

## Part III FOCUS ON SKILLS



### INTERACTIVE SKILL 3: APPRAISAL INTERVIEWING

We open with an examination of the performance appraisal process, with particular reference to the appraisal interview.

We have seen how effective performance may be that of the organisation as a complete entity, of a team within that framework or of an individual person. We have also seen the place of leadership and motivation in producing a situation where effective performance is likely. Face-to-face appraisal is crucial within the whole complex process of achieving an effective focused performance. In conversations with our colleagues, our bosses and perhaps our customers or clients, we move forward in our understanding of how we are doing.

Usually it is an erratic sequence of a word here, an observation there, a complaint, an argument, an explanation of why something failed or was brilliantly successful. As we build up our understanding of who we are, where we want to be, what we want to do and how we can make progress towards whatever our goals may be, we call up and fit together the products of dozens of such inputs. There are occasional landmark conversations, which crystallise our thinking. These are most likely to be appraisal interviews, and they are landmarks because of their relative formality, their official nature and because they are dedicated solely to bringing our personal performance up to an even higher level than it is already.

The objectives of this Focus on skills are:

- 1 To explain the purpose and nature of the appraisal interview
- 2 To suggest a model sequence for conducting appraisal interviews

## THE APPRAISAL INTERVIEW

The novelist, the textbook writer, the popular vocalist, the newspaper editor, the sculptor or painter, the athlete or the owner of a corner shop all have in common the fact that their performance is measurable in an absolute way by numbers. When Madonna releases an album or writes a book for children, she can see the effectiveness of her performance in the irrefutable logic of the numbers sold. When Paula Radcliffe runs a race the effectiveness of that performance is measured in the time taken. The measure of both performances can then be compared with that of competitors. There are no mitigating circumstances. The writer may feel that the publisher should have done a better job or that the reviewers were incompetent, but that has no weight compared with the inescapable fact of the numbers. The shop owner may grumble about local authority planners or about unfair competition from the local hypermarket, but that explanation will not stop customers from drifting away.

Most working people do not have that same absolute measure for their own personal performance, which is all part of a more general, corporate endeavour. Individual effectiveness is not measurable by an indicator of customer appreciation, as so many other members of the corporate body contribute to the effectiveness or ineffectiveness of any individual's activity. The inexorable logic of the marketplace or other external arena has to be replaced by internal measures, mediated by managerial judgement. This is tricky.

Appraising performance is not a precise measurement but a subjective assessment. It has a long history of being damned for its ineffectiveness at the same time as being anxiously sought by people wanting to know how they are doing. It is difficult to do, it is frequently done badly with quite serious results, but on the rare occasions when it is done well it can be invaluable for the business, and literally life transforming for the appraisee. It is probably the most demanding and skilful activity for any manager to undertake and is dreaded by both appraisers and appraisees (Carroll and Schneier 1982; Grint 1993). Recent research about appraising the performance of British school teachers found that the appraisal itself was often accompanied by long periods of sickness absence due to stress. To a great extent this centred on the difficulty of appropriate criteria, particularly where

headteachers link capability to personal qualities such as 'open-minded and prepared to adapt and take on new skills' or 'attitude' or where generalised descriptions such as 'unable to do the job properly' or 'not meeting standards' are offered. Measurement is also inevitably imprecise when it is subjective, making the judgement difficult to substantiate and prone to challenge. This leads to the risk that the yardsticks of acceptable performance chosen are those that can best be justified rather than those that are most important. (Torrington *et al.* 2003)

A selection of comments by those taking CIPD examinations underlines the point:

- 1 I cannot bring myself to tell people that they are less than brilliant because I would tie myself up in knots trying to justify it. However well-designed the scheme is it all boils down to people wanting to know if they are good or better than average. If you don't tell them that, they will interpret something you said to mean what they want to hear. Otherwise they will have you for infringing their human rights or discriminating against them. (from a large retail grocery company)
- 2 We have had approximately one new scheme per year over the last six years. These have ranged from a blank piece of paper to multi-form exercises, complete with tick boxes and a sentence of near death if they were not complete by a specified date. (from an international motor manufacturer)
- 3 Our scheme is not objective and has become a meaningless ritual. It is not a system of annual appraisal; it is an annual handicap. (from a public corporation)

With reactions like this, it makes the appraisal interview sound even more suspect than the selection interview, as we saw in the Part II Focus on skills. If it is so difficult to get right, why does it survive? Why persist with something that was described in 1993 as an idea whose time had gone (Fletcher 1993)?

One might just as well ask why marriage survives despite its extensive failure and the innumerable personal tragedies it produces. Why do teachers grade students' work? Why do we all seek advice? Why do audiences applaud? Why do wives and husbands seek the views of their spouses on the prospective purchase of a new suit/dress/shirt/hat? The reason is simple: we all seek approval and confirmation that we are doing the right thing, and most of us yearn to advise or direct what other people should do.

At work these basic human drives are classified into activities including objective setting, counselling, coaching or feedback on performance. They all have in common the feature of one person meeting face to face with another for a discussion focused on the performance of only one of them. It may initially seem strange that we use the performance appraisal interview as an example of the problem-solving approach to interaction, as so much individual performance is not problematic. The point is that the interactive approach involved is *joint* in a way that is distinct from enquiry or exposition, and it is a process of jointly finding out ways in which the performance might be enhanced.

There are appraisal schemes in all areas of employment. Once installed, schemes are frequently modified or abandoned, and there is widespread management frustration about their operation. Despite the problems, the potential advantages of appraisal are so great that organisations continue to introduce them and appraisal can produce stunning results. Here is an extract from another set of examination answers:

I have had [an] annual appraisal for three years. Each time it has been a searching discussion of my objectives and my results. Each interview has set me new challenges and opened up fresh opportunities. Appraisal has given me a sense of achievement and purpose that I had never previously experienced in my working life. (from an insurance company)

## CONTRASTING APPROACHES TO APPRAISAL

There are two contrasting motivations that drive the appraisal interview: the motivation of management control and the motivation of self-development. These produce appraisal systems that show a mixture of both motivations, with the control approach still being the more common, especially when there is a link with performance-related pay, but the alternative development emphasis is gaining in popularity. Describing them as polar opposites helps to illustrate the key elements.

*The management control approach* starts with an expression of opinion by someone 'up there', representing the view of controlling, responsible authority, saying:

We must stimulate effective performance and develop potential, set targets to be achieved, reward above-average achievement and ensure that promotion is based on sound criteria.

Despite the specious appeal of this most reasonable aspiration, that type of initiative is almost always resisted by people acting collectively, either by representation through union machinery or through passive resistance and grudging participation. This is because people whose performance will be appraised construe the message in a way that is not usually intended by the controlling authorities, like this:

They will put pressure on poor performers so that they improve or leave. They will also make sure that people do what they're told and we will all be vulnerable to individual managerial whim and prejudice, losing a bit more control over our individual destinies.

It is the most natural human reaction to be apprehensive about judgements that will be made about you by other people, however good their intentions.

This approach is likely to engender:

- Conflictual behaviour and attitudes within the organisation, including resistance by managers to the amount of administrative work involved in the process.
- Negotiated modifications to schemes. These are 'concessions' made to ease the apprehension of people who feel vulnerable. These frequently make the schemes ineffective.
- Tight bureaucratic controls to ensure consistency and fairness of reported judgements.
- Bland, safe statements in the appraisal process.
- Little impact on actual performance, except on that of a minority of self-assured high achievers at one extreme and disenchanted idlers at the other.
- Reduced openness, trust and initiative.

This approach works best when there are clear and specific targets for people to reach, within an organisational culture that emphasises competition. There are considerable problems, such as who sets the standards and who makes the judgements. How are the judgements, by different appraisers of different appraisees, made consistent? Despite its drawbacks, this approach is still potentially useful as a system of

keeping records and providing a framework for career development that is an improvement on references and panel interviews. It is most appropriate in bureaucratic organisations. The emphasis is on form filling.

*The development approach* starts with the question in the mind of the individual job holder:

I am not sure whether I am doing a good job or not. I would like to find ways of doing the job better, if I can, and I would like to clarify and improve my career prospects.

This question is addressed by job holders *to themselves*. Not: ‘Am I doing what you want?’ but:

Where can I find someone to talk through with me my progress, my hopes, my fears?  
Who can help me come to terms with my limitations and understand my mistakes?  
Where can I find someone with the experience and wisdom to discuss my performance with me so that I can shape it, building on my strengths to improve the fit between what I can contribute and what the organisation needs from me?

Those in positions of authority tend to put a slightly different construction on this approach, which is something like:

This leads to people doing what they want to do rather than what they should be doing. There is no coordination, no comparison and no satisfactory management control.

This approach to appraisal:

- Develops cooperative behaviour between appraisers and appraisees and encourages people to exercise self-discipline, accepting autonomous responsibility.
- Confronts issues, seeking to resolve problems.
- Does not work well with bureaucratic control.
- Produces searching analysis directly affecting performance.
- Requires high trust, engenders loyalty and stimulates initiative.

This approach works best with people who are professionally self-assured, so that they can generate constructive criticism in discussion with a peer; or in protégé/mentor situations, where there is high mutual respect. The emphasis is on *interviewing*, rather than on form filling. Despite the benefits of this approach, there are two problems: the first is the lack of the *systematic* reporting that is needed for attempts at management control of, and information about, the process; the second is the problem of everyone finding a paragon whom they can trust.

Frances Storr describes an approach to performance appraisal that seeks to take out almost all the formality; it includes the appraisees choosing their own appraisers and usually the feedback is face to face, with virtually no form filling:

its purpose is stated clearly: to improve performance and enable people to learn and grow. We emphasise that appraisal is as much about celebrating people's achievements, as it is about helping them to identify areas in which they can improve. Within that framework it is up to individuals to decide how they will carry out their own 360 degree appraisal. In more than 90 per cent of cases, feedback is given face to face, with people talking to their appraisers as a group. Any written material . . . belongs to the appraisee, with the result that the appraisal has become a dialogue rather than a survey. (Storr 2000, p. 39)

### ACTIVITY III.1

To what extent can the benefits of both approaches be created in a single scheme?  
Who should conduct the appraisal interview?

Appraisal is valueless unless the general experience of it is satisfactory. Appraisees have to find some value in the appraisal process itself and see tangible outcomes in follow-up. Appraisers have to find the appraisal process not too arduous and have to see constructive responses from appraisees. When general experience of appraisal is satisfactory, it becomes an integral part of managing the organisation and modifies the management process.

### Who does the appraisal?

Individuals are appraised by a variety of people, including their immediate superior, their superior's superior, a member of the HR department, themselves, their peers or their subordinates. Sometimes, assessment centres are used to carry out the appraisal.

There are, however, many problems for those carrying out the appraisal. For example:

- *Prejudice* – the appraiser may actually be prejudiced against the appraisee, or be anxious not to be prejudiced; either could distort the appraiser's judgement.
- *Insufficient knowledge of the appraisee* – appraisers often carry out appraisals because of their position in the hierarchy rather than because they have a good understanding of what the appraisee is doing.
- *The 'halo effect'* – the general likeability (or the opposite) of an appraisee can influence the assessment of the work that the appraisee is doing.
- *The problem of context* – the difficulty of distinguishing the work of appraisees from the context in which they work, especially when there is an element of comparison with other appraisees.

Problems for both the appraiser and the appraisee include:

- *The paperwork* – documentation soon gets very cumbersome in the attempts made by scheme designers to ensure consistent reporting.

### ACTIVITY III.2



Think of jobs where it is difficult to disentangle the performance of the individual from the context of the work. How would you focus on the individual's performance in these situations?

- *The formality* – although appraisers are likely to try to avoid stiff formality, both participants in the interview realise that the encounter is relatively formal, with much hanging on it.

### WINDOW ON PRACTICE

In 1997 the Secretary of State for Education issued guidance to schools and local education authorities about capability procedures to deal with the problem of school teachers who did not perform satisfactorily. This degree of formality for dealing with performance is very rare outside schools and produced major problems. Teachers who were 'put on procedure' found that so humiliating that they rarely improved and usually spent long periods of absence from school suffering from stress. Throughout the education system there was a preference for informal arrangements to deal with this very difficult issue.

Among the other common problems, which often cause appraisal schemes to fail, are:

- *Outcomes are ignored* – follow-up action for management to take, although agreed in the interview, fails to take place.
- *Everyone is 'just above average'* – most appraisees are looking for reassurance that all is well, and the easiest way for appraisers to deal with this is by stating or inferring that the appraiser is doing at least as well as most others, and better than a good many. It is much harder to deal with the situation of presenting someone with the opinion that they are average; who wants to be average?
- *Appraising the wrong features* – sometimes behaviours other than real work are evaluated, such as time-keeping, looking busy and being pleasant, because they are easier to see.

### The appraisal interview style

The different styles of appraisal interview were succinctly described over forty years ago by the American psychologist Norman Maier (1958). His threefold classification remains the most widely adopted means of identifying the way to tackle the interview. The *problem-solving* style has been summarised as:

The appraiser starts the interview by encouraging the employee to identify and discuss problem areas and then consider solutions. The employee therefore plays an active part in analysing problems and suggesting solutions, and the evaluation of performance emerges from the discussion at the appraisal interview, instead of being imposed by the appraiser upon the employee. (Anderson 1993, p. 102)

This is certainly the most effective style, consistent with the development approach to appraisal set out at the opening of this Focus on skills, provided that both the appraiser and appraisee have the skill and ability to handle this mode. This Focus on skills is based on this style, but it is not the only style. Maier's alternatives included, first, *tell and sell*, where the appraiser acts as judge, using the interview to tell the appraisee the result of the appraisal and how to improve. This 'ski instructor' approach can be appropriate when the appraisees have little experience and have not developed enough self-confidence to analyse their own performance. *Tell and listen*, the second alternative, still casts the appraiser in the role of judge, passing on the outcome of an appraisal that has already been completed and listening to reactions. Both of these approaches could sometimes change the assessment, as well as enabling the two people to have a reasonably frank exchange.

Pryor (1985) offers a reappraisal of Maier's three styles, particularly the usefulness of tell and sell and tell and listen. He suggests that they can be effectively adapted to the needs of appraisees with little experience who require less participation in the appraisal interview.

It is tempting to identify the problem-solving approach as 'the best', because it appears to be the most civilised and searching, but not all appraisal situations call for this style, not all appraisees are ready for it and not all appraisers normally behave in this way.

### The appraisal interview sequence

Certain aspects of the appraisal interview are the same as those of the selection interview discussed in the Part II Focus on skills. There is the inescapable fact that the appraiser determines the framework of the encounter, there is a need to open in a way that develops mutual confidence as far as possible and there is the use of closed and open-ended questions, reflection and summarising. It is also a difficult meeting for the two parties to handle:

The appraisal interview is a major problem for both appraisers and appraisees. The appraiser has to have a degree of confidence and personal authority that few managers have in their relationship with all those who they have to appraise. The most contentious aspect of many appraisal schemes is the lack of choice that appraisees have in deciding who the appraiser should be. Interview respondents regularly cite the interview as something that they dread. (Torrington 1994, p. 149)

For the appraisee there are concerns about career progress, job security, the ongoing working relationship with the appraiser and the basic anxieties relating to self-esteem and dealing with criticism.

The fundamental difference between selection and appraisal that every appraiser has to remember is that the objective is to reach an understanding that will have some impact on the future performance of the appraisee: it is not simply to formulate a judgement by collecting information, as in selection. A medical metaphor may help. A surgeon carrying out hip replacements will select patients for surgery on the basis of enquiring about their symptoms and careful consideration of the evidence. The surgeon asks the questions, makes the decision and implements that decision. A physician examining a patient who is overweight and short of breath may rapidly make the decision that the patient needs to lose weight and take more exercise. It is, however, not the physician but the patient who has to implement that decision. The physician can help with diet sheets, regular check-ups and terrifying advice; the real challenge is how to get the patient to respond.

The easy part of appraisal is sorting out the facts. The difficult bit is actually bringing about a change in performance. The interview, like the discussion in the physician's consulting rooms, is crucial in bringing about a change of attitude, fresh understanding and commitment to action.

### Preparation

The appraiser should brief the appraisee on the form of the interview, possibly asking for a self-appraisal form to be completed in advance. To some extent this is establishing rapport, with the same objectives, and makes the opening of the eventual interview easier.

Asking for the self-appraisal form to be completed will only be appropriate if the scheme requires this. As we have seen, self-appraisal gives the appraisee some initiative, ensures that the discussion will be about matters which the appraisee can handle and on 'real stuff'.

The appraiser has to review all the available evidence on the appraisee's performance, including reports, records or other material regarding the period under review. Most important will be the previous appraisal and its outcomes.

Most of the points made in the Part II Focus on skills about preparing for the selection interview apply to appraisal as well, especially the setting. Several research studies (e.g. Anderson and Barnett 1987) have shown the extremely positive response of appraisees who felt that the appraiser had taken time and trouble to ensure that the setting and supportive nature of the discussion was considerate of the appraisee's needs.

### Interview structure

A recommended structure for a performance appraisal interview is shown in Figure III.1. Alternative frameworks can be found in Anderson (1993, pp. 112–13) and Dainow (1988).

*Rapport* is unusual because it attempts to smooth the interaction between two people who probably have an easy social relationship, but now find themselves ill at ease. This is not the sort of conversation they are used to having together, so they have to find new ground-rules. The pre-interview appraisee briefing is an important step towards this, but the opening of the interview itself still needs care. The mood needs to be light, but not trivial, as the appraisee has to be encouraged towards candour rather than gamesmanship.

**Figure III.1**  
Structure for a  
performance  
appraisal  
interview

|                       |  |
|-----------------------|--|
| 1 Purpose and rapport | Agree purpose with appraisee<br>Agree structure for meeting<br>Check that pre-work is done   |
| 2 Factual review      | Review of known facts about performance in previous period.<br>Appraiser reinforcement.  |
| 3 Appraisee views     | Appraisee asked to comment on performance over the last year.<br>What has gone well and what has gone less well; what could be improved; what they liked; what they disliked; possible new objectives. |
| 4 Appraiser views     | Appraiser adds own perspective, asks questions and disagrees, as appropriate, with what appraisee has said.  |
| 5 Problem solving     | Discussion of any differences and how they can be resolved.  |
| 6 Objective setting   | Agreeing what action should be taken, and by whom.   |

### ACTIVITY III.3

What do you think of the following openings to appraisal interviews heard recently?

- (a) 'Well, here we are again. I'm sure you don't like this business any more than I do, so let's get on with it.'
- (b) 'Now, there's nothing to worry about. It's quite painless and could be useful. So just relax and let me put a few questions to you.'
- (c) 'I wonder if I will end up conning you more than you will succeed in conning me.'
- (d) 'Right. Let battle commence!'



*Factual review* is reviewing aspects of the previous year's work that are unproblematic. The appraiser should begin by reviewing the main facts about the performance, without expressing opinions about them but merely summarising them as a mutual reminder. This will include the outcome of the previous appraisal. This will help to key in any later discussion by confirming such matters as how long the appraisee has been in the job, any personnel changes in the period, turnover figures, training undertaken, and so forth.

The appraiser will still be doing most, but not all, of the talking, and can isolate those aspects of performance that have been disclosed which are clearly satisfactory, mention them and comment favourably. This will develop rapport and provide the basic reassurance that the appraisee needs in order to avoid being defensive. The favourable aspects of performance will to some extent be *discovered* by the factual review process. It is important that 'the facts speak for themselves' rather than appraiser judgement being offered. Not, for instance:

Well, I think you are getting on very well. I'm very pleased with how things are going generally.

That sort of comment made at this stage would have the appraisee waiting for ‘but . . .’ as the defences have not yet been dismantled. A different approach might be:

Those figures look very good. How do they compare with . . . ? That’s X per cent up on the quarter and Y per cent on the year . . . That’s one of the best results in the group. You must be pleased with that . . . How on earth did you do it?

This has the advantage of the evidence being there before the eyes of both parties, with the appraiser pointing out and emphasising, and it is specific rather than general, precise rather than vague. This type of approach invariably raises the question from appraisers about what to do in a situation of poor performance. Appraising stars is easy; what about the duds? The answer is that all appraisees have some aspects of their performance on which favourable comment can be made, and the appraisal process actually identifies strengths that might have been previously obscured by the general impression of someone who is not very good. The appraiser may discover something on which to build, having previously thought the case was hopeless. If there is not some feature of the performance that can be isolated in this way, then the appraiser probably has a management or disciplinary problem that should have been tackled earlier.

The appraiser then asks for the *appraisee’s views* on things that are not as good as they might be in the performance, areas of possible improvement and how these might be addressed. These will only be offered by the appraisee if there has been effective positive reinforcement in the previous stages of the interview. People can only acknowledge shortcomings about performance when they are reasonably sure of their ground. Now the appraisee is examining areas of dissatisfaction by the process of discussing them with the appraiser, with whom it is worth having the discussion, because of the appraiser’s expertise, information and ‘helicopter view’. There are three likely results of debating these matters:

- some will be talked out as baseless;
- some will be shown to be less worrying than they seemed when viewed only from the single perspective of the appraisee, and ways of dealing with them become apparent;
- some will be confirmed as matters needing attention.

This stage in the interview is fraught with difficulties for the manager, and is one of the reasons why an alternative style is sometimes preferred:

some employees prefer to be told rather than invited to participate . . . the manager receives extra pay and status for making decisions, so why should the manager expect them to do his or her job as well? (Wright and Taylor 1984, p. 110)

These, however, are problems to be recognised and overcome: they are not reasons for not bothering to try.

*Appraiser views* can now be used in adding to the list of areas for improvement. In many instances there will be no additions to make, but usually there are improvement needs that the appraisee cannot, or will not, see. If they are put at this point in

the interview, there is the best chance that they will be understood, accepted and acted upon. It is not possible to guarantee success. Demoralised collapse or bitter resentment is always a possibility, but this is the time to try, as the appraisee has developed a basis of reassurance and has come to terms with some shortcomings that he or she had already recognised.

The appraiser has to judge whether any further issues can be raised and if so, how many. None of us can cope with confronting all our shortcomings, all at the same time, and the appraiser's underlying management responsibility is to ensure that the appraisee is not made less competent by the appraisal interview. There is also a fundamental moral responsibility not to use a position of organisational power to damage the self-esteem and adjustment of another human being.

*Problem solving* is the process of talking out the areas for improvement that have been identified, so that the appraisee can cope with them. Underlying causes are uncovered through further discussion. Gradually huge problems come into clearer and less forbidding perspective, perhaps through being analysed and broken up into different components. Possibilities for action, by both appraiser and appraisee, become clear.

These central stages of the interview, factual exchange, appraisee views, appraiser views and problem solving, need to move in that sequence. Some may be brief, but none should be omitted and the sequence should not alter.

The final stage of the encounter is to agree what is to be done: **objective setting**. Actions need to be agreed and nailed down, so that they actually take place. One of the biggest causes of appraisal failure is with action not being taken, so the objectives set must be not only mutually acceptable, but also deliverable. It is likely that some action will be needed from the appraiser as well as some from the appraisee.

## Making appraisal work

There are many reports of businesses installing an appraisal system only to find that they have to change it or completely abandon it after only a short time. Others battle on with their systems, but recognise that they are ineffective or inadequate or disliked. What can be done to encourage the system to work as effectively as possible?

Effectiveness will be greater if all involved are clear about what the system is for. The personnel manager and senior managers need to work out what they want the appraisal system to achieve and how it fits in with the other HR activities that feed into it and are fed by it, such as career planning, training and HR planning. Those who have to operate the system also have to appreciate its objectives, otherwise they are just filling in forms to satisfy the irksome HR people, as we saw at the opening of this Focus on skills. Finally, those whose performance is to be appraised will answer questions and contribute ideas with much greater constructive candour if they understand and believe in the purposes of the scheme.

It is vital that the system is visibly owned by senior and line management in the business, and that it is not something that is done for the HR department. This may mean, for example, that appraisal forms are kept and used within the department and only selected types of data are fed through to the HR function or other departments. Ideally, the form itself should be a working document used by appraiser and appraisee throughout the year.

The more 'open' the appraisal system is, that is, the more feedback appraisees are given about their appraisal ratings, the more likely appraisees are to accept rather

than reject the process. Similarly, the greater the extent to which appraisees participate in the system, the greater the chance of gaining their commitment, subject to the reservation already made: not all appraisees are ready and willing to participate, and not all organisational cultures support participative processes.

The involvement of both appraisers and appraisees in the identification of appraisal criteria has already been noted. Stewart and Stewart (1977) suggest that these criteria must be:

- 1 Genuinely related to success or failure in the job.
- 2 Amenable to objective, rather than subjective judgement, and helpful if they:
  - (a) are easy for the appraiser to administer;
  - (b) appear fair and relevant to the appraisee;
  - (c) strike a fair balance between catering for the requirements of the present job while at the same time being applicable to the wider organisation.

Appraisers need training in how to appraise and how to conduct appraisal interviews. Appraisees will also need some training if they have any significant involvement in the process. An excellent performance appraisal system is of no use at all if managers do not know how to use the system to best effect.

The appraisal system needs to be administered so that it causes as few problems as possible for both parties. Form filling should be kept to a minimum, and the time allocated for this activity should be sufficient for it to be done properly, but not so much that the task is seen as unimportant and of low priority.

Appraisal systems need to be supported by follow-up action. Work plans agreed by appraiser and appraisee need to be monitored to ensure that they actually take place, or that they are modified in accordance with changed circumstances or priorities. Training needs should be identified and plans made to meet those needs. Other development plans may involve the HR department in arranging temporary transfers or moves to another department when a vacancy arises. In order to do this, it is vital that appraisal forms are not just filed and forgotten. Peter Goodge and Philip Watts are consultants working in the field of 360-degree appraisal and one of their suggestions demonstrates the importance of follow-up:

We suggest that organizations should spend 20 per cent of the project's budget on the assessment and 80 per cent on the subsequent development support. (Goodge and Watts 2000, p. 51)

### SUMMARY PROPOSITIONS

- III.1 Performance appraisal has a poor track record, but it has considerable potential, when done well.
- III.2 Among the problems of appraisal are prejudice, insufficient knowledge by the appraiser of the appraisee, the halo effect, the problem of context, the paperwork, the ignoring of outcomes, appraising the wrong features and the tendency for everyone to be just above average.
- III.3 Three approaches to the appraisal interview are problem solving, tell and sell and tell and listen.

- III.4 Features of the interview itself are the opening for preliminary mutual assessment; factual review; appraisee views on performance; appraiser views, to add perspective; problem solving; and objective setting.
- III.5 Appraisers must follow up on interviews, making sure that all agreed action (especially that by the management) takes place.
- III.6 Training in appraisal is essential for appraisers and for appraisees.

### GENERAL DISCUSSION TOPICS

- 1 'What right does he have to ask me questions about my motivation and objectives? I come here to do a job of work and then go home. What I want to do with my life is my business.' How would you react to that comment by someone who had just emerged from an appraisal interview?
- 2 In what situations have you seen outstanding individuals depress the performance of a team where the other people were demoralised by the dominance of that individual? How do you cope with this?

### FURTHER READING

Fletcher, C. (1999) *Appraisal: routes to improved performance*. London: CIPD

Lowry, D. (2002) 'Performance management', in J. Leopold (ed.) *Human Resources in Organisations*. London: Prentice Hall

The appraisal interview has not been the subject of much research in recent years, but the above reviews provide practical suggestions.

Redman, T. and McElwee, G. (1993) 'Upward appraisal of lecturers: lessons from industry', *Education and Training*, Vol. 35, No. 2, pp. 20–5

Redman, T., Snape, E., Thompson, D. and Kaching Yan, F. (2000) 'Performance appraisal in the National Health Service', *Human Resource Management Journal*, Vol. 10, No. 1, pp. 1–16

Torrington, D.P., Earnshaw, J.M., Marchington, L. and Ritchie, M.D. (2003) *Tackling Underperformance in Teachers*. London: Routledge Falmer

Recent studies of appraisal in specific professional contexts include the above, Redman and McElwee (1993) on further education, Torrington *et al.* (2003) on schoolteaching and Redman *et al.* (2000) on the National Health Service.



### WEB LINKS

The book's website contains practical exercises in appraisal interviewing. General information about aspects of performance can be found at:

[www.hrmguide.co.uk/hrm/chap10](http://www.hrmguide.co.uk/hrm/chap10)

[www.som.cranfield.ac.uk](http://www.som.cranfield.ac.uk) (the Performance Management Association)

Trade unions, some employers and most public bodies provide information about the performance management arrangement on their websites. One example of general interest is at:

[www.governyourschool.co.uk](http://www.governyourschool.co.uk)

Consultancy firms provide information about their particular approach. A selection of interesting sites (without any assessment of the value of their products) is:

[www.hrwigwam.co.uk](http://www.hrwigwam.co.uk)

[www.targetimprovement.co.uk](http://www.targetimprovement.co.uk)

[www.openview.hp.com/solutions](http://www.openview.hp.com/solutions)  
[www.hse.gov.uk](http://www.hse.gov.uk) (the Health and Safety Executive)  
[www.managingabsence.org.uk](http://www.managingabsence.org.uk) (a site supported by government and industry partners)  
[www.statistics.gov.uk](http://www.statistics.gov.uk) (the National Statistics site)  
[www.cbi.org.uk](http://www.cbi.org.uk) (the Confederation of British Industry)  
[www.leadersdirect.com](http://www.leadersdirect.com) (an American site of the Self Renewal Group)  
[www.audit-commission.gov.uk](http://www.audit-commission.gov.uk) (Best Value Performance Plan Toolkit from the Audit Commission)  
[www.apse.org.uk](http://www.apse.org.uk) (Association for Public Service Excellence)  
[www.performance-appraisals.org](http://www.performance-appraisals.org) (an American business site)  
[www.dti.gov.uk](http://www.dti.gov.uk) (Department of Trade and Industry)  
[www.employment-studies.co.uk](http://www.employment-studies.co.uk) (the Institute of Employment Studies site)  
[www.acas.org.uk](http://www.acas.org.uk) (Advisory, Conciliation and Arbitration Service)

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## REVIEW OF PART III

In the opening chapter of Part III we included this comment from an article in *People Management* in 2001:

more than 30 studies in the US and UK leave no room for doubt; how organizations manage and develop people has a powerful – perhaps the most powerful – effect on overall performance, including the bottom line.

This is delivering performance and it lies at the core of human resource management. Reverting to the philosophy of human resource management set out at the beginning of the book:

Human resource management is a series of activities which: first enables working people and the organisation which uses their skills to agree about the objectives and nature of their working relationship and, second, *ensures that the agreement is fulfilled . . .*

The words in italics describe the HR role in performance management. HR people do not personally lead groups outside the HR function, nor do they manage performance directly, but they do ensure that all these activities are carried out and they have a responsibility to ensure that the activities are understood, valued and carried out as effectively as possible. If they can deliver those three requirements – that the processes are understood, valued and carried out effectively – then they make a major contribution to the bottom-line performance referred to above.

A piece of contemporary history illustrates how significant the management of performance can be. When Britain and the United States invaded Iraq in 2003 there was a great deal of speculation about Iraq's possession of weapons of mass destruction. A BBC journalist, Andrew Gilligan, claimed that a British government document on this issue had been 'sexed up' to strengthen the case for war. This allegation was denied by government ministers.

Subsequently the BBC broadcast a television programme in which another journalist, John Ware, stated that Gilligan had previously been 'hailed over the coals' by his superiors for using loose language. Andrew Gilligan was outraged about this statement that had been broadcast by John Ware without any reference to him first. He also said that the interview referred to was with his manager:

It was a meeting to say how well I had done in Iraq and I was criticized over one matter. It was 95 per cent praise. In no sense could it be described as a hauling over the coals. (*The Times*, 22 January 2004, p. 1)

He also said that he had checked with his manager, who agreed that he had not been hauled over the coals. This whole issue became one that caused intense interest and imperilled the government, but it illustrates how important running performance management in general, and the appraisal interview in particular, is; making adverse comments about someone's performance without them having the chance to explain or rebut can lead to serious difficulties. Although we have emphasised the importance of setting critical comments in the broader context of more favourable judgements, it is always important to ensure that the criticisms are understood and accepted.

We have said earlier that conducting an appraisal interview is one of the hardest things any manager has to do. For HR specialists managing the surrounding process, the task is not so daunting, but it has to be done very thoroughly indeed.



## Part III CASE STUDY PROBLEM

### **BAKERSFIELD UNIVERSITY**

Bakersfield (new) University is in a process of change in order to promote more effective service delivery to its customers within tight budget constraints. Teaching staff have increasingly taken on higher teaching hours as the staff to student ratio has increased from 1 : 18 to 1 : 28 over the past 12 years. The decrease in staff numbers has been managed through the non-replacement of leavers and a limited level of early retirement. In addition to taking on increased teaching loads staff have been exhorted to engage themselves in commercial work and in research to a much greater extent and to complete PhDs. The staff have increasingly felt under pressure, but have on the whole been dedicated workers. Those staff who were most seriously disillusioned by the changes taking place were generally those opting for early retirement, although this process also meant that much expertise was suddenly lost to many departments.

The pressure of work seems set to increase and the goodwill and relatively high performance of staff are increasingly at risk. In the current circumstances departments have found it difficult to recognise the good work of staff by promotion, which had been the traditional approach. Many department heads have tried to deal with this by holding out the hope of future promotion and by recognition of a good job done. Some department heads were more effective in this than others.

The university as a whole has decided to put two major schemes into place in relation to staff performance: first, a staff appraisal scheme and, second, an individual performance-related pay scheme. Standard forms were produced for all departments to use and guidelines were produced relating to the purpose and frequency of appraisal. All departments conformed in terms of carrying out the appraisals, but there were great differences in how this was handled in different departments. Those heads who had experience of successful systems elsewhere, or who were enthusiastic about this change, carried out the appraisals in a more thorough and committed way, and did try to integrate them into the running of the department and link them to departmental goals. Other heads failed to do this, and some were positively against the system as they saw it as impinging on academic freedom, and in any case had never seen themselves as true managers.

The reaction of staff was mixed, often depending on their past employment experiences and length of time employed by the university. In general staff were resistant and sceptical. The culture of the university had been easygoing with staff able to 'do their own thing', and relied on to focus on work that was important for the university and to organise themselves in a conscientious manner. Those who had come to the university from industry had been attracted by the opportunity to control the nature and content of

their own work. The new system was perceived as wresting control away from the individual and as an indication that they were not trusted.

There were disparate reactions to the individual performance pay scheme. Department heads were each allocated a small pot of money to distribute as they saw fit between their staff. There were only two months between the announcement of the availability of this money and the date for distribution. Some department heads announced its availability and others never mentioned it. Some made allocations based on performance appraisal results and others made a separate judgement – perhaps allocating money only to someone who was highly valued and who had threatened to leave, but who was not necessarily the best performer. Others shared the money, in different amounts, between the top three high performers and one other shared the money out equally between all staff in the department. Most heads of department allocated the money without any consultation, indeed the heads never got together to talk about the new system and how to handle it. A small number of heads quickly formed a senior staff panel to judge the allocation and one head devised a peer assessment panel.

Staff reactions were mixed. Some were pleased that at last there was potential monetary recognition for the extra effort they had put in. But those who only found out about the system after the money had been allocated to others were angry. Some of the staff who had received the money were so embarrassed about it that they kept it secret. Union representatives complained about the 'shady' process in many departments. Only three heads announced the criteria which had been used to allocate the money. There were complaints about the timescale – but this was improved by the immediate announcement in the university's newsletter of a similar pot of money being made available for the following year. Many objected on principle, though, to the idea of individual performance pay and felt that it undermined the teamwork that was necessary for the department to run effectively. A number argued that if there was to be such pay next year, it should relate directly to the performance appraisal results, and hence became more concerned that these were carried out more thoughtfully.

Staff morale was damaged by these events and the university, which is aware that it mishandled these issues, is anxious to improve matters as quickly as possible.

### Required

- 1** What were the main problems with the approach adopted by the university authorities?
- 2** What options does the university have for next year? What are the advantages and disadvantages of each?
- 3** Which option would you recommend, and how would you implement it?



## Part III EXAMINATION QUESTIONS

- 1** 'Equal opportunities legislation is an unnecessary interference for business.' Discuss.
- 2** Outline the major implications of the Disability Discrimination Act 1995. Why was the Act seen as necessary?
- 3** What is the business case for diversity management? How strong and persuasive do you regard this case to be?
- 4** Present arguments for and against linking pay to an assessment of individual performance. Having done this, explain whether or not you would like to be paid in this way, and why.
- 5** Discuss the reasons for the relative failure of women to move into the ranks of senior management in both private and public sector organisations.
- 6** Why is performance appraisal a process that frequently disappoints both appraisers and appraisees? How can these problems be overcome?
- 7** Given the models of best practice and the problems that have emerged in training for equal opportunities in the areas of both race and gender, suggest how these might influence equal opportunities training relating to the Disability Discrimination Act 1995.
- 8** As an HR consultant how would you evaluate client/customer satisfaction with your organisation's performance and why is it important to do so?