Performance Appraisal: Enhancing Employee Development Through Interpersonal Feedback

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The performance appraisal process is an integral part of most, if not all, manager's jobs. The primary function of employee performance evaluation is to enhance the utilization of human resources within the organization. The facilitative effect of performance feedback on future behavior has been well documented (Ilgen, Fisher, & Taylor, 1979). A study by Locker and Teel (1977) indicates that over 90% of organizations report using some type of performance appraisal process. A more recent study suggests that formal appraisal systems are becoming increasingly popular (Campbell and Barron, 1982). Unfortunately, though more and more organizations are adopting formal appraisal processes, the majority of personnel managers express dissatisfaction with their current appraisal system. Perhaps this dissatisfaction is the reason that available performance information is often not fed back to the employee (Cascio, 1987). Moreover, the annual performance review is one of the most dreaded tasks by line managers and is often treated as a necessary evil (Bernardin and Beatty, 1984).

The dilemma of managers feeling the necessity of performance appraisal while finding the task particularly onerous stems from several factors. Few managers precede the appraisal interview with any forethought or preparation, and fewer still have any training in appraisal processes. Managers and employees often question the validity and/or legal defensibility of the evaluation. Furthermore, many managers, as well as employees, view the performance appraisal process as confrontational by its very nature. Many times the end result is an antagonistic relationship between management and staff, which is far from the desired effect of enhanced employee productivity.

The problems with the appraisal system result, in part, from trying to achieve two fundamentally conflicting functions in a single process. The performance appraisal process is used for generating data for judgement decisions and for employee development. In an effort to combine these two functions, most companies and individual managers stress administrative decisions and neglect employee development (Bushardt, Fowler, and Dehnath, 1985).

Performance appraisal is used to make judgement decisions regarding promotion, merit raises, transfers, and discharge. The nature of these decisions often places managers and employees in confrontational roles. Additionally, feedback may be delayed because of the unpleasant nature of relaying negative feedback to the employee (Ilgen et. al., 1979). During the performance appraisal interview the employee often becomes defensive as he hears feedback on his performance. The employee focuses on the short term goal of attempting to convince the evaluator that his evaluation is incorrect in order to receive a higher merit raise or a promotion. In short, employees are very likely to assume a defensive position. The manager, on the other hand, is likely to be defensive as his or her judgement is being challenged by the employee. The possibility of legal entanglement further casts a dark shadow over the process. Under these conditions the function of employee development is often thwarted as feedback to enhance performance is subjugated to ratings on the evaluation.
Supervisors, during casual, daily interactions, are an important source of performance information for their subordinates. These interactions may distort feedback related to the employee's actual performance. Employees, especially when they suspect they are performing poorly, often engage in feedback-seeking strategies. Larson (1989) argues that these strategies tend to minimize the amount of negative feedback they receive. The employee's motivation to maintain a positive self-esteem combined with the supervisor's reluctance to give negative feedback are likely to contribute to this result.

The purpose of this paper is to develop guidelines for enhancing the employee development function within the appraisal process, thus separating it from the judgement function. By making employee development the objective of the performance appraisal interview, a situation is created in which the manager and the employee share a common goal. The skill of giving and receiving feedback in a supportive nonthreatening atmosphere is critical in determining the success of the interview.

**Employee Development Function**

Whether consciously or unconsciously, successful managers use feedback to modify employee performance. Feedback is information that helps people to decide whether their behavior has the effect that they intended. It allows one to compare his own perceptions of his behavior with others' perceptions. The feedback can then be used by individuals to make appropriate adjustments in their behavior (Bushardt and Fowler, 1987; 1989).

Cedarblom (1982) lists three factors necessary to produce effective interviews: superior's knowledge of subordinate's job and performance, superior's support of the subordinate, and welcoming the subordinate's participation. Also, each participant in the feedback process should both be an active listener, noting verbal and non-verbal cues. Perhaps most importantly, the person receiving feedback should listen to what is said without argument or criticism.

Generally speaking, feedback can be either negative or positive. Negative feedback discourages unwanted behavior by communicating that the behavior did not have the desired effect. On the other hand, positive feedback reinforces desired behavior and increases the likelihood that the behavior will occur again.

The question of whether to give positive or negative feedback first is often debated. Stone, Gueutal, and McIntosh (1984) found that self-esteem moderates the relationship between feedback sequence and perception of feedback accuracy. The praise first approach is more effective when the rater is perceived to have a high level of expertise, and the recipient has an internal locus of control as well as high self-esteem. Though research studies are unclear on the order of negative and positive feedback under other situations, most writers and practitioners recommend the "sandwich approach" where negative feedback is preceded and followed by positive feedback. Glueck (1978) suggests that this approach is more likely to lead to acceptance of the negative feedback.

**Providing Feedback**

The process of providing effective feedback is a delicate one that is more of an art than a science. With this fact in mind, the following guidelines are suggested as a framework to enhance the performance appraisal process for both the supervisor and the employee (Bushardt and Fowler, 1989).
Be sure that your intention is to be helpful.
The appraisal interview is not the time to show the employee who is boss. Every point that is covered in the interview should be an effort to build the employee by encouraging appropriate behaviors and modifying behavior that is not appropriate. Employees should leave the interview with a better understanding of what is expected, a sense of open communication lines and an optimistic outlook for future performance.

If the recipient has not asked for feedback, check to see whether he or she is open to it.
Providing performance feedback should be one of the purposes outlined when introducing the employee to the performance appraisal process. When using the performance appraisal process for development purposes, feedback should not be provided in areas where the employee is not open to the feedback because little behavioral change is likely to result from the feedback. Additionally, when the manager provides feedback in areas where the employee is not receptive or open, other feedback is likely to be ignored as well.

Many job behaviors which need changing in order to enhance performance occur in areas where the employee is not open to feedback. Feedback in these areas should be provided during the annual performance appraisal during which judgement decisions are the rationale for the rating. When performance appraisal is used for development, the manager should concentrate on only those behaviors which the employee is likely to be open to changing. By separating the two functions, the performance appraisal for development purposes is likely to become less threatening and the employee is likely to be open to feedback in more areas. In addition, when the two functions are separated the employee is likely to view the development function as a team approach and use the opportunity to receive feedback that will enhance his or her appraisal at "judgement time."

Deal only with behavior that can be changed.
It is fairly obvious that it is useless to provide negative feedback on an employee’s behavior if he or she cannot change or improve the behavior. Ideally, every position in the organization will be filled with people who are perfectly suited for that position. However, the reality of organizational life is that employees bring limitations with them that often inhibit performance and prevent them from being that ideal employee about which managers dream. Employees can be very effective while not achieving the ideal. For these individuals the manager needs to develop their potential and accept those limitations which are unchangeable. If these limitations are unacceptable the employee needs to be transferred into a different position or encouraged to seek employment elsewhere.

The challenge for managers is to be able to identify what is a changeable behavior and what is not a changeable behavior for a given employee. For example, obesity is generally regarded as a changeable behavior in our society, especially by those who are thin. The reality is that for some individuals this is not a changeable behavior, at least in the short run. For the manager to provide feedback to one of these individuals concerning his weight is not only cruel but useless. Again, the key issue is the ability to discern the difference between a changeable behavior and a behavior that is not. This necessitates the manager having a close relation with the employee and an understanding of their limitations and strengths.
Deal with specific behavior, not generalities.
In addition to limiting feedback to changeable behavior, you should also exercise caution by avoiding generalities (e.g., "you’re always late", "you’re just a happy person"). This point may be especially important when giving negative feedback because it is likely misperceived and not accepted. Specific feedback leaves less room for distortion and is harder to deny. An employee will be more likely to change his behavior if you tell him specifically what he does right and what can be improved. A simple rule to follow in order to avoid generalities is "never say always or never."

A favorite word in our culture is the word attitude. The word has assumed the role of a generality and communicates very little to the employee when used. In providing feedback the manager should attempt to use behavior as opposed to cognitive processes. Behavior is objective in the sense that it can be measured, counted, and observed. The manager and the employee are likely to be able to agree on what behaviors are being discussed. Attitudes, on the other hand, are a cognitive process which is not subject to observation and ready definition. The employee is unlikely to grasp the message when told, "he has an attitude problem" (Bushardt and Schnake, 1981). The manager should use the "management by walking around" approach to experience the employees' behavior first hand and obtain specific behavioral examples (Peters and Austin, 1985).

Describe the behavior; do not evaluate it.
In order to ensure that employee growth and development will result from the appraisal interview, avoid being judgmental. The interview climate should be objective and as unemotional as possible. Describe the behavior and its impact objectively, providing specific behavioral examples when possible (Bushardt and Schnake, 1981).

For example, when the manager tells the employee that he is irresponsible for not having the report in on time, the manager is being judgmental and the employee is likely to become defensive with little behavioral change resulting. The focus of the discussion is likely to center on the employee’s character and the real issue of being late with the report is likely to be lost. Furthermore, a discussion of the employee’s lack of responsible behavior will often be seen as an attack on his character and value as a person. A more appropriate way for the manager to handle the issue is to say, "your reports have been late the last two Fridays and I feel angry about this."

Let the person know the impact of the behavior on you.
Tell the employee how his behavior impacts you personally. When the manager uses statements like, "you make me angry when you are late to work," the manager is inappropriately trying to make the other person responsible for the manager’s emotions. By using "I statements" (e.g. "I feel angry when you are late to work") the manager is accepting responsibility for how the behavior made him feel. The first case is an untrue statement because the employee does not control the manager’s emotions and cannot make the manager, or anyone else, angry. The decision to be angry is a personal one, beyond the control of others. The use of "I" to accept responsibility for one’s own feelings is an honest statement which is likely to be accepted by the employee, as opposed to blaming him for one’s emotions.

Be sure the person understood your message the way it was intended.
After giving feedback, check to see that the subordinate understands the feedback. When individuals receive negative feedback on a specific behavior it is not uncommon for them to hear a different message. For example, when the manager says to the employee, "you have not demonstrated a willingness to take initiative with new assignments as evidenced
by your refusal to accept the new tasks I passed to you last week," the employee is likely to hear that the manager perceives him or her as incompetent and not a very good person. Employees often internalize a very different message than what has been said. Because of this, the manager should check to see if the employee understood the message as it was intended: a rejection of the behavior and not a rejection of the individual or a threat to his job security.

This is also a good time to ask the employee for assistance in developing a plan for areas in need of improvement. Help the employee to accomplish the plan goals by agreeing on a completion date and providing feedback along the way. It is important for the employee to understand that the focus of the appraisal is development, and that the manager and employee are working as a team to help the employee to become the best he or she can, or desires to, become.

**Receiving Feedback**

An important part of the appraisal is the opportunity for the employee to give the manager feedback. Subordinate participation in the interview should be high when the content of the interview is nonthreatening to the subordinate, the subordinate is knowledgeable and personally independent, or if the subordinate is a longer term employee who is accustomed to participation with the supervisor (Cedarblom, 1982). The way the manager accepts feedback plays a key role in determining how the employee responds to feedback. Many, if not most, employees enter the evaluation process with expectations of confrontation and a limited set of skills relating to receiving feedback. The manager, as a role model, is a key element in reshaping the behavioral expectations of the employee (Bandura, 1969). The following guidelines may be helpful in receiving feedback.

*Be specific in describing the behavior about which you are wanting feedback.*

By requesting feedback on a specific aspect of your behavior you will make it easier for others to respond to your request. By limiting feedback to specific behavioral areas, others are more likely to believe that you are sincerely attempting to check the impact of your behavior with others. By defining to the employee in which areas you are open to feedback, the individual protects himself from unwanted intrusion. Few people are open to feedback in all areas of their life. Few managers will want to receive feedback on personal matters unrelated to the job.

*Avoid a defensive posture.*

If the manager responds to feedback with defensive verbal or non-verbal behavior, the employee is unlikely to provide feedback again. Furthermore, the employee is more likely to rely on defensive behavior when he or she is receiving feedback from the manager. When individuals become defensive, they do not have the chance to hear, much less evaluate, the feedback he or she has received. An important point in receiving feedback is the receiver always has the option of incorporating the feedback within his or her behavioral repertoire or simply ignoring it. This is true for managers and employees.

*Summarize your understanding of the feedback.*

Restate the feedback that you have received in order to check for accuracy. It is not uncommon to restate the feedback verbatim or slightly paraphrased and have the employee declare that is not what he said. Though this may in fact be what he said evidently it is not what he meant. At this point, clarification is very important and the
person receiving the feedback should rely heavily on active listening skills to attempt to understand what the person means as opposed to what he is saying. This may be the most difficult step in the process, but it is central to effective communication.

**Share your thoughts and feelings about the feedback you have received.**
The employee who accepted your request for feedback and responded probably saw this as a big risk. It is important that you express appreciation for the information provided, whether it provided insight or not. When possible involve the employee in your attempt to modify your behavior by requesting feedback along the way. This will not only help you, it will show the employee that you are serious. The way in which a manager responds to receiving feedback will have a major impact on the way in which the employee receives feedback in the future. The impact of modeling behavior is well documented in the literature (Bandura, 1969).

**Frequency of Performance Evaluation**

Performance appraisal interviews are often an annual event which may be effective as far as judgement decisions are concerned but tend to be inadequate where employee development is concerned. The two functions should be separated as much as possible in terms of the instruments used and appraisal interview sessions. The development function associated with appraisal should be performed more frequently. The frequency of appraisal interviews for development purposes depends on several factors associated with the employee and the job. Cedarblom (1982) has suggested several guidelines to use. High performers in nonroutine jobs should be interviewed at flexible intervals (generally more than once a year) and the interview should be particularly focused toward development. Longer tenure satisfactory employees in routine jobs should be interviewed in order to evaluate deviations from prior acceptable performance. On the other hand, newer or lower performing employees should be evaluated more frequently.

**Enhancing the Effectiveness of the Interview**

Employee involvement in the evaluation process is effective in improving the outcomes. Time spent by the employee preparing for the interview (specifically, analyzing job responsibilities and duties, problems being encountered on the job and quality of job performance) is associated with more positive interview outcomes and significantly related to job performance improvements (Burke, Weitzel, & Weir, 1978). Silverman and Wexley (1984) found that participation in construction of behaviorally anchored rating scales (BARS) used in performance evaluation led to favorable perceptions, as well as positive outcomes, regarding the performance appraisal interview process. It has been pointed out that one advantage of BARS may have nothing to do with measurement of performance but stems from a high degree of involvement of workers and supervisors in scale development (Landy & Trumbo, 1980). In short, employee participation in the development of the appraisal instrument and the interview enhances the performance appraisal process.

In the interview process the manager should limit negative feedback to the employee to only two or three specific behaviors. Though the employee may have many other behaviors that need addressing within the interview, a list beyond two or three often becomes overwhelming with the result being that the employee tunes the manager out or begins to doubt his own self-worth. The net result is that little or no positive behavior
change occurs. If more than two or three negative behaviors need addressing it is more effective to deal with a limited number and use more frequent interviews.

A tendency exists among many managers to stress only what the employee is doing wrong and to request behavioral change in these areas. To enhance the effectiveness of the appraisal process the manager should also reinforce positive performance behaviors that the employee is exhibiting. After providing negative feedback on the employee’s behavior, the manager should take time to stress that he or she values the employee as a person. It is important to differentiate between the employee’s behavior and their value as a person. In addition, when negative feedback is provided, the manager should follow-up soon after the interview to reinforce desired behavioral responses when they occur. Blanchard and Johnson (1981) in The One Minute Manager suggest that the manager look for the employee doing something right.

**Summary**

Performance appraisal is regarded as one of the more odious tasks most managers are required to perform. The process can be less odious and more effective by separating the functions of judgement and employee development. In separating the two functions managers can give employee development the attention that it needs (and deserves) in order to effectively utilize human resources. In order for the development function to be enhanced the managers need to have effective communication skills related to giving and receiving feedback.

The emphasis on the development function within the performance appraisal process is likely to be a new experience for many managers, some of whom lack effective communication skills. Organizations considering separating the employee development function from the judgement function should consider management training in the area of giving and receiving feedback. Managers with appropriate guidelines and communication skills may discover that the performance appraisal process which stresses employee development is one of their most effective tools for altering employee behavior, as well as being a personally rewarding experience.

**References**


