

Prevent performance crunch

Focus on the important things when evaluating employees.

By Dr M Amr Sadik

Performance appraisal is a formal management system that provides for the evaluation of the quality of an individual's performance in an organisation. After more than three decades of HRM evolution, evaluating people performance is still one of the most active controversial topics within the field of HRM. Management and staff remain equally indignant about the oppression of the obligatory annual review because, regardless of the training on managing performance evaluation and the investment made in time and efforts to adopt a particular system, there is so much frustration and

dissatisfaction with the results of it. Both employees and managers, alike, dread the time of year when annual performance reviews are given and surveys routinely expose the inadequacies of the system.

The problem seems to be the same at all types of organisations, and it seems to be that management works in the theory part of the approach but fails in practice.

What are the facts? Besides the obvious reasons and challenges we know about common appraisal process problems, we can witness two more critical issues that have a great negative impact on the process and, ultimately, the results.

1 Communication dilemma

Irrespective of some incomprehensible performance evaluation forms, I am inclined to the idea that so many appraisers, or managers, are focusing their attention and effort on past deficiencies and

shortcomings rather than planning and discussing future success and therefore they are focusing on mistakes and failures. This creates a negative and unpleasant work climate.

As Peter Drucker wrote in his 1967 classic *The Effective Executive*, "For a superior to focus on weakness, as our appraisals require him to do, destroys the integrity of his relationship with his subordinates."

Such attention on, and discussion of, the past is one of the main reasons that the employee and the appraiser argue about things that cannot be changed. As a matter of fact, they cannot change the past, but they can only learn from it.

Why do they do that and stray from the path? The first and foremost logical reason behind such an approach is that managers are trained to tackle and solve problems and remove obstacles. With competing priorities, managers can be unprepared or insufficiently trained for the inherent challenges to providing candid informal and formal performance feedback.

However, concentrating on the past can eventually hinder performance unintentionally, and take our attention away from improving future performance, which is the ultimate goal of the performance evaluation.

Subsequently, people are less receptive and reluctant to discuss future performance when they have received negative feedback. The evaluation systems will only work well when the feedback received is candid, good, adequate and informative. The process often is very stressful for both the managers and employees because most companies don't do performance evaluations correctly.

Moreover, the issue is not limited to the abovementioned nor to the system used by the organisations. Organisations keep encouraging and urging managers to discuss, informally, with their employees, their performance on an ongoing basis. Unfortunately, this rarely occurs and, even if it does happen, the discussion itself and the results it achieves are often less than ideal and sometimes provoking.

In reality, and despite the efforts made by HRM to date, managers are still uncomfortable giving feedback and discussing performance with their employees, particularly if poor performance is a factor. Consequently, they avoid the situation or fabricate the facts, whenever possible, and the truth remains hidden.

The problem is universal and every organisation seems to be struggling with it. The truth of the matter is that open and honest communication remains elusive. The lack of a feedback process

in performance appraisal creates a gap when evaluating employees' performance.

In my estimation and through years of experience, I can say that the problem is caused by the majority of managers not being able to translate what they know about that performance into valuable information and then communicate it to the employee in an effective and practical manner, regardless of the method adopted and the system they are using.

This is a fundamental and chronic problem because the success of any formal or informal approach to evaluation is ultimately dependent on the honesty and quality of the information the employee receives in combination with the quality of the face-to-face discussion that should accompany it.

A successful performance appraisal process rests on a few key fundamentals: timing, clarity, and consistency.

2 Conflicting roles

Managers play a critical role in delivering performance and need to be able to consistently deliver performance and results, and get the best possible performance from the teams and individuals they manage.

Managers ought to play the role of a counsellor or advisor when providing feedback, communicate performance assessment, and develop a future training and development plan with the subordinates. At the same time, they are required to play the role of judge when evaluating the performance for purposes of salary adjustment or promotions. Those two roles are characteristically incompatible and create discomfort for both managers and employees.

During the appraisal session, managers are required to play different roles at the same time that can, to a great extent, compromise the effectiveness, credibility, accuracy and efficiency of the system.

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What can we do? If the above analysis is correct, we can foresee the negative effect that such a problem can have within the organisation and we know the obviously devastating consequences that a problem of this magnitude has on an organisation's productivity, low morale, turnover and demotivation.

Why does it happen? The cause of the problem seems to be the way in which managers form their opinions about their employees and how the evaluation system is placed and implemented.

This is how I believe it happens. When managers form opinions about employee performance, they unconsciously analyse both objective and subjective data collected from observing and interacting with them over time and in a wide variety of circumstances and situations.

It is the interpretation of this combined objective and subjective data that managers use to form the opinions, judgments and conclusions upon which they base their impressions about an employee's overall performance – that is, how the employee is "doing". From this mental impression, the manager also draws conclusions about this employee's "fit" in the organisation, as well as what it might mean for his or her future potential.

On the surface, these mental assessments appear to be relatively explicit but, upon closer inspection, they are actually rather "vague." This is the root of the problem.

What can we do about it? Most organisations' HR departments continually modify existing evaluation programmes, adopting new methods in order to meet the new trends in human resources management or develop the best system. Consequently, appraisers implement the new programme as described and fail miserably.

The managers' approach to the evaluation remains the same.

Paradoxically, appraisers feel content with what they have achieved while employees feel cynical about their managers' intentions, meanwhile top

management is either unaware of the consequences or they keep watching. As a result of such chaos, some organisations do not communicate the appraisal results to the employees, particularly if the results are not entertaining, despite the general conviction that the subordinate has a right to know his superior's opinion so he/she can correct weaknesses. The evaluation is approached so inefficiently.

In any case and, in order to overcome these predicaments, we need to:

- Separate performance feedback sessions from any other one practically when it comes to promotion and salary adjustments;
- Help managers to overcome the difficulties that they face when trying to articulate what they know about how an employee is really doing via quality information;
- Show managers how to have discussions with employees about their overall performance and potential and what this realistically means for their "fit" and future in the organisation;
- Help managers to give feedback to employees on any aspect of performance as it happens;
- HR should monitor and observe the purpose by attending some of the sessions randomly; and
- Expand any existing formal approach to employee evaluation in order to increase its effectiveness. The method works in this context by helping managers to build their confidence to explain any evaluation that they want and need to give, and to increase the quantity and quality of the discussion that is, or should be, part of the process.

By combining the more subjective discussion concerning, "How am I really doing?" with an objective process to manage and measure specific results, it can provide a balanced approach that has the potential to be more effective than anything else that has been tried so far.

However, if HRM is to contribute to the organisational performance, HR practitioners should be involved and share their responsibilities of proper implementation of HR practices. At the same time, they should keep a predominant role in this partnership.

We need to think, rethink and re-examine some of our ideas concerning employee evaluation and focus on what matters most. ■

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