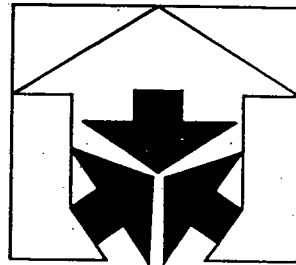


# **JOB AND PERFORMANCE EVALUATION**

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## JOB AND PERFORMANCE EVALUATION

### Introduction

The purpose of this study is to assist the organization executive in evaluating the jobs in his organization and the performance of personnel in their job functions. Effectiveness in both areas determines in large measure the success of the organization.

Every organization is concerned with three primary ingredients: money, manpower and ideas. These three elements must be melded into a dynamic combination for the realization of the purposes for which the organization was established.

The responsibility for the effective use of each essential element rests with the management of the organization. It is management's obligation to identify group objectives and then deploy money, manpower and ideas in satisfactory attainment.

This discourse will only be concerned with the problems of manpower--the effective effort of individuals in a group toward selected goals. Money and ideas are equally important but without effective manpower, nothing is accomplished. It is the team-play that makes the difference between success and failure. Like the members of a baseball team, each member of a staff carries a specialized function but not in solitary performance. Each job function to be effective must be related and synchronized with all other jobs performed by the group. Each person must be doing his job efficiently and at the time the task is to be done. The work effort requires essential talents consciously applied in the interest of group achievement.

The task of the organization leader is two fold. First, each job must be evaluated in terms of its importance to all other jobs and to the total work effort. Second, each individual performance must be evaluated in terms of job requirements and standards of performance. These two aspects of evaluation are so intertwined that it is difficult to keep them separated. Evaluating the job or what the position requires in terms of knowledge, skills and attitude is too often confused with evaluating the individual's performance or how well the worker measures up to the established standards of attainment. It will be helpful to remember that job evaluation concerns the job itself without the influence of the worker's personality or interpretation of the job. Performance evaluation focuses attention on the individual worker in carrying out a specific, defined job function.

In approaching this dual responsibility management should continuously ask these questions: What is our purpose? Has continuous change altered

our original purpose? What are our short and long range goals? How has circumstance changed each job function? How well qualified are staff members? Is the division of labor arranged most effectively? What might be done to improve the efficiency of individual and group effort?

These questions should lead to an examination of the purposes of the organization, the specific job functions and the standard of performance.

## JOB AND PERFORMANCE EVALUATION

### JOB EVALUATION

The modern manager knows that the highest cost of operating a business, industry or volunteer service organization is that of labor. Wages are industry's biggest single cost. And setting wages is probably business' biggest headache. The end is not yet. The percentage of dollar income will continue to increase for labor. The biggest problem is to keep manpower costs from bankrupting the organization. The manager must, therefore, give close attention to evaluating job functions.

In attacking the first phase of evaluation, the manager must possess a clear idea of what he is doing. To do so requires definition. Job evaluation has been defined by D. Yoder as:

a procedure that develops a rating of each job, indicating how its contribution compares in value to all other jobs in the firm (or organization). It lists the factors that are paid for in all jobs and creates scales or a measure for each factor. Then it rates these scales and summarizes these ratings to provide a composite valuation for each job.

There are two concerns expressed in this definition: the contribution of the job to the organizational out-put and the value or price tag placed on its contribution to the total work effort. The process of job evaluation can not escape either factor but the two aspects may be confused.

For example, management may become so concerned with the price tag for administrative convenience that the importance of the job becomes incidental. In fact, the first efforts to evaluate jobs were prompted by reports which came from the U. S. Military experience of World War I. These early evaluations were almost exclusively "merit ratings" aimed to identify the components of a job in order to assign a point value and to then translate into dollar or wage scales.

The first essential in the process is for the manager to focus his attention on the job itself. To do so the employer or supervisor should ask these questions: What results should this job accomplish? What information, skills and aptitudes are essential for satisfactory performance? How does the job fit into the whole work set-up? What are its component parts? Does it have an identity all its own? Can it be set up by itself as a productive effort in an assembly-line of functions without invading other functions of group effort?

These questions will do much to identify the job as a part of group effort and to provide yardsticks by which to evaluate the job's value in the overall organizational effort.

Fundamental to job evaluation is job description. Unless the evaluator thoroughly understands the nature of the job--its requisite skills, essential information and aptitudes for satisfactory performance, it is impossible for a supervisor to evaluate the job in terms of the total work effort. This obligation is the charge of administrators and supervisors. However, the first step in job evaluating is job description. Unless, the evaluator thoroughly understands the job, appraisal is impossible. The evaluator must possess a clear understanding of job requirements--information, skills and aptitudes.

### JOB DESCRIPTION

A primary requisite of all evaluating programs is a comprehensive description of the job. The big stumbling block is that the nature of jobs is like the sands of the desert. They shift under the winds of work and on the terrain of organization relationships. A job function rarely remains constant. It may begin as a clearly defined function but the work load of an organization and the variable abilities, aptitudes and interests of the worker tend to alter the job within a span of time. Even such routine jobs as bookkeeping and accounting are subject to the approach and method of the worker who performs the job. Each employee will do his work and strive to make it into the kind of job that suits his personal needs.

To further defeat a rigid job function, the demands of the organization make necessary a flexibility in job performance in reaching goals or doing the work that must be done. Some organizations flounder under a sudden increased work-flow because employees refuse to do other than the jobs originally described and for which they were hired. The bookkeeper, file clerk or the boss's secretary ignore a pressing team-play with the remark, "That isn't my job."

The importance of a flexible quality in carrying out the work of an organization would seem to argue against job description and the delimiting of the areas of work to be performed. To the contrary, a realistic insight should encourage a careful analysis and a comprehensive description of each job. The changing nature of jobs only argues for a periodic re-appraisal of the group functions performed by the workers in a group.

Every sound organization requires a division of labor. Labor cannot function effectively or efficiently otherwise. The leaders responsible for goal achievement must have a clear picture of: Who is to do what? What abilities and skills are required for each job? How do the respective jobs relate to work-flow for greatest efficiency? What is each job worth in relationship to other jobs?

The most baffling fact is that job descriptions often fail to describe accurately the work to be done. The reasons are many. In the first place, the administrator or supervisor responsible for describing the job function may not be familiar with the intimate details of the function. Having never performed the task himself, he must depend upon observation. Were he to decide to learn the job, he would find it both time-consuming and somewhat awkward. Besides, he could injure his relationship with his subordinates and his superiors to whom he is responsible.

Finally, it is difficult to convey an image of a function through the use of words or language. Words and combinations of words are unwieldy

and inaccurate. At best, a description reflects the describer's understanding of the function but the words may convey a different concept of the work as interpreted by someone else. As an exercise, try describing what you do and then submit it to those with whom you work for their reaction, or have every employee in your organization write a description of their job and then test the results on the whole staff. The results will give you some idea of the difficulties involved in job description. Experience has proved that the most reliable approach is for the supervisor and worker to work together in describing the job, unless the job has not previously been performed. This being the case, the analyst must vicariously envision the various components of the job and thereby describe requirements in terms of information, skills and aptitudes requisite to satisfactory performance.

The most important thing is to start somewhere. The saddest commentary about organizations is that a vast number have never made a careful analysis of the component parts or movements or duties of the various jobs.

Employees have come and gone but no one has been asked to describe in detail the work performed. Likewise, no one in a supervisory capacity has studied the jobs and attempted to describe the job functions.

In cases where job description has been attempted, the customary procedure is to describe the job and not the incumbent worker. While this may be easy to do when there is no one on the job, it is an entirely different matter when there is an employee performing a job function. Then the usual procedure goes something like this:

A job analyst (or supervisor) sits down with the employee to observe and analyze what the employee does. The job that the supervisor originally had in mind is relegated to a secondary position. In fact, it is forgotten altogether. The job becomes what the employee does. Moreover, if, when the job is periodically reviewed, the employee's actual duties are observed to differ from those outlined in the job description, then the latter is revised to make it reflect what the employee actually does. None of this, however, is allowed to interfere at all with the fiction that the job is rated apart from the employee. The pretense is maintained, and the job is rated "as if" the employee had nothing to do with it.

There need be no horror in the realization that job descriptions usually describe what is done and not what is intended. The important goal is to become involved in the process of describing functions.

When an employee is not doing what was originally expected, the trouble may lie in the organizational set-up rather than with the employee. For example, the work situation may demand too many duties; it may fail to provide the employee with essential tools or proper working climate; or the function may have become obsolete as a result of the dynamics of the organization.

As long as management recognizes that job description is an evolutionary process, all functions in relationship to each other can take on

specific character. Each job must be defined and re-defined, developed and elevated to a status in harmony with what management intends the employee to do on the job.

The advantages of the whole process might be summarized as follows:

- 1) A job description gives the supervisor and management a clear concept of the function to be performed;
- 2) A job evaluation provides a measure of how much a performance is worth to the organization;
- 3) A performance description provides a detailed picture of what the employee is actually doing.

This whole complicated business of job evaluating sounds most discouraging but the difficulty of job description is the strongest argument in support of it. Every manager knows that a job description is essential in effective hiring. Only with an adequate job description can one evaluate the aptitudes, skills and interests of the applicant with those required for the job. Moreover, a new worker can begin his duties with a reasonably clear idea of the job to be done.

It will also minimize the chances of job dissatisfaction by a new employee which often occurs where job delineation has been only verbalized. From a managerial standpoint an administrator is in a strong position if he has at hand a written record of all functions performed. When it comes to directing and controlling the work-force, he can shift the work-load far more effectively. The supervisor who understands each job commands a confidence and respect on the part of the staff. And finally, a written record of job functions will facilitate a periodic re-appraisal.

W. H. Newman suggests the following Outline of Job Analysis Procedure for preparing job descriptions:

1. Analyst conducts interviews, takes notes and writes job description in preliminary form.
2. Preliminary job descriptions distributed among other analysts for criticism.
3. Job descriptions edited and checked for factual content, relationship to other jobs, and supervisory relationship . . .
4. Job titles approved . . .
5. Job descriptions reviewed by . . . analyst
6. Job descriptions typed in final form . . .

The administrator who has initiated or contemplates introducing a program of job evaluation will first master a thorough understanding of all functions under his command. This is the foundation step on which the structure of the program will be built.

Job analysis, description and evaluation provide a foundation for the most difficult task-evaluation of performance. Job description is concrete in quality; likewise job evaluation is subject to rigid factors in appraisal. But job performance is beset with the factors of human equation. None of the building blocks with which one works is of the same size or quality.

### EVALUATION OF PERFORMANCE

Evaluating the worker's performance is the more difficult of this dual responsibility because the exercise concerns itself with human beings. More will be said later about the philosophy and methodology of evaluating performance but first, let us consider the reasons why performance evaluation is essential to effective management.

The following are the arguments which are supported by experience:

1. Performance evaluation is one of the essential tools which enable management to appraise what it is getting for the payroll dollar. Or to put it another way, it enables management to control personnel service expenses in terms of measured productivity. A continuous check on performance gives management a confidence that individual and group effort are realizing maximum returns on money invested.
2. In cases where salary administration is based upon merit, evaluation of performance is necessary in order to establish formal wage and salary structures and policy provisions for merit increases. Otherwise, periodic increases in salary become a matter of expediency.
3. A system of evaluation provides management with information on how well employees have been selected. It throws light on the question: Do employment practices respect effective hiring standards, job requirements and the quality of employees essential to high productivity.
4. Evaluation brings training programs into sharp focus. Do these programs give new employees an adequate start through effective indoctrination? Does the training follow through to the point of continuous development?
5. The motivation of the individual is the responsibility of management. Evaluation accepts the fact that employees with adequate information, skills, understanding, and proper training will not perform unless they are motivated to perform. To create a desire for maximum performance is the meaning of motivation. The process presumes effective human relations, good communication and insight into behavior.
6. Performance evaluation enables management to correct or strengthen mediocre performance. In-training programs must discover the worker where he is and employ counseling, motivation and discipline to the end that the employee finds satisfaction in better performance and self-development.

7. Group morale can be improved by increasing the productivity and satisfaction of group effort. A program of evaluating places a premium on superior performance. Salary and other rewards are then tied directly to effective effort. The employee feels that he has earned his awards.
8. A program of evaluation gives management a "perpetual inventory" of its human resources. This knowledge permits management to advance those who are ready for greater responsibility and looks ahead to future manpower needs.

In summary, performance evaluation provides management: an analysis of returns on dollars invested; a measuring stick for promotion or salary increase; a double check on personnel selection; a bench mark for reviewing training programs; a guide to personnel progress; a reflection of the effectiveness of employee motivation; an insight into general group morale; and a perpetual inventory of human resources.

Thus for management, the employee and the group, performance evaluation is a managerial sine qua non: but such a statement presents the benefits without elaborating on the involvements of an intricate process. The next step is to examine the process in detail.

#### A PHILOSOPHY OF PERFORMANCE

Any administrator or supervisor who has carried the burden of heavy responsibility recognizes that evaluating performance is not a fad of modern management. Instead, it is an administrative device used to increase the productivity of the organization, to improve the smooth functioning of the work-force, and to minimize the number of discontented, frustrated or uninspired workers to be found in any group effort. Evaluation is also a technique employed as a safeguard against waste and ineffective motivation. Many organizations fail because the acres of human diamonds in their work-force have never been made a dynamic part of the organization. Equally alarming are the scores of able people who go through life performing dull routine because no one has helped them find their niches in society where their talents could have brought them a personal satisfaction and a monetary reward in keeping with their endowments.

Second only to careful selection of employees is the appraisal of their work. Management cannot escape the direct impact of labor costs; nor can it shrug off its responsibility to human needs and aspirations. Performance appraisal can provide the avenue for this dual responsibility. The first hurdle is to convince administrators who are fearful of the hazards that the process is worth the price. Many of these reluctant managers have managed to survive because no crisis or competitor exposed the inefficiency of their organizations. Were you to ask them about the productivity of their organizations, each would claim the output to be maximum. Unless conditions provoke a change in administrative policy, one may safely wager that management will drift along under the illusion that highest productivity is a reality.

One may ask why such inefficiency is permitted to prevail in so many organizations. Only research can provide a scientific answer but guessing may suggest some of the causes.

#### THE REASONS FOR LACK OF PERFORMANCE EVALUATION

First of all, administrators may assume that the hiring of what is believed to be qualified employees assures highest productivity. Second, if employees appear to be busily engaged, the administrator may assume that motion or movement means productivity. Third, many administrators are so burdened with a vast number of responsibilities that there is little time for more than a most superficial observation of the job and besides, finances may not permit assignment of these supervisory duties to staff members. And finally, administrators who consider performance appraisal often abandon the idea because of the time and effort required to carry out an effective program.

#### THE FORCES OF CRISIS

It is safe to say that the evaluation of performance wherever it is practiced has been instituted as a result of administrative training or a crisis which has forced an appraisal of work-force productivity. Likely, training is the exception to the rule.

Whenever crisis in finances or inadequate production forces an examination of performance, the procedure is fraught with the dangers of a crash attack to improve performance. Under pressure many organizations have initiated appraisal programs without proper preparation and without knowledge of the development of the principles involved. As a result, they have gone into varied and strange bypaths in an effort to find a quick, easy solution to their problems.

Crisis is a poor time in which to lay the ground work to establish the principles and to outline a system of procedure to assure a cooperative approach by both supervisor and subordinates.

The crying need on the part of management is the recognition of the worth and practicability of performance appraisal. It is entirely feasible for either large or small organizations to set up sound and effective evaluation programs. How to go about it is the problem of each.

#### ESSENTIAL ELEMENTS FOR SUCCESS

The first essential is to clearly understand the purpose of performance appraisal. In order to identify the purpose, the objectives of the program should be clearly defined and the participants convinced of its merit to themselves and the organization.

The second essential is to delimit the aims of the appraisal program. Too often appraisal is looked upon as a panacea for all the ills of the organization. Many organizations suffer from causes which performance appraisal cannot correct. Poor management, inadequate finances, confused organizational responsibilities are beyond the pale of performance

appraisal. A procedure for performance appraisal should be viewed as a means of improving the productivity of each employee, his inter-relationship with the whole work-force and a basis for compensating respective jobs in terms of their contribution to the total group effort. But even an appraisal program restricted to these objectives may well lead to an identification of weaknesses in the organization which have been previously obscured.

#### TECHNIQUES COMMONLY USED

The two most common techniques are employee appraisal forms using a rater or committee group and personal interviews. Neither technique can be objective in the scientific sense of the term. The whole process is loaded with subjectivity--the judgment of a worker by his supervisor. Human beings are not objective about objects or events and far less so about people. The only person you and I can be objective about is someone we don't know. At best, our judgment is warped by our own biases, erroneous opinions, and fallible observations of what we believe we recognize in other people.

Any appraisal process which attempts to dissect people on a personality basis is not only difficult and dangerous but unreliable. The Harvard Business Review has this to say,

It takes trained psychiatrists several years to help a man pin down the full aspects of his personality! And none of the testing experts have come up with any foolproof approaches either.

#### THE INFLUENCE ON PERFORMANCE RATING

Even though this fact is accepted among conscientious clinical psychologists and psychiatrists, management which is held responsible in the capacity of administrators or supervisors is prone to consider personality traits as salient factors in job performance. The fact that they do, as proved by scores of research studies, provides no valid basis for the complete emphasis placed on personality in performance appraisals.

This tendency to consider personality as a primary factor in job performance is likely due to several influences.

First, the increased attention by universities and human engineering laboratories in the field of behavioral sciences has spawned a wealth of insights on human nature which have previously been unknown. The most daring social psychologists and anthropologists are confident that eventually human behavior can be predicted for individuals in a given situation and likewise for groups. These scholars do not contend that the process of prediction is simple; they concede the complexity of human beings; but they do claim that as complex as human nature is and from the environment to which humans react, predictions can be made.

Despite the multiple variables with which prediction must deal, if adequate information is available about the individual's behavior pattern and the situation to which he is forced to react, a fair prediction can

be made about the manner of his reactions. By the same line of reasoning, given adequate information about group characteristics and the situations presented to them, one can predict the general reaction as a group.

The second influence is the normal experience of each person in human relations. Each of us is constantly formulating opinions about other persons; we do so out of necessity. In order to survive or succeed in making our way in the world, we are forced to make judgments of those with whom we work and on whom we must depend for cooperation and support. The reverses we suffer at the hand of other people, the surprises we endure as a result of unexpected behavior increasingly focus our attention on personality and character traits of our fellow men.

The third influence is the natural temptation to see ourselves as experts on why people do what they do. It is inflating to our egos to believe that we know "why people are funny". We smile with confidence when our friends may not be bright enough to boast such insights. How reassuring to feel that we are able to outwit or manipulate colleagues, friends or acquaintances because of keener insight into personal nature. The armchair philosopher or Saturday quarterback is seldom convinced of his ineptitude. He is just that kind of person and will likely remain that way. Likewise, if a supervisor finds ego satisfaction in personality analysis or speculation, evaluation will tend to take this course.

Finally, a good administrator or supervisor is interested in helping subordinates improve themselves and their job opportunities. He knows that a personal interest in subordinates is the foundation of good rapport. He is conscious that the worker who wants to improve himself as a person and to raise himself on the vocational ladder is a motivated worker. As a result, he is often trapped into seeking only appraisal and blinded to a consideration of the importance of the manner, the approach and the method.

Each of these influences, rationalized or unconsciously employed by a supervisor only muddy the waters of appraisal procedures. The wise and effective teacher-counselor will fall prey to none of them.

Equally dangerous and unreliable is the prevalent belief that success on the job depends chiefly upon a precise equation of personality traits. Usually supervisors make up their own formula of characteristics for effective job performance. The formulae do not concern themselves with required skills but rather with personality traits believed essential for success on the job. Each supervisor will make up his own "tossed salad" of human ingredients--initiative, imagination, creativeness, persistency, loyalty, industry, cooperativeness, and so forth--which becomes a composite view of each person under him. This approach is not only unreliable but it focuses the appraisal on factors which defy evaluation.

Likewise, performance on any job cannot be reduced to a neat formula of essential traits which lend themselves to either qualitative or quantitative measurement. The positive factors in a personality equation

may prevail in variable weights with no deleterious effect on the individual's success on the job. In fact, some negative personality traits which may be hard to endure may not interfere with productivity for the individual or the group.

Two examples lifted out of an actual situation illustrate the point. Nancy Brown is a chronic complainer but as a clerk she turns out more work of an accurate, neat quality than any other person in the work-force. The more there is to be done, the harder she works but all the while grumbles about being over-worked. Strangely, the other employees who work with her understand her griping and accept her on the basis of other positive qualities she possesses.

Sherry Ames, a file clerk, is cheerful, charming and a morale builder, but conspicuously inefficient. Her work is never done because of her socializing. Her interest is in the people of the department and not her job--even though she claims to enjoy filing and does effective work when she applies herself. The whole staff is fond of her but her delinquency on the job often causes every other worker inconvenience and delay in their work.

The administrator of the organization is often irritated with Miss Brown's complaining and has threatened to fire her. As for Miss Ames, the administrator was enamored by her influence or general morale and gave her a raise before she had served a year with the organization. Had it not been for the supervisor who was responsible for productivity, the circumstance would have caused a complete loss of perspective.

These examples illustrate an important point: the basis for appraising workers is performance and not personality traits--unless the behavior of an individual injures the productivity of the individual and those who work with him or her. Secondly, it is possible to evaluate both the quality and quantity of work done, but it is difficult to determine objectively what personality traits have to do with productivity.

#### PERFORMANCE APPRAISAL--A METHODOLOGY

Given an accurate job description worked out by the supervisor and the employee, and a measure of the skills required to perform the task, the supervisor is in a position to initiate an appraisal of performance. But again, effective appraisal depends upon the philosophy, attitude, and mutual goals of both the supervisor and worker.

Assuming that such a relationship exists, the first step involves a discussion between the supervisor and the subordinate about the nature of the job. Much of the misunderstanding which develops between the supervisor and the worker stems from the diverse concepts of what the job really involves. A "job-focused" approach to appraisal reduces the danger of making the appraisal a "personality-focused" discussion.

The conference should be carried on openly or with no fanfare in an atmosphere of fairness and impersonal, job-focused observation on the part of the supervisor. In most cases it is desirable for the supervisor to express interest in the subordinate and his job without being too concerned about the worker's productivity. To announce a program

of performance appraisal may cause undue concern by the whole workforce. The pronouncement may sound as though management has decided to "crack down" on every worker; that management is dissatisfied with worker productivity. The resulting sense of insecurity could actually defeat all efforts to increase the efficiency of any of the employees. The wiser approach is for the supervisor to exhibit an attitude of sincere interest in each person as a member of the staff and to reflect his belief that each worker is trustworthy and eager to pull a fair share of the load--and aware of the importance of the job for which he is responsible.

#### A YARDSTICK FOR MEASURING PERFORMANCE

Equally important is that of a performance standard for each job function. No evaluation can be performed without a standard comparison. One might just as well attempt to measure the length of a wall without a unit of measure, a foot rule, as to determine job performance without a bench mark. But the analogy is likely to be misleading. Walls lend themselves to exact measurement; job performance does not in precisely the same way. Wall measurement has few variables; performance measurement has many. The latter is fraught with the shifting nature of the job itself and the variables peculiar to individual performance. No two people perform the same job exactly the same way.

Nevertheless, this does not argue that established performance standards cannot be used to judge the quality and the quantity of performance.

At the outset, a standard may be somewhat arbitrary but carefully observed experience can provide a reasonable bench mark or standard for any job under ordinary circumstances. This rule may be applied to secretarial, stenographic, clerk, accountancy or managerial jobs. In any case, the best way to set up standards is to have each individual employee develop standards of his own. Once there is a record of performance on a particular job, the standard measure of performance has been established. The most important aspect of performance appraisal is the mutual concern of both supervisor and employee for high productivity. Though dedicated to this objective, the supervisor should never lose sight of the job variables which are not subject to the control of the employee.

#### THE APPRAISAL INTERVIEW

The frame of mind in which the supervisor approaches his responsibility of appraising the work of subordinates is of greater importance than any other single factor. His attitude toward this function, the employee and the job will establish the climate for the interview. It will also presage the outcome of his relationship with those with whom he works and influence the productivity of the workers in his charge.

The most reliable authorities in the field of appraising performance are generally agreed that supervision is at its best when the teacher-consultant role is assumed. It is only when a relationship encourages a daily two-way communication of ideas that a supervisor can be effective.

Such a functional, human approach places emphasis not on techniques but on relationships. The Harvard Business Review points up the following guide:

. . . there is no demonstrable or even desirable way of creating sound interpersonal relationships on any basis but sincerity, honesty and mutual esteem. Only when mutual trust is established can true and frank discussion really exist. Significantly, there is ample evidence that men do welcome fair and even unflattering comments if made in a total context of friendship and trust.

To pass judgment on another person's work is rather easy for a superior; to discuss or communicate the critical aspects of that judgment to the subordinate is quite another matter. How should a boss verbalize his evaluation of an employee's work? Even though his intentions are the best, the finest human relations will be ruined if the subordinate's confidence in himself or his superior is injured by the interview. The only hope of constructive results is to focus the attention of the worker on his job and away from himself.

But even if this essential condition is achieved, an effective interview depends on a careful preparation of the employee for an evaluation of his performance. The procedure must respect the psychological principles of conditioning. Both the subordinate and the superior must achieve a favorable mind-set.

To achieve this end, the first interview must reflect the supervisor's personal interest in the employee and the importance of his job. No authority can divine how the objective may be achieved but a rapport may be grounded in such questions by the supervisor as: How do you like your job? What do you find most difficult? In what way may I be of personal help? Is there anything which may be done to improve the effectiveness of your job as it relates to the over-all goals of the organization? Do you find your work more easily done each day and with greater satisfaction to yourself? These questions are important only if they demonstrate a deep and abiding interest in the employee and the importance of his job.

When rapport has been established to the point that the employee feels free to talk about his work to the supervisor, the first and most important step has been achieved. The next step is the realization by the employee of the importance of his work to the immediate and long range goals of the organization. When the employee feels that his job is so important that the organization will either limp along or move with vigor because of his performance, the moment for effective appraisal interviews has arrived. The cynic may sneer that such a devoutly desired end is sheer idealism. To the contrary, the records are replete with incidents of the employee who refused to go home when ill because of conscientious concern over impaired organizational function resulting from his absence. The worker who has become such a disciple of group goals poses no problem for constructive appraisal. As a rule, such an employee will perform his own job appraisal and seek the help of his teacher-counselor in order to measure up to the standards which he, himself has established.

In such a constructive working relationship, whenever the worker presents a situation reflecting failure, the supervisor will do well to employ an indirect approach to finding the solution. Instead of giving a quick judgment of causes, the supervisor should assist the employee to analyze the causes. Since the worker is aware that performance has fallen short of standards, the aim of the interview is to explore possible causes and examine how other approaches can obviate future failure.

Determining inadequate results is the more complex aspect of the problem. The worker may not know why he has failed to reach standards of production. In fact, the reasons may be obscured to both supervisor and worker. In any case, the role of the supervisor is not to out-guess the employee but rather to guide him in examining all the possible causes in an objective manner. Through the interview, the supervisor should direct the discussion to the three major areas in which causes will most likely be found: the employee, the situation, and the supervisor. The honest supervisor is well aware that effective performance is influenced by an intertwining matrix of employee application, job situation and administrative direction. The basis for failure to meet standards of productivity may be traced to one or a combination of all three. The main concern is that the employee identify the cause himself.

Where the employee is found to be the cause, the supervisor may expect one of two extreme reactions: some employees will shift the blame, others will condemn themselves with a sense of shame. Either reaction reflects an emotional response suggesting insecurity. If the response is proved to be a well established personality trait, the supervisor can only hope to help the employee develop confidence in himself and a courage to admit failure without fear of penalty. Any change in established behavior pattern will come only over a long period of re-conditioning and only be the guidance of one who has earned the respect and admiration of the employee. Destructive criticism or chastisement are seldom known to improve undesirable behavior patterns. But even with the most kindly counsel, employee behavior patterns will not change unless the worker wants to change and exhibits an effort to improve himself.

If the cause is found to be the worker's skill or method, the attention can still be focused on the job rather than the person. In this case, correction becomes a matter of changing the method or sharpening the skill. Fortunately, individuals look upon both method and skill in a more impersonal way because they are less a matter of emotions--even though it is admitted that emotions and behavior patterns influence efficiency in organizing work and applying skills.

#### PLAN FOR IMPROVEMENT

Whether the cause of failure is discovered to be method, skill, attitude, or situation, the troublesome factor should not be left at the identification and analysis stage. A program of correction or improvement should be developed. Here again, the worker should be encouraged to lay out his own plan of improving his skill, method, or attitude during the next three, six or twelve months. What the worker prescribes for himself will be more meaningful to him and more likely

be implemented by personal motivation. Needless to say, personal improvement will progress no faster than the motivating force. Self-improvement is another incident of "leading the horse to water." Drink he will, but only if thirsty.

Where the job situation is found to be the cause, the inter-related factors warrant careful scrutiny. An environment is comprised of multiple factors: other employees, equipment, supplies, noisy disturbance, light and heat and job climate determined by pressures. Just how one can objectively disentangle the worker from these influences is difficult to say. One worker will rise above any or all of these factors. Others will become helpless victims to them. Nevertheless, nothing is gained by blaming the employees for not being above such influences. Individuals are different. A highly sensitive worker may be susceptible to the irritations which stem from obstructions and disturbance. But this quality of character may be an asset to other aspects of the job. The mechanical worker, oblivious or unconcerned with his environment, may have little value to the organization beyond the routinized job being performed. Here again, the value of the interview is to help the worker identify the cause of production shortage and prescribe for himself a means of correction.

There are times when disturbing environmental influences are discovered to be due to poor supervision, confused directions, or lack of discipline. Such a situation is clearly in the hands of the supervisor; it is for him to correct the situation. Oddly, a supervisor may not be aware of a destructive influence on individual or group effort. This situation is especially true where a clash of personalities is involved. Battles between workers are usually kept under cover. The skirmishes may be carried on for weeks or months and never come out into the open--unless the clash reaches explosive nature; then the supervisor has a real problem on his hands. An appraisal program can serve as a radar system to detect any of such obscured disturbances. If discovered in time, the remedial measures are likely to be less complex and costly. There is also a built-in preventive factor contained in the appraisal system. A working relationship which provides continuous help and counsel keeps supervision close to every phase of the work effort. Problems can be found in their initial stages and solved before they become complex and involved. The supervisor must always be on guard against the temptation of using appraisal in the preventive sense as a coercion or threat. To do so would ruin the atmosphere of faith and trust between superior and subordinates. The whole program would crumble within a climate of distrust.

Where the supervisor discovers that he is at fault in his relationship with an employee, a forthright admission is the best policy. To do so is a tough pill to swallow for most superiors. Usually, the superior finds it more difficult to admit a shortcoming than does a well-balanced employee. Obviously, the superior is a part of management and carries in his position a status image which he consciously or unconsciously attempts to maintain. As a result, there is a tendency to present a "perfection" image to his subordinates. While no supervisor can afford to be a bumbler, he should remind himself that he, too, is a human being with failings and faults which will cause him to do less than his best

at times. There is no other trait in a supervisor that stirs the respect of subordinates as much as the courage to admit failure in the performance of a responsibility. Actually, his own recognition of failure will enhance his relationship with his subordinates. Still, were continuous and repeated failure to become a pattern, his rapport and effectiveness would be ruined.

Regardless of the cause or causes of production breakdown, a supervisor must remember always that people are different and react differently to variable work situations and often to their own jobs.

#### PERFORMANCE APPRAISAL FOR ADMINISTRATIVE PURPOSES

The discussion thus far has been concerned with performance appraisal in the interest of increased productivity and worker satisfaction. In other words, the aims of appraisal were worker efficiency and reward in achievement as a matter of good economics and human relations. The discussion might well stop at this point, but appraisal is seldom limited to a concern for these two commendable objectives. It is usually used also as an administrative device for salary increase and personnel promotions.

Whenever salary increase or promotion consideration enter the appraisal system, new overtones reverberate from the fundamental chord of productivity and worker satisfaction. The attitude of both worker and supervisor change. The superior must now include in the evaluating process the worker's potential for greater responsibility and salary increase. The subordinate who is now fully aware that his personal and vocational destiny hang on the thread of performance evaluation will do his utmost to conceal or minimize his weaknesses and accent his strong points. The evaluation process then becomes a game which two or more people play.

The process is further complicated by the tendency of the evaluator to shift his focus from job to personality. He does so in most cases to justify the promotion on the grounds of leadership ability. In making this shift, the evaluator must develop some scale of personality traits for individuals holding positions of greater responsibility. These scales may serve as a facade behind which to hide in case of questions posed by employees but the reliability of such scales remain a matter of controversy. Promotional procedures are full of scales, forms and rating sheets used to show that leaders are endowed with certain essential characteristics for success but no one has proved them to be infallible or even equitable. The judgment of success on the basis of personal traits is hard put to justify.

Douglas McGregor utters this warning,

If we then take these somewhat questionable data and attempt to use them to make fine discriminations between people for the purposes of salary administration and promotion, we can create a pretty picture, but one which has little relation to reality.

But suppose for the sake of argument, we contend that promotion and salary increase are concerned only with job performance; that productivity is our only objective; and that personality traits are not used as a basis for advancement or financial reward. Unfortunately, this assumption does not permit escape from the snare of subjective factors. Wherever there are human relations, there are subjective factors. The significant fact for the supervisor to recognize is that subjectivity is unavoidable. The most that any evaluator can do is to keep the process as objective as is possible under the circumstances.

Douglas McGregor makes a pertinent point when he states:

The problem of judging performance for administrative purposes is further complicated by the fact that any individual's performance is, to a considerable extent, a function of how he is managed. For example, the individual who operates best when he is given a bit of freedom may find himself under a superior who provides close detailed supervision. Under these conditions, even the most objective measures of his performance will provide a better basis for judging the boss than him.

To further confuse the issue, research studies have established the fact that no two supervisors will judge a subordinate alike; and by the same token, that the subordinate will actually perform differently under different supervisors. This evidence applies both to behavior and productivity. These two realities hardly need objective study. Common sense brings one to the conclusion that most individuals display their better selves and work more effectively under a superior they respect and trust.

The important conclusion to reach is that performance appraisals are clumsy tools for administering promotions and salary increases. The wiser course is to keep appraisals on productivity, team-play and general organization achievement. Administrators may not succeed in such worthy endeavor, but the effort will still have its reward.

#### A SYSTEM WITH SUBJECTIVITY MINIMIZED

All of the complicating evidence in the scores of articles and books does not free us from the brutal reality of being forced to use some method for promotions and salary increases. The job is to be done, and someone will be saddled with the responsibility of personnel administration. The challenge then is a method or system which reduces subjectivity to a minimum and forces those responsible for promotions and salary increases to act as objectively as possible. If this attitude be our sincere objective, we should be able to develop ground rules or guide lines as a sound basis for what is required to be done.

The inadequacies of performance evaluation as a basis for promotion may not be found in the built-in problems of evaluating jobs or rating people. Rather, the weakness may be traced to the fundamental policy which governs the program. An examination of the policy may well show

that within such a framework it is impossible to use performance evaluation or merit rating as a basis for promotion.

Some organizations pursue a practice of automatic progression. In some respects this is the easiest method by which to advance employees with long service records. The practice, which may have become an unwritten policy in some organizations is unfair both to the employer and employee. It makes time and not performance the basis for advancement; and it also complicates the establishment of an effective system of performance evaluation. Why bother with merit rating if the employee can expect a promotion at the end of a given period of time?

A careful examination of performance evaluation systems which have failed will generally show the system could not work because of the following weaknesses:

- 1) The program for promotion was not based on sound data.
- 2) Techniques for periodic criticism were not built into the organizational structure.
- 3) Performance evaluation was not believed to be essential for employee promotion.

#### A FOUNDATION FOR PROMOTION

The first tenet for job promotion is an understanding of job specifications. What does the position or job require in terms of education, training, experience and specialized skills? Herein lies the crux of promotional problems. Too often, supervisors assume they know the requirements of jobs under their supervision but have made no calculated effort to familiarize themselves with the essential skills, background experience and performance records which provide a standard by which to make their recommendations.

In this case the blind lead the blind. The only salvation is found in the employee who knows his own aptitudes, skills and attitudes and the requirements of a more responsible position. With this insight he either accepts or declines the promotion. This situation is a sorry commentary on promotions procedures but one which too often prevails.

The second tenet is a corollary to the first: An intimate knowledge of education, training, skills, and aptitudes of the potential promotee is essential to intelligent promotion. Most supervisors would deny a superficial knowledge of the fundamental qualifications of those employees under their direct supervision. Nevertheless, studies of supervisory work support the fact that many supervisors have employed neither objective or subjective tools to accurately determine the qualifications of employees under their charge. The conscientious counselor carries not lightly the heavy load of the destiny of other people. He knows that like it or not, his position of command makes him his brother's keeper.

#### WAGE AND SALARY INCREASES

There was a time when wages or salary determination was held in the hands of the supervisor as a psychological cudgel over subordinates.

This power has evaporated under the impact of full employment. Workers are not limited to one opportunity to satisfy their many needs through employment. As McGregor says, "Money is essential for satisfying many needs, but the individual is less dependent upon a single employer for obtaining it than he once was."

The big question each supervisor must answer is: How much remuneration is necessary to motivate the highest productivity? The answer will be found in these factors: First, how does the wage scale compare with comparable scales in the labor market for the same kind of work? Second, how does the importance of each job compare with other jobs in the workforce? And third, how does the productivity of the individual compare with others doing the same type of work?

The answers to these questions will not depend upon subjective guesses, but rather upon statistical information secured from market surveys, cost of living indices, the ability of the organization to pay, and a calculated estimate of the contributive worth of each worker to the over-all objectives of the organization. The last of these factors may determine a wage scale higher than the going rate in the labor market.

But to make such a statement amounts to over-simplification. The variable contributions of workers in the same line of work are extensive. To equate these variables in terms of economic rewards is always a baffling problem. McGregor shares this doubt in the following statement:

An incredible amount of effort and ingenuity have been directed toward the problem of measuring worker output in order to relate economic rewards to it. Nevertheless, individual incentive plans have never provided the motivation which might be expected on logical grounds. Problems of equity plague management continually, and the costs involved in trying to alleviate them are so high that many managements have abandoned incentive plans in favor of measured day work. It has been impossible so far to prove conclusively which approach is better, but it is clear that the gains for the organization from individual incentive plans are modest even under the best conditions.

Where salaries are the only type of remuneration concerned, merit rating plans usually supercede incentive plans. The problem of equity here becomes even more difficult. The criterion for individual contribution is sheer guess-work. At best, merit ratings are subjective ratings of performance. These ratings rarely have stood up under any form of objective analysis. The final judgments are never any better than the original criteria--and each of these are subjective estimates of an evaluator who has applied an arbitrary formula. One must conclude that such merit ratings are doubtfully invalid techniques to use if equity is an honest aim of the procedure. McGregor states that, "It is likely that the probable error of measurement of most merit rating plans is several times the magnitude of the differentiations that are made in their administration." He also reaches these conclusions with respect to salary administration:

1. The problems of equity with respect to economic rewards can be reasonably solved by systematic market surveys.

2. The problems of motivation will be solved in part by the provision of equitable rewards in the form of base salaries and in part by providing opportunities for achieving satisfaction of higher-level needs through efforts directed toward organizational principles.
3. Four categories of increments of economic reward above base salaries are realistic:
  - a. Those that can be tied directly to objective criteria of accomplishment such as profit and loss.
  - b. Those that are administered as "time-service" increments, received automatically in intervals so long as performance is satisfactory.
  - c. Merit increases to the small proportion of individuals in a given salary classification whose performance is clearly outstanding.
  - d. Group rewards for departmental or divisional or company-wide achievement of objectively measurable economic results.
4. Conventional programs for providing large numbers of people with differential and relatively small merit salary increases, in the light of our present ability to measure (managerial) contributions to the enterprise which are not very realistic.

In view of the above conclusions which end in a spirit of defeatism, the only positive approach to productivity and employee satisfaction is to find effective motivations, other than salary alone, to stimulate workers to employ self-control and to apply self-engendered efforts to increased productivity.

#### THE PROBLEMS OF PROMOTIONS

From the baffling problem of using salary increases alone as the carrot on the end of the stick for peak performance, we now face the enigma of staff promotions. On the surface the task would seem to be easy; all that one needs to know is the job requirements--skills, abilities and aptitudes--and then fit the best qualified and most deserving staff member to the job.

This conclusion is over-simplification in the extreme. Both job requirements and individual qualifications defy a magic equation of determined factors which assure employee effectiveness resulting in maximum productivity. McGregor emphasizes the problem when he says,

Jobs (and particularly managerial jobs) do not consist of fixed receptacles whose detailed dimensions can be measured. They are embedded in complex organizational and external relationships which change substantially over time.

Beyond the impossibility to develop a neat equation for either job requirement or a set of fixed human factors to fit the job, no one has determined scientifically that certain identified traits and skills of specific quality or quantity provide the magic formula for best performance. Different persons may perform differently but with equally effective results.

Again, we are back where we started: Subjective judgment is unreliable but objectified judgment is the tool upon which we must depend in making intelligent recommendations for promotions.

There are steps to be taken which can increase objectivity. Most important is an adopted procedure which a supervisor conscientiously employs. There must be a planned approach and the supervisor must work the plan.

First, the relative strengths and weaknesses of subordinates in relation to assigned responsibilities are evaluated continuously, or at least at regular intervals. Periodic performance appraisal has the advantage of being a single purpose function. If the plan embodies continuous appraisal, the viewpoint of the supervisor may be general in character. The over-all performance may be seen without critical analysis. Periodic appraisal can provide an evaluation in "depth" and therefore, a more accurate evaluation of strengths and weaknesses. In addition, an analysis of specific aspects of performance provide more accurate information on which to base recommendations for improvement.

Second, the plan provides for a conference in order to give the employee an understanding of performance standards and to identify areas for on-the-job improvement. This step assumes that an employee may not know how well he is measuring up to standards. If the discussion proves that he does know, a two-way communication gives him an assurance of satisfactory performance. If he doesn't, then he can learn what is expected of him. Finally, the discussion promotes a self-appraisal which is essential to self-improvement.

Third, another aim of periodic appraisal is to enable the supervisor to accumulate specific data on which to base future promotions. The process brings the supervisor's rating more closely to the actual performance of the employee. The basis for promotion rests more solidly on actual merit than upon a general view of qualification for greater responsibility.

Finally, the plan aims to assist the supervisor in identifying areas of need for personal improvement among staff members, and to serve as a basis for specific training programs. The importance of gearing training programs to personnel needs is obvious. Whether the program incorporates learning by doing or by formal class study or a combination of both, the essential feature is an adequate and effective answer to personnel needs. Employees, like all human beings, expend energy only if they are goal-directed. Aimless motions are repugnant to any person.

## THE USE OF TESTS AND MEASUREMENTS

Tests and measurements are often employed to determine necessary skills and aptitudes. As a rule, such tools are of little value unless the job is reasonably stable and replacement frequent. In the case of standard jobs which require basic skills in typing, stenography and clerical work, there are standard tests which may be used. On the other hand, if the work cannot be classified as a standard job, the management must employ research to determine by statistical methods the items which are essential to effective performance. If these items are then combined in a test, management can develop a tool to be used in the screening of applicants. It is well to emphasize that research of this kind is no task for an amateur. An experienced psychologist in the field of tests and measurements should be engaged to work with management in identifying the items requisite to job performance; and then assigned the responsibility of organizing these factors in test arrangements.

Actually, the task of test development is not completed with item arrangement in test form. The tests should then be put into use in order to prove their validity (that the test is a sound device) and reliability (that the test measures what it is intended to measure). In most cases tests designed for special purposes require several revisions before they fulfill their intended function. If the function is significantly important, the results will be worth the price management must pay in their development.

Douglas McGregor contends that the procedure can improve selection and promotion practices materially if the following provisions are respected:

1. Management must become actively involved in the research leading to the development of tests to the point of understanding both the values and the limitations of the instruments.
2. The tests should be used as an aid to selection and not as the sole basis for judgment. The tendency is to rely completely on test scores.
3. The conception of "good" and "poor" performance should remain unchanged. The approach depends upon the original ranking of worker and the tests discriminate only in terms of established criterion. If job requirements or the concept of "good" performance change, the tests become useless and the research must be repeated.

A final word of warning seems appropriate. Because most supervisors shy away from sitting in judgment over a fellow human being, there is a dangerous temptation to depend upon objective measurements alone. Such practice is as fallible as the reckless exercise of subjective judgment in deciding the destiny of a fellow worker. To guard against reliance upon either a single subjective judgment or the objective results of test scores, the incorporation of other judgments in the process tends

to reduce extreme error. Even though the supervisor has no other person to whom to talk than an interested friend who can be objective, since he knows none of the intimate facets of the job or the personality concerned, the problem of promotion is likely to gain a perspective through the discussion. Most supervisors become so engrossed in their jobs that little factors hide important considerations.

### THE CHALLENGE

The philosophy appropriate to the sobering task of promotions has been well described by Douglas McGregor:

This whole field of selection, promotion and placement presents a substantial challenge to the ethical values of professional management. We cannot afford to dismiss the issues of defending unilaterally the needs of the organization, or to look the other way in the hope that they will go away. If we do either, we run the risk that a growing public concern will lead one day to legislative restrictions further curtailing management's freedom of action. More importantly, we put materialistic economic considerations ahead of ethical ones and thus place ourselves as managers in a position few of us would care to defend.

### SUMMARY

Organizations are born as a result of a need peculiar to a group with a mutuality of interest. They prevail as long as members of the group find some reward in belonging.

The division of labor is the foundation for special functions and a concern for an evaluation of each job in terms of its worth to the over-all objectives of the organization.

The degree of specialization as compared with generalization of job function is determined by the attitude and approach postured by the employer at the time of staff recruitment.

The evaluation of performance rests with management. The purpose of an established system of evaluation can only be justified by concrete evidence of increased productivity, employee satisfaction and smooth operation of the organization.

A program of evaluation depends upon a clear understanding of limited objectives: the contribution of the job to the total output of group effort and the value of the job effort to the objectives of the organization.

Every evaluation of performance succeeds or fails by virtue of the attitude or philosophy of those responsible for its administration. The climate must support a belief in the human use of human beings. The effectiveness of the system will never exceed the human insights of those responsible for its administration.

A program of evaluation must accept job description as a fundamental basis for effective function. A supervisor can only evaluate performance if the job is clearly understood and the standards of performance established by mutual effort of the supervisor and employee.

The evaluating performance is a delicate process. The honest supervisor does not savor the role of playing God. The attitude of the supervisor is more important than the system employed to realize results.

The supervisor must keep his attention on the job and not on the personality of the worker. No one trait or group of traits has been discovered for success on any job.

Performance appraisal requires a "job-focused" attention. The results in terms of productivity should dominate the concern of the supervisor. This statement may seem to be a contradiction because a personal interest in the employee is still essential to effective appraisal. To the contrary, a supervisor can display an interest in the worker and at the same time focus his attention on performance.

The improvement of performance depends more upon the worker than upon the supervisor. Unless the worker is able to identify the causes of failure and prescribe for himself a program of improvement, nothing of merit will happen; unless the cause of failure is to be found in the supervision.

Performance appraisal for the purpose of administration complicates the process. It is difficult, if not impossible to base promotion or salary increase on performance alone. The temptation to include personality seems unavoidable--even though no scientific evidence exists to justify personality traits as grounds for either. The only admonition is for the supervisor to remain as objective as possible.

When promotion or salary increase is based upon productivity, the statistical data influencing advancement may still be the determining factors which cannot be ignored. Unless the performance of the worker can be justified in the face of statistical data, management is liable to the charge of favoritism.

Finally, the wisest course for management is to fix its attention on productivity and to use every available objective device to reduce subjective measurements to a minimum.