

Knowledge Worker

Fixing those “Broken” Performance Appraisals

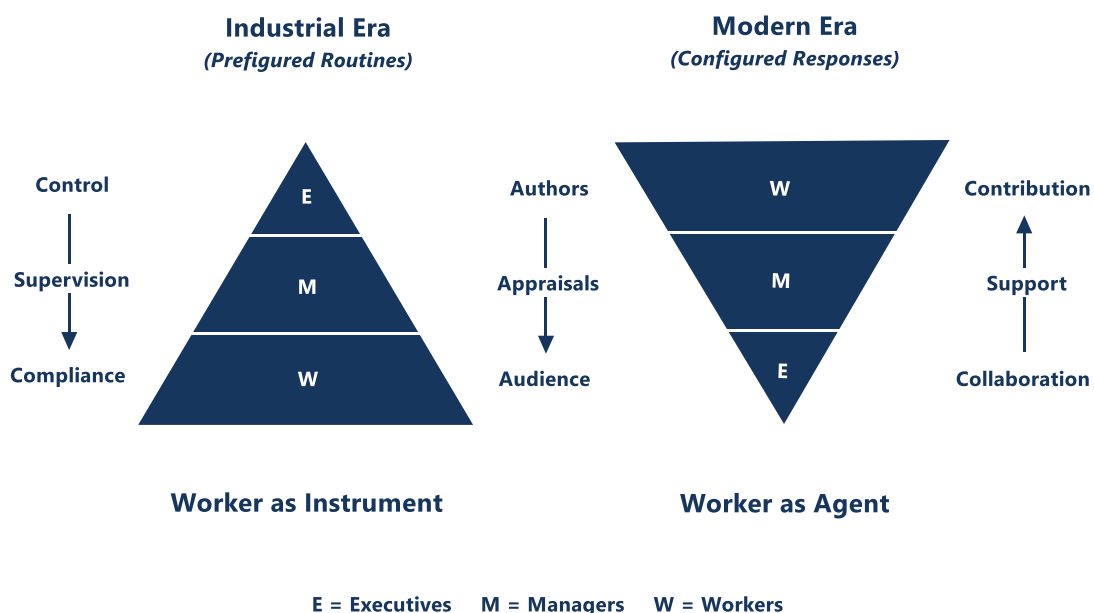
(April 2014)

One of the oldest, best-known and most relied upon tools for managing human performance is the once-a-year or annual performance appraisal. Yet, there is a growing consensus that those systems are broken. In fact, they might be doing more harm than good. If you think they’re just fine I doubt there’s much I could say that would convince you otherwise. On the other hand, if you agree with me, read on because I’ve got some practical fixes and you don’t need an army of consultants or software vendors to put them in place. As a matter of fact, I’ve got four relatively easy and inexpensive fixes.

1. Shift the role of managers and execs from authors to audience (this is quick and easy).
2. Shift the role of those receiving performance appraisals from audience to authors (this is quick and easy, too).
3. Rethink authority (and, for reasons I’ll explain shortly, this is the heart of the matter).
4. Equip your managers and employees to deal with one another in very different ways based on a very different model of human behavior and performance. (If there’s a difficult one this is it but it’s far from impossible.)

Now, let’s look at why these particular fixes.

The role shifts are necessary because of what many, including yours truly, have called “the shift to knowledge work.” That shift was in fact a multi-faceted shift in the nature of work and working. First, the basis of work shifted from materials to information. Second, working activities shifted from prefigured or “canned” routines to crafted or configured responses to the circumstances at hand. In turn and in large measure this led to a shift in the control over working activities from management to the worker. And that has led to a situation in which supervision is difficult and impractical if not downright impossible. In short, the world of working and working has been turned upside side (see the figure below).



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The core purpose of performance appraisals, ever since their introduction in the 1920s, has been to shore up and reinforce a hierarchical system of authority; in particular, it reinforces a superior-subordinate relationship between a supervisor, manager or executive and those who report to him or her. This is quite apparent when you consider that very little in the way of “carrots” is controlled via performance appraisals but the “stick” they provide the appraising manager is a hefty one. A negative appraisal can do significant damage to the recipient’s career prospects. Thus it is that performance appraisals owe their clout to their potential for imposing punishing consequences. It follows that they are rooted in fear. Fear might be useful when the aim is to enforce and ensure compliance but when the object is to obtain an employee’s best contributions a reliance on fear is counter-productive. Something else is required.

A first step in providing that “something else” is to rethink authority. Consider the Merriam-Webster online dictionary definition of authority: the “*power to command or influence thought, opinion or behavior.*” Note that authority has two key dimensions: *command* and *influence*. Until recent times, the exercise of authority has relied on command (commonly stated as “command and control”). However, 15 years ago, in 1997, Margaret Wheatley published a piece titled “Goodbye Command and Control.” In it, she observed, “Old ways die hard. Amid all the evidence that our world is radically changing, we cling to what has worked in the past.”

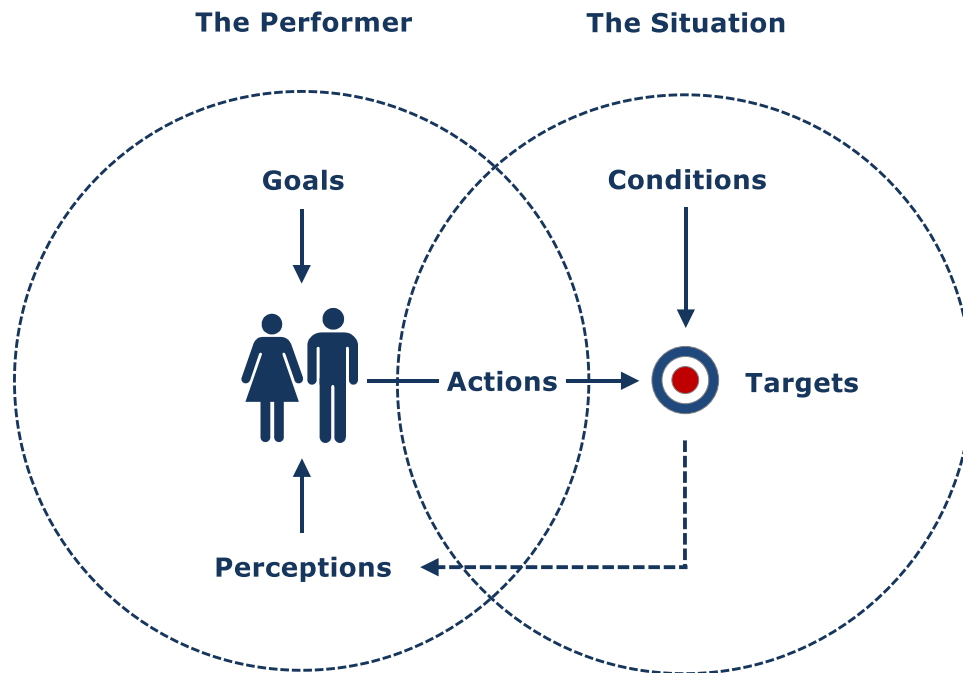
In rethinking authority it soon becomes apparent that another shift is required. In this case, the balance between command and influence needs to shift *toward influence* and *away from command*. Unfortunately, we have generations of managers in place who were raised to operate in a command-and-control mode – as employees, as managers and as executives. Hence, the fourth “fix” – equipping supervisors, managers, executives and, yes, employees, too, to operate in an environment where support replaces supervision, where collaboration replaces compliance, where employees are agents acting on their employer’s behalf instead of simply instruments of managerial will and where the measure of *every* employee’s performance is the contribution that employee makes to the organization, the value he or she creates for the organization.

To effect this equipping of employees, managers, executives and employees, a new model of human behavior and performance is required, one that depicts human beings as purposeful, self-governing, “living control systems,” one that will ultimately lead to a new practice of management, one more suited to modern times. I have written at length about one such model – the Target Model of Human Behavior and Performance (see the figure below).

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Based on Perceptual Control Theory (PCT), the Target Model depicts people as “living control systems.” In this scheme of things, purposeful actions serve to bring some target variable (e.g., costs, waste, sales, retention rates, closing rates, etc.) to some desired state and keep it there despite what are known as “disturbances.” There is, then, an achievement and a maintenance dimension to performance. This kind of model is a perfect fit with the requirements of today’s world of work and working, where people are expected to achieve desired results and maintain them at their desired value despite the effects of other actors and factors. For more about PCT and the Target Model, visit that section of my web site (<http://www.nickols.us/controltheory.html>). In the meantime, give some thought to the four fixes laid out in this post. If you need some help, I’m glad to lend a hand.

Recommended Reading

“Good-bye Command and Control” by Margaret Wheatley, in *Leader to Leader* (July 1997). Available on the web at <http://www.margaretwheatley.com/articles/goodbyecommand.html>.

“A Model for Helping People Hit their Performance Targets” by Fred Nickols, in *Performance Improvement* (September 2010).

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About the Author

Fred Nickols, CPT, is a knowledge worker, writer, consultant, and former executive who spent 20 years in the U.S. Navy, retiring as a decorated chief petty officer. In the private sector, he worked as a consultant and then held executive positions with two former clients. Currently, Fred is the manager partner of [Distance Consulting LLC](#). His website is home to the award-winning [Knowledge Worker’s Tool Room](#) and more than 200 free articles, book chapters, and papers. Fred is a longtime member of ISPI and writes this monthly column for *PerformanceXpress*. A complete listing of all Knowledge Worker columns and access to them is available [here](#).