# Impooving employee performance essay

IMPROVING EMPLOYEE PERFORMANCE THROUGH APPRAISAL AND COACHING Second Edition IMPROVING EMPLOYEE PERFORMANCE THROUGH APPRAISAL AND COACHING Second Edition Donald L. Kirkpatrick Foreword by Dick Grote American Management Association New York • Atlanta • Brussels • Chicago • Mexico City • San Francisco Shanghai • Tokyo • Toronto • Washington, D. C. Special discounts on bulk quantities of AMACOM books are available to corporations, professional associations, and other organizations. For details, contact Special Sales Department, AMACOM, a division of American Management Association, 1601 Broadway, New York, NY 10019. Tel. : 212-903-8316.

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Contents

Foreword I was going through the attic recently, sorting through some ancient ? les.

In a pile of old magazines I ran across a tattered copy of ASTD's Training and Development Journal from 1971. I had saved it because in it was the ? rst article I ever wrote about performance management. As I thumbed through it, I noticed that the masthead listed ASTD's regional vice presidents. There was Don Kirkpatrick's name. At that time, thirty-? ve years ago, Don was already one of the most signi? cant ? gures in the ? eld of training and development. Today, nothing's changed. Don Kirkpatrick remains one of the most in? uential and thought-provoking thinkers and writers in the ? eld of performance management and the development of human talent in organizations.

Most human resource management professionals are familiar with Don's contribution to the ? eld of training and development through his development of what now is commonly referred to as '' Kirkpatrick's Four Levels of Evaluation. '' Don observed that the evaluation of a training

program's effectiveness begins with Level One—Reaction. How well did the participants like the program? But too many evaluation efforts don't go any further than a smile sheet. More important than how people felt about the program, Don told us, was Level Two—Learning. Did the participants learn the skills the program was designed to teach? Did they do better on the posttest than they did on the pretest? Regardvii viii F OR EW OR D less of how much they liked the program, did they actually acquire the skills the program intended to teach them? But that's still not enough. While users may have liked the program and scored high on the ? al exam, the next level —Behavior—is much more important. Are the participants using what they learned back on the job? Have the trainees transferred their new skills and learnings to their everyday environment? Finally—and here comes the bottom-line question—has all this effort made any difference? Yes, the salesmen liked the program. Yes, they learned all of the selling skills we taught them and, yes, they're using those skills when they call on their customers.

But has this led to an increase in sales? That's Don's ? nal level: Results. From a business and organizational perspective, it's only at the level of results that training programs pay off. Don Kirkpatrick ? rst presented his model in 1959 in a series of articles in the Training and Development Journal. Kirkpatrick's Four Levels of Evaluation is a model of profound simplicity. New trainers have a head-slapping experience and say, '' Of course! '' when they are ? rst introduced to the four levels and the need to evaluate not just how much people liked the program and how much they learned but just what bene? t the organization got out of making the investment in training them.

Don revolutionized the ? eld of training and development. But this book isn't about training or evaluation.

And it isn't written just for people in the training industry or the human resources ? eld. This book may represent an even more important contribution, since it focuses on managing human performance throughout an organization. It is directed at operating managers who have to guide and coach and correct and motivate high performance. It's aimed at trainers who must teach managers how to meet their responsibilities for managing the performance of other people.

And it is directed toward HR professionals who must make sure that the people-management side of the business happens as it's supposed to. Based on the volume originally published in 1982, this updated and revised edition will help everyone involved with the management of human performance achieve excellence in this challenging area. It deals with issues that matter. Improving Employee Performance Through Appraisal and Coaching is truthfully titled. It is a how-to book, not a theoretical treatise.

It gives managers the skills they need to appraise performance honestly, accurately, and con? dently. F OR EW OR D ix When I served as subject-matter expert in a national benchmarking study of best practices in performance management a few years ago, I identi? ed the companies that genuinely are doing outstanding work in their performance appraisal, assessment, and development efforts. But among these stellar organizations there was one common frustration. In spite of the fact that their systems were the best around, they still had trouble getting their managers to do a

good job of setting goals. This book will help them solve this problem and show managers how to clarify what is expected of subordinates. Grade in? ation is one of the loudest complaints made about America's prestige universities. In fact, as I was reading an issue of The Atlantic Monthly recently, I found a dramatic chart illustrating the year-byyear escalation over the past twenty years of the average grade of students at Cornell University, one of our ? nest Ivy League colleges. Over the past few years, the same complaints of grade in? ation have routinely been made by faculty and administrators at Harvard, Princeton, and a host of other top-? ight universities.

In organizations, things are not that different. HR managers frequently complain about the fact that performance appraisal ratings are notoriously in? ated and that people simply aren't being told the truth about just how well they're doing. There's probably no veteran HR professional who hasn't had the distasteful experience of talking to a line manager who has ? nally made the decision to ? re a marginal performer after years of shoddy work, only to discover that the individual has a drawerful of performance appraisals in his ? le, all with stellar ratings. This book will help solve this common problem. Certainly one reason that managers don't give their subordinates honest, tough-minded appraisals of their performance is that they simply lack the courage to provide straight-between-the-eyes feedback, and no book will cure this sad situation. But a more important reason for the problem of organizational grade in? ation that occurs in so many companies is that managers have never been told exactly how to set speci? c goals.

They don't know how to communicate exactly what results they're looking for and how the subordinate's performance will be measured. No one has shown them how to work with subordinates to identify their strengths and weaknesses. They don't have the skills they need to conduct an effective performance assessment or explain to a member of the team precisely where her performance needs to be improved.

They would do the right thing if someone would just show them how, but they've been left to ? gure it out on their own. So they muddle through as best they can and take the path of least resistance. x F OR EW OR D This book represents an important step toward curing this common problem. Managers and those on their team should look at the performance appraisal process as a real opportunity to clarify expectations and thereby remove much of the mystery that surrounds performance appraisal.

A recent survey conducted by the Corporate Leadership Council indicated that only 43 percent of all employees surveyed agreed with the statement '' In my last performance appraisal I understood the standards I was being evaluated on. '' If people don't know how they're being evaluated, of course the performance appraisal process will generate feelings of anxiety and concerns about fairness. But if the manager clearly communicates her expectations, explains how performance will be measured, provides coaching throughout the year, assesses the quality of the individual's contributions objectively, and conducts a well-planned, professional appraisal interview, performance appraisal can be one of the most powerful team-building tools in the managerial arsenal. Performance appraisal is too often

seen as exclusively the manager's responsibility, with the employee being merely the target or the victim of the process. But, as Don Kirkpatrick makes clear in this book, performance management is not a unilateral process. Both the manager and the individual have responsibilities.

When the need for performance improvement arises, the manager has the responsibility to spell out not just what needs to change but also what the manager will do to help the subordinate improve. The book provides a practical and straightforward model of a coaching plan that shows managers how to help their people be successful. Don Kirkpatrick has distilled almost ? ty years of both practical and academic experience into a book that will be useful to managers, trainers, and HR professionals alike. He has provided insights from famous coaches to help managers meet their day-to-day coaching responsibilities. He has provided real-world examples that actually work and illustrations that make dif? cult concepts clear. He has shared the experiences of top-? ight organizations and made available their forms and procedures so that every reader can immediately bene? t from the lessons they have learned. In his original foreword to the ? st edition of this valuable book, James L. Hayes, former CEO of the American Management Association, wrote, '' There are some ideas in management whose time comes and goes and comes again, depending on circumstances of economy or fashion.

There are other ideas whose time is ever present and whose F OR EW OR D xi demands for effective practice are immutable. Of these perhaps the most pertinent for all managers is the need for effective performance appraisal. '' In this book Don Kirkpatrick helps everyone concerned with human

performance on the job excel in this challenging arena. Dick Grote Chairman and CEO, Grote Consulting Corporation, Dallas, Texas Author, Discipline Without Punishment, The Complete Guide to Performance Appraisal, and The Performance Appraisal Question and Answer Book Preface I f you are a manager who conducts performance appraisals with employees, you may ? nd this book somewhat frustrating because you are probably locked into a program with forms and procedures. However, regardless of the forms and approaches you are required to use, you will ? d some practical help in such areas as clarifying what's expected, appraising performance, self-appraisal, conducting the appraisal interview, developing a performance improvement plan, and on-the-job coaching. You'll be particularly interested in the comments from some nationally known athletic coaches, and you'll be amazed by how much of their advice will apply directly to you on your job.

This book includes two case studies; philosophy, principles, and approaches from various organizations; and sample forms. This material will be of practical use as you evaluate your own philosophy, forms, and procedures. Also, this book may help you discover why your program isn't working as well as you'd like it to. If you have any suggestions that you think will help improve your performance review program, pass them along to those in your organization who are responsible for the program's administration. If you have an overall responsibility for an effective performance appraisal and review program in your organization, this book will have xiii xiv P RE FA CE special bene? t for you. If you already have a program, you can compare it to the ideas, examples, and case studies presented here.

Of particular interest and bene? to you will be Chapter 6, which describes the ? ve requirements for effective programs and gives some speci? c ideas for improving them. If you have no performance appraisal program at all or one that is not working out, this book will be of special interest and bene? t. Study the principles and techniques described. Also, read the case study and '' Notes from the Field'' for ideas you can use or adapt.

Finally, develop and implement your own program as described in Chapter 6. The whole purpose of the book is to describe a practical program of appraisal and coaching that will help improve the performance of your employees. Good luck in reaching this objective. —Donald L. Kirkpatrick Acknowledgments I have many people to thank for making the book practical.

They have contributed concepts, principles, and techniques that can be used and/ or adapted to the performance appraisal programs of the readers. Those who contributed include Dick Grote (author of several books on performance appraisal), who wrote the Foreword; the many coaches who described the characteristics of an effective coach; Dianna Anderson and Merrill Anderson, who wrote the excellent chapter on coaching; Judith P. Clarke, who wrote the enlightening case study in the chapter on evaluating a training course on performance appraisal and coaching; Jeanne Armentrout and Cheryl Bennett, who wrote the detailed chapter covering both performance appraisal and coaching; the authors of '' Notes from the Field,'' including Carolyn Henning, Stephen Glen, Dana Patrick, Carlyn Houston, Holly Burkett, my daughter Susan Muehlbach, Cathy Bolger, and Rita Laitres.

I also want to thank Adrienne Hickey, Barry Richardson, and Mike Sivilli of AMACOM for their encouragement and help. Finally, I want to thank my wife, Fern, for her patience and understanding during the many hours I spent on the book. xv IMPROVING EMPLOYEE PERFORMANCE THROUGH APPRAISAL AND COACHING Second Edition A Conceptual Framework for the Appraisal/Coaching Process I n order to get improved performance from appraisal and coaching, a continuous process is necessary. It can be illustrated by the following diagram.

The Basis for Appraisal • Significant Job Segments • Standards of Performance On-the-Job Coaching • The Effective Coach • Coaching Approaches and Techniques THE CONTINUOUS CYCLE OF PERFORMANCE REVIEWThe Appraisal • The Appraisal Process • Preparing for the Appraisal Interview • Conducting the Appraisal Interview The Performance Improvement Plan • Preparing an Effective Plan 1 2 I MP RO VI NG EM PL OY EE PE RF OR MA NC E T HR OU GH AP PR AI SA L A ND CO AC HI NG The ? rst step is to clarify what's expected of the employee. This can be done by identifying signi? cant job segments and developing standards of performance. The second step is to appraise performance and to discuss it in an appraisal interview. At the conclusion of the interview, a performance improvement plan can be developed. On-the-job coaching is necessary to help the employee improve his performance. The ? rst step is repeated on whatever time schedule is established by the organization. The pretest that follows presents the philosophy and principles discussed in this book. Complete it to see what you believe before you begin to read.

The same test is included on page 112 as a posttest to complete after you read that far in this book. My suggested answers, and the reasons for them, follow the posttest. I suggest that you not look at the answers until after you have ? ished both tests. Then you can compare your two scores to see what you have learned. Pretest Write '' yes'' in front of each statement if you agree and '' no'' if you disagree. 1.

Every employee has responsibility for his own development. 2. Every manager has responsibility for the growth and development of all employees. 3. Every organization has responsibility for the growth and development of all employees.

4. Most people want to know how they are doing their job as the manager sees it. 5. Most employees would like to improve their performance.

6. Less than maximum performance of an employee is often due to factors over which the employee has no control. 7. The same performance review program (forms, procedures, interview) should be used both for improved performance and for salary administration. 8. Performance appraisals and reviews should be voluntary on the part of managers.

9. The more writing required of the manager on the appraisal form, the more effective the program. 10. The less paperwork required in a performance appraisal program, the more effective the program. 11. Appraisal forms should include about a 50-50 balance be-A CO NC EP TUAL FR AM EW OR K F OR TH E A PP RA IS AL /C OA CH IN G P RO CE SS 3 12.

13. 14. 15.

16. 17. 18. 19. 20. 21. 22. 23.

24. 25. 26. 27. 28. 29. tween items dealing with performance and those dealing with personality. Agreement on signi? cant job segments and standards of performance is an important prerequisite to the appraisal of job performance.

The word '' appraisal'' connotes both judgment and communication. A group appraisal of a person's performance is better than having an appraisal just by the manager. A self-appraisal by the employee is a good idea. The main objective of the appraisal interview is for the manager to explain and sell her prepared appraisal to the employee.

In the interview discussing the performance of the employee, there should be no surprises. In an appraisal interview, it's a good idea to have at least three people present (for example, the manager, the employee, and a neutral party, such as a representative of the human resources department). Appraisal interviews should be a pleasant experience for both manager and employee.

In the appraisal interview, the manager should not show his completed form to the employee. An organization can be assured that an effective appraisal interview has been conducted if the employee is required to sign the form. In an appraisal interview, the manager should always give her appraisal of the employee and then ask the employee for reactions and comments. It's a good idea to divide the appraisal interview into two or three separate interviews. An appraisal interview should always end on a positive note. A

speci? c written performance improvement plan is an important part of a performance review program.

A performance improvement plan should include what should be done, by whom, and when. It's a good idea for employees to work toward performance improvement in several areas at once. Coaching means the same as counseling. Coaching a group of employees is similar to coaching a team of athletes. 4 I MP RO VI NG EM PL OY EE PE RF OR MA NC E T HR OU GH AP PR AI SA L A ND CO AC HI NG 30. On-the-job coaching is necessary to be sure that the performance improvement plan is implemented. 31.

Coaching on the job should include praise for good work, as well as constructive criticism and help to improve poor work. 32. Improvement in performance should be immediately rewarded by the manager.

3. Rewards should be based on performance, rather than seniority. 34. Both the manager and the employee should have a copy of all completed forms. 35.

A copy of the completed appraisal forms should be put in the personnel ? le of the employee. 36. A standard of performance should be: a. Established for a job. b. Established for an individual.

c. An '' acceptable'' level of performance. d. A '' well done'' level of performance. e.

Challenging (requires stretch but can be reached). f. Unattainable (requires stretch and can't be reached). g. Agreed on between manager and employee. .

Determined solely by the manager. i. Determined solely by the employee.

j. Jointly determined by manager and employee. k. Clear to manager and employee. l. Written.

m. Time oriented. n. Speci? c (numbers, percentages, dollars, wherever possible).

o. The basis for performance appraisal. p. Subject to change. 37. The same appraisal forms and procedures can be effectively used by any kind of organization.

38. The people who supervise a performance appraisal program must do more than simply oversee paperwork. They must communicate the program and sell it to those involved. 39. It takes no real training to conduct performance reviews effectively.

40. Administrative controls must be established for performance review programs. C H A P T E R 1 Introduction and Overview How to Get Maximum Performance from Employees T he major challenge that faces managers in all types of organizations is how to get maximum performance from their employees. First, they need to motivate their employees to get maximum effort from them. This means ensuring that people will try their best to do

the job; whether the manager's effort is successful can be measured by the energy and time employees expend.

If only motivation guaranteed maximum results! Unfortunately, much of this energy and time is wasted. Therefore, the second requirement is for managers to get maximum accomplishments and achievements from their employees. This twofold challenge—effort plus results—faces every manager. Ways to Improve Employee Performance On a recent visit to India, I was asked by the manager of a small clothing shop in the Chola Hotel in Madras, '' What is the one thing that managers can do to get their employees to do their best? '' I replied that it isn't as simple as '' just one thing. ' He repeated the question: '' What is the one thing that managers can do to get their employees to do their best? '' I hemmed and hawed and started to tell him that there are eight things.

5 6 I MP RO VI NG EM PL OY EE PE RF OR MA NC E T HR OU GH AP PR AI SA L A ND CO AC HI NG He interrupted and said, '' Don't tell me eight, tell me one! '' I said, '' I can't. '' He replied, '' Then I'll tell you! '' I answered, '' O. K.

, you tell me. '' And he did. '' You have to give your people encouragement. It doesn't mean just money, although that's one of the ways to encourage your people. It also means a pat on the back when they do a good job. If you rub them into the ground with your heel, you won't get the best work from them, and they won't like you, besides. '' I was supposed to be the expert who was conducting seminars on leadership for managers in business and government in India. And I received a good lesson in motivation from a shopkeeper in the basement of a hotel.

It isn't quite as simple as encouragement, but that's a good start. Here are the eight conditions I was going to describe to the shop owner that will get maximum effort and results from employees: 1. . 3.

4. 5. 6. 7.

8. Make the job important in the eyes of the employee. Select a person who has the potential to perform the job. Clarify what's expected of the employee in the job.

Train the employee in the necessary knowledge, skills, and attitudes. Evaluate performance, and communicate results and expectations to the employee. Help him improve performance. Build and maintain rapport with the employee.

Reward for performance. These eight conditions are developed further in the following paragraphs. Make the job important.

People who feel their jobs are important are more apt to try their best, because they realize that it does make a difference how well the job is done. When the manager increases the scope and importance of the job, people are more apt to put forth maximum effort. Select the right person. The well-known Peter Principle states that people tend to rise to their level of incompetence. 1 One reason for incompetence is that people are promoted on the basis of performance.

Where the old job and the new ones are alike, performance is a valid I NT RO DU CT IO N A ND OV ER VI EW 7 basis for promotion. But where the jobs are

different, performance may be a poor criterion for promotion. This is especially true where the promotion is from '' doing'' to management. Management, according to Lawrence A. Appley, past president of the American Management Associations, is '' getting things done through others,'' rather than doing them yourself. When you are considering a person for a job, whether it is an entrylevel job or a promotion, the problem is to match the person to the job.

Usually the match is not a perfect one because the candidates have never done that exact job before. Therefore, the potential of the person must be determined. In other words, you should ask: '' With the proper training, would this person be able to perform the job successfully? '' Potential is a dif? cult thing to measure.

Typically, the candidates' backgrounds are analyzed with special emphasis on education and experience. Next, interviews are conducted, and the candidates are evaluated on the basis of their answers to questions, as well as their appearance and the impression they make on the interviewer. Often references are checked to ? d out from former supervisors or acquaintances how the people performed in previous jobs. Some organizations also use testing and assessment centers. The higher the job level, the more time and money an organization should spend to determine potential. There is good evidence that many people are promoted to supervisory positions who never should have been.

The typical selection process places undue emphasis on performance, years of service, and cooperative attitude. A more systematic approach stresses

the importance of desire—wanting to be a supervisor—as well as leadership qualities. Clarify what's expected. Many frustrations and failures occur because employees don't understand exactly what's expected of them by their supervisors. They put forth much effort doing what they think is wanted, rather than what is wanted. When I worked for a large chemical corporation, my friend Ken worked for Michelle, a vice president. One day Ken and I had this conversation: Ken: I think I'm in trouble with Michelle, my supervisor.

Don: What do you mean? Ken: I don't think Michelle is happy with my performance. 8 I MP RO VI NG EM PL OY EE PE RF OR MA NC E T HR OU GH AP PR AI SA L A ND CO AC HI NGDon: What makes you think so? Ken: I just have a feeling. Don: Has she told you she's unhappy with your performance? Ken: No, she hasn't told me anything about my performance since I started working here nine months ago. Don: Then why do you think she's unhappy? Ken: Well, she gave me a three-page job description when I came, and I can't do everything that she expects. Don: What are you doing? Ken: I'm doing the things I think are most important. Don: And? Ken: I'm not sure she thinks they are the most important. Don: I have a suggestion. Ken: What? Don: Go and see Michelle and tell her your problem.

Take the job description with you, and show her the things you are doing and the things you aren't doing. And see if she agrees. Ken: I can't. Don: Why not? Ken: Because she's not available. She's either up in the president's of? ce or else she's out of town or busy entertaining some important people. Don: Then the only suggestion I have for you is to try to do the things that

she thinks are important instead of those you think are important. About three months later, I learned that Ken had been terminated for '' poor performance. ' Because of our conversation, I was most interested in learning more about the termination.

I got my chance one noon when I saw Michelle sitting alone in the company dining room. Don: Michelle, can I talk with you for a few minutes? Michelle: Sure. Don: I understand that you terminated Ken a couple of week ago. Michelle: That's right.

Don: Would you mind telling me why? Michelle: Not at all. He just wasn't doing his job. Don: Can you be more speci? c? Michelle: Sure. He was spending his time and energy on the unim- I NT RO DU CT IO N A ND OV ER VI EW 9 ortant parts of his job and wasn't getting the most important things done. Don: Did you ever tell him what the most important parts of his job were? Michelle: I gave him a job description. I expected him to be smart enough to know which things were most important! Then I related to Michelle the conversation that Ken and I had had several months earlier. Michelle replied, '' Well, that's life.

If he wasn't smart enough to separate the important things from the unimportant things, that's his problem! '' I was very disappointed in Michelle, not so much for actually terminating Ken but for her attitude about it. I had hoped that Michelle was feeling some guilt and might have learned something from the incident. There are many Michelles in management who do not clarify what is expected of employees. And there are many Kens who suffer the consequences even if they have the necessary quali? cations and

try their best. I only hope that most of the Michelles who read this book will look at their own situations and either take the initiative in clarifying what's expected or at least make themselves available to employees who have the courage to ask for clari? cation themselves. Train the person. No matter how well the person matches the job, some training is always necessary. Training includes the teaching of knowledge, skills, and attitudes.

The ? rst step is to decide who will be the trainer. The quali? cations are: Knowledge and skill in doing the job A desire to teach Communication skills Patience A positive attitude toward the organization and the job to be learned A knowledge of teaching methods and procedures Time to train Many supervisors like to do the training personally. They are usually the best ones if they meet the other requirements listed above. But some are too busy or lack one or more of the quali? cations, so they delegate the training to someone else. If this is done, the supervisor 10 I MP RO VI NG EM PL OY EE PE RF OR MA NC E T HR OU GH AP PR AI SA L A ND CO AC HI NG should be sure that the chosen trainer is quali? ed; even then, some checking is necessary to be sure that an effective job has been done.

The supervisor may delegate the task to another person, but the supervisor has ? nal responsibility and must live with the results. If the person being trained is a supervisor, the training should emphasize management knowledge, skills, and attitudes. This means that the manager usually has to call on outside help for the training, such as in-house management courses or those presented by outside organizations. And it's a good idea to begin the management training as soon as the new supervisor is appointed.

As an example, a one-day conference at the Management Institute of the University of Wisconsin— Extension is called '' Basics of Management for New Supervisors,'' and it is designed for organizations that do not have a similar in-house program. Other universities, associations, and consultants offer similar training programs. In addition to courses, a management library should be available for new supervisors. The books should be carefully selected so that they are readable and practical for the supervisor. The jump from '' doer'' to manager is a big one.

Great care must be taken to ensure that the new supervisor not only knows the difference between a '' doer'' and a manager but also has the knowledge, skills, and attitudes necessary for success. Evaluate performance and communicate the appraisal. People want to know how they are doing on the job, and it is the responsibility of the manager to tell them. This requires the manager to evaluate their performance and communicate the appraisal to them.

This process of appraisal and communication should be regular and ongoing; managers should not wait until the annual appraisal interview to do it. Nor should they rely entirely on informal day-to-day coaching. Instead, both formal and informal appraisals are necessary.

This book covers in detail the process as well as the forms and procedures for an effective performance appraisal program. Help the person improve. The appraisal should measure how well the various parts of the job are being performed. It should identify the employee's strengths, as well as the aspects of the job where improved performance is needed. When these have

been identi? ed and agreed on between manager and employee, a performance improvement plan should be developed and implemented. Methods for doing this are covered in detail in this book.

I NT RO DU CT IO N A ND OV ER VI EW 11 Build and maintain rapport. Rapport can be de? ned as a good working relationship or a climate of mutual trust and respect between manager and employee. To build rapport, the manager must try to understand and meet the employee's needs and wants, not just the organization's. Only when both are met has the manager really succeeded. There are many ways to build rapport.

An obvious one is for the manager to praise good work and give credit when due. Another is for the manager to take a personal interest in the hobbies, family, problems, and other things that are dear to the heart of the employee. Perhaps the most important thing that a manager can do is to make clear that he or she is interested in the successful performance of the employee on the present job. Also, the manager must show an interest in the future of the employee with the organization. This consideration for the future presents a real challenge to a manager.

Many organizations have developed formal approaches to career planning and development. They have found there are some advantages and some drawbacks to the formal approach. On the positive side, it demonstrates a concerted effort to see that employees move ahead in a systematic fashion. It shows that the organization is willing to spend time and money to be sure that promotions are made fairly. On the negative side, employees might get the impression that the promotions are going to come in a planned

progression. The organization might give false hopes to those who aren't going to be promoted or to those whose promotion opportunity is far in the future. Advancement in an organization usually depends on three separate and distinct factors: 1.

The interests, desires, and aspirations of the employee 2. The potential of the employee as determined by management 3. Openings Some organizations ask employees to indicate their ambitions and goals. Sometimes this is done formally at the conclusion of a performance appraisal interview.

Sometimes it is done informally in conversations between manager and employee. And some organizations do it as a separate project by sending forms for employees to complete. All these approaches can be effective in gathering this important information.

In addition to determining the interests, aspirations, ambitions, and goals of employees, management must determine potential for ad- 12 I MP RO VI NG EM PL OY EE PE RF OR MA NC E T HR OU GH AP PR AI SA L A ND CO AC HI NG vancement. At best, the process requires some subjectivity and comes down to an educated guess. The attitudes of many unions, for example, is that you can't really tell whether a person can perform a higher-level job unless you give the person a chance to try. And in some cases they may be right. But management must determine potential with as much objectivity as possible. The assessment center approach is one of the best ways. The ? nal factor that determines advancement is the number of promotional opportunities that will occur.

In most organizations, large and small, people can't advance unless an opening is created by retirement, promotion, death, transfer, resignation, or growth. In some organizations, these openings occur frequently. In others, they occur infrequently. Career planning and development must consider all three of these factors.

There are eight possible combinations of these three factors that a manager could face. In the examples, the term '' management'' is used to mean whoever inside or outside the organization assesses potential. Situation 1: Kimberly wants to be promoted, management doesn't feel she has the potential to do a higher-level job, and a promotional opportunity exists. Situation 2: Kevin wants to be promoted, management feels he is promotable, but no openings exist. Situation 3: Kathy has no desire to be promoted, management feels she has the potential for promotion, and no openings exist.

Situation 4: Barbara has no desire to be promoted, management feels she has the potential, and an opening exists. Situation 5: Neil wants to be promoted, management feels he has the potential, and an opening exists. Situation 6: Chris has no desire to be promoted, management feels he has no potential, and no openings exist. Situation 7: Colleen has a desire to be promoted, management doesn't feel she's promotable, and no openings exist. Situation 8: Bryan has no desire to be promoted, management doesn't feel he's promotable, and an opening exists. These situations can be depicted in a table, as shown below.

Quick reference to the table shows that situations 6 (Chris) and 8 (Bryan) are easy to handle. In both cases, the desire of the employee agrees with I NT RO DU CT IO N A ND OV ER VI EW 13 Desire for Promotion 1. 2.

3. 4. 5. 6. 7. 8. Kimberly Kevin Kathy Barbara Neil Chris Colleen Bryan Yes Yes No No Yes No Yes No Potential for Promotion No Yes Yes Yes Yes No No No Openings Yes No No Yes Yes No No Yes he analysis of potential by management.

Neither Chris nor Bryan wants to be promoted, so no problem exists. At ? rst glance, situation 5 (Neil) also seems to be an easy one. Neil wants to be promoted, management feels he can handle the job, and an opening exists. However, complications arise because Neil is a white male. Situation 1 (Kimberly) must also be considered. Even though management doesn't think she has the potential, she wants the job. And potential is subject to debate.

Besides, upgrading minorities may be part of management's obligation under its af? rmative action program. Also, situation 4 (Barbara) must be considered when we consider Neil and Kimberly. Management has stamped her promotable even though she has no desire to be promoted. Perhaps she doesn't realize that she can do the job or hasn't really thought too much about it. Isn't it the obligation of management—as well as a sign of good judgment—to persuade her that she can handle the job? So now the organization has three people to consider in ? lling the opening. Situation 2 (Kevin) presents an interesting challenge to management. Kevin wants to be promoted and is considered quali? ed, but no openings exist. Can you keep him, or will he become impatient and leave? Possible approaches for keeping

him include job enrichment, special assignments, delegated tasks, and other types of challenges and rewards that might satisfy him until an opening occurs.

Situation 7 (Colleen) presents another challenge to management. Colleen wants to be promoted, but management doesn't feel she has the potential to be successful. No immediate problem exists because there are no openings. But as soon as an opening occurs, the organization will have the same problem it currently has with situation 1 (Kimberly). Situation 3 (Kathy) offers a pleasant problem for management with 14 I MP RO VI NG EM PL OY EE PE RF OR MA NC E T HR OU GH AP PR AI SA L A ND CO AC HI NG no particular time pressures. Kathy has no desire to move up, but management feels she has potential. This allows management time to persuade her that she is promotable or to wait until an opening occurs and treat her case like situation 4 (Barbara).

These eight situations illustrate the problems of career planning and development. The planning must be less than scienti? c, and plans must be ? exible instead of ? rm. Goals and aspirations as well as potential should be frankly discussed. Also, the existence or possibility of openings should be made clear. Conversations should result in a realistic understanding of the employee's future in the organization, and the entire process should demonstrate clearly that the manager is sincerely interested in the employee and his or her future success and happiness. These conversations can help to develop rapport between manager and employee and help achieve maximum effort and performance. As stated earlier, many

organizations have formalized their approach to career planning and evelopment.

An example is the Crocker National Bank of California. 2 During the ? rst two and a half years of the program, more than 200 employees were involved, ranging from senior vice presidents to bank tellers, with a majority in lower exempt professional positions. In San Francisco, Los Angeles, and San Diego, the program was made available to any of the 14, 000 employees whose supervisors or employee relations representatives recommended them. The following steps were taken in developing the program: 1. Obtained the support, cooperation, and participation of senior management. 2.

Integrated career counseling into the performance appraisal system. 3. Obtained adequate professional staff to initiate a system for career counseling. 4.

Developed a communications network of resource people and a centralized job information and education resource center. 5. Established clear referral procedures for career counseling. 6.

Initiated individual career counseling services. a. Counseled employees on self-analysis, diagnosis of the organization, and action plans. b. Educated managers in career planning techniques and the bank's career opportunities. 7. Evaluated the program every six months.

. Reviewed progress of counseled employees every six months. I NT RO DU CT IO N A ND OV ER VI EW 15 9. Updated information ? les regularly. 10. Planned and presented career planning workshops on a pilot basis. 11.

Trained and certi? ed employee relations representatives in career counseling techniques and knowledge of the bank.

12. Presented career planning workshops on a continual basis. An extensive research project was implemented to evaluate the career counseling program.

Here are one-year results for 1978: Turnover was reduced by 65 percent. Performance was improved by 85 percent. Promotability was increased by 75 percent. Savings of $1, 950, 000 were realized. Reward for performance.

The eighth and ? nal requirement for getting maximum effort and performance from employees is to reward for performance, not on the basis of years of service, favoritism, or anything else. Rewards can be monetary, such as wage incentives, merit salary increases, bonuses, pro? t sharing, and prizes. Or they can be nonmonetary, such as praise, special job assignments, more responsibility, delegated tasks, asking for ideas, better working conditions, status symbols, and authority. Probably the most effective and least recognized of the nonmonetary rewards is authority, or freedom to act. There are four degrees of authority: 1.

Do what the supervisor says—no more and no less. 2. Suggest and recommend to the supervisor, but take no action until the manager approves. 3. Act, but tell the supervisor afterward.

4. Act. In the ? rst two degrees, the employee has been given no authority. The second degree is more pleasant than the ? rst, but there is no freedom to act until the supervisor says O. K. The third and fourth degrees give the

employee the authority to act. In the third, the supervisor wants to know about the action after it has been done. There are several reasons why this may be. Many supervisors want to know what goes on in their departments, either because 16 I MP RO VI NG EM PL OY EE PE RF OR MA NC E T HR OU GH AP PR AI SA L A ND CO AC HI NG they feel they should know or because their managers expect them to know. Also, if the action causes problems, the supervisor should know so that corrective action can be taken and future problems avoided. There is also a different kind of reason for knowing what action the employee has taken, one related to rewards for performance. If the employee consistently makes poor decisions, the supervisor should move the employee back to degree 2, in which the employee checks with the supervisor before action is taken. If the action in degree 3 is consistently good, the employee can be moved to degree 4. In other words, performance is rewarded with more authority. And this type of reward is very signi? cant to many people. Promotion has not been mentioned as a reward. Obviously, past performance should be considered when a person is a candidate for promotion. Where the new job is entirely different from the present job, performance should carry very little weight. As was stated earlier, this is especially true when a person is promoted from a '' doer'' to a position as a ? rst-line supervisor. If the new job is similar to the present job, performance should carry much more weight as one of the criteria for selection. For example, when a person is promoted from one level of management to another, promotion is an important reward for performance. Summary Managers must depend on the performance of their employees. As one manager put it, '' When they're doing their jobs, I'm doing mine! '' This

section has described the eight requirements for getting maximum effort and performance from employees. The rest of the book deals in detail with three of these eight factors: clarifying what's expected, appraising and communicating quality of performance, and coaching for improved performance. It is important to put these three factors in the proper context and to recognize that other things can also be done to improve performance. The Performance Review Program Before we go any further, let's de? e some important terms that are used throughout the book. Then four aspects of a performance review program are discussed in detail: program objectives, forms and procedures, frequency of reviews, and equal employment opportunity and af? rmative action considerations. I NT RO DU CT IO N A ND OV ER VI EW 17 De? nition of Terms The term '' performance review'' is used in this book to include signi? cant job segments, standards of performance, appraisal, appraisal interview, and on-the-job coaching. These terms are used with the following meanings: Signi? cant Job Segments. These are the most important parts of the job. Not every detailed duty and responsibility should be evaluated. The word '' signi? cant'' is a subjective term, and each organization (and even each manager) should determine its exact meaning. Chapter 2 covers this. Standards of Performance. These are the conditions that exist when the work has been done in an acceptable manner. They explain how well the job should be done, while signi? cant job segments describe what should be done. These standards become the basis on which performance is judged, and are discussed in Chapter 2, as well. Appraisal. This is the evaluation or judgment of how well the job has been done. It is always done by the supervisor with or without input from other people. A

self-appraisal is an evaluation by the employee. Some organizations require it in their performance review programs. Other organizations do not include it or leave it up to the supervisor whether to ask the employee for a self-appraisal. Chapter 3 deals with this. Appraisal Interview. The appraisal interview is the discussion of the appraisal between the supervisor (reviewer) and the employee (person being reviewed). As described in this book, it consists of the following aspects: Communication of the supervisor's appraisal to the employee Communication of the employee's appraisal to the supervisor Agreement on a fair appraisal Agreement on the strengths of the employee Agreement on the job segments needing improvement Agreement on a performance improvement plan that spells out the speci? c things to be done to improve performance The length of interview time to cover all these items varies greatly. In most cases, the supervisor should conduct two or even three interviews instead of trying to discuss all of them in one interview. Chapter 3 covers the appraisal interview, and Chapter 4 discusses the performance improvement plan. 18 I MP RO VI NG EM PL OY EE PE RF OR MA NC E T HR OU GH AP PR AI SA L A ND CO AC HI NG On-the-Job Coaching. After the formal performance appraisal interview has been conducted, both the supervisor and the employee go back to their day-to-day activities. Part of the supervisor's activity should be the on-the-job coaching of the employee. This coaching should be a direct follow-up to be sure the agreed-on performance improvement plan is carried out. It should serve as a regular means for praising good performance and correcting mistakes. It should be the vehicle for updating signi? cant job segments and standards of performance. In short, it should be a method for following up on an interview

and avoiding surprises in the next formal performance appraisal interview. Chapter 5 covers coaching. Program Objectives There are three basic reasons why organizations have performance appraisal programs: to provide information for salary administration, to provide information for promotion, and to improve performance on the present job. The next three subsections deal with each of these objectives and its relationship to performance appraisal. To Provide Information for Salary Administration. Many factors should be considered in determining salary increases. They include: 1. The employee's performance. This can be measured by actual results or by results compared to objectives if the organization has a program of management by objectives. 2. The amount of improvement in performance since the last salary increase. 3. The minimum and maximum salary range for the job and where the employee's salary is presently located in the range. . A comparison of the employee's performance with the performance of others doing the same or similar jobs. 5. A comparison of the employee's salary with salaries of others doing the same or similar jobs. 6. Length of service. Some increase is usually given for being on the job another year. 7. Education. In some organizations, additional education, particularly if a degree is granted, is rewarded with a salary increase. 8. The rate of in? ation since the last salary increase. A raise given for this reason is usually called a cost-of-living increase. 9. Established guidelines. These could be established by outside I NT RO DU CT IO N A ND OV ER VI EW 19 sources, such as the president of the United States, or by company policy. For example, a maximum salary increase amount can be set. 10. The salary that other organizations are paying people in the same or similar jobs. Performance

appraisal systems can provide information relating to factors 1, 2, and 4. It is important to recognize that many other factors must also be considered in determining salary adjustments. To Provide Information for Promotion. Many performance review programs include the appraisal of potential, as well as of performance. Usually, the manager considers past performance as one indication of the potential of the individual to do higher-level jobs. Past performance is probably the best predictor of future performance if the present job and the future job are pretty much the same. Other factors to be considered are desire, intelligence, personality, emotional stability, leadership skills, and other characteristics related to the job to be ? lled. An individual may be an outstanding performer and not be promotable because the requirements for success on the present job are different from those for the higher-level job. Likewise, an employee can be performing a job at a mediocre or even unsatisfactory level and be promotable because the necessary knowledge and skills are entirely different. To Improve Performance on the Present Job. The third objective of performance review is to improve performance on the present job. To achieve this, past performance is reviewed, and steps are taken to improve future performance. This book provides philosophy, principles, approaches, and speci? c forms and techniques for accomplishing this objective. One Program for All Three Objectives? Some organizations have one program that is designed to accomplish all three objectives. Usually such programs fail to accomplish the third one, which is to improve performance on the present job. The main reason is that there is so much emotion involved in the discussion of salary and promotion that it is not possible to be objective

about ways to improve performance. For example, a person may be doing an outstanding job, have substantially improved performance since the last review, and still not receive a large salary increase. Also, a person may 20 I MP RO VI NG EM PL OY EE PE RF OR MA NC E T HR OU GH AP PR AI SA L A ND CO AC HI NG be an outstanding performer and yet be deemed not promotable. These situations don't lend themselves to encouraging and helping employees improve their performance. Table 1-1 reveals a number of signi? cant differences between performance reviews for improved performance and those for salary administration purposes. Because of these differences, performance review for improved performance should be separated from performance review for determination and discussion of salary increase and promotability. In an extensive study on performance reviews, researchers at General Electric came to the following conclusion: Implicit in performance appraisal programs as now structured are two distinct objectives: (1) letting a person know where he or she stands via ratings and salary actions, and (2) motivating him or her to improve. The results of this study showed that attempts to achieve the ? st objective frequently produce threat and defensiveness, and these reactions, in turn, interfere with the achievement of the second objective. A merit-pay type of salary plan makes some variety of summary judgment or rating of performance necessary, or at least desirable; but this rating should not be expected to serve also as a primary medium for changing performance. Quite separate from this rating activity, the manager can use goal planning discussions, special assignments, and other techniques to achieve improved performance on the part of employees. 3 Table 1-1. Comparison of two kinds

of performance reviews. Performance Reviews for Salary Administration Looking Considering Comparing with Determined by Interview climate Factors to consider Backward Overall performance Other people Manager, higher management, human resources department Subjective, emotional Salary range, total money available, in? ation, seniority, performance, education Performance Reviews for Improved Performance Forward Detailed performance Job standards and objectives Manager and employee together Objective, unemotional Performance I NT RO DU CT IO N A ND OV ER VI EW 21 Clearly, then, the two kinds of performance reviews should be separate. One approach is to have separate annual reviews for salary administration and for improved performance, scheduled approximately six months apart. Forms and Procedures Many different types of performance review forms have been developed and used by organizations. They vary all the way from a blank piece of paper to a twenty-two-page form used by a general sales manager for ? ve regional sales managers. Some forms are very simple with a list of factors to be rated and a few boxes to check. Others require the manager to work with the employee to develop the factors on which the appraisal will be based. There is no right or wrong form. The important thing is that the form accomplish the objectives of the program. To achieve improved job performance, a form should be designed to accomplish this objective and not necessarily to accomplish the objectives of determining salary increases or potential for promotion. If the form provides information that is helpful in determining potential or salary increases, so much the better. In addition to accomplishing program objectives, the form should ? t the organization or department that is using it. For example, the form for

appraising a production foreman may be quite different from one for an of? e supervisor or an engineer. Or one form may be designed to apply to all types of jobs. Another consideration in designing a form is that it can be used effectively by the managers. For example, if an organization has limited clerical help, poor facilities in which to conduct interviews, and managers who hate paperwork, common sense tells us to keep it simple. On the other hand, if the managers are sophisticated and oriented to paperwork, a more complicated form can be used. As nearly as possible, the form should be self-explanatory. A manager should not have to study a manual to understand how the form should be completed. Also, the words used should be as clear as possible. Words like '' dependability,'' '' responsibility,'' and even '' quality'' have different meanings to different people. The manager might think '' quality, accurate work'' means perfect work, or work with no scrap, while the employee might think it means work without too many mistakes or without too much scrap. All forms should include not only what should be done but also how well it should be done. This combination clari? es what is expected 22 I MP RO VI NG EM PL OY EE PE RF OR MA NC E T HR OU GH AP PR AI SA L A ND CO AC HI NG o that the manager's and the employee's appraisals will be based on the same understanding of the job. Examples of various types of forms are provided in Chapter 11. Comments are included on the positive and negative aspects of each form. Frequency of Reviews Formal performance reviews covering the entire job of an employee should be conducted at least once a year by the manager; twice a year is preferable. The frequency is in? uenced by ? ve main factors: 1. How complicated is the program? If the forms and procedures are complicated

and involve much time and paperwork, the review should be done only once a year. If they are relatively simple and take little time, it can be done semiannually. 2. How enthusiastic are the managers about the program? If managers are enthusiastic about reviewing performance and feel it helps both relationships and productivity, it can be done twice a year. If it becomes a chore they dread and complain about, once a year is probably suf? cient. It is better to start on a once-a-year basis and move to twice a year than to start with twice-a-year reviews and have the managers become discouraged and sour on the program. 3. How much staff help is available to coordinate the program? A coordinator and secretarial help are required to keep up with forms, schedules, and other paperwork. If enough such staff help is available, then twice a year might be advisable. 4. How many people are going to be appraised by the manager? This is related to the ? rst factor because it in? uences the total time needed for performance reviews. In general, the more people that must be reviewed, the less frequently reviews can be done. 5. How skilled are the appraisers? If a new program is being integrated, it is better to require a formal appraisal only once a year while the appraisers learn the approach. This doesn't put too much demand on the managers' time and gets the program off to a good start. As the managers become trained and effective in conducting the reviews, the frequency might be increased to semiannual reviews, depending on the four factors described above. I NT RO DU CT IO N A ND OV ER VI EW 23 Equal Employment Opportunity and Af? rmative Action Considerations Contract compliance regulations have been developed by the Of? ce of Federal Contract Compliance Programs (OFCCP) of the Department of Labor. It is the policy of

most companies—large and small—to have employment and personnel policies that are nondiscriminatory with regard to race, creed, color, sex, religion, and age. Such policies determine practices in recruitment and hiring, promotion, pay, training, layoff and recall, and reviews of employee performance. An af? rmative action program is a set of speci? c, results-oriented procedures by which an employer makes a commitment to apply every effort, in good faith, toward equal employment opportunity. Procedures without effort to make them work are meaningless, and effort undirected by speci? and meaningful procedures is inadequate. An acceptable af? rmative action plan must include an analysis of areas within which the employer is de? cient in the employment of minority groups and women. It must also include goals and timetables to which the employer's good-faith efforts will be directed to correct the de? ciencies. The employer does this to achieve prompt and full utilization of minorities and women at all levels and in all segments of the workforce where de? ciencies may exist. A formal af? rmative action plan is implemented as follows: 1. The employer should validate worker speci? cations by division, department, location, or other organizational units and by job title, using job performance criteria. 2. All personnel involved in the recruitment, screening, selection, promotion, disciplinary, and related processes should be carefully selected and trained to ensure elimination of bias in all personnel actions. 3. The employer should ensure that minority and female employees are given equal opportunity for promotion. Suggestions for achieving this result include: (a) Develop and implement formal performance appraisal programs. b) Establish valid requirements for promotion, directly related to the job.