



PERSPECTIVE

The End of the Annual Appraisal?**IN THIS ISSUE**

- [HR as a Change Enabler](#)
- [Boosting Employee Excellence](#)
- [Taking Your Institution's Pulse on HR](#)
- [The End of the Annual Appraisal?](#)
- [Hiring Trend: Mostly More](#)

By Christopher D. Lee

You can't manage the past. That's one reason performance appraisals don't fully engage and motivate employees. Whereas the goal of most appraisal systems is to document and evaluate events and behaviors of the previous year, ongoing feedback is geared to current and future performance and operations—what is taking place now and what is, or is not, working with regard to specific work processes and desired outcomes.



Christopher D. Lee

The concept of performance feedback is not new, but it also is not widespread in actual practice within higher education. The idea is simple—to manage and adjust work processes and employee behavior as they occur rather than casting an annual look back at what did happen or should have happened and then telling employees what they should do differently next year. Ongoing conversations about performance provide opportunities for supervisors and their employees to fine-tune outcomes along the way. Ultimately this puts an institution in a much better position to quickly replicate and enhance successes by encouraging interim corrections that eliminate ineffective behaviors and approaches.

Another key component of performance feedback is shared responsibility. Ongoing dialog helps employees and supervisors build a partnership around work that must be performed, and together they can more effectively identify and make appropriate corrections and adjustments. Periodic feedback, not an annual evaluation, is what motivates employees and improves performance.

The Arbitrary Nature of Appraisals

In addition to being a static measure of employee performance, appraisals often fall short because they are based on ratings. Ratings are often manipulated for a variety of practical and political reasons, especially if they are directly tied to compensation. For instance, some supervisors simply inflate scores across the board to obtain the highest possible pay increases for their staff. Ratings may also be skewed when

supervisors are allowed to give only a certain number of employees the highest marks due to budget constraints. Mixed messages about performance are also sent to employees when there are variances in the financial award. Why, for instance, do efforts that yield an “excellent” rating receive only a 2 percent increase this year when they yielded a 4 percent increase last year?

The truth is that in good or bad times, organizations make decisions about pay based on a number of factors, and appraisals are only one of those factors. Money may motivate or influence behaviors in the short term, but sustained performance only occurs through ongoing coaching and support. Traditional appraisal systems create an annual report card but do not provide enough feedback or direction to give employees a road map to success.

Another reason that appraisals are ineffective is that most appraisal systems require supervisors to become judges. This sets up an adversarial climate, where employees are talked *to*, and discouraged from sharing information. For instance, if supervisors know that employees are going to react negatively to a rating, they may evaluate them less critically, thereby missing important opportunities of correcting substandard performance events.

More Than Talk

Moving from a practice of rating employees to a process of periodic dialog can happen any number of ways. What is most important is putting a system in place that motivates employees while still holding them accountable. The system I have developed includes documentation. I encourage supervisors and employees to keep performance logs to track good, neutral, and negative performance and processes. Employees can track activities, projects, and plans for what to accomplish during the next weeks and months and can likewise compile thank-you notes, reports, and other background documents to put in their portfolios as indicators of performance. Then at designated intervals, supervisor and employee can meet to discuss the content of their logs and what it means about performance. I recommend holding a feedback session every 6 to 10 weeks to really take advantage of opportunities to make incremental adjustments.

Requiring employees to be accountable for documenting their own performance encourages engagement and makes employees responsible partners in tracking and assessing success. Allowing them to give input as well as receive feedback also encourages them to become active contributors of ideas and suggestions for continuous improvement—and that ultimately benefits the institution. The soft side of performance conversations, which carries a hard bottom-line impact, is that employees tend to stay with an organization longer when they are involved and when they believe they are being treated fairly and are experiencing genuine interest in their efforts and professional growth. Feedback is the mechanism for supporting and directing individual performance and development.

Christopher D. Lee is associate vice chancellor for human resource services with the

Virginia Community College System, Richmond; e-mail: clee@vccs.edu.

How does your institution engage in performance feedback? E-mail michele.madia@nacubo.org.

Conversation Models

A new book, *Performance Conversations: An Alternative to Appraisal* (Fenestra Books, 2006), offers one model for building partnerships for successful performance between managers and employees. Author Christopher D. Lee is associate vice chancellor for human resource services with the Virginia Community College System (VCCS), a system of 23 colleges serving nearly 400,000 credit and non-credit students.

Lee previously served as chief human resources officer at three higher education institutions, most recently at Bates College, Lewiston, Maine, where much of his thinking about a performance management process centered on structured feedback was borne. While at Bates, Lee and other institution leaders used a conversations approach developed by president emeritus Don Harward designed to provide for periodic feedback sessions between supervisors and employees.

At VCCS, Lee currently employs a structured feedback approach with his staff and hopes to eventually introduce a new individual and organizational performance model in cooperation with the HR directors at each of the system's campuses and in support of the chancellor's Dateline 2009 agenda.

Among Lee's picks for additional reading on this topic:

Abolishing Performance Appraisals: Why They Backfire and What to Do Instead, by Tom Coens and Mary Jenkins (Berrett-Koehler Publishers, 2002).

Catalytic Coaching: The End of the Performance Review, by Garold L. Markle (Quorum Books, 2000).

Punished By Rewards: The Trouble with Gold Stars, Incentive Plans, A's, Praise and Other Bribes, by Alfie Kohn (Replica Books, 2001).

Why Pride Matters More Than Money: The Power of the World's Greatest Motivational Force, by Jon R. Katzenbach (Crown Business, 2003).

SPONSORS



BRILL NEUMANN ASSOCIATES, INC.
Consulting & Executive Search

★ SEGAL | ★ SIBSON

TIAA-CREF institute



You may [subscribe](#) or [unsubscribe](#) to this e-mail newsletter at anytime.

© 2006 National Association of College and University Business Officers