CHAPTER 18: THE APPRAISAL INTERVIEW REAPPRAISED

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Introduction

The appraisal interview is one of the most ubiquitous features of life in organisations. It is also one of the most ridiculed. Evidence mounts each year to the effect that most such interviews are poorly managed, fail to improve organisational performance, demoralise employees and subject the managers who administer them to intolerable levels of stress. No wonder that one researcher, unkindly but accurately, has described them as 'the annual fiasco' (Pickett, 2003, p.237). It is typical of the data that a conference of human resources professionals found over 90% of those present declaring that, if given the chance, they would modify, revise or even eliminate the performance appraisal system currently used in their organisations (HR Focus, 2000). Thus, appraisal interviews are governed by some seemingly impregnable assumptions that research nevertheless suggests may be invalid – e.g. that organisations are rational entities, administrative systems are highly reliable, and most people can be trained to be unbiased and candid in their assessments of others (McCauley, 1997). Some have even argued that traditional appraisals are so inherently dysfunctional that they need to be abolished altogether (e.g. Coens and Jenkins, 2000). Their ongoing popularity represents another instance of hope triumphing over experience.

This chapter therefore offers a different perspective to that often found in the literature, particularly practitioner guides that instruct on 'how to'. Firstly, I define what appraisal interviews are and outline the range of roles they are expected to perform. Flowing from this, the voluminous evidence that indicates why appraisals generally fail to work is reviewed. It would be tempting to outline a series of steps

and skills that appear to avoid these problems, as many texts do (e.g. Bacal, 2003; Sandler and Keefe, 2003). However, the conclusion offered here is that such piecemeal perspectives are more likely to compound the problem than resolve it. In particular, it is argued that most people are inherently poor at receiving criticism. We are so sensitive to it that even if critical feedback forms only a small part of the appraisal process it is likely to be regarded by the recipient as representative of the entire interview. The evidence clearly suggests that when such perceptions arise they derail the main intended point of the appraisal interview – which is to improve performance. But we are also poor at giving accurate criticism or feedback more generally. For example, managers are inclined to exaggerate the personal contribution that people make to negative outcomes and under-estimate the role of systems in producing poor performance (Gray, 2002). There is no compelling reason to believe that training or any other intervention will so improve the attitude of most people to either giving or receiving critical feedback that appraisal interviews will become effective for most people in most organisations in the near future. This chapter therefore outlines a framework to move organisations beyond appraisal interviews, and in the direction of both self appraisal and counselling interviews that, with sufficient support, are more likely to create a regular celebration of positive performance rather than the annual fiasco mostly endured today.

Appraisal interviews – what they are intended to be

Performance appraisal has been optimistically defined as the process of identifying, observing, measuring and developing human resources in organisations (Cardy and Dobbins, 1994). They are often sold as a means of promoting two-way

communication, showing employees respect by demonstrating that their opinions count, and helping to uncover and resolve conflict (Garavan et al, 1997). Feedback is intended to provide employees with information that will improve their personal performance and effectiveness (Baruch, 1996). Thus, historically, appraisal interviews were intended to focus on three areas – development, motivation and the recognition of achievement (Smith and Rupp, 2003). Formal performance appraisal, at its best, has therefore been defined as 'A means for managers to identify and reward positive performance, promote a unified focus on the achievement of business goals and provide support for the personal development needs of employees' (Hargie et al., 2004, p.374). In practice, organisations tend to have a host of other aspirations for their appraisal systems, including differentiating between employees to establish individual remuneration, the identification of training needs, and assessing people's suitability for promotion (Rees and Porter, 2003). In fact, this constitutes one of the biggest problems with traditional appraisals – like a lorry overloaded with freight, and thus prone to capsizing, the range of expectations invested in them has imbalanced the entire enterprise. For example, it is difficult to convince people that an appraisal interview is primarily developmental in purpose if promotion decisions also depend on the outcome. It is therefore unsurprising that Rees and Porter (2003, p.280) note that 'Unfortunately, the available evidence is that most schemes do not work effectively.'

Traditionally, and in most of the literature, the term 'performance appraisal' has generally come to mean 'the annual interview that takes place between the manager and the employee to discuss the individual's job performance during the previous 12

months and the compilation of action plans to encourage improved performance'
(Wilson and Western, 2000, p.93). It is, at any rate, an innocuous sounding ambition.

The idea that performance appraisal interviews are valuable remains a seductive
notion for many managers. In part, this is because evaluating the performance of
others is a pervasive activity in which all humans routinely engage during most of
their interpersonal interactions. Organisational appraisal systems are often regarded as
nothing more than 'an attempt to formalise these activities for the benefit of both the
individual and the organisation' (Torrington and Hall, 1991, p.480). This chapter will
shortly appraise the extent to which this hope is realised in practice.

Meanwhile, the scope of appraisal has developed rapidly. A Superboss report
(Freemantle, 1994), which surveyed over 120 businesses in the UK, found that 89%
had a formal performance appraisal system in place. It has been estimated that over
94% of US companies use some form of formal performance appraisal (Latham and
Wexley, 1994). A survey of 280 midwest companies in the US found that 25% used
annual upward appraisals, 18% peer appraisals and 12% what are known as 360
degree appraisals, in which people evaluate themselves, and then receive feedback
from their immediate peers, managers and subordinates (Antonioni, 1996; Atwater et
al., 2002). They have become a globalised phenomenon. For example, appraisals have
been widely used in China since the country initiated a programme of economic
reform (Easterby-Smith et al, 1995). Zhu and Dowling (1998) concluded that 74.8%
of Chinese firms carried out annual performance appraisals, presumably because they
imagined that they had contributed to economic growth in the West. It is a wonder,

with so many appraisal interviews being conducted, that anyone finds the time to make sure that the real work of the organisation gets done.

360-degree appraisals, designed to overpower some of the bugbears associated with traditional appraisals, have also become a huge growth area in recent years (Bates, 2002). It has been argued that they offer multiple benefits, since multi-source feedback is assumed to provide better performance information, more reliable ratings than what can obtained from a single supervisor and improved satisfaction by appraisees after the process is complete (Becton and Schraeder, 2004). Key companies such as AT&T, the Bank of America, Caterpillar, GTE and General Electric have been pioneers with this latter approach. Given these tendencies, Coens and Jenkins (2000) estimate that appraisal interviews are used in about 80% of organisations - although they go on to estimate that about 90% of appraisers and appraisees are dissatisfied with them.

Appraisal interviews – the critique

As already noted, the research suggests that appraisal interviews are generally ineffective. Many, and probably most, are demotivational, divisive, pseudo-scientific and counter-productive (Freemantle, 1994). One typical study, investigating performance appraisal in a public sector organisation, found over 40% of staff dissatisfied with the system, including many who received good or outstanding ratings as result of it (Mani, 2002). Among the most common problems are a lack strategic focus, too much subjectivity on the part of appraisers, an insufficient level of skills on the part of managers, an accumulation of power by potential tyrants (petty Hitlers)

who relish the opportunity to pass judgment on others, and a tendency to deliver criticisms of poor performance too long after the event to have an appreciable impact on outcomes (Gray, 2002). Appraisal interviews also tend to focus on individual performance, despite the fact that more work is now conducted in teams and that responsibility is therefore more widely diffused than in the past (Pfeffer, 2001).

Edmonstone (1996) identifies two other crucial problems with appraisal interviews and systems. Firstly, managers are encouraged to focus on current performance rather than future potential, through an emphasis on looking for short term results. Secondly, appraisals discourage multiskilling in favour of tight specification and detailed evaluations. In today's business environment it is necessary for people to demonstrate behaviours consistent with such notions as flexibility, a willingness to take charge and a tolerance for uncertainty, beyond what describes their immediate tasks in a job description (Pulakos et al., 2000). It is ironic that managers used to chafe at trade union insistence on rigid demarcations. Appraisals may well reinstate such demarcations, by encouraging people to focus their efforts only on those aspects of performance likely to be recognised and rewarded in appraisal interviews.

A further difficulty lies in determining precisely what employees have done, and hence the extent of their contribution to organisational success or failure. For example, long distance appraisals in multi-national corporations (MNCs) encounter the problem that. '...the staff involved at headquarters may have difficulty forging a precise image of the circumstances in which the various subsidiaries have had to operate to achieve their results. Consequently, the context of performance may be lost' (Shen, 2004, p.548). With the elimination of many middle management posts

over the past few decades and a consequent widening in the numbers of direct reports that most managers are now responsible for, this problem goes beyond MNCs. Put simply, many managers are no position to deliver cogent, well informed evaluations of the performance of others. Moreover, it is probable that any attempt to do so undermines the sense of autonomy and intrinsic task motivation that is essential in many modern workplaces.

Given the fact that line managers are often under-prepared to handle the interview process, and are confused about how to give critical feedback, the interview (theoretically, the climax of the appraisal process) is also widely regarded as its Achilles' heel (Cook and Crossman, 2004). It is little wonder that 'appraisals have become one of the most avoided experiences in organisational life. Supervisors do not like to give them and employees to do not like to receive them' (Ford, 2004, p.551).

Rating systems and performance related pay

Appraisal interviews are often been linked to evaluation of performance in the form of 'rating systems.' Here, performance is graded on a scale, normally of 1 to 5, with 5 representing excellent performance and 1 representing grounds for dismissal. Problems with this are legion (Kennedy and Dresser, 2001). They include:

- The grave difficulty in accurately assessing the details of someone's performance. Results are frequently a team effort. How do we disentangle the extent of each individual's contribution? What happens if we credit one person with all the achievement, when others may think that they put in the same or

greater? If ratings are awarded which people think are unfair, the 'unfair rating' will become the issue, rather than necessary improvements in performance. Moreover, such approaches threaten to detract from other team building efforts that may have been made. It is difficult to reconcile team responsibility and commitments with an emphasis on individual responsibility.

- How does one measure intangible factors such as motivation, creativity, team spirit, responsibility and loyalty? Subjective impressions of performance on these issues tend to govern the ratings that are awarded. I discuss below many of the biases that illuminate why subjectivity is endemic to appraisal interviews – in my view, inescapably so. Typically, the impossibility of escaping subjective assessments makes the eventual 'grade' appear arbitrary to the person receiving it, and so leads to destructive conflict over the assessment awarded, rather than an emphasis on identifying developmental needs.

- When everyone knows that a grade is at stake, the emphasis of the meeting shifts from an open discussion of performance (in which both strengths and weaknesses can be honestly discussed) towards the optimum presentation of the self, the covering up of errors and inflated claims for one's own performance. Naturally, this will involve a greater reluctance to accept feedback on areas where performance needs to improve.

The outcome of appraisal interviews is also often been linked to the award of performance related pay. Many of the points made in opposition to the use of rating schemes also apply here. In the first place, such practices contradict what is known

about motivation. *Intrinsic* motivation, which is most closely correlated with superior performance, flows from the satisfaction obtained by performing the task at hand, rather than doing it to obtain rewards *extrinsic* to the task itself (Kohn, 1999). Performance is likely to deteriorate when the emphasis shifts from intrinsic motivation to the gaining of extrinsic rewards. There is, therefore, no evidence that tying performance to pay actually improves performance – rather, the opposite is the case (Gray, 2002; Smith and Rupp, 2003).

Linking appraisal to pay in this manner generally transforms feedback into confrontation. Consider the following. In practice, organizations find it difficult to pay more than a limited proportion of people much more than the budgeted average for any given job. The financial gains on offer from such systems therefore tend to be nominal, and/ or restricted to a small number of people. The majority of an organisation's employees are more likely to emerge from what almost inevitably becomes an adversarial process nursing wounded egos and bearing feelings of resentment. One reason is that most people do not rate their own performance as either average or below average – in fact, they exaggerate their contribution to organisational success (Rollinson and Broadfield, 2002). The use of performance related pay as part of the appraisal process means that managers will be using appraisal interviews to inform the majority of their people that their performance is much weaker than they themselves imagine it to be – an outcome which may also activate a large number of destructive self fulfilling prophecies. For these reasons, the evidence suggests that such innovations as performance related pay demotivates people, that it does not help organisations to retain high performers, does not encourage poor performers to leave and creates widespread perceptions of unfairness

(Institute of Manpower Studies, 1993). It heightens status differentials between managers and employees, and threatens working relationships. In consequence, and perhaps counter intuitively, performance related pay (particularly when linked to appraisal) generally fails to improve organisational effectiveness (Eskew and Heneman, 1996). At the very least, the evidence unambiguously suggests that any discussion of training and development issues should be entirely separate from whatever mechanisms are used to determine remuneration (Wilson and Western, 2000).

An illuminating example of what happens when this research is ignored may be in order. Enron was an organisation that combined both a ranking system and the linking of performance to pay. Its bankruptcy in 2001 stands (at the time of writing) as the biggest in US corporate history. As with many other aspects of its internal culture, its approach to appraisal is a valuable case study in what not to do. An internal performance review committee rated employees twice a year (Gladwell, 2002). They were graded on a scale of 1 to 5, on ten separate criteria, and then divided into one of three groups – 'A's, who were to be challenged and given large rewards; 'B's, who were to be encouraged and affirmed, and 'C's, who were told to shape up or ship out. Those in the 'A' category were referred to internally as 'water walkers.' The process was known as 'rank and yank.' The company's propensity to disproportionately reward those who were high achievers and risk-takers was widely acclaimed by business gurus (e.g. Hamel, 2000). Faculty from the prestigious Harvard Business School produced 11 case studies, uniformly praising its successes. However, problems multiplied. People chased high rankings because the potential rewards were enormous, while low rankings imperilled both their salaries and eventually their jobs.

The appearance of success mattered more than its substance. In addition, internal promotions due to the appraisal system reached 20% a year. This made further evaluation more difficult, and inevitably more subjective – how could you honestly rank someone's performance when they did not hold a position long enough to render sound judgement possible? Paradoxically, Enron had a punitive internal regime ('rank and yank') but loose control (those adjudged to be top performers moved on too fast to be pinned down). In this case, ratings and performance pay formed a lethal mix. Internal staff churn, and a relentless emphasis on achieving high performance ratings in the interests of obtaining ever-greater personal rewards, contributed to the lax ethical atmosphere that precipitated the company's downfall.

Versions of rank and yank have been used by many organisations, including General Electric and IBM. IBM, in the early 1990s, actually required that one out of every ten employees be allocated a poor rating, and given three months to improve or be fired (Gabor, 1992). The research evidence overwhelmingly suggests that such practices produce only defiance, defensiveness and rage (Kohn, 1999). As this writer has noted, 'Threatening people can make them anxious about the consequences of doing poorly, but the fear of failure is completely different from the desire to succeed' (Kohn, 1999, p.136). Praise can be used to emphasize that a culture of retribution belongs to the past, and is therefore much more likely to have a positive impact on performance (Seddon, 2001). It is, however, important that praise is not overdone. If it is, people may begin to perform tasks for the praise involved, and so find that their intrinsic motivation goes down. Its main value is a signal that authoritarian management holds no sway in the organisation concerned. The main enemy of innovation, effort and achievement in the workplace is fear. In short, there is absolutely no evidence that

either threatening to cut people's pay, or offering to significantly increase it, improves the quality as opposed to possibly the quantity of what they do.

However, illusions still linger, and some organisations now seek sustenance in technology. It has been argued that new software systems enable companies to monitor individual productivity more accurately (and less subjectively), and so target rewards on genuine top performers (Conlin, 2002). Among the companies taking this route are Hewlett-Packard, General Electric and DuPont. Moreover, it has been suggested that people experience less evaluation apprehension and less emotion when they receive feedback via a computer system. Such systems can also focus the attention of raters on job-relevant behaviours, thereby reducing interpersonal biases (Fletcher and Perry, 2001). However, it has also been found that self-ratings are more inflated and less accurate in electronic communication compared to face-to-face interaction (Weisband and Atwater, 1999). Greater objectivity could be at the expense of sensitivity, since it removes the direct opportunity to monitor the reaction of recipients (Fletcher, 2001). Thus, appraisal remains primarily a human issue. People's feelings about it are unlikely to change at the sight of managers brandishing spreadsheets. Technology has yet to overcome the problems associated with rating systems, the linking of performance to pay and the challenge of providing people with meaningful feedback that enables them to change their behaviour.

Biases in interpersonal perception

It can be argued that 'the biggest challenge that impedes an effective performance review is the biases we all have' (Losyk, 2002, p.8). Biases are so pronounced that

their existence alone warrants a reappraisal of traditional practice in appraisal interviews. I review, here, the most important biases that have been identified as problematic in the context of appraisal, from the standpoint of both interviewees and interviewers.

The perspective of the interviewee

There is plentiful evidence to suggest that an appraisee is likely to have a different and more optimistic view of their work performance than the person appraising them. Self efficacy biases predispose us to believe that we personally are better on various positively rated dimensions of social behaviour than most other people (Gioia, 1989; Pfeffer and Cialdini, 1998). Furthermore, we tend to assume that others see us in the same rose-tinted light in which we see ourselves. The phenomenon can be observed in any reality TV show seeking to identify the next pop sensation, and in which tuneless warblers exhibit the conviction that they are destined to be as influential as Elvis or Madonna – whatever the judges say. Positive feedback therefore feels intuitively valid while critical feedback that conflicts with our idealised self image feels erroneous (Tourish and Hargie, 2004). Perhaps for these reasons appraisees who receive high evaluations tend to perceive the appraisal evaluation as fairer than those who received a low evaluation (Stoffey and Reilly, 1997). Thus, critical feedback is viewed as threatening. People are therefore likely to reject it, which means that the feedback received is more likely to stimulate conflict between appraisee and appraiser than serve as the basis for improvements in performance.

In particular, most of us think that we contribute more to group discussions than the average input of everyone else involved, and that more people agree with our opinions than is actually the case (Sutherland, 1992). A major reason for this may be that we are intrinsically motivated to develop a positive evaluation of ourselves, as a means of shoring up our sense of identity (Wilke and Meertens, 1994). This is easily achieved when we exaggerate our role, general level of influence and contribution to group discussions (Brown, 2000). Again, it means that people who work in teams tend to have a heightened impression of their role in delivering its successes, and look askance at feedback to the effect that their performance is average, ineffective or poor.

Attribution processes play a crucial role in heightening such effects. We are inclined to explain the behaviour of the people around us as the result of global (i.e. what is true of them in one situation is true of them in all) personality characteristics which are also assumed to be permanent, while we excuse our own behaviour as the result of the situation we find ourselves in (Forsterling, 2001). The tendency to overestimate the role of personality in the behaviour of others while exaggerating the role of situation in our own has been termed 'the fundamental attribution error' (Kreitner et al., 2002). Thus, we attribute our failure to the situation, but our successes to personal factors ('I had a good appraisal because I am bright: I had a poor appraisal because this organisation is terrible'). This also tempts us into a process of what could be called *blame realignment*, in which our primary concern is to establish our innocence in the face of organisational problems, while putting complete responsibility for the situation on someone else's shoulders. Truly, failure is an orphan, while success has

many fathers. Again, this implies that an appraisee is likely to have a very different view of their performance to an appraiser, stimulating further conflict.

Thus, people are especially sensitive to negative input – what has been termed *the automatic vigilance effect* (Pratto and John, 1991). Its effects in the workplace have been well documented. For example, a study found that attempts to assist people by pointing up improvement needs in their work were perceived as threatening to employees' self-esteem and resulted in defensive behaviour (De Nisi, 1996). Seventy five per cent of people in any event saw the evaluations they received as less favourable than their own self-estimates and therefore regarded appraisal interviews as a deflating experience. Follow up studies found that those aspects of performance most criticised showed the least improvement. Another experimental study offered people feedback after completing a survey, while withholding feedback from others. It found no significant positive changes in those receiving feedback (Atwater et al., 2000). It is critical to remember that employees who do not trust whatever appraisal information they receive tend to discount its value and usefulness (Dobbins et al, 1993). Discounted feedback cannot serve as a guide to either employee development or improved organisational performance. It seems that, overall, negative feedback creates resentment, places obstacles in the path of personal development and diminishes rather than enhances organisational effectiveness.

It may be argued by defenders of appraisal interviews that the focus should therefore be on the celebration of positive behaviour, and a discussion of how it can be repeated more often. Thus, many texts recommend that when criticisms have to be made they should focus on specific behaviours, be linked to realistic action plans capable of

achieving improvements, and occur in the context of a supportive organisational culture. In any event, the main emphasis should be on positive feedback. This is more likely to create focus, clarity and a bias in favour of action to secure significant change. Wise as this approach appears, it seems unlikely that it can be accommodated within the framework of traditional approaches to appraisal interviews. The automatic vigilance effects suggests that even modest criticisms will predominate in the mind of the recipient, and come to be regarded as more typical of the interview than may have been the case. Moreover, the biases which also afflict appraisers may create an inbuilt tendency to deliver imbalanced, inaccurate, unfocused and unhelpful feedback. It is to these biases that I now turn.

The perspective of the interviewer

Most of us have a tendency to slot people into categories based on immediately obvious stereotypical traits, such as the colour of their skin, height, accent and mode of dress (Leyens et al., 1994). Appraisers also categorise in this manner. This inevitably means that they often perceive people based on their own personal prejudices, rather than as their job performance warrants. In particular, a number of biases have been identified that seem particularly active during traditional appraisal interviews, and which derail most of them. These include the following:

- Appraisers frequently fall victim to *the halo effect* (Furnham, 1997). There is a tendency to assume that a positive attribute or a job related success in one area automatically implies success in others. Enron, the most analysed case study of failure in business history, serves here also as an excellent example. Its

traders were rated mostly on their ability to generate the appearance of high

profits from their transactions (Tourish, 2005). It was assumed that this was

representative of a wider business acumen, of long term value to the company.

In fact, their ability on this front signified a lack of sounder business

judgement, and a spirit of ethical incontinence, that helped bring the

organisation to bankruptcy.

- *Personal liking bias* means that when supervisors like a subordinate, for

  whatever reason, they generally give them higher performance ratings, their

  judgment of the subordinate's work performance becomes less accurate and

  they show a disinclination to punish or deal with poor performance

  (Lefkowitz, 2000). As was noted earlier, there has been a significant growth in

  recent years in 360-degree appraisal since, drawing feedback from multiple

  sources, it has been assumed that it is less likely to be handicapped by such

  biases. However, the evidence suggests that this expectation is unlikely to be

  fulfilled. Interpersonal factors such as liking and similarity have been found to

  be more important in determining ratings in 360-degree appraisals than the

  technical proficiency of the person being appraised (Bates, 2002). We also

  now live in an increasingly litigious age. There have been a growing number

  of lawsuits claiming that poor appraisals relative to those of others were

  influenced more by the personal biases of managers than by the actual

  performance of the employee (Goldstein, 2001).

- *The horn effect* arises when a problem in one area is assumed to be

  representative of defects elsewhere (Hargie et al., 2004). If we see a scratch on

the bodywork of a new car it might well be that everything else is perfect, but it is unlikely that we will be able to set aside our initial poor impression. As an old Russian proverb puts it: 'A spoonful of tar spoils a barrelful of honey.' In turn, we feel compelled to focus our attention on such negatives rather than positives. Moreover, we are especially sensitive to negative information. This means that it is difficult to set aside a negative impression, once it is formed. For example, it has been found that negative self disclosures are regarded by most people as much more informative than positive ones (Hargie and Dickson, 2004). The implications for interviews of all kinds are striking. One study of selection interviewing found that on average 8.8 items of favourable information were required to change an initially unfavourable impression, but only 3.8 items of unfavourable information were required to alter an initially favourable impression (Bolster and Springbett, 1981). Moreover, it takes more than twice as much positive as negative information to change an initial impression of a candidate (Judge et al., 2000). Thus, in practice, it proves difficult for people to focus most of their attention on examples of positive behaviour, at least in terms of the judgements they form. One consequence is what has been termed the 10-90 effect, in which 90% of time in an appraisal interview is spent discussing the 10% of the job where the employee is performing badly (Hargie et al., 2004).

- *The consistency error* suggests that we have an exaggerated need to feel consistent in our opinions and judgements, and to assume that people and circumstances are more stable than they actually are (Millar et al., 1992). Thus, when we form an initial impression of someone it is very difficult to

change it (Fiske et al., 1999). This predisposes us to interpret new evidence in the light of our existing assumptions, while ignoring anything that contradicts our most cherished beliefs. We have a tendency to seek out and remember information that confirms our prejudices, while ignoring or forgetting anything that suggests we might be wrong (Tourish, 1999). This has been described as *the confirmatory bias* (Rabin and Schrag, 1999). For example, if we expect someone to be a poor performer in their job it is likely that we will see only evidence of this when we examine what they do. Furthermore, this perception is communicated to the person concerned by our overall bearing, and the tension created results in actual poor performance. Our expectation has created a self-fulfilling prophecy, which of course only confirms our view that what we thought at the beginning was right all along (Manzoni and Barsoux, 2002). These latter authors have dubbed this 'the set up to fail syndrome.'

- *The fundamental attribution error*, discussed above, means that an appraiser tends to attribute poor performance to the personality of the interviewee, rather than to the situation. For example, it may be assumed that there is low ability to begin with, perhaps compounded by lack of effort. However, if the employee has successes managers are likely to conclude that it is their own inspired leadership, judgment and competency that have caused it (Heneman et al., 1989). The notion that it reflects the talent of the employee is downplayed. Employees, meanwhile, are likely to have exactly the opposite perception.

- *The similarity bias* means that we are attracted to people who look like us, sound like us and form a convenient echo chamber for our own ideas (Millar et al., 1992). Thus, dissenters in organisations are generally penalised for voicing their views (Kassing, 2001). They are at an obvious disadvantage during appraisal interviews. During appraisals, we therefore often observe a *crony effect*, in which yes men and women have a natural advantage in the competition for promotion, *and the Doppelganger effect,* in which appraisal ratings reflect the similarities between the person being appraised and the appraiser.

- *The 'what is evaluated problem'* arises when the behaviours being evaluated differ from those required to obtain organisational goals. For example, Abraham (2001) found that companies often identify a variety of competences as essential for managerial effectiveness, such as communication skills, a propensity for risk taking and team working. However, they persistently fail to use the identified competencies as a criterion for assessing performance during appraisal interviews. Under such conditions, rather than driving improved performance, appraisal institutionalises a disconnect between strategic intention and what is rewarded - and therefore what gets done. Such misalignments frequently derail and incapacitate the whole enterprise.

- Each of these problems is exacerbated by *ingratiation effects.* People with lower status habitually seeking to influence those of greater status by exaggerating how much they agree with their opinions, policies and practices (Rosenfeld et al., 1995*),* and so ingratiate themselves with the powerful. There

is plentiful empirical evidence to suggest that most managers are unaware of the extent to which they personally are at the receiving end of these practices, while they also engage in behaviours (again, often unconsciously) which discourage the transmission of critical feedback (e.g. Tourish and Robson, 2003). The effect is that managers become ever more inclined to surround themselves with those who share their views, ape their mannerisms and uncritically endorse their opinions. Those of a critical disposition are viewed with suspicion and are less likely to advance in the organisational hierarchy. Similarity and liking biases, already endemic, become ever stronger, making accurate and honest appraisals even more difficult to deliver.

Overall, these perceptual biases suggest that we have a high confidence in our judgements of other people, but that many of these judgements are inaccurate. What can be done to alleviate them? It is often argued that training must be given to help both managers and other employees with the appraisal process and hence to overcome the problems posed by the biases discussed above (e.g. Rees and Porter, 2003; Ford, 2004). Training may indeed help managers to, for example, focus their feedback on behaviours rather than personalities. However, it is unlikely, in my view, that managers and staff can be trained to overcome the formidable range of obstacles to effective appraisal interviews identified in this chapter. The example of people's inbuilt resistance to critical feedback, and the enormous difficulties this creates in transmitting it, best illustrates the problem. 'Regression to the mean' effects describe the inevitable tendency for behaviour to cluster around a central mid-point of performance on any given variable (Hastie and Dawes, 2001). It suggests that most people will be closer to the average, or mean, level of performance than they are to

significantly depart from it. Given that appraisal interviews are designed to be implemented by the majority of a population in any given organisation it can therefore be assumed that their average level of performance will be closer to the mean than it will be to depart from it – that is, the level of performance is likely to be so weak as to be dysfunctional. For example, one survey of 200 large companies found that 70% of employees said they were more confused than enlightened by the feedback they had received (Meyer, 1991). This suggests that most managers are poor at delivering effective feedback and most employees are poor at receiving it. Thus, it may be unwise to assume that training will substantially move the performance of most people from the mean scores of behaviour likely to be found on these issues.

360-degree appraisal – a new way forward?

I noted, at the beginning of this chapter, that the popularity of 360-degree appraisals has grown enormously. Nearly all the Fortune 500 companies in the US now utilise them, while a growth trend has also been observed in the UK (Mabey, 2001). 360-degree appraisal, or multisource feedback, involves people evaluating themselves, and then receiving feedback from an immediate supervisor, peers and (if the person is a manager) direct reports. It is assumed that appraisals from multiple sources provide a wider range of performance information, useful in identifying employee strengths and weaknesses (Gregurus et al., 2001). They are also assumed to have the capacity to increase perceived fairness, reliability and ratee acceptance of feedback (Harris and Schaubroeck, 1988), to provide an additional legal defence in the face of feedback (Bernardin and Beatty, 1984), and to be more simple and inexpensive to administer

(Bates, 2002). In essence, applause or boos from a large audience is thought to deliver a more credible verdict on a performance than that of a single spectator.

However, the evidence is mixed, to say the least – particularly on the extent to which it delivers improvements in organisational performance. One investigation found that 360-degree appraisal was associated with a 10.6% decrease in shareholder value (Pfau et al., 2002). Evidently, many such programmes have arisen as a straightforward imitation of what competitors are doing, and have been hurriedly implemented without sufficient attention to such 'minor' details as how feedback should be managed and delivered, and how the process should support bottom line organisational goals. For example, one survey discovered that over half the companies that introduced 360-degree appraisal quickly abandoned it, in the face of inflated ratings and hostility from employees (Waldman et al., 1998). Doing something 'because everyone else does it' often turns into a doomed quest to find competitive advantage by emulating the mishaps of one's rivals. Moreover, there is also evidence that managers are inclined to rate subordinates more highly in such exercises than their behaviour warrants, since highly rated subordinates make them look good, while peers also are open to collusion by giving each other positive evaluations (Toegel and Conger, 2003).

There have been many suggestions as to how these problems can be overcome. Box 18.1 summarises some of the best practice guidelines derived from the relevant research (Peiperl, 2001). However, similar guidelines have often been produced for such appraisals. The evidence is that they have failed to significantly improve practice. This suggests that 'how to' advice on 360-degree appraisals must be viewed

with some caution. It is critical to remember that performance appraisal, upward appraisal and multisource feedback all share one common characteristic – a person is receiving feedback from others about her or his performance. Therefore, the problems with biases and reactions to feedback that we have discussed earlier in this chapter will also apply to 360-degree feedback. Negative feedback, or feedback which departs from the person's own perception of their performance, is unlikely to stimulate positive change (Brett and Atwater, 2001).

INSERT BOX 18.1 HERE

Appraisal interviews – an alternative perspective

I have suggested that performance appraisal is a mutually anxious and error prone process. In general, appraisal interviews fail in their intended purpose, damage employee morale and self esteem, and run counter to many organisational values (Juncaj, 2002). For example, they promote individual rather than collective accountability. However, social networks are increasingly important determinants of organisational success (Cross and Parker, 2004). But an emphasis on individual accountability undermines the team ethos which is vital for the strengthening of social networks. Moreover, there is no substantial evidence that these problems can be fixed. This chapter therefore argues that a new perspective is required, which moves interaction between managers and employees in the direction of feedback and counselling interviews, and which make increased use of self appraisals (or evaluations) rather than traditional appraisal interviews, in which a manager provides feedback on the performance of subordinates. Readers should consult Chapter 17 in

this volume, which deals with helping interviews in-depth. The term appraisal has

been so besmirched by its repeated failures in most organisations over prolonged

periods of time that it is wisest to drop it altogether from the vocabulary of managers.

A number of fundamental principles emerge from the research literature, which can

guide organisations in this new direction. None of these are best realised through

appraisal interviews, but can be accommodated by a different approach. They include

the following:

- Organisations work better when they have clear business goals, widely

  disseminated and understood by everyone (Grote, 2000).

- People want to know what to do and how to do it, what is expected of them,

  how they are progressing, and how they fit into the whole organisation

  (Pickett, 2003). The main focus of feedback should be on *behaviour* and

  results (Tziner et al., 2000). It should also be a reciprocal process. That is, it

  should focus on what both employees and managers have done in the past

  year, the results that were obtained and the behaviours that are required for the

  coming year. In this way interaction between managers and staff ceases to be a

  sad meditation on missed opportunities, and becomes what has been termed

  performance management (Cederblom, 2002). The suggestion here is that

  performance management should have a reciprocal and mutual character more

  consistent with the empowerment ethos required in today's knowledge

  oriented workplaces.

- Managers should regularly sit down with each member of their staff and

  discuss (a) how well the organisation is doing (b) how the individual

concerned is contributing to the overall effort, and (c) what else the organisation in general and the manager in particular could do to enhance the employee's effort (Hargie et al., 2004). Reciprocation needs to be built into the process.

- These discussions should be frequent. Regular mutual feedback, particularly when it arrives soon after whatever is being discussed, gives employees and managers the opportunity to change their behaviour as they go along (Williams, 1997). Organisational systems then also change in tandem with personal behaviour.

- Regular mutual feedback of the kind suggested here should be overwhelmingly informal, simple and free of paperwork. Paperwork is an organisation's cholesterol. Less is best. Again, this is a departure from traditional appraisal interviews, which place heavy emphasis on the preparation of forms and often require the formal signing off by both sides on agreed documentation (e.g. Bacal, 2003).

- Managers are entitled to have opinions about the individual's performance, and can usefully communicate such opinions during these informal discussions. This feedback should focus on behaviours rather than personalities, be highly specific and emphasise successes which the person has had as well as areas where performance could be improved. In particular, it should focus clearly on the task to be achieved, and then identify behaviours that are conducive to task attainment. Toegel and Conger (2003, p.308) express the point succinctly: 'The best strategy is to focus feedback on the task, because in this case, people are concerned with narrowing the gap between actual and goal performance. If efforts at this level fail, attention will

be focused on the task-learning level. However, a serious problem occurs when attention is shifted to the level of the self, and focal leaders start questioning who they really are. In this case, subsequent performance may well suffer because of strong affective reactions, such as disappointment or despair, that could be produced.' A key principle behind building collaborative, problem solving relationships is that people must be separated from the problem (Cheney et al., 2004). In short, while one can usefully direct feedback at someone's behaviour it is counter productive to direct it at their personality. Most of us are attached to our self image, and do not take kindly to any suggestion that it is fatally flawed! Training is an obvious prerequisite for the approach described here. Most people do not inherently possess the skills required to make such an approach work effortlessly.

- Consistent with the notion of mutuality and reciprocation, similar opportunities to comment on the manager's performance should be afforded to staff. Securing accurate upward feedback is the biggest single communication problem faced by many organisations (Tourish and Robson, 2003). Critical upward feedback is so often met with a hostile response that most people simply give up. Feedback interviews of the kind suggested here creates two-way communication and clears this arterial blockage. Tourish and Hargie (2004) suggest a variety of other approaches than be adopted to institutionalise regular two-way communications in organisations.

- Informal feedback should focus overwhelmingly on examples of excellent performance. Excellent performance, publicly appreciated, is emulated. Poor performance, publicly upbraided, promotes an atmosphere of defeat, resignation, fear and resentment. It creates a receptive context for failure.

Athletes whose coaches always predict disaster seldom win gold medals. Managers should praise publicly, but criticise privately.

- Poor performance should be discussed with the individuals concerned, privately and at once. The focus should be on agreeing an action plan to prevent its recurrence, rather than securing confessions, convictions and public floggings.

- A culture of openness, honesty and trust is essential if feedback schemes are to succeed. Otherwise, public compliance is combined with private defiance.

These principles suggest that organisations should abandon appraisal interviews and instead focus their energies on *the management of two-way feedback*. Such feedback should be unthreatening, action oriented and supportive. In essence, they will be very different from the appraisal interviews that still predominate in most organisations. The rest of this chapter offers some guidance, derived from the research, on how interviews governed by these principles can be managed most effectively.

Guidelines for effective feedback interviews

Problem solving interviews/ self appraisal

The aim here is to use exploratory questions and the skills of active listening to help employees identify their own strengths and weaknesses, and devise appropriate action plans for improvement (Beer, 1997). Chapter 9 discusses listening in-depth, and will again be a useful reference point on this issue. A focus on listening is consistent with perspectives that see the management role as one of coaching. Evaluation is

discouraged, since this would supplant the employee's own analysis of what is required by that of the manager. The approach described here reduces such age-old problems as employee defensiveness, since issues raised will be exclusively those identified by the employee.

Such approaches are particularly appropriate if employees are encouraged to engage in self appraisals, and then discuss such assessments with their line managers (Rees and Porter, 2004). Discussions between managers and employees based on the latter's self review have been found to be significantly more constructive and satisfying to both parties than those based on the manager's appraisal (Meyer, 1991). In particular, the dignity and self respect of employees is enhanced, while managers are placed more in the role of a counsellor than a judge (Wells and Spinks, 1997).

In addition, employees are also more likely to be committed to whatever plans and goals emerge at the end of the process. The evidence would suggest that any such system should start with a basic assumption that people want to do a good job and are trustworthy. As Edmonstone (1996, p.11) has noted: 'There is a powerful element of self-fulfilling prophecy in this approach, not least because a system designed to check and double-check performance will not encourage people to give of their best – because someone else will change it.' Unfortunately, too many managers still approach appraisal interviews with the conviction that most employees are under-performing and must be tightly scrutinised in the tasks that they do. They therefore view appraisal as a means of confronting poor performance rather than celebrating the positive. It is a strategy that has many attractions, but which the research suggests suffers from one fundamental flaw – it does not work.

Handling feedback interviews

The opening of an interview is its most vital point, and determines the prospects for success or failure. This is because the opening triggers further expectancy effects - we tend to assume that how people behave when we first meet them will be typical of how they behave the rest of the time (Eden, 1993). This forms an expectation which may be positive or negative. Such an expectation then governs our own behaviour, and creates self-fulfilling prophecies which often determine the outcome of the interaction. Our first concern at the beginning of an interview, especially if we approach it in an anxious frame of mind, is to reduce feelings of uncertainty. This predisposes us all the more to pay attention to the other person's opening behaviours, and use them as a framework within which to organise our perceptions of what is happening. The following approaches will therefore be particularly appropriate at the beginning of a feedback, counselling or problem solving interview (Millar et al, 1992; Hargie et al., 2004):

- Arrange for relaxed, informal seating. Avoid sitting behind a desk, imposing a physical barrier between yourself and the interviewee.

- People bring social needs into the interview context with them. A short period of informal chat is appropriate, possibly combined with tea or coffee. If this period becomes too extended the interview loses focus: it should not become an extended gossip. However, some small talk reinforces the informal and human connection which underlies the staff-manager relationship.

- Review what both of you already know and have agreed about the process - for example, the amount of time available and the key issues that you want to address. Make positive statements such as 'This is a very important discussion for me. I've been looking forward to hearing how well your last project is doing.' Describe the interview, stress its positive purpose, explain how you intend to conduct it, and invite comments from the interviewee. In this way you are shaping and agreeing an agenda for action.

- Beyond this, the rest of the interview time is spent reviewing the issues agreed in advance. The key here is to ask lots of open questions (see Chapter 4), thereby allowing the interviewee the maximum amount of space and opportunity to raises issues which concern them. If self appraisal has been agreed this is an even more indispensable approach.

The emphasis throughout should be on supportive, two-way communication, with the interview regarded as an opportunity not only to give feedback but also to receive it.

Agreeing objectives

A central part of the interview will be the agreeing of objectives for the forthcoming year. Too many objectives creates disorientation. One hundred priorities equals no priorities. Therefore, a small number of agreed objectives, which should be restricted to the most important business requirements of the organisation, are sufficient (Hargie et al., 2004)

Offering critical feedback, and giving instructions

As stated above, the overwhelming focus of the feedback interview should be on positive feedback and agreeing action for the future. However, in some cases serious problems will exist which must be addressed. How this is done is crucial. If dealt with well, the underlying relationship can actually be improved, and the person concerned will emerge with a much clearer picture of what needs to be changed. Mishandled, the manager's feedback becomes the issue, rather than the job performance of the employee. With all feedback, the perceived credibility of the person or leader offering is a critical determinant of whether the feedback will be accepted, internalised and acted upon (Gabris et al., 2000). Once a manager's style of communicating feedback becomes the issue their credibility suffers. In general, therefore, critical feedback should be accompanied with precise instructions designed to solve the underlying problem. The following guidelines should help (Goodworth, 1989; Hargie et al, 2004).

1.   *Give employees plenty of opportunity to raise issues themselves.*

Most people are well aware of problem areas in their performance, although they may be slow to appreciate their full significance. If managers are always the first to raise such problems they undermine self-confidence and are viewed as aggressive: the messenger is contaminated by the bad news delivered. However, if employees get the chance to raise problems first managers will be viewed as coaches engaged in joint problem solving, rather than unpopular oracles of doom. Ask questions such as:

- 'Are there any difficulties in your job that you wish to discuss?'

- 'Where do you most need help to improve in the year ahead?'

- 'Is there anything that has proved more difficult than you expected in the last year?'

- 'We certainly had some successes with that project. Is there any way that we could have done even better?'

2.   When your feedback is critical, let the person know what is wrong in clear and unambiguous language.

Having done this, explain why you think the issue is a problem. This is particularly important if the employee has shown little sign of anticipating the criticism made. You should then summarise and repeat back to the person the response to the criticism, so that it is clear their response is being heard. However, you should also reassert the underlying point that is being made.

3.   Focus your criticism on specific behaviours which can be changed, rather than on personality traits which are more resistant to change.

People perceive negative judgements of their personality as an attack (Rakos, 1991). However, they are likely to see comments on specific behaviours as constructive feedback which they can use to make things better. The key here is to assess feedback in terms of the 'DVD' test. Can the person actually 'see' in their mind's eye the behaviour that you are describing? The statement 'You are always aggressive' is a judgement on the recipient's personality. It is also hard to 'see'. What exactly does

this aggression look like, and what can be done to change it? On the other hand, you could say: 'At yesterday's meeting you walked out and slammed the door behind you, and that was the second time this week.' Such behaviour can certainly be visualised, and immediate steps taken to avoid its recurrence.

4.   Couple criticism with guidelines to solve the problem.

Criticism by itself changes nothing. People need to know what you now expect them to do, and believe that what you are suggesting is fair, viable and possible to implement. The SMART acronym is widely used to suggest what objectives should look like – that is, they should be smart, agreed, realistic and time bounded. Offer guidelines which can be achieved (rather than which are desirable, but impossible), that are within the employee's range of competence, that relate to specific behaviours and which both parties are committed to reviewing within a specified time frame.

Handling critical feedback

Inevitably, managers will also receive criticism. This will sometimes be emotional, wrong-headed, highly personalised and aggressive. It will also sometimes be constructive, specific, well intentioned and accurate. It is vital that managers themselves model effective approaches to handling criticism. Otherwise, it will be even harder for them to offer it to others.

Fundamentally, the normal rules of supportive communication still apply in this context. Critical feedback should be listened to and examined honestly to see whether

there is any substance to it. The 'Four R method' (Kolt and Donohue, 1992) is one useful means of using criticism to strengthen the relationship, and ensure that the channels of communication remain open in the future. This proposes that we should:

1.   **R**eceive the other person's comments without interruption, denying the validity of the criticism, launching immediate counter-attacks or engaging in other defensive behaviours. This shows an openness to discussion, and an interest in what the other has to say.

2.   **R**epeat what has been said as objectively as possible. This is a core means of building empathy, and shows that what has been said has been understood.

3.   **R**equest the other person's ideas about how the difficulty should be dealt with. This helps escape a spiral of defend/ attack, and moves the critic into the constructive position of helping to identify solutions. It also ensures that the discussion deals with specifics rather than generalities.

4.   **R**eview at the end the different options available and agree the best way forward.

This is consistent with what is generally regarded as a collaborative style of conflict management, designed to obtain a win-win outcome for all concerned (Cheney et al., 2004). It involves exploring the other person's viewpoint, explaining your own viewpoint and then creating a sense of resolution and closure.

Closing the interview

Research suggests that we are inclined to remember very well the beginning of an interaction and its end - but lose most of what occurs in the middle. This has been termed the primacy/ recency effect (Brunel and Nelson, 2003). It is therefore imperative that the key points that have been agreed are summarised at the end. It is useful to pause after each point made until the other party involved signifies their agreement.

It has also been shown that when people make a public commitment to a particular course of action it is more likely that their attitudes will shift to agree that it is indeed appropriate (Cialdini, 2001). In turn, this prepares the way for future actions in line with the agreement reached. Interviews of this kind can therefore close with mutual commitments to action – the more immediate, effortful and visible the better. These will then help secure significant improvements in work performance, in the ability of the organisation to achieve its goals and in the relationships between managers and staff.

Conclusion

Appraisal has become a staple element of HRM practice (Redman, 2001). As has been noted here, it is rapidly growing to embrace both upward appraisal and 360-degree appraisal. But the widespread adoption of a practice does not by itself prove that it is wise. Indeed, this chapter has fundamentally questioned the wisdom of traditional appraisal interviews. Managers often defend them, despite their manifest

failures, on the grounds that 'something must be done', to inform people whether their performance is good, and particularly when it is poor. Several such opinions are cited by Segal (2000). This is a shaky defence. Hippocrates, author of the Hippocratic Oath, counselled as follows: 'As to diseases, make a habit of two things – to help, or at least do no harm.' This precept could usefully be applied to the practice of appraisal interviews. When most such interviews harm most people and reduce performance most of the time, it is unsatisfactory to defend their continued use on the basis that 'something must be done,' however damaging it is. A different focus is required. For example, it is increasingly clear that the selective hiring of good people is a vital determinant of organisational success (e.g. Collins, 2001). It is equally clear that most organisations accord it insufficient priority. If this issue were attended to more effectively, the need to manage the poor performance of a small number by applying dysfunctional systems to the majority would disappear. Moreover, either good or bad performance can be dealt with as soon as it occurs, informally, without delaying feedback to an annual appraisal interview, when neither side is likely to accurately recollect the behaviours in question.

When a certain kind of ship sinks in fair winds or foul it is timely to question the integrity of its basic design. In terms of appraisal interviews, the insights derived from research in recent decades has been negligible and the improvements in practice insignificant. As two researchers in the area have commented, 'After decades of research, where is the performance appraisal process today? Have the tools and the processes advanced to the point of accurately and effectively measuring the performance of employees? The answer is "probably not."'(Wiese and Buckley, 1998,

p.246). It therefore seems sensible to contemplate the construction of a more seaworthy vessel, and to set a new course.

Accordingly, I have suggested that managers hone their skills in giving and receiving feedback, informally and frequently, and therefore in conducting problem solving, counselling and helping interviews. Such approaches are more consistent with the innovative new management styles that are increasingly required for top level organisational performance. In the workplace, respect for formal hierarchies has drastically declined, ensuring that employees are ever less inclined to simply accept feedback handed down to them by managers (Toegel and Conger, 2003). In any event, widening spans of control means that managers are increasingly ill equipped to provide feedback that is informed, accurate, timely or helpful. The following comment by one senior manager expresses a view from which few would now dissent: 'It's impossible to manage or even know what's going on in the depths of the organization. I mean, each of us can fool ourselves into thinking we're smart and running a tight ship. But really the best we can do is create a context and hope that things emerge in a positive way, and this is tough because you can't really see the impact your decisions have on people' (cited in Cross and Parker, 2004, p.3).

Although it is rarely noted, this also poses significant ethical issues (Kerssens-van Drongelen and Fisscher, 2003). Appraisal interviews permit managers, who know less and less about any individual's work, to determine which aspects of their performance are to be evaluated, as well as to decide the consequences of the measurement, including pay and career progression. Basic questions about the limits of power and people's right to involvement are inescapably posed.

By contrast, it is argued here that feedback should be offered in as supportive a manner as possible. Its main emphasis should be on successful behaviours, which can be praised publicly and thus are perceived as having been rewarded. Where negative behaviours are concerned, it is important that feedback is on specific behaviours which can be changed, follows on rapidly from the behaviours in question, is constructive, is linked to important business goals, is highly specific and is offered in private. Whatever such approaches might be termed, it is certainly best that the damaged language of appraisal is left behind. A great deal of effort has been invested in tinkering with what is irretrievably damaged and straining after the impossible. It is now time to put appraisal interviews out of our collective misery. Managers should instead recognise that more reciprocal and supportive systems of influence are required for building organisational success in the workplaces of the 21st century.

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Box 18. 1: Guidelines for effective 360-degree appraisal

- *Keep the process simple*. As with traditional appraisals, the more complex the paper work and the more overwhelming the feedback, the less likelihood there is of sustained behaviour change.
- *Develop your own instrument*. Many 360 instruments are available. However, it is best to design one customised for your own organisation, and that meets its own unique needs. Involve people in this effort, and so generate their involvement, understanding and support.
- *Provide written feedback*. Research suggests that, when multisource feedback is at stake and thus many people have contributed to their evaluation, most people prefer this as their dominant method of feedback.
- *In addition to written feedback, train people to act as coaches*. Most people need someone with whom they can discuss the results they have obtained. People formally allocated this role can function as coaches. They should be trained in active listening, focused interviewing, dealing with feelings and goal setting.
- *Ensure that those doing the appraising are afforded anonymity*. People are more likely to offer honest opinions if their identity is protected. This depersonalises the nature of the feedback, and helps focus attention on the behaviour changes that are required.
- *Select peer appraisers on the basis of objective criteria*. If the person being appraised is charged with this responsibility they are more likely to select people who will give them inflated praise rather than suggest how they can do better.
- *Train appraisers*. This should focus on the objectives of the process, the errors associated with it (such as the halo error) and contain scope for questions and discussion regarding the whole process.
- *Train appraisees*. People need training in how to analyse the data, set improvement targets, deal with feelings associated with receiving negative feedback, how to discuss summary action plans with appraisers and in setting specific goals and action plans. *Research clearly suggests that merely receiving feedback does not improve performance* – rather, it is how this feedback is managed and internalised that determine eventual outcomes.
- *Train people in self-awareness*. When people over-rate their own performance relative to the perceptions of others, they are more likely to dismiss corrective feedback. A more balanced approach to self-assessment is necessary. Some research has found that even warning people of the danger of over-rating their own performance significantly diminishes the problem.