

## HOW PERFORMANCE APPRAISALS HURT QUALITY

Rizwana Habib, Mazhar Ali Kazmi, \*Shahid Jamil Sameeni

School of Social Sciences & Humanities, UMT, Lahore.

\*Institute of Geology, University of the Punjab, Lahore.

Email: [gratesyed5@yahoo.com](mailto:gratesyed5@yahoo.com)

**ABSTRACT:** *Performance of an Employee often determines the progress of the company. Poor appraisals and improper assessment adversely affect the employee's satisfaction which deteriorates company results. This is because most of the managers rely primarily on behavioral impressions of the employees. Such managers don't have appropriate factual information on the actual work done by the employees.*

*Quality assurance on the other hand is to develop a culture in an organization where the performance of the company is determined collectively. The individual's performance in such a culture is neither taken into account nor criticized. All the people are considered to be at equal level of such an organization. The judgement of an individual by the old traditional appraisal system, creates frustration, especially when such an individual is ranked as average or below average.*

*This article will describe all the needs and problems of the old traditional appraisal system. It will also discuss that why it cannot go hand in hand with quality assurance system.*

**Key words:** *Performance, Appraisal, Quality, Determine, Deteriorate, Assessment, Adversely, Behavioral impression, Appropriate, Judgment, Frustration, Traditional,*

### INTRODUCTION

If a person is seeking constant improvement, he/she will definitely become interested in applying performance appraisals. Genuinely speaking, performance appraisal is to find out how a worker was performing in comparison to the expectations of his/her boss. But consider the situation that if a person is supervising a department having 19 employees and had to appraise all of them, without taking any observations of such employees for the whole year. Would not such performance appraisal prove a nightmare for the employees? [Tracy, Lutgen-Sandvik & Alberts 1]

No doubt, writing the performance appraisal having observations and understanding of the employees help in reducing a hectic task into something much more manageable. But at the same time, it is not easy to appraise the performance of highly technical employees and is quite different from writing appraisals for non-technical employees [Bradaway 2].

#### Appraisal in Education

- Introduced as 'compulsory' in 1988 Education Act [Perryman 3].
- Dual role of increasing teacher accountability and promoting professional development [Carver & Feiman-Nemser 4].
- Unreliable implementation-mostly due to resources [Alberta 5].
- Some evidence of benefit is linked to observation and constructive feedback [Summers & Volet 6].

#### Intended Benefits of Appraisal

- Improvement in the performance of not only the individual, but organization as well [Castells 7].
- Communication becomes better between different corners of organization [7]
- Capability increases with more knowledge and skills [7]
- Organizational culture improves, morale of employees becomes high, working relationships become better and team work enhances [Schein 8].
- Better management of Human resources [8]

### The Process of Performance Appraisal

[Musa 9], presented the following four interrelated steps in the process of performance appraisal:

1. A common understanding between the appraiser and appraised is established regarding the task to be completed and the way to evaluate the task.
2. The clarification and modification of the targets and rectification of the poor performance and recognition and awarding super job becomes possible on the basis of continuous feedback.
3. An appraisal is basically written for formal performance after completion of the task assigned to an employee.

### The Important Features of Conventional Appraisal System are as under

1. Significant importance is given to the individual's evaluation instead of a team evaluation [Franke, Gruber, Harhoff & Henkel 10].
2. Some standards are specific and the employee is held accountable for performing below those standards. The employee has to either meet or negotiate such standards. The performance of an employee might be a mixture of either meeting or negotiating these standards. But important is that there is no exemption for any employee from performance appraisal [10].
3. Usually, the employer holds two sessions: one for the establishment of the standards and another to review the overall performance [4].
4. The most popular appraisal is the annual performance evaluation report. A review after six-month job and a midterm appraisal also prevails in some organizations. Some organizations use pre-evaluation proforma to share the achievements and deficiencies of employees [4].
5. The assessor is mostly immediate boss of the person to be assessed [2].
6. The evaluation session of the person to be assessed results in written a conclusion. Sometimes a specific rating is awarded and sometimes gradations like "exceeds standards" or "needs help" are used [2].

### Some Consequences of Appraisal are as under

Some organizations attach increase in pay with performance appraisal. Some other makes this system a basis for cutting in size of employees. Some organizations, even promote an employee on the basis appraisal [4].

Arunachalam [11] states that some serious reaction has been seen on the suggestion of elimination of performance appraisal and even the remarks of a manager to objections against performance appraisal were that someone is asked to do a little work and rebellion started. He says that some points supporting and opposing performance appraisal are as under:

Supporting Appraisal	Opposing appraisal
Directing work force	Directing individual
Control over process	Control over individual
Customer's need based feedback relevant to work	Personal characteristic based feedback irrelevant to work
Feedback useful for organization's improvement	Feedback useful for rating and rewards
Motivation	Motivation or demotivation

The traditional performance appraisal system is negative in the sense that it brings employees in confrontation of each other. It can create differences in the work group. Traditional appraisals activate traditional hierarchy and a manager is supposed to support his employees. A manager sets/approves the goals in traditional performance appraisal and behaves in an authoritarian way instead of behaving like facilitator [5].

Another opposite point is that a manager doesn't always prove to be the best person for providing feedback regarding day to day activities of his employees because he doesn't spend much time with the employees.

In addition to the above, a danger of adopting the performance appraisals is that goals are not fixed but variable. So it becomes difficult for a manager to award a specific grade for the contribution of the employee, especially when someone doesn't match to the scale or increases awarded [11].

### Duty of Manager doing a Performance Appraisal

A manager is expected to do the following [3] when doing performance appraisals:

1. Give fair and proper opinion to the employee regarding his/her performance of duty in view of the administration's goals.
2. Guide workers the way to achieve aims/goals of duty.
3. Try to link targets of the organization with the personal goals of duty.
4. Communicate the employee's strengths and weaknesses.

### Approaches to Performance Appraisals

- **Traditional Approach** is also known as the organizational or overall approach. It is connected with the overall organization and its past performance [9].
- **Developmental Approach** views the employee as an individual and looks forward through the target setting [9].

### Purposes of Traditional Performance Appraisals

The following are some major reasons of using the traditional performance appraisal method for evaluation:

1. Evaluating the individual's contributions in achieving organization goals and that of the entire department [6]
2. Collections of information used for planning regarding work scheduling plans, budgeting, and human resources [3]
3. Making decisions about Promotion, separation, and transfer of employees [3]
4. Making decisions regarding promotions and other organizational rewards
5. Diagnosing and deciding about training and other developmental needs [3]

Some serious loopholes in the traditional approach to performance evaluation are as under:

- These performance appraisals are specifically concerned with the past and don't look forward to setting future objectives or goals [1].
- These performance appraisals are usually used for the employees' salary review [1].

### Purposes of Developmental Performance Appraisal

In developmental approach to performance appraisal, an employee is taken as an individual and this approach is used to judge the contribution of the employee to the organization. It contains some extra objectives:

1. It provides an opportunity to the employees to indicate his/her ambition [2]
2. It prefers to retain ambitious and capable employees showing a bit organizational interest in his/her development instead of losing his/her confidence [2]
3. It Provides a well performing employee, the due satisfaction and encouragement [2]

### Adjusting for TQM

The information obtained from the retired workers and clients plays an important role in counteracting the impact of traditional performance appraisals. The process can also be improved by provision of ways to workers for supplying information to the supervisor on the supervisor's performance. Keeping in view the TQM perspective, a merger of preparation and information in group discussions rather than discussions with individual, is recommended [11].

Thought provoking questions should be asked in team meetings (i.e. how do you think you can run the organization, had you been the in-charge?).

Some professionals of quality are of the strict opinion to get rid of personal assessment, but, some have a middle opinion to provide both individual and team feedback. Without the strong interchange of information between the supervisor and the worker, it's difficult to develop employees. The question comes in mind that where from to start improving. What specifically can be done by the recipient to improve is an important question to be asked [11].

### Principles of Quality

There are some principles of quality which establish the basis for rejecting performance appraisal and provide a basis for the new philosophy. Teachings of Deming and others have been the origin of these principles, which are:

### **The Organization and Its Work Is Based On The Customers And Their Needs**

- We must be aware of nature of our business and our customers as well [7].
- We must be aware of the desires and concerns of our clients and their experiences regarding our products and services [7].
- The awareness of client's needs drive us to develop our products and services and this understanding results in redesign and improvements [7].
- Whatever our plans are and the improvements we make are defined by the satisfaction of our customers [7].

### **Result of Quality Systems, Processes, and Methods are Quality Products and Services**

- Timely, fulfill the needs of the customers [7].
- The quality of the system should be maintained in such a way that quality of end product need not to be inspected [7].
- If the goods and services of high quality, the threats, pep talks, rewards, and punishments become irrelevant [2].
- System should be focused to be improved and all efforts should be made for that instead of focusing individual workers [2].
- Managers must have a deep understanding of capability and variation of their systems, processes and methods [2].
- They attribute the inherent problems of the system to employees either individually or collectively.
- They would neither understand past performance of their employees nor would they be able to predict their future performance.

### **The focus of the Organization is Quality:**

- The strategy of an organization is based on quality in this competitive era [1].
- The definition of this quality is given by the customer [1].
- The plans and decisions of an organization begin and end with quality [1].
- Quality is the sole criteria to understand every aspect of the business [1].

### **Quality is Achieved by an Organization through Mastering the Methods of Improvement**

- To improve faster than the competitors is important not merely having knowledge that how to improve [8].
- Everyone in the organization should be involved in the process and effort to attain the goal of continuous improvement [8].
- The identification and elimination of the causes of problems will lead towards the true improvement [8].

### **Energies are Directed and Focused by an Organization, Striving for Quality**

- The purpose, mission, values, and operating philosophy must be articulated and communicated to the organization clearly by the leaders [3]

### **Meanings of leadership must be reformulated by managers:**

- Leaders must be aware of customer's point of view [3].
- Leaders must be aware of clients view point [3].
- Leaders should be aware of the worker's point of view [3].

### **Arguments against Performance Appraisal**

The world is moving towards quality, then why using this old traditional appraisal system. The wrongs in performance appraisal are:

#### **No Teamwork**

Teamwork is totally disregarded, in fact, undermined by Performance appraisal. A person who is an individual performer is actually contributing to the team. Some managers like to give recognize each individual's work while participating in some successful team project. But participating in the team, there are bright Chances that each member of that team has to do some extra duty relating to any other worker, which could be out of his job specification. The people don't like this because they are not going to get any credit. Team work is undermined[3].

#### **Increases Variability in the system**

The parts of an organism are always variable. Sometimes some unusual causes create this variation. For example, the truck had a flat last Tuesday, so the deliveries became late, which is a special cause of variation. But there are some variations which arise because of unidentifiable reasons. For example, delivery delays due to factors like: traffic, weather, sizes of orders, etc., which is "common cause variation." Some incapable managers who neither have an understanding of variation may not be able to judge the performance of the employees and would mix up special causes with common causes. For example, "The deliveries cannot be predicted because truck drivers always stop for coffee" [9].

#### **Uses Unreliable and Inconsistent Measurement System**

Performance appraisal uses an unreliable and inconsistent measurement system. Inconsistency can easily be seen between the various assessors and the same assessor is inconsistent from one employee to the next. A research of appraisal system indicated that physically more attractive employees are rated higher than those with lesser attractive personality. But the situation becomes reverse in case of women. A female manager is awarded lower rating in case of attractive personality [9].

#### **A Superficial and Culprit-Oriented Problem-Solving Approach is Encouraged**

The traditional performance appraisal system drives a manager to problem-solving approach which is normally doesn't work in present era. Japanese say that always search for 'Why!' for problem solving, but in traditional appraisal the stress is given on what [9].

#### **An Aggregate of Safe Goals is Established in an Organization--A Ceiling of Poorness**

Traditional appraisal system drives an employee to establish safe goals because he/she is definitely going to be affected by hard goals as he/she will be awarded lower rating in appraisal in case of failure to achieve the targets. Hidden danger in establishing safe goals is that every employee starts choosing easy targets. What would be the result-- obviously a year

without challenge? Setting up of such easy individual standards, may put the organization at twin risk [9].

### **Losers are Produced and Human Resources are Wasted**

Since the traditional approach of performance appraisal is not regarded as a reliable way of performance evaluation, the employees appraised never become satisfied as some getting lower rating believe that they deserved better and even the employees getting higher rating don't seem to be satisfied with the system [9].

### **Simple Administrative Threat**

No one likes to do anything unless and until some benefit is expected out of that. The traditional performance appraisal is used as a threat in the hands of the managers to make other work for sometimes even for their personal cause [9].

### **What should be the real strategy?**

#### **Change your thinking:**

Quality can never be entered until managers don't understand give undue importance to the individual workers and make the true realization that how important the system and procedure are. Nothing will work without having a real change in mindset of the managers [11].

**Stop Doing it:** Conventional managers are in fact doing something that is demonstrably harmful just likes lapping the wall and asking, "what else we can do? [11]".

Debundling is a good alternative to performance appraisal because performance appraisal is just like a cart with a too heavy load and if each piece of baggage is removed and a separate vehicle is built for each, the work could be done. Some steps to be taken in de bundling are as follows:

### **Every Service and Anticipated Advantage should be acknowledged as vital**

- For groups to fulfill tasks with success.
- For organization to deal every task separately.
- Best way should be sought to successfully accomplish each service and expected benefit.
- For each service or expected benefit to be successfully accomplished, separate systems and processes should be set up specifically designed for that.

### **CONCLUSION**

W. Edwards Deming has clearly declared that Total Quality Management and traditional performance appraisal system are not compatible with each other. Deming in fact claims that "performance assessment, merit grading and annual appraisals" are Deadly Diseases which become the real cause of commitment death of the employees.

The question here arises that, is there any possibility for Total Quality Management and traditional appraisals to stay together? The fundamental requirements of TQM are customer-awareness, systems- philosophy, an admiration for teamwork, specialization of measures of betterment, and thoughtfulness for process of personal motivation and learning, which are the basic values and ethics of TQM and totally undermine performance appraisal. TQM focuses on customers and demand full understanding, control, and improvement in processes

for the customer's benefit. The aim of the performance appraisal is to control the behavior of an individual for manager's satisfaction. The leaders can pick either of two approaches, but not both.

TQM is becoming integral part of organizational life and a compelling force to the management. The basic principles of TQM when applied cleverly, bring fundamental change in mindset of the conventional managers and they reshape their attitude towards the work nature and the reasons of management.

Deming maintains, "Nothing but the transformation of western management is required." Most of what Deming has taught is mostly the voice of the supervisors. A number of managers have learned the secrets of TQM and have also adopted that to apply to their companies, but only a few have welcomed it as strongly as it deserved. The managers indeed have to surrender their old traditional thinking and apply the new approach not only in the organization, but to their soul and spirit as well, if they want to bring revolutionary change in their organizations.

### **REFERENCES**

1. Tracy, S. J., Lutgen-Sandvik, P., & Alberts, J. K. (2006). Nightmares, demons, and slaves exploring the painful metaphors of workplace bullying. *Management communication quarterly*, 20(2), 148-185.
2. Badawy, M. K. (2007). Managing human resources. *Research-Technology Management*, 50(4), 56-74.
3. Perryman, J. (2006). Panoptic performativity and school inspection regimes: Disciplinary mechanisms and life under special measures. *Journal of Education Policy*, 21(2), 147-161.
4. Carver, C. L., & Feiman-Nemser, S. (2009). Using policy to improve teacher induction critical elements and missing pieces. *Educational Policy*, 23(2), 295-328.
5. Aubert, S., Fourage, C., Van Paassen, A., Perez, P., Mathevet, R., Barnaud, C., & Antona, M. (2011). A stance justified by the needs of sustainable development. *ComMod: engaged research's contribution to sustainable development*, 187-204.
6. Summers, M., & Volet, S. (2010). Group work does not necessarily equal collaborative learning: evidence from observations and self-reports. *European journal of psychology of education*, 25(4), 473-492.
7. Castells, M. (2013). *Communication power*: Oxford University Press.
8. Schein, E. H. (2010). *Organizational culture and leadership* (Vol. 2): John Wiley & Sons.
9. Abu-Musa, J. M. (2008). *UNRWA's Area Staff Satisfaction on Performance Appraisal System and its Incentives in the Gaza Field Office*. The Islamic University of Gaza.
10. Franke, N., Gruber, M., Harhoff, D., & Henkel, J. (2006). What you are is what you like—similarity biases in venture capitalists' evaluations of start-up teams. *Journal of Business Venturing*, 21(6), 802-826.
11. Arunachalam, J. (2005). *Women's Equality: A Struggle for Survival*: Gyan Books.