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Peter Copping
Department of Management
Manchester Metropolitan University
Business School

Is Performance Appraisal Feasible?

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Peter Copping

Principal Lecturer in Personnel Management and Industrial Relations

Manchester Metropolitan University Business School

Aytoun Street

Manchester

M1 3GH

Email: Cping@compuserve.com.

Biography

Peter Copping is Principal Lecturer in Personnel Management and Employee Relations. As well as his research interest in personnel practices he is currently engaged in work on managers' practice in human resource management, and on the place of ethical theories in the discourses of business ethics. Until recently he also practiced Human Resource Management in Further Education.

Abstract

This paper reviews briefly the literature on performance appraisal over the whole period since its introduction into the UK, and draws attention to some possibly missing elements in determining the success of appraisal, notably the visibility of work, the beliefs and values of appraisers, and the reaction of subordinates to direction. It therefore proposes that these are areas for further investigation.

1. Introduction

Performance Appraisal, whether standing alone or part of a Performance Management System, remains almost universal practice in larger organisations. It has long since had its severe critics, summed up twenty years ago by David Ashton and Mark Esterby-Smith (1979).

> "It is still surprising, given the very wide spread application of appraisal systems in modern organisations, that the benefits either for the organisation or managers are still perceived as very modest, and there are as many impressions of negative effects of appraisal as there are examples of its positive effects".

2. Doubts about Appraisal: a Brief Review of the Literature

The critical literature on appraisal is of long standing. In 1964 Rowe examined 1440 completed appraisal forms and found that appraisers were reluctant to appraise, interviewers reluctant to interview and the follow up was inadequate. Several years later Pym found (1973) in oil, electronic and tobacco companies, all with appraisal schemes, half the employees were unable to recall having an appraisal in the last twelve months. Those who did often found the interview of little consequence. Both Rowe and Pym found the link between appraisal and action in terms of promotion and training tenuous.

In the 70's and 80's research continued to find appraisal problematical. In one company Napier and Latham (1986) found 'people were clear as to the purpose of appraisal, believed in the instrument, and that supervisors should conduct them once a year. Indeed, they enjoyed their own appraisal. But appraisal seldom took place and had no effect on the employee's status. Appraisers were not rewarded. Indeed, if the appraiser sought to use incidents to support unfavourable judgments with superiors, it was perceived as leading to decreased promotion possibilities for them' …… (a feature of organisation life Torrington has discussed in relation to reporting grievance cases (Torrington 1974)).

Dorfman, Stephen and Loveland (1986) reported that the performance appraisal interview does not have a positive impact on subsequent employee performance.

Even saying that someone is all right, satisfactory, performing normally, is likely to prove demotivating. As Pearce and Porter (1986) argue, 'it seems for many people self-perceptions of their organisation or work performance are closely aligned with feelings of self-esteem and they want to believe they are making an important contribution'. As Meyer (Meyer, *et al* 1996) said 'they want to consider themselves above average, so it is not surprising that they will suffer some loss of positive feeling when they are told they are just 'up to the job'. Perhaps, suggests Pearce and Porter, all those but in the top rank feel demotivated after appraisal.

The reaction of psychologists who dominate the literature on appraisal to the difficulties of appraisal has been to shift the focus from objectivity of ratings towards what is going on in the appraisers head, and to a social learning approach following Feldman (1981) They began also to consider the problems of observation, ideology and decision making which is a theme of this paper.

In the 1990's most of the perceived difficulties associated with appraisal have been concerned with issues related to individual managers, or appraisees. A review of recent texts in Human Resource Management (Beaumont 1993, Marchington and Wilkinson 1996; Goss 1994; Harrison 1993; Price 1997; Sparrow and Hiltrop 1994; Torrington and Hall, 1995; 1998) revealed the following issues. Many of these cited below are reviewed in Grint (1993).

"Appraisers are claimed not to be really able to make judgment about performance especially if it is presented in the form of rating of traits or generalised behaviour."

"They are prone to rate every subordinate in the same part on the scale to allow ratings to drift upward. They are prone to judge subordinates on factor or behaviour alone (halo/horns effect) and to reward people similar to themselves or their cronies."

"They are reluctant to deliver bad news." "They were poor at setting targets." "They didn't know what their organisation strategic objectives were." "They set targets which may undermine tacit and valued goals (like work quality) and set goals which are rapidly outdated by change." "Their targets may not be within subordinates capabilities or actually achievable." "They had problems with interviews." "They lack the skills to interview." "They have problems of communication with subordinates." "They are embarrassed at discussing the performance of others."

"They cannot distinguish between behavioural skills and the desire to actually put these behaviours into operation."

"They resist the system: they saw appraisal as bureaucratic and time consuming and

imposed by Human Resource Managers."

Appraisees also subverted this system. "Appraisee subordinates resort to impression management carefully self monitoring their performance." "They fail to admit they can change." "They go along with the judgment of their managers." "They resort to defensiveness and dishonesty."

This formidable list relates almost entirely to individual behaviours usually set within a social psychological framework.

These practical difficulties have generated a critical literature over time, which sets appraisal systems in a wider framework rather than just concentrating on the players in appraisal systems. At an organisation theoretic level Salaman (1978) has suggested that management development systems of which appraisal is a part are based on the doubtful assumptions drawn from a system view of organisation theory. This view assumes:

- organisations are goal orientated phenomena where people work together co-operatively
- variation in kinds of performance are due to individuals' problems of communication and commitment that the structure of an organisation is given by its goal and technology and cannot change.

Organisation reality for Salaman means:

- organisations are characterised by conflict and change
- organisation goals are not determinant of structure - merely legitimating symbols
- organisation structure is determined by senior workers of the organisation in their interest.

These three themes taken together suggest a picture is of an organisation where control by senior members is sought by structural and ideological means, but remains problematic in the face of the conflicts both lateral between groups seeking organisation resources (for example see Crozier (1963) on the actions of group like 'maintenance' who have expertise and power to command resources) and vertical and between individual and organisation (in fact the reified top management or dominant coalition).

Appraisal then may, as Salaman suggests, serve a legitimating function an acting out in ritualised form a display management authority and power. Pym (1973) has also suggested the function, or perhaps one possible function of this ritual, is to reaffirm the myth of individual achievement in a world of interdependent activities of teamwork, and lateral dependencies, which made it difficult to pin down accountancies, which serves to explain why in a world of teams individual appraisal remains dominant.

For Sofer (1975), appraisal also fits into this 'ideological' framework, but for him the purpose is to transfer structural inadequacies and failure to gain compliance from employees as they grapple with these, to the faults of the individuals. Thus it assists managers in deploying Etizoni's (1975) "normative" control. Indeed, engendering guilt/shame rather than praise was a feature of most appraisal interviews the writer has observed in training appraisers. Lawrence and others (1976) have suggested that the ritual purposes of management development systems and hence, a fortiori, appraisal systems which play a central part in such systems, extends to reaffirming the myth of the career, and the possibility of upward mobility. Appraisal demonstrates the availability of rewards the achiever, and guilt as a punishment for the underachiever. Further, it is a collusive act between subordinates and managers to confirm that opportunities remain provided 'performance' is delivered, even if in reality they do not exist, or are the product of chance or cronyism.

This discussion of the symbolic ideology of appraisal and its legitimising function in organisational life serve only to suggest that there is some doubt about efficacy of appraisal in achieving its original practical goals because of its failure to fit organisational reality. It is worth recalling that the practice did develop as part of a management development system designed to solve the specific organisational problems of monitoring and developing talent. Probably, in the UK, management development systems were a response to the exploitation of university graduates

(Burns and Stalker, 1961) and were copied essentially from those developed in the late 40's in the USA. Such systems further serve to limit the perceived irrationalities of organisational behaviour.

Appraisal can be seen in this context of managing careers. Career management systems and their associated appraisals, seek to introduce rationality and objectivity and to limit senior management's unfettered choice of subordinates. They also hope to reduce attempts by juniors to manage their achievements so as to bring recognition, by making alliances with powerful seniors. Burns (Burns, 1966) described mechanisms where juniors seeking career success cluster around an upwardly mobile senior. In this situation, however talented the individual, if the employee is not "one of us" he is unlikely to make progress, whatever the general policies of the bureaucratic succession policies. Appraisal systems are an attempt to bring reason and control by HRM specialists to this area of organisational life. But as Townley (1989) notes appraisal serves to communicate organisation norms and culture, and for middle managers preserving management discretion and effectiveness, not accuracy, are the watchwords.

There is a clash of rationalities here between the reality of the organisation politics and the power of the management groups to choose trusted subordinates, and the objectivity of the ‘fair and scientific systems’ of the bureaucratic appraisal designer. All this takes place of course with the boundaries set by what others have called the psychological contract between employee and manager about what is ‘fair’.

3. Appraisal is limited by the by the context of organisational life

As Newton and Findlay (1996) comment the context of appraisal has been neglected. This section explores how far practicality of appraisal is much more limited since it may not fit well with the reality of the everyday life of middle management who carry it out.

Before the research that can be interpreted to support this is reviewed the perspective which informs the discussion must be made clear. Performance appraisal was developed for organisations conforming more or less to the bureaucratic model and most organisations continue to fit this pattern. Performance appraisal is about management control of performance in the widest sense (including maintaining in the appriasee internalised norms and values). This is likely to emphasise a degree of conformity to the appraisers' norms and values which may incorporate those of the organisation (Price, 1997), as well as classifying and ordering individuals within a hierarchy (Townley, 1989).

This perspective assumes that the manager can seek to influence these by affecting motivation (by payment schedules, punishment and target setting), and, to a limited extent, change the organisational structure (the informational and material requisites). Further, skills and knowledge may be enhanced through training. It also assumes that the manager has some goal, of desired stated of the performance which he wishes to achieve, (though, of course, this will be developed by 'agreement' with the subordinate). Appraisal, then, is about middle managers managing performance in the widest sense. The degree to which control is intensive is related to the technology, management ideology and work cultures.

The usual mode of appraisal systems is to ask the manager (appraiser) to compare the state of the existing performance of the subordinate with that desired, and to change it by altering the inputs to bring the performance into line with what is believed to be required, usually with the "agreement" of their appraisee. (See Torrington and Hall, 1998: p226-228 for example).

All this takes place within the boundaries of what others have called the psychological contract between appraisee and appraiser, subordinate and manager. Appraisal can be seen a model of one aspect of rational supervisory practice. Therefore it is relevant to consider a wider literature of managers' supervisory behaviour to provide a context rather than just the narrow aspects of appraisal.

4. Is Appraisal Feasible?

The question is, under what practical conditions is appraisal feasible? This is not a new question Mahler (1950) asked it in 1950 and came up with the answers in Table 1 (slightly rearranged). Research into supervisory work over the period of the dominance of appraisal into the reality of middle management offer insight on how far these conditions exist? What is noteworthy is how some older but yet still relevant research in this area illumines possible issues, which affect the feasibility of appraisal. Revisiting this research suggests areas which might fruitfully be pursued both in practice, and as part of a research programme.

Table 1: Precondition for effective appraisal (developed from Mahler 1950 p51)

- the extent of the appraisers opportunity for observing performance
- the appraisers awareness of the need to note performance during the period of observation
- his/her experience and training in translating observations into judgement
- his/her personal characteristics as these might effect his/her rating ability
- the facility with which the rating form permits him/her to record his/her judgement.

5. The Feasibility of Managers' Observing Performance

Rosemary Stewart (1975) throws light on both how far managers are likely to be able to observe subordinates work and to bring an organisational rather than a departmental perspective to setting determining action including performance goals, and thus avoiding departmental sub optimisation in the appraisal process.

Her major finding from her research is that there are different patterns of contacts made by different types of managers. In part, these patterns are job and organisation dependent But there is also an element of individual choice, and Stewart has developed a 'personal'; manager development model based on these findings (Stewart 1975) to encourage managers to make this choice.

Her first type is the hub manager who is characterised by contact pattern up to senior management, laterally to colleagues and down to subordinates in about equal measure. The hub pattern is typical of works managers, marketing managers, group accountants and so on and, in fact, made up the largest number in Stewart's sample.

The man manager on the other hand spends most of her/his time with her/his subordinates. This pattern is characteristic of production management jobs, research leaders, and retail managers.

The peer dependent manager on the other hand has most contact with colleagues of external people. This is the typical pattern in the role of personnel managers, purchasing and sales and finance.

Finally, we have the solo type who is likely to work alone with few subordinates. Some accountants, section heads, in design some research managers fit this pattern. The job title is not necessarily a guide to how far the job is likely to develop a particular pattern of contacts.

Given this typology of patterns of contacts, Table 2 sums up some of the possibilities. In the man management situation the manager is devoting more of his/her time to subordinates. The job will primarily be seen in terms of the need to supervise them though she/he may adopt differing management styles. So close observation of the subordinate is part of the job. The concomitant of this for appraisal could be a tendency not to take into account the wider organisational perspectives, because they are not seen as important as the local ones for getting the job done. Appraisal then is likely to emphasis the technical requirements of the current job, rather than any wider organisational goals.

The peer dependent manager on the other hand will see his primary role as boundary management enduring that her/his department get the opportunities, services, supplies and recognition. She/he will her/his subordinates to get on with it. Hence she/he will lack a detailed knowledge of subordinate performance, usually only hearing about the most disastrous crises. Hence she/he may lack knowledge necessary for appraising staff, though she/he is likely to have such broader knowledge of the organisational goals.

The hub manager is likely to have a moderate knowledge of both subordinates work and the organisation's environment and a closer understanding of at least her/his top managers needs and is perhaps therefore best able to handle appraisal systems.

Solo managers are likely to find the appraisal systems just does not fit to their work or needs and to have professional rather than organizational concerns.

One factor which Stewart's work on managers' contact patterns was concerned with was subordinate performance and, in particular that of new subordinates. More time and attention was likely to be given if the subordinate was new, or a problem was perceived, or the manager was new to that department.

The consequences of these findings about contact patterns can be taken a little further. The emphasis on what is seen as important in performance of the subordinate may be different for managers who have patterns of work contact.

It could be hypothesised that the man manager is likely to emphasis the immediate and the technical while the peer dependent manager is likely to be concerned with how the subordinate handles the organisational politics and relationship issues, while the hub manager is likely to balance both and add the need for satisfying senior management. Clearly these perceptual biases are likely to be carried over in the sort of goals (that is the desired performance goal and the targets and training prescribed to enhance the appraisees performance).

Finally, there is something of a paradox here. The man manager and most of the hub managers may find appraisal systems simply try to formalize something they are doing all the time, and they may argue, doing with far more sensitivity (economically, and subtly) in their relationship with individuals than the paper bound system allow, (as we shall see when we examine the pragmatic of participative decision making below).

Table 2: Contact pattern and likely reactions to appraisal

	hub manager	man manager	peer dependent
Knowledge of organisation objectives	likely to be high	specific and narrow	high
Knowledge of subordinates work	moderate	high	low
Knowledge of parts of the organisation	moderate	low	high
Likely predominant interest in appraisal	Balanced between technical and rational/political	emphasis on technical	Emphasis on political and relationship

On the other hand, the peer dependent group and some of the hub managers do need appraisal as a tool to take control and develop new staff but perhaps they cannot know what is going on well enough to have the confidence to do it. They are likely to have difficulty in observing performance and taking successful development action. They are likely, as we shall see later, to prefer appraisal in terms of broader general traits which measure for them how far they can trust their subordinates.

6. The Feasibility of Understanding the Work of the Subordinate

Problems with judging subordinates' work, and prescribing help with development, do not only arise from the availability of information about the performance, and from the context of the manager's job introducing perceptual biases. Managers will differ in the technical knowledge they have about subordinates' jobs. We may distinguish between, on the one hand, the techniques and associated knowledge required to do the job, and the detailed knowledge of the actual system or procedures for doing the job. It is worth teasing out these distinct aspects here.

A manager may have subordinates who are better qualified than she/he, subordinates who are doing work in which she/he has no practical competence. In this situation, as Clause Offe (1970) has pointed out, only if a manager has similar knowledge and experience to the person whom he is assessing and if he separated from what he is assessing by a small perceptual distance can he successfully make judgment.

But modern organisation structures have become 'discontinuous' in the sense that managers no longer are drawn from those who have experience in what they are managing but come in from, for example, Graduate Training Schemes or are parachuted in as a career stage. As we have seen above, the supervisor relationship may also become one which the manager has much less direct contact with a subordinate. Furthermore, work is based uncooperative teams, where the contribution of an individual is difficult to determine.

The American evidence Offe cites mostly related to recruitment conditions where employees are seen to want people: "Who have pleasing personalities, are from the right schools with the right social background, have a clean cut appearance, and are endowed with tremendous stamina".

Research into graduate recruitment by Silverman and Jones (1976) shows that this process also occurs in recruitment in Britain. By subtle manipulation of the selection process, job related criteria are replaced with social criteria as the candidates are reviewed. Requiring employees to conform to these new criteria are seen by some commentators, like Sofer (1976) and McGregor (1957) as an issue which explains managerial reluctance to conduct appraisal. The manager facing lack of knowledge of the work, supervising at a distance, perhaps managing professional staff, is likely to resort to more generalised and personal factors for appraisal and to reward 'people of our type' who fit in with our culture'. This is even more likely in the flat organisation structures of many downsized firms.

Appraisal then is likely to be centred around what Offe calls 'extra functional' rather than job related qualities and qualifications which fit cultural and organisational norms. Acquiring these abilities has been described as acquiring 'social capital', and is indexed by appropriate socialisation via good schools and universities and selected life experience valued by organisations in managers, (and more recently via core skills programs).

The problem of understanding the job is likely to be a particular issue at the interface between senior and middle managers. As Pahl and Winkler's (Winkler 1974) research into directors showed, senior managers concerns are different from middle managers. What is required for middle managers is technically acceptable performance to solve disturbing organisation problems while top managers pursue their interests, in making deals or boundary management.

A second situation is where the manager lacks detailed knowledge not of the techniques but of the circumstances and processes of the job. Here, as Roy (1955) and Crozier (1963) have shown inept intervention in the subordinate's problems may result either in attempts by the subordinate to 'get round' the manager's suggestions in the name of common sense (getting the job done), or in setting up a vicious circle of unsuccessful solution to part of the problem, further action and further failure to produce an effective solution. As the creditability of the appraising manager is at stake so it is much easier to move from the structural and process issues to the more generalised competence of the individual who can be blamed for lacking some particular competence which explain his/her failure to make the system work.

These are then the conditions under which managers in reality come to observe and understand the work of their subordinate. From this it is possible to suggest how managers react and what tactics they might resort to, when confronted with appraisal systems. By implication that appraisal systems, and especially results based systems seem to depend on their designers rather than one dimensional view of a manager being in close contact with his/her subordinates and having a detailed understanding view of their work.

7. Managers' Beliefs May Limit Appraisal Effectiveness

But there are two issues which complicate managers reactions to appraisals: the evidence about how they like to interact with subordinates when solving problems or making decisions and the belief that they may hold about the efficiency of the sort of interventions appraisal systems suggest they might make. In other words, do they believe in the shibboleths of management development?

To take the second point first. There is little research as yet on the belief systems of management development and appraisal though the work of Eden et al (Eden, Jones and Simon 1979) offers some possible ways of approaching it. Indeed, it is usually reported that managers give general assent to the suggested procedure as "a good thing" Pym (1973). However, Judy Marshall and Rosemary Stewart (1981) have published the results of an investigation which throws some light upon managers beliefs in this area. What this shows is that at least some managers, and maybe many, do not hold beliefs that are consonant with conventional management development appraisal systems. As we shall see, in particular, they do not hold the change is possible for them or for their subordinates.

The key finding by Stewart and Marshall is that some managers do not want to improve their effectiveness. Indeed most managers in their sample did not think they could act differently.

"The reasons for feeling unable to change fall into three broad categories:

- not being able to see some other way of doing the job - feeling that their way is the right way and for most managers - feeling that their approach is personality or ability based and therefore unchallengeable".

Given these beliefs are held by over half of all managers in the survey, then the management appraisal becomes problematic in this situation, since it is assumed in appraisal systems that managers are easily instructed to change by a simple interview and relatively unsophisticated modes of persuasion. It validates a the writer’s personal observation of managers confronted with "serious" appraisal problem interviews resort to more forceful techniques, exploiting guilt-shame techniques of influence. In the writer’s experience of management training exercises, managers believe that appraisees have to be "unfrozen" before they can be made to change.

But this is to suggest that appraising managers genuinely hold different views to their appraisees about the possibility of change.

Stewart and Marshall's research suggests that managers may not support the classic actions resulting from appraisal - training - organisational change, and target setting. Stewart and Marshall report relatively few managers spoke in concrete terms of meeting goals like measurable quality levels - and savings, etc. and few expressed a clear idea of what they were working towards. Target setting for these managers as in the appraisal context would be largely outside their usual cognitive style, while appraisees would see targets as perhaps another disruption of their work environment, imposed from above.

Stewart and Marshall draw attention to the implication for management training. Managers who believe they cannot change are unlikely to be receptive to training which advocates change. Indeed the training that is likely to be acceptable is that which helps them practice what they already conclude to be the right way to manage. Only those managers who believe they can change are likely to be receptive to more radical management training.

The managerial theory of action held by these managers Stewart and Marshall are also likely to be inconducive to target setting and organisational change. Stewart and Marshall identify eight working strategies:

- yielding - where managers let situations develop rather than deliberately steering them
- controlling the job - reducing overlarge job
- hustle and bustle - reacting to things that come to you

- instinct - taking job as it comes
- bypassing the system - to create areas of personal control
- planning - listing work to be done, assessing progress
- project - approach - plan to do what they need over a few years
- shapers - see opportunities to be picked up and not always keeping their bosses informed.

Only the planners and the project types have styles which are consistent with agreed target setting with the intention of carrying it out. Redefining of roles and procedures would be acceptable perhaps to these types providing it is in line with their belief systems, while the others would find it again something to cope with an get round by their particular theory of action.

In so far as Stewart and Marshall's work reveals managers belief about work strategies and attitudes to change by managers, then the classic models of action taking as a result of appraisal would appear to work with only a minority of managers. More important, the interventions by a change agent type management development officer are likely to be resisted by appraisers in so far as they share they key element of these management beliefs.

- unreflective approach to management
- unsystematic work strategies
- believes in "one way for me to manage here".

Like Stewart and Marshall the change agent may hold personally that "greater individual self-awareness lends to more positive and fewer negative outcomes for managers themselves and often also for the employers". This can be seen as justifying embarking upon a programme to influence managers in this direction - but what is clear is that an appraisal is simply naively applied, it may well come to grief upon the rock of managers existing commitments to beliefs and work strategies.

One of the possible functions of appraisal for appraisees was thrown up by Stewart and Marshall's research. This was negotiating freedom from supervision. Stewart and Marshall had already identified a group of managers who took such freedom - the shapers.

> "I've moved towards doing things and telling my boss afterwards sometimes not even telling. I thought if they were not unduly bothered when things were not being done they would not when they were". (Quoted in Stewart and Marshall p. 185).

But others may have to negotiate freedom/security dimension. Stewart and Marshall pointed out that some supervisors may have actively manipulated their work environment to increase opportunities for choice by delegation, while other managers were not technically competent, or had been forced to delegate, leaving some of their subordinates with more choice than they required.

- "I already have as much if not more choice than I can handle".
- "I like some security and consistency and try to reduce change".

Some managers may be predisposed to doubt the efficiency of appraisal but even those that do hold beliefs that are congruent with appraisal may follow a pattern of interaction in decision making (the appraisal decision is a specific form of decision) about a subordinates behaviour which may not be in line with the expectations of appraisal systems designer. Hence they will be uncomfortable and resistant to making such decisions.

8. The Way Managers Make Decisions Limits Appraisal Effectiveness

The effectiveness of appraisal may also be limited by the decision-making styles of managers. Most appraisal systems involve a decision making interview with the subordinate and as there is a preferred style of interaction tending towards mutual problem solving, following on the proposal by Mayer and others (Mayer and others 1960) for varying interviewing styles in line with individual appraisal characteristics. But as Vroom and Yetton (1973) have shown and Heller's studies in part confirm managers choose to make use of this pattern only in certain circumstances.

Vroom and Yetton showed that managers use a wide variety of interaction patterns with subordinates, dependent on the problem under review. Individual differences accounted for only about 10% of the variances observed suggesting that managers varied their styles more than "Management Style" approaches suggest. Thus the possibility of adopting a "mutual learning process", the style of involvement, exists. However, what determined whether managers use a particular style, according to

Vroom and Yetton, are the situation variables as perceived by managers. The situation variables they see as important are shown in Table 3.

Table 3: Diagnostic question for problem attributes (situation variables)

- Is there a quality requirement such that one solution is likely to be more rational than another?
- Do I have sufficient information to make a high quality decision?
- Is the problem structured?
- Is acceptance of decision by subordinates critical to effective implementation?
- If I were to make the decision by myself, is it reasonably certain that it would be accepted by my subordinates?
- Do subordinates share the organizational goals to be attained in solving this problem?
- Is conflict among subordinates likely in preferred solutions? (This question is irrelevant to individual problems).
- Do subordinates have sufficient info to make a high quality decision?

The level of involvement suggested by Vroom and Yetton as shown in Table 4. They suggest an objective function of minimum cost of a decision so "the optimal short term managerial style" is the minimum cost, minimum level of participation which would generate a decision which would satisfy the quality and acceptance needs of the situation". They propose a set of the rules as an algorithm for reaching a minimum cost solution. They claim this is not only rational but supported by empirical evidence.

Currently texts advocate participative appraisal interviews (but applied to the individual subordinate) though Meyer and others (Meyer, Kay, French (1966)) have already suggested that, perhaps having chosen to interview, the manager should vary his style between subordinates to take into account their likely individual differences in terms of receptivity of manager influence.

Table 4: Decision-making style taxonomy (level of participant involvement chosen by managers)

Group Problems	Individual Problems
You solve the problem or make the decision yourself, using information available to you at the time.	You solve the problem or make the decision yourself, using information available to you at the time.
You obtain the necessary information from your subordinates, then decide the solution to the problem yourself. You may not tell your subordinates what the problem is in getting the information from them. The role played by your subordinates in making the decision is clearly one of providing the necessary information to you, rather than generating or evaluation solutions.	You obtain the necessary information from your subordinate, then decide on the solution to the problem yourself. You may or may not tell the subordinate what the problem is in getting the information from him. His role in making the decision is clearly one of providing the necessary information to you, rather than generating or evaluating alternative solutions.
You share the problem with the relevant subordinates individually, getting their ideas and suggestions without bringing them together as a group. Then you make the decision, which may or may not reflect you subordinates' influence.	You share the problem with your subordinate, getting his ideas and suggestions. Then you make a decision, which may or may not reflect his/her influence.
You share the problem with you subordinates as a group, obtaining their collective ideas and suggestions. Ten you make the decision, which may or may not reflect your subordinates' influence.	You share the problem with you subordinate, and together you analyse the problem and arrive at a mutually agreeable solution.
You share the problem with your subordinates as a group, obtaining their collective ideas and suggestions. Then you make the decision, which may or may not reflect your subordinates' influence.	You delegate the problem to your subordinate, providing him/her with any relevant information that you possess, but giving him/her the responsibility for solving the problem by himself. You may or may not request him to tell you what solution he has reached.
You share the problem with your subordinates as a group. Together you generate and evaluate alternatives and attempt to reach agreement (consensus) on a solution. Your role is much like that of a chairman. You do not try to influence the group to adopt 'your' solution, and you are willing to accept and implement any solution which has the support of the entire group.	

Using the Vroom and Yetton model of an "economic" approach to participative decision in a normative way we might expect managers to avoid real participative decision making in appraisal where they are fairly certain of gaining compliance by giving an instruction, i.e. using legitimate (positional) power (French and Raven 1968) and have sufficient knowledge about the subordinate's work. (For example in work allocation, training activity in works time, etc.). We might also expect them to avoid appraisal interviews altogether in areas where goal conflict (over salary/promotion domain of operation) exists or where managers see high risks of an unsuccessful outcome of their ability to influence (appraisal is a waster of time because of their lack of referent or personal power using French and Raven category (French and Raven 1968)).

Vroom and Yetton's model is illuminating as to whether managers may choose to interview or not and the level of participation they may accept. Frank Heller's work (1971) throws some further possible light on this. He found in his study that management used more centralised (i.e. less consultative) the methods on subjects that affect only their immediate subordinate (Heller) (not necessarily appraisal type decisions).

Heller's American managers in fact used mostly of the style of prior consultation for all decision (about 2/3 of the time) and joint decision making or delegation about ¼ of the time. All in all, managers in general allowed employees some influence about 2/3 of all decisions. However, typical of this type of research, subordinates over-estimated the amount of power that was shared with them. Thus shrewd managers may exploit this possibility to carefully instigate a perceptive of (false) participation on the part of the appraisee.

Manager development practitioners know that different styles are required. However, they do not in general understand why managers might use a particular style. Heller's and Vroom and Yetton's findings help to explain the reluctance of managers to follow naive prescriptions for appraisal interviews.

9. Discussion

The analysis of some work related to the context of managers' supervisory practices points there are two levels of explanations as to why appraisal, however rational a practice it appears to management development managers, may not fit in with the realities of organisation. At one level the pattern of contacts that managers choose, or are obliged to maintain, mean that they may not have the opportunity to observe and indeed know about the performance of their subordinates. Even if they are able to do this they may not have the experience or the understanding of the details of the procedures of the organisation in practice to be credible in diagnosis and prescribing, to achieve improved performance. But some managers may not believe that improvement is possible and in any case their idea of planning and target setting may be foreign to their own ways of working. Even so, they will try to economise on participation decision making where that seems less risky and less time consuming.

The implication of these findings limited the applicability of appraisal. Those who design and introduce appraisal schemes will need to take into account specifically these aspects of their organisational culture. Appraisal schemes are likely to work better where they are in line with the culture. If not, the adequate means of changing and developing it are a prerequisite if it is to survive.

Even so, at the second and more generalised level of analysis, the specific factors we have analysed, with the help of research findings, are likely to turn out to be symptoms of a wider malaise; the failure to use an appropriate model of organisation reality in appraisal systems design.

10. In Conclusion

The suppositions on which appraisal schemes are based are that of individual responsibility within a hierarchically coordinated organisation, operated to some long term plan. This means that they are unlikely to meet the needs of organisations which, for the most part are less well coordinated and more organically based on teamwork and conflict, than the bureaucratic system model supposed.

This review suggests revisiting and researching appraisals practices in the light of prerequisite practicalities, visibility, understanding the content of the subordinates' tasks, and the beliefs and values and communication practice of those involved to both better understand appraisal and ensure its effectiveness.

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