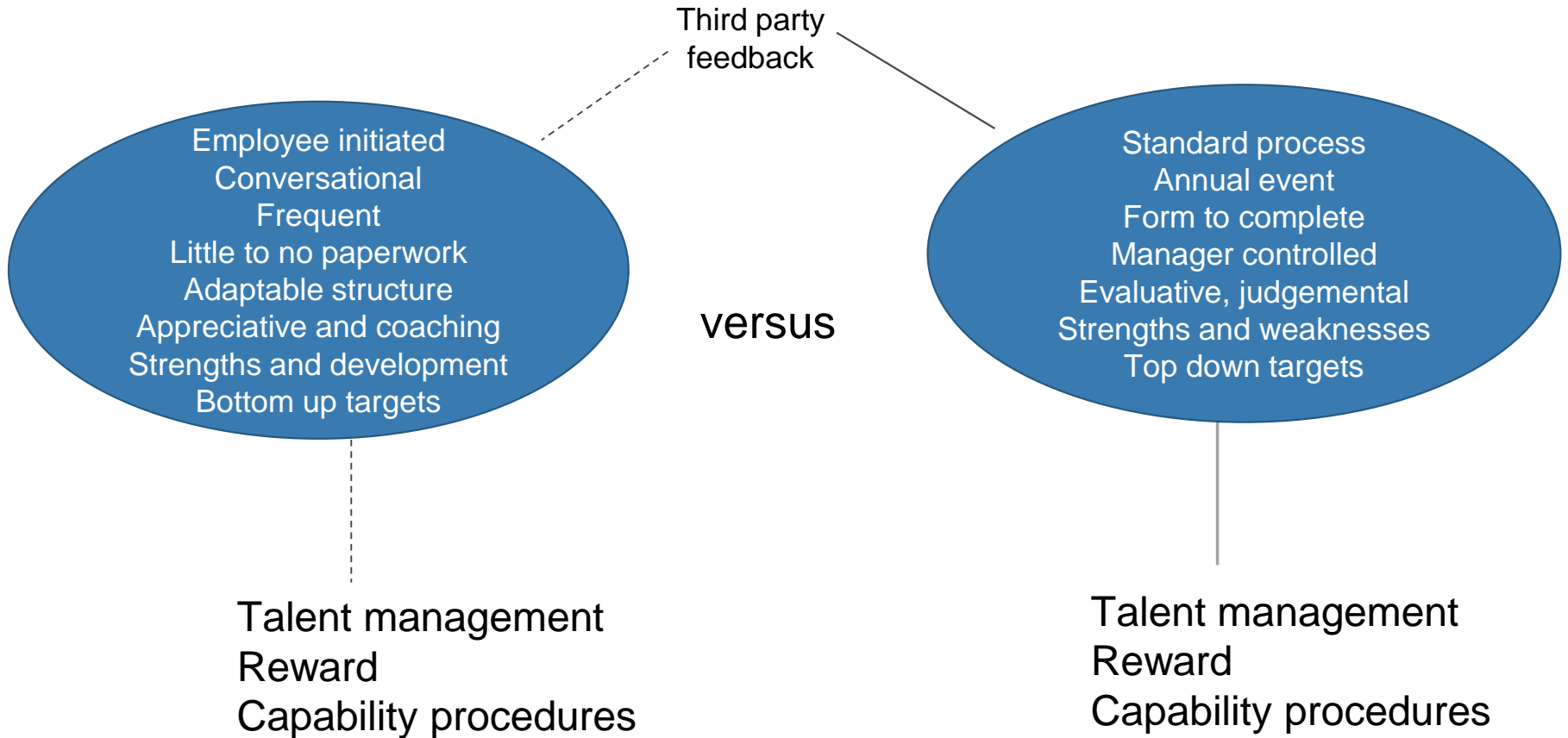
Q2 performance discussion – development/career planning

Employees active participants, not victims

Hold managers accountable through Employee Survey

But are these changes
delivering?

Broad performance management approaches



Some shared ideas, some differences

- Some companies are strengthening mechanical approach but trying to make it tough, clear and quick (eg Yahoo, Shell, Tesco)
- Some are trying to make it less mechanical eg more conversational, less paperwork/reporting, dropping rating/ranking (eg Deloitte, Microsoft, Adobe, Gap, Accenture)

Real change?

I see too many companies saying
'we got rid of reviews. Aren't we wonderful?'
without changing the politics so
people feel comfortable
speaking their minds.

Other changes to consider

- Employee driving the process with manager as facilitator? Part of reshaping the manager as coach (Medtronic)
- Greater role for self assessment with peer (crowd sourced) assessment? (Google)
- Team appraisals to emphasise collaboration (Microsoft)
- Learning/reflective logs to help continuous management process? (Rolls Royce)
- Evaluation of performance assessment effectiveness
 - satisfaction with process
 - impact of activity
 - actually happening (Adobe)

Key points from CIPD research (my take)

- Beware of multiple biases in rating
- Setting & monitoring goals has many benefits but not through competition
- Type of goal should reflect type of work
- Behavioural/learning goals work well as people attain skills
- Hire learning rather than results-oriented people
(“Hire for Attitude, Train for Skill”)
- Sense of progress motivational
(Buddha: “Happiness is a journey and not a destination”)
- Supervisor feedback is powerful but threatening self esteem leads to negative responses
- Managers should be sensitive to personality differences
- Employee participation in appraisal process likely to be motivated by it
- Strengths focus rather than weakness fixing more effective

Final words

We need to elevate our conversations about performance management with our customers to focus on all the drivers of organisational performance, avoid the temptation to process tinker, 'tool up' and then trust our colleagues to hold the right conversations at the right time

Thank you

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