

PERFORMANCE APPRAISAL - A MEANS OR AN END

*a study of performance appraisal
use in management development*

Performance appraisal and merit rating have given rise to more writing and discussion than almost any other area in management development. Most discussion and resulting controversy have centered on a means to an end. Most discussion has failed to deal with the desired end result.

The *means* which has been discussed so widely is the *evaluation* and *communication* of job performance and development needs. But the desired end result is subordinate acceptance of the communication and subsequent action to achieve self-development.

Legitimate concern has been placed on the means to this desired end result. But have we not become too concerned with weaknesses of the methods used and not enough concerned with the desired end result of achieving behavior change through management development.

THE REAL PROBLEM

Industry is falling into the trap that educational institutions have been "mired" in for years. That is, grades, report cards, indefensible methods of evaluation rather than educating human beings.

Business must now, before it is too late, stress the importance of development. Most methods of performance appraisal, if handled with honesty, sincerity, and a little effort, will produce sufficient evaluation and subsequent communication. The real problem lies in educating the *entire human* organization as to the total value of performance appraisal and resulting management development. This education is not and has not been gained through the performance appraisal process; it must be achieved in some other manner.

All members of the business organization *must* be sold on the importance of management development. Furthermore, they must fully understand their individual roles in the development process. Each manager is a teacher of his subordinates and, in addition, a communicator of development needs to his subordinates. Each manager is also a

learner in that he is also in the process of developing in his present job.

The responsibilities of each manager are:

(1) To understand his own development needs and concentrate on a program of self-development. If each individual manager realizes and puts forth effort in self-development, then he, as a subordinate, will learn to accept communication from his superior as to his development needs and will, furthermore, recognize and accept his second responsibility.

(2) Communicating development needs to his subordinates.

(3) A manager must take the responsibility of coaching his subordinates on the job. Successful development can only be achieved through the acceptance and understanding of this responsibility.

Managers today do not fully accept the development responsibility of identifying and communicating need through performance appraisal. The primary reason is that they do not fully understand their responsibility and the contributions their acceptance will make to the objectives of the organization.

The mechanics of this program are the responsibility of personnel and the management development experts. But selling the program of performance appraisal can only be achieved by top management and their acceptance and implementation of (1) their own self-development, (2) communication of development needs to their subordinates and (3) coaching their subordinates on the job. Top management must meet its responsibilities!

APPRAISAL PROBLEM AREAS

A discussion of performance appraisal problem areas will give further insight into the problems of identifying and communicating needs in management development which have prevented us from achieving the desired end result. The appraisal process is fraught with

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difficulties and problems. The formal process of appraisal is dreaded by many, and they refuse to appraise or communicate development needs; when they do, it is so disguised that subordinates do not realize that they have been appraised.

The chief criticism of formal appraisal is that it eliminates informal day-to-day appraisal and transfers it to a sterile, periodic evaluation. A sound formal appraisal program incorporates both the informal day-to-day consulting with subordinates and the formal periodic appraisal. The periodic formal appraisal is used as a summary for establishing development objectives for the future. This should result in the establishment of a development program.

Managers must approach identification of development needs in a positive way and strictly on a development basis. It should not have any implications or ramifications of salary or promotion. Too many appraisal programs for development purposes are also tied to the salary and promotion decisions. With this situation, it is virtually impossible to achieve a positive frame of mind concerning development on the part of either the immediate superior or the subordinate. Thought should be given to establishing three types of appraisal — one for development purposes, another for salary, and a third for promotion, to eliminate all connotations other than development in the development appraisal.

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CRITERIA

An issue in management development and appraisal which has been under constant discussion concerns appraisal criteria. Most modern techniques have tended to emphasize job performance rather than personality. This has been getting increasing favor and appears to be the rational and logical way of handling appraisal. An area which needs more study, however, is what effect personality has on job performance. If it does have a significant effect, we must establish means of identifying the personality traits which are affecting an individual's job performance and through this establish some means of improving an individual's approach to his management responsibilities.

The appraiser is the most important aspect of identifying development needs. In the past there has been a great deal of criticism concerning the bias of the appraiser and his inability to appraise. The appraiser needs a great deal of help. (1) He needs to be trained to identify development needs. (2) He needs to be aware of development methods that will achieve the desired change in behavior. (3) He has to be made aware of his biases and this might be done through some type of review system with his immediate superior.

Communicating the appraisal to an individual is extremely important. Unless the appraiser is made aware of his needs and the company is interested in de-

veloping him in the appraisal process we are not going to get management development. Therefore, it is extremely important that the immediate superior be counseled and educated in the appraisal interview. It may be necessary to have trained counselors sitting in on the appraisal interview to give feedback to the immediate superior after each interview.

In this whole process of identifying development needs, it is extremely important to spend the time necessary to do it. This has been neglected in the past. It has been the last item on a priority list of job activities rather than the first item.

CONCLUSION

In conclusion, it must be emphasized that a sound management development program must have a sound program of identifying management development needs. If the needs have not been identified, programs cannot be designed to meet them and we cannot possibly evaluate our efforts to meet the development objective. Needs help establish our objectives.

This article is based on data gathered for a research project (A Study of Specified Issue in Management Development by Dale H. Scharinger) in which seventy-five line managers and personnel managers from twenty-five companies were interviewed concerning performance appraisal and management development.

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