CONSULTANTS' SHOWCASE

PERFORMANCE APPRAISAL: WHY BOTHER?

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The appraisal of on-the-job performance costs a considerable amount of money and time, so the question — *Performance Appraisal: why bother?* — is a dollar-and-cents matter for most organizations.

This article tries to provide some hardheaded answers. Before we get into them in detail, we'll outline the ideas developed and thereby give you a preview of what's to follow.

Here's our line of reasoning:

1. Your organization wants *optimal results.*
2. Of the many contributors to optimal results, one of the most important is *motivated employees.*
3. An effective *performance appraisal system* can do much to motivate employees by:
   - Letting them know what's expected of them, how they're doing, and how they can do better.
   - Helping management make valid transfer and promotion decisions.
   - Helping management make equitable compensation decisions.
   - Showing the employee "what's in it for me" if his or her performance moves the organization closer to its goals.
4. It should also provide documentation for *affirmative action* decisions, thus lessening the likelihood of costly litigation.
5. Your performance appraisal system is unlikely to do these things *if* your managers don't know how to conduct effective *appraisal interviews.*
6. Your managers can be *taught* to do appraisal interviews that motivate and help optimize results.

Let's start by taking a closer look at the relationship — the very close relationship — between appraising an individual's on-the-job performance and optimizing your organization's ultimate results.

Three Basic Questions

Most successful organizations spend a lot of time and money on the appraisal of on-the-job performance. Just consider a few of the things any sizable organization does to keep its performance appraisal system functioning. It produces forms and establishes procedures for evaluation performance, for recommending compensation, for setting goals, and for planning succession. It devotes hundreds, maybe thousands, of hours to appraisal interviews and to the decision-making that results from them. It schedules the flow of work so that these interviews and decision-making sessions can take place. And on and on. All of this is expensive. Because it is, management has every right to ask *why* . . .

. . . *Why* are we spending money appraising employees:

. . . What are we getting *in return?*

. . . Why should we bother to do appraisals *at all?*

Yet, strangely, many organizations don't ask these questions or, if they do, they don't usually get instructive answers. In some organizations, performance appraisal is accepted on faith as a "good thing" — as something enlightened organizations just "naturally" do, no questions asked. In others, when management seeks justification for spending all those dollars on performance appraisal, the response is pretty vague: *"It's good for people to know where they stand"* . . . *"People expect it"* . . . *"It's a growth experience"* . . . and so on. None of these replies really answers our three basic questions.

We think these questions deserve straight, explicit answers. Such answers are, of course, important to you because, as a manager, you're responsible for doing things that pay off. They're important to us, too, because, as specialists in performance appraisal training and consulting, we know that we can't ask your organization, or any other, to spend money on our services unless it first knows whether appraisal is worth doing at all — and why. Only *then* can we show you how your investment in performance appraisal training can be expected to *pay off.* Whether it *will* pay off depends upon why your organization does performance appraisal in the first place; after all, the very phrase, *pay off,* only has meaning for your organization in terms of your organization's objectives.

This article, then, is an attempt to help you answer our three basic questions for your own organization. Even though we're "believers" in performance appraisal, we

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don't think you should accept its value on faith. We think you should ask for — in fact, *demand* — basic answers to the three basic questions we've raised. To get the answers, we'll have to start with some facts of organizational life.

Facts of Organizational Life

This article is based on two self-evident premises. Sometimes, when things *are* self - evident, they're *not* talked about; they're just taken for granted. And, because they're *not* talked about, they're in danger of being ignored. For that reason, we're going to *state* the premises as unequivocally as we can, because *no* organization can afford to ignore them:

1. Whatever your organization's *ultimate* goal (to achieve optimal profits or to carry out any other mandate), there's not much chance that it can attain it unless its employees are *motivated* — unless something impels them to exert the effort necessary to attain it.

2. One *significant* criterion against which everything done in your organization must be evaluated is this: Is it *motivating?* Does it offer people *reasons* — convincing reasons — for doing what must be done to achieve on-the-job goals which mesh with, and contribute to, the organization's ultimate goal? Does it spur employees to *act* in ways that help carry out your organization's mandate?

To put it in a single sentence: *Your organization seeks certain results; these can only, in the last analysis, be achieved by its employees; the organization, therefore, has a vested interest in seeing to it that its employees are motivated to do what's needed to achieve the results it wants.* We're not saying that having motivated employees will *insure* attainment of your organization's goal; obviously, many other factors can get in the way. We're simply saying that your organization's *chances* of achieving its goal are slim *without* motivated employees.

So what? What has your organization's performance-appraisal system got to do with motivating people to carry out its mandate? To answer that, let's look at *why* organizations have performance-appraisal systems in the first place.

Ideally, a performance-appraisal system (all the methods an organization uses to evaluate the way its employees do their jobs) should motivate effective on-the-job performance by:

A. Evaluating and developing the people in the organization.

B. Providing data for valid and reliable human resource planning.

C. Providing data for valid and reliable compensation decisions.

D. Meshing the individual's job objectives with the goals of the organization.

By designing its system to do these things, your organization has its *best chance* of producing employees who *can* and *will* help it achieve its ultimate goal. Or, to put it differently, a properly designed performance-appraisal system gives your organization its best chance of producing employees who are both *competent* and *motivated.* Let us explain:

A. *Evaluating and developing the people in the organization:* There's not much point in talking about achieving ultimate goals unless you have employees who know *what* they're supposed to do on the job, who know *how* to do it, and who *want* to do it. Developing such people should be a prime aim of your performance-appraisal system.

B. *Providing data for valid and reliable human resource planning:* Knowing the type and the quality of its human resources is essential to any organization seeking optimal results. It needs this information to make sound decisions about whom to promote, transfer, discipline, fire. It needs it to reach conclusions about whether it has the talent needed to carry out its plans, or whether it must go out and find the talent. Making sure you have this information should be a prime aim of your performance-appraisal system.

But there's more to it than that. Human resource planning is more than a way to inventory people; it's a way to *motivate* them. It's a way to make sure that the people who deserve promotions get them . . . that rewards are based upon performance instead of being made capriciously. Such decisions should, of course, be based on information that's reliable and valid.

C. *Providing data for valid and reliable compensation decisions:* An equitable compensation plan — one that's fair, realistic, and motivating — obviously contributes to organizational results. It's important to make sure that rewards go to employees who deserve them. Gathering performance data that will help guarantee fair, sensible, motivating compensation should be a prime aim of any performance-appraisal system.

D. *Meshing the individual's job objectives with the goals of the organization:* Even if your organization never talks about "management by objectives," and even if it doesn't have a "formal" MBO program, it's still vitally interested in steering toward its goals. To do this, it must assign to each person in the organization objectives (or goals or tasks or targets or whatever it calls them) which, when achieved, will bring it closer to its ultimate goals. Ideally, individual aims and organizational aims should interlock as smoothly as gear teeth.

That, in the last analysis, is what goal-setting (or management by objectives) is all about: making sure that whatever is done in an organization, at any level, *advances* the organization toward its ultimate goal. Finding out whether or not that's happening (and why) should be a prime aim of your performance appraisal system.

In using your system for this purpose, you may find that goals aren't being achieved for a variety of reasons; one may be that the employee isn't *motivated* to achieve them. Management by objectives (whether formal or informal) can fall flat *if* a sizable number of employees aren't committed to their goals. People can't be expected to pursue goals unless they have a *reason* to do so — a reason that makes sense to *them.* Your performance-appraisal system should provide that reason.

In the United States, there's another very important reason why your organization has a stake in its performance-appraisal system: the system should enable the organization to make *affirmative action* decisions that are based on valid, reliable documentation. Government standards (for example, the 1964 Civil Rights Act) require that decisions affecting members of minority or disadvantaged groups, particularly in the areas of compensation and human resource planning, be based on something more than intuition, hunch, or top-of-the-head impressions. The decisions must be supported by documented evidence — by substantiating data. Your performance-appraisal system should provide such documentation; by decreasing the likelihood of costly investigations, expensive litigation, and damaging allegations, it should make an additional contribution to optimal results.

A Few Pertinent Questions

Let's pause here to make sure we're on solid ground. Up to now, the discussion has been pretty general. To make it pertinent to *your particular organization,* we're going to raise a few questions and ask that you take a few minutes to write in your answers. By doing so, you'll increase the relevance of everything we've said, and everything we'll say from here on.

1a. Is your organization's performance-appraisal system intended to develop its employees — that is, does it try to *train* and *motivate?*
Yes________No________

b. If the answer to 1a is yes, do you think the system is doing an *effective job* of individual development?
Yes________No________

c. If the answer to 1a is no, do you think the system *should be* geared to individual development?
Yes________No________

2a. Is your organization's performance-appraisal system intended to provide data for valid, reliable *human resource planning* — that is, is it designed to

help management plan promotions, transfers, terminations, and so on?
Yes________No________

b. If the answer to 2a is yes, do you think the system is doing an *effective job* of human resource planning?
Yes________No________

c. If the answer to 2a is no, do you think the system *should be* geared to human resource planning?
Yes________No________

3a. is your organization's performance-appraisal system intended to produce data for making valid, reliable *compensation decisions* — that is, is it designed to help management set *equitable* and *motivating* compensation?
Yes________No________

b. If the answer to 3a is yes, do you think the system is doing an *effective job* of compensation planning?
Yes________No________

c. If the answer to 3a is no, do you think the system *should be* geared to compensation planning?
Yes________No________

4a. Is your organization's performance-appraisal system intended to mesh individual job goals with organizational objectives — that is, is it designed to help the organization *steer* in the direction of its ultimate goal?
Yes________No________

b. If the answer to 4a is yes, do you think the system is doing an *effective job* of implementing goal - setting procedures?
Yes______No______

c. If the answer to 4a is no, do you think the system *should be* geared to implementation of goal-setting procedures?
Yes______No______

5a. Is your organization's performance-appraisal system intended to bolster affirmative action — that is, is it designed to provide valid, reliable *documentation* for use in making affirmative action decisions?
Yes______No______

b. If the answer to 5a is yes, do you think the system is doing an *effective job* of providing such documentation?
Yes______No______

c. If the answer to 5a is no, do you think the system *should be* geared to bolstering affirmative action decisions?
Yes______No______

We've said that your performance appraisal system can help you get the results you're seeking *if* it's working right. That's a big "if." Many systems *don't* work right. They've got a defect (or several) that keeps them from doing everything they should do. Most commonly, the defect lies in the fact that the *appraisal interview* is neither properly planned nor properly conducted, so that the validity and reliability of the evaluation are thereby impaired. This problem is so widespread and so serious that we'd better examine it.

The Importance of the Appraisal Interview

Not all performance-appraisal systems require a face-to-face meeting between boss and subordinate. Sometimes a manager evaluates a subordinate by sitting alone in his office and making marks on a checklist, or by getting together with his own boss and discussing the subordinate in the subordinate's absence. By itself, neither of these methods is good enough; if the manager doesn't also hold a discussion with the subordinate, the validity of the evaluation may be in serious doubt. The surest way to do a valid and reliable evaluation of performance is a face-to-face *appraisal interview* in which superior and subordinate together analyze in detail the quality of the subordinate's performance in the period just past, and the reasons for it.

Properly conducted, the appraisal interview is one of management's most useful tools. It's a multi-purpose tool. A properly conducted appraisal interview motivates employees by helping management carry out four major *result-optimizing* functions: individual development, human resource planning, compensation review, and management by objectives. In addition, it provides reliable documentation for affirmative action. An appraisal interview *should* help management do all these things. But most appraisal interviews *don't*. One reason is that many (probably most) appraisal interviews are *not* properly planned or properly conducted. Either they cover the wrong topics, or they cover the right topics in the wrong way, or both.

All too often, then, the appraisal interview is defective. As a consequence, the people who are expected to achieve results for the organization aren't as motivated as they should be (they may even be demotivated — turned *off* instead of *on*) and the final results (if there *are* any) are *less* than optimal. Defective appraisal interviews can produce negative results instead of positive ones: demoralization, sabotage, high turnover, apathy, complacency, misunderstandings, communication breakdowns, misdirected effort, wheel-spinning — the list could go on and on. In fact, unless your managers are doing *effective appraisal interviews,* it's extremely unlikely that any part of your system can work right. The appraisal interview is pivotal; what happens throughout the system hinges on what happens in the face-to-face meeting between boss and subordinate. To help you determine what *is* happening in the appraisal interviews in your company, we're going to look at what *should* happen in an effective appraisal interview.

The subject matter of an appraisal interview should never be left to chance. Any appraisal interview in which boss and subordinate sit down and "kick around" a few ideas "off the tops of their heads" is sure to do more harm than good. At best, it will be a waste of time and money. The subject matter of an interview should always be *planned* — worked out in *advance* — to make sure that all topics that should be covered *are* covered. Let's look, briefly, at how the planning should be done. (If the method we recommend sounds like hard work, we can only agree that it is — but there's no *easy* way to do an appraisal interview that will really motivate and contribute to optimal results. The method *does* get easier — and somewhat less time-consuming — after you've gone through it a few times.)

1. First, you and your subordinate, each working separately, should list the subordinate's job goals and gather all available data about his/her progress toward those goals. If your organization doesn't do formal goal-setting — if you've never verbalized a *specific* set of job objectives to your subordinate — then ask yourself: "What do I think my subordinate should have accomplished on the job to date?" Then, before continuing with the planning, tell your subordinate that these are the "goals" you intend to discuss during the appraisal. See if he/she agrees or wants to add others. Negotiate these "goals" *before* you proceed any further. This way the two of you will come into the interview prepared to talk about the same specific topics.

2. Now, *both* you and your subordinate, again working apart from one another, should examine the performance data. Determine, tentatively, which goals have been met and which haven't. In a few cases, you may not be able to make even a tentative judgment. So you may end up with as many as three groups of goals: (a) achieved, (b) not achieved, (c) can't tell.

3. Next, analyze each goal, using four criteria: (a) the *goal itself* (was it too easy, too tough, or too vague?); (b) the *subordinate* (what did he or she do that accounts for the goal being achieved — or not being achieved?); (c) the *superior* (what did you contribute, and did you "carry" or impede the subordinate?); (d) the *situation* (was it a windfall or an obstruction?).

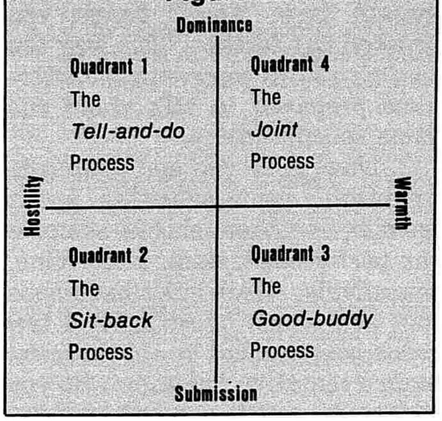
4. After this, determine how achievement of the goal has *bene-*

fited the subordinate, the organization, and yourself — or how failure to meet the goal has *hurt* the subordinate, the organization, and yourself. What difference does it make that the goal was met — or that it wasn't?

5. Up to this point, you've been focusing on the past. Now shift your attention to the future. Ask yourself: Has anything happened to change my subordinate's job duties or business objectives *from now on?* Will the nature of his/her work differ significantly in the future from what it's been up to now? The answer will obviously influence your thinking about what the subordinate should do to perform even more effectively and get optimal results in the future.

6. Next, in the light of the subordinate's past performance and of what you know about the future requirements of his/her job, list the things he/she should do to get optimal results from here on out. What should he/she *continue* to do? What should be *changed?*

Figure 1.



That's it. When you've done all this, you'll have a solid grasp of the subject matter of the appraisal. You'll have tentative answers to three questions:

1. How well is the subordinate doing?
2. Why
3. What should be done about it?

The subordinate (who should do all of this analysis on his/her own) will have his/her *own* answers to these questions. They may not agree with yours (in fact, the data used may not agree with yours), but at least the two of you will have something to *start with,* and you'll have a track to *run on.*

Without a track to run on — which requires planning by every manager and every subordinate before every appraisal interview — you can be reasonably sure that breakdowns will occur in at least some of those interviews.

How It's Conducted

All the advance planning in the world won't do much good if the boss doesn't know what to *do* once he or she is face-to-face with the subordinate. What good is planning in advance if, during the interview, the subordinate clams up and refuses to talk? Or if he/she insists on arguing and disagreeing with your tentative conclusions? Or won't settle down to business and persists in talking about other things? What if, instead of a discussion, you end up with a fight, or a social chat, or long periods of embarrassed silence, or maybe even an emotion-filled scene?

Before we describe the "right" or "most effective" way to do an appraisal interview, we'd better look at the various ways in which appraisal interviews can be done. Three of these have one thing in common: they're less effective — less likely to motivate and contribute to optimal results — than the fourth method we're going to describe a little later. But all of them are widely used in most organizations.

To understand these less effective ways, let's look at a diagram (we call it the Dimensional Model of Appraisal Behavior) that will help us "chart" the basic processes by which appraisal interviews are commonly conducted.

Based upon two principal measures, or dimensions, of interaction . . . dominance-submission and hostility-warmth . . . the model distinguishes four basic appraisal processes (see Figure 1):

1. In a Q1 appraisal interview, the superior uses a "do as I tell you . . . or else" approach. He or she tries to produce change through intimidation. *"Look,"* he/she says, *"most people aren't about to improve unless they* have to. *An*

appraisal interview gives me a chance to impress my people with the fact that they must change . . . or else they're going to be in trouble. It's amazing how much you can accomplish by shaking people up. The simple fact is that most people have to be made to change . . . and you can do that by making sure they run scared. *Worry and fear are great motivators. That's what an appraisal interview is for."*

In the light of this appraisal strategy, please answer the following questions:

a. Is the Q1 tell-and-do approach likely to help both boss and subordinate discover how effectively the subordinate is performing on the job, and why? Will it help the subordinate find the *best* way to perform from now on? Will it *motivate* the subordinate to perform at optimal effectiveness? Please explain.

b. Will the Q1 approach produce *complete* and *valid* data about the subordinate's skills and potential, so that management can do *sound* human resource planning and decision-making? Please explain.

c. Is the Q1 approach likely to generate *valid* data for use in reaching compensation decisions that are *equitable, realistic,* and *motivating?* Please explain.

d. Is the Q1 approach likely to insure that the subordinate's on-the-job efforts *contribute* to the organization's overall objectives? Please explain.

e. Is the Q1 approach likely to provide valid documentation for affirmative action decisions? Please explain.

2. In a Q2 appraisal interview, the superior is passive about the whole thing. *"Don't kid yourself,"* he or she says, *"people change . . . if at all . . . when they're good and ready to change, and not before. There's little or nothing a boss can do to make people improve. Either they do or they don't. It's up to them. All this talk about motivating people to do things differently is unrealistic. Like it or not, I'm pretty much at the mercy of my people. They decide if and when to improve — not me. Sure, some bosses look good because they're surrounded by turned-on people. But they can't take credit for that. They're lucky. If you're fortunate enough to have good people working for you, you're bound to look good yourself. But this is beyond your control. Either you luck out or you don't. If you do, you get the glory. If you don't, you get the blame. But you can't do anything about it, one way or the other."*

With this in mind, please answer the following questions:

1. a. Is the Q2 sit-back approach likely to help the boss discover how effectively the subordinate is performing on the job, and why? Will it help the subordinate find the *best* way to perform from now on? Will it *motivate* the subordinate to perform at optimal effectiveness? Please explain.

b. Will the Q2 approach produce *complete* and *valid* data about the subordinate's skills and potential, so that management can do *sound* human resource planning and decision-making? Please explain.

c. Is the Q2 approach likely to generate *valid* data for use in reaching compensation decisions that are *equitable, realistic,* and *motivating*? Please explain.

d. Is the Q2 approach likely to insure that the subordinate's on-the-job efforts *contribute* to the organization's overall objectives? Please explain.

e. Is the Q2 approach likely to provide valid documentation for affirmative action decisions? Please explain.

3. In a Q3 appraisal interview, the boss focuses on "good" news, tries to avoid "bad" news (and, when he or she can't, downplays it, jokes about it, or in some way makes it sound better than it really is), and tries to make even "neutral" news sound "good." As the superior sees it, this makes sense. *"If you want people to do a better job,"* he or she says, *"you've got to encourage them. Praise, support, applause — all this helps. Whatever you do, don't discourage them. People work best when they feel good. The minute they get disheartened, their work falls off. It's my responsibility to make them feel good, to let them know I'm on their side, that I'm pulling for them. It's up to me to make sure they don't get dejected or uptight. If they do, their work will suffer."*

In the light of this, please answer the following questions:

a. Is the Q3 good-buddy approach likely to help the boss discover how effectively the subordinate is performing on the job, and why? Will it help the subordinate find the *best* way to perform from now on? Will it *motivate* the subordinate to perform at optimal effectiveness? Please explain.

b. Will the Q3 approach produce *complete* and *valid* data about the subordinate's skills and potential so that management can do *sound* human resource planning and decision-making? Please explain.

c. Is the Q3 approach likely to generate *valid* data for use in reaching compensation decisions that are *equitable, realistic,* and *motivating*? Please explain.

d. Is the Q3 approach likely to insure that the subordinate's on-the-job efforts *contribute* to the organization's overall objectives? Please explain.

e. Is the Q3 approach likely to provide valid documentation for affirmative action decisions? Please explain.

The Q4 Appraisal Interview

Let's focus now on the process most likely to be effective — to motivate and to contribute to optimal results.

The Q4 appraisal interview is a businesslike, task-oriented *"let's find out how things are really going and what should be done about it"* approach. The underlying idea is: most people can get a straightforward view of their performance if they take part in a thorough, systematic analysis with their superiors. A Q4 appraisal interview is *two*-way: relevant information flows candidly in both directions. That's why it's called a *joint* — or "mutual" — approach. Here are its major characteristics:

1. It's candid. The idea is to get *real* insight into how the subordinate is doing. There's no evasion, game-playing, or make-believe by the superior, and he or she tries to see that there's none by the subordinate.

2. It's balanced. Instead of zeroing in on strengths (as in Q3 appraisal) or on weaknesses (as in Q1), Q4 evaluation zeros in on *both,* in whatever proportion reflects the *real* picture.

3. It strives for understanding. Instead of making superficial statements ("You're doing a terrible job") and letting it go at that (as in Q1 appraisal), the superior tries to get the subordinate to see *why* he or she is not performing effectively and what *difference* it makes.

4. It's a joint activity. Both superior *and* subordinate search for information that will produce an

objective evaluation. Both take an active part in asking and answering questions. A Q4 appraisal interview is never a one-person show.

5. It strives for commitment. Instead of pressuring the subordinate to accept new goals, the superior tries to get him or her to "buy" the goals, to feel a sense of ownership in them. He or she does this by helping the subordinate understand "what's in it for him or her."

6. Since "what's in it for him or her" differs from subordinate to subordinate, a Q4 appraisal interview is highly individualized. It's tailored to fit the subordinate who's being evaluated. It's the most flexible of all the approaches we've considered.

7. Q4 evaluation tries to maximize self-analysis and self-discovery. The idea is to get the subordinate to analyze his or her *own* performance, with guidance and help from the superior, so that the *subordinate* has an "Aha!" experience — a switching-on of the "light bulb" in his or her mind that helps him or her *see* . . . truly realize . . . where he or she is at and what he or she needs to do to improve.

8. The subordinate usually ends up with a better understanding of both personal strengths and weaknesses, a detailed plan for improvement, and a solid, motivated commitment to carrying it out. As a result, improved performance is a realistic possibility.

How It's Done

A Q4 appraisal interview — *no matter what is discussed* — should follow a five-step process. The five steps are:

1. Arouse the subordinate's interest and test his or her readiness to participate.
2. Increase his or her readiness to participate, if necessary, and get him or her to evaluate his or her own performance.
3. Present your own evaluation of his or her performance.
4. Vent interfering emotions and resolve disagreements.
5. Work out a final resolution.

Let's look closer at each step.

Step 1: Arouse interest and test readiness to participate: In this first step, you want to make sure your subordinate is really ready to take part in what's coming. If he or she is, fine. If not, you'll have to perk up his or her interest and find out how willing he or she is to listen and participate in an open, inquiring, businesslike way. Unless the subordinate *is* willing to play an active, collaborative role in the interview, there's not much point in going ahead. So the first thing to do is arouse interest and test readiness to participate.

Step 2: Increase readiness to participate while getting the subordinate's self-evaluation: Now you want to do two things: (1) increase your subordinate's readiness to proceed if it needs increasing (and it usually will) so that you and he or she can collaborate; at the same time, (2) get the subordinate to start evaluating *his or her own* performance. Evaluation of his or her performance should precede yours. Both of you should state your views, but the subordinate should present his or hers *first.* That way, there's no chance he or she will be squelched, or have his or her views colored by yours.

Step 3: Present your own evaluation: Now you want to do three things: (1) assess the subordinate's self-evaluation; (2) if you agree with it, say so; if you don't, present your own views; (3) make sure each of you fully understands the other's evaluation.

Step 4: Vent emotions and resolve disagreements: You want to do two things now: (1) clear the air of interfering emotions, especially those stirred up by differences in the two evaluations — emotions that are slowing or blocking the progress of the interview; (2) resolve any disagreements so that future performance can be based on mutually held perceptions and mutually accepted conclusions.

Step 5: Work out the final resolution: Now you want to do three things: (1) develop goals for future performance and plans by which they can be achieved; (2) make sure your subordinate understands what he or she will get out of achieving these goals; (3) check final understanding and commitment, and set up a review procedure.

Three Final Points

All of this, of course, is only an overview. We don't pretend that a mere reading of it will make you, or any manager, a master of appraisal techniques (we haven't even touched upon the complicated subject of *adapting* the five-step process to make it fit each of a wide variety of subordinates). What we've tried to do is not to make you an expert on Q4 appraisal interviews; what we've tried to do is demonstrate two points:

1. Too many appraisal interviews aren't as effective as they should be, so their results aren't as useful as they should be when it comes to individual development, or compensation decision-making, or human resource planning, or management by objectives. These interviews neither motivate nor contribute to optimal results. At *best,* they do no real harm; at *worst,* they leave things worse than they were before. Why? Why are so many appraisal interviews less than fully effective? There are lots of reasons: because they aren't planned in advance, because the wrong subjects are covered while the right ones are overlooked, because the boss doesn't know how to elicit responses from the subordinate, because the boss doesn't let the subordinate present a self-evaluation, because the boss doesn't know what to do when emotions start to run high, because the boss doesn't know how to resolve disagreements, and on and on. Whatever the reasons, there's not much point talking about the appraisal interview as a motivator or as an optimizer of results until *most* managers in the organization *know how* to do effective appraisal interviews and actually do them more or less *consistently.*

2. Effective appraisal interviews are hard to do. They're complex, they're demanding, and they're always unique; no two interviews — not even with the same person — are ever the same. This means that many managers require *training* before they can do effective interviews. They need to learn a wide array of insights and skills.

As it turns out, most effective appraisers are "made" — not "born".

These are the two major points we've tried to substantiate in this paper. Now a third point should be added:

3. A good many managers aren't really sure that it's *worth their while* to expend time and effort learning appraisal skills. "After all," they reason, "performance appraisal is a 'sometime' thing. It happens once ~~a year, or~~ maybe twice. And it has little or nothing to do with the problems I face all the time. Why worry about something that happens so infrequently, when I've got troubles piling up every day that demand all the thought and energy I can give them? Why knock myself out to gather data for some remote purpose or for somebody else's use? I've got all I can do to look after my own operation." As should be plain by now, this is shortsighted . . . and totally unrealistic . . . thinking. The skills used in a Q4 appraisal interview are precisely the skills that managers *need* . . . and *should be using* . . . every single day. Furthermore, a skillfully conducted Q4 appraisal interview will, in all probability, nip some of those "everyday problems" in the bud, and *lessen* the number of "troubles piling up." An effective appraisal interview is much, much more than a method for getting data for "some remote purpose." It's a method for decreasing the *manager's* daily problems and improving the *manager's* daily results. The real recipients of the benefits of Q4 appraisal are the organization, the subordinate, *and* the manager. And the *manager* is *not*, by any means, the least of these.

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