Business Perspectives on Performance Appraisal

Ilene Nelson

When looking for information about performance appraisal, one quickly discovers that the topic has received wider consideration in the management literature than in the literature of librarianship. However, a variety of factors are generating increased interest in performance appraisal among librarians. The proportion of the library budget allocated to personnel costs, competition for funding and demands for accountability, and greater employee expectations for participation in decision-making in the workplace are several incentives for the establishment of more effective performance appraisal systems in libraries. In creating these systems, librarians can benefit from the experience of the profit sector. In this article various techniques of performance appraisal that have been used in businesses are considered briefly, and their strengths and weaknesses outlined. Characteristics of effective performance appraisal systems that are presented in the management literature and that might be used as guidelines by libraries are also described.

An examination of the management literature reveals that through the years many systems have been introduced in an attempt to meet the goals of performance appraisal. Ones that are representative of those discussed include the graphic rating scale, behaviorally anchored rating scales, the scaled comparison, and management by objectives.

Graphic Rating Scales

According to one writer,[1] an estimated 75 per cent of the formal appraisal systems currently in use are some sort of trait rating system. The graphic rating scale typifies this appraisal technique. In this system the supervisor assesses various aspects of employee behavior such as initiative, judgment, dependability, and quality of work by assigning a position on a scale that generally has from five to seven points. The points may be

Ilene Nelson is a Reference Librarian at the William R. Perkins Library, Duke University, Durham. She is also a member of the Editorial Board of *North Carolina Libraries*, representing the Reference & Adult Services Section.

defined by adjectives (*outstanding, above average, marginal*, etc.) or by descriptive phrases (*usually shows initiative, requires close supervision, performs detailed tasks accurately*).

The reasons for the continued popularity of these scales are apparent. They are easy to construct, applicable to a variety of types of jobs, simple to administer, and do not require too much time or training on the part of the appraiser. The disadvantages of these scales are also fairly obvious, however. They are, of course, quite subjective. The level of activity or degree of behavior described by *outstanding* may differ in the minds of the supervisor and the subordinate or from supervisor to supervisor. It is also difficult to demonstrate that degrees of these characteristics correspond to particular levels of job performance.

Behaviorally Anchored Rating Scales

The behaviorally anchored rating scales methodology is an attempt to overcome the subjectivity of the graphic rating scale with the sub-

FIGURE 1

Behaviorally Anchored Rating Scale (BARS)[2]

How Perseverent Is the Employee?

☐ Could be expected to keep working until a difficult job is completed.

☐ Could be expected to continue working on a difficult job past normal quitting time rather than let it go until the next day.

☐ Could be expected to continue working on a difficult job until an opportunity arises to work on another task.

☐ Could be expected to need frequent admonitions to continue working on a difficult job.

☐ Could be expected to ask for a new assignment when faced with a difficult job.

☐ Could be expected to stop work on a hard job at the first sign of difficulty.

stitution of observable behaviors for the adjectives or descriptive phrases in the scale (figure 1). In initiating a behaviorally anchored rating scales system, a job analysis is conducted to identify all of the dimensions to be evaluated for each position in the organization. Behavioral anchors are then written for each dimension, as many as five to ten for each position.

These behavioral anchors are both the major asset and drawback of this system. They do emphasize on-the-job behavior, promote objectivity, fit the position under consideration precisely, and give the supervisor specific activities to discuss in the performance interview. On the other hand, this system is time-consuming and expensive to institute. Also, the job analysis is of the position and does not take into account the changing objectives of the job holder. Most significantly, the system assumes that the supervisor has actually observed the behavior selected on the scale. If this is not the case, the supervisor is once again basing the assessment on subjective expectations.

Scaled Comparison

The scaled comparison has been described as the first new evaluation methodology in more than forty years.[3] Its notable features are separate measurement of designated performance criteria based on a job analysis, scaled comparison of the effectiveness of individuals in the selected criteria, and the use of multiple raters.

There is generally a reluctance to compare the performance of individuals. However, it has been argued that in practice organizations *do* compare individuals every time a personnel decision is made. As one writer puts it, "People are not promoted because they achieve their objectives, but rather because they achieve their objectives *better* than others."[4] The reasoning implicit in the scaled comparison technique is that making comparative evaluation part of the formal appraisal system encourages use of valid and reliable data in the decision-making process.

In the job analysis preliminary to the use of the scaled comparison, supervisors and subordinates cooperate in identifying, defining, and assigning relative importance to the criteria that will be considered in evaluating performance. Defined in terms of observable behavior, communication skills, for example, might be identified as one such criterion. Furthermore, communication skills can be weighted as more or less important than another criterion. Within each rating group all possible pairings of individuals

are then established and comparisons drawn for each criterion (figure 2). In each group these ratings are assigned by three to ten people who know the individuals being evaluated.

Scaled comparisons create possibilities for measuring effectiveness in all significant dimensions of a position, encourage objectivity in rating, and provide a consensual evaluation that promotes uniform application of criteria throughout an organization. Needless to say, implementing this system would require extensive preliminary planning. Initiating the concept of multiple raters might also be difficult either because of the organization's size or administrative patterns. Finally, skill and sensitivity would be required in introducing formal comparative evaluation. Edwards[5] and Graves[6] both describe scaled comparison in greater detail.

FIGURE 2
Scaled Comparison for Appraisal

Performance Evaluation Rating
Rating Group: *Circulation*
Performance Criterion: *Communication Skills*
Rater: *Lily Harris*

Ben Smith		X				Louise Thomas
Joan Wilson					X	Harry Marks
Ben Smith			X			Joan Wilson
Louise Thomas					X	Harry Marks
Joan Wilson	X					Louise Thomas
Ben Smith					X	Harry Marks

Note: Rater Lily Harris perceives Ben Smith to have "slightly better" communication skills than Louise Thomas. Harry Marks has "much better" communication skills than Joan Wilson, while Ben Smith and Joan Wilson are rated as having a equivalent communication skills.

Management by Objectives

Management by objectives (MBO) has been presented as both a management system and an appraisal technique. When it is used in appraisal, the subordinate, in consultation with the supervisor, sets behaviorally defined performance goals for the next review period, generally one year. The supervisor's primary role is in relating these goals to the mission and the realities of the organization. When the subordinate's goals have been written as objectively and quantitatively as possible, the appraisal process becomes a matter of matching the achieved results to the objectives at the end of the review period (figure 3). Flexibility, participation by employees, and use of observable behavior as the basis for evaluation are the attractive features of management by objectives.

FIGURE 3
Example of a Type of MBO Performance Appraisal Plan

Performance Objectives

Position: Elaine Wilson, Reference Librarian,
Reference Department

Objectives for the Year 1984	Results and Explanations
1. To analyze evaluation of library instruction program and submit recommendations to teaching group by March 1, 1984	1.
2. To analyze evaluation of the freshman tour program and make recommendations to the Orientation and Tour Committee by March 15, 1984.	2.
3. To complete bibliography of N.C. economic statistical sources and submit to Documents Dept. by May 15, 1984.	3.
4. To revise the political science bibliography by July 1, 1984.	4.
5. To prepare four annotations for inclusion in each 1984 edition of the *New Reference Books List*.	5.
6. To identify three review journals for film studies and compare the titles reviewed in the last two years against the library's holdings and titles on order. Submit analysis to Collection Development by October 1, 1984.	6.

Its most essential and difficult prerequisite is the ability of supervisors and their subordinates to write cogent, measurable objectives. Of course, the system is not evaluative. Some mechnaism is still required for translating outcomes into decisions for promotions, salary increases, and the like.

None of these systems, nor any other, apparently, is a completely satisfactory response to the necessity of performance appraisal. Any of the techniques described, or modifications of them, might serve as a component of a library's formal appraisal program. In creating an equitable sys-tem that is appropriate to its particular needs, a library can utilize guidelines for the development of performance appraisal systems that appear in the management literature. As a general rule, the following elements are fundamental to the success of a performance appraisal system: a basis in job-related criteria, documentation, uniformity of administration, continuity, and employee involvement.

While there is no single factor that defines the acceptability of a performance appraisal system, consideration of job-related behavior or criteria in the review process is of undeniable importance. Legal defensibility, for example, may depend upon this. Court decisions "have rested on selection and promotion practices based solely on the subjective judgments of supervisors, on tests which were not demonstrably job related, and on similar factors."[7] Excluding external factors, however, it is still desirable to have a performance appraisal system that is more than a *pro forma* mechanism for making personnel decisions. The developmental functions of appraisal are also better served by a system grounded in observable activities. This begins with job analyses to which are added individualized objectives of the job holders. The job description should be updated regularly to insure its reflection of current responsibilities. If there is an expectation that certain activities should receive greater or less emphasis, that fact should be noted by quantitative statements in the job description. The following priorities might be established for a cataloger:

> 60%: cataloging activities, including training and studying
> 40%: filing revision, continuing education, assistance to other departments, committee work, other library and professional activities

Another technique for relating the description of the job more precisely to work performance is the development of measurable performance standards by the supervisor and the subordinate for areas of major responsibility. The manner in which an activity will be conducted is identified and a quantitative measure of achieved results is defined. For example, "Initiate transactions to correct discrepancies with no less than 100% accuracy (i.e., no margin of error—inaccurate transactions would necessitate repeating entire cycle to correct an error)."[8]

The outcomes of work behavior are the undisputed foundation of performance appraisal. However, it is acknowledged that the way in which outcomes are accomplished, the "how" of work behavior also receives consideration, albeit

unspoken, when evaluations of employees are made. One author asserts that is the way in which results are obtained, the adaptability of the employee's behavior to various demands of the job, and the collective judgments made about the behavior that actually determine a person's success in the organization.[9] In recognition of this reality, it would probably be acceptable to incorporate behaviorally anchored rating scales into the performance appraisal system to assess more subjective elements of behavior such as initiative and diplomacy.

Related to the imperative of using job-related criteria as the basis of performance appraisal is the requirement for formal documentation of all aspects of the process. Written statements of the employee's responsibilities, definitions of terms, criteria, and standards to be used in the evaluation, and a description of goals to be reached defined in terms of results to be achieved must all be available before appraisal can be accomplished. Then, throughout the review period, a record must be made of relevant events such as goal-planning sessions and review interviews. A useful supplement to the more formal performance appraisal documents is the critical incident report. To create a critical incident report the supervisor writes a paragraph, at the time an event occurs, describing the subordinate's actions in a specific circumstance. The employee is aware that the incident has been recorded and placed in the appraisal file. At the time of the performance interview, the critical incident reports provide the supervisor with verifiable examples of employee behavior that can be reinforced or noted as requiring modification.

Uniform Administration

Guaranteeing that the system is administered uniformly throughout an organization may be the most challenging factor in performance appraisal. The first consideration is that comparable means be established to evaluate all of the organization's employees. This is of significance for libraries where there may be both classified and unclassified personnel. It may not be possible to apply one appraisal system to all of a library's employees. However, within job families or among similar positions where employees will be considered for similar advancements, the form of appraisal should be the same.[10]

Once the system is in place, consistency is most dependent upon the actions of those who perform appraisals. The effectiveness and consistency of their actions, in turn, can be influenced by

training. Given the inherent difficulties of creating a reliable performance appraisal system, the skill of the appraisers may be a critical factor in the system's viability. The essential formal training for appraisers that is stressed in the management literature is almost nonexistent in libraries, although the character of administration in libraries heightens the need for it. Many library supervisors have been promoted to their current positions from ones similar to those that they supervise. They understand thoroughly the work they evaluate, but they may lack managerial skills.

The situation is further complicated by the fact that these supervisors often fill both peer and supervisor roles. A reference librarian may be responsible for supervising the work of librarians and other staff and, at the same time, participate in most of the activities of the department. One author recommends sixteen to twenty-four hours of training in performance appraisal for supervisors. The content of the training should include the goals of appraisal, practice in goal setting and measurement, thorough explanation of the organization's performance appraisal system(s), instruction in conducting the appraisal interview, and training in the use of informal appraisal techniques.[11] Specific activities that might be used in training include role playing, examination of case studies, behavior modeling, videotaped practice, and self-evaluation.

If a performance appraisal system is to attain maximum usefulness to both employees and the organization, it must be a regular, ongoing process. This means, in part, that all supervisors should adhere to an established schedule of review for the employees they evaluate and that there should be set periods of evaluation for the various categories of employees. Continuity in the process is achieved through three types of interaction between the supervisor and the subordinate: informal feedback, coaching and counseling, and the performance interview.[12] Informal feedback consists of the ordinary, daily contact between the supervisor and the subordinate. It may be a brief comment, "Good work," or a more detailed observation, "You should have been more patient with that patron." This kind of feedback is spontaneous, but it does provide guidance.

Coaching and counseling is also regarded as relatively informal, occasional interaction between the supervisor and subordinate. The supervisor evaluates a specific activity or task of the subordinate immediately after it has been completed. The supervisor's comments are structured to give the subordinate information about

why the activity turned out as it did and how it might be performed better in the future. The performance interview is the most formal exchange in the appraisal process. It is an analysis of the subordinate's whole performance for the review period. If the performance appraisal system has been well-designed and conscientiously implemented, this review should hold no surprises for either participant.

A final element that contributes to the success of the performance appraisal system is employee involvement. A poll of U.S. workers in 1977 revealed that over half of those surveyed believe that they have a right to participate in decisions affecting their jobs.[13] Employees should contribute to the creation of the system by which their performance is evaluated. This increases confidence in the system and willingness to participate. Employees must also have access to the results of the appraisal process. This again encourages confidence in the system. It also enables the employee to improve performance on the basis of the evaluation and to challenge decisions or to correct errors.[14]

A perfect performance appraisal system is an unattainable goal. However, with thoughtful planning and careful implementation, most libraries can have an effective and equitable system for evaluating employee performance, with benefits accruing to the employees and the organization. The question should not be whether the cost of implementing such a system is too great, but whether the organization can afford to pay the price of not having one.

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