THE OTHER FACE OF PERFORMANCE APPRAISAL

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There are many reasons for evaluating employee performance, e.g., to administer merit pay and promotions, to improve performance by providing feedback, and to provide criterion data for the evaluation of selection tests and training programs. These are worthy objectives, and appraisal is generally considered to be a necessary process in organizations. It deserves serious study. Yet while appraisal has been the target of a great deal of research, the primary goal of much of it has been to develop a rating instrument. Meanwhile, the impact of performance evaluation on the superior who must perform the appraisal has largely been ignored. Several researchers have speculated that the process of evaluating performance may affect the superior's behavior and/or attitudes negatively; however, little serious thought and even less research has been specifically directed to these issues. The purpose of this paper is to discuss what we do know about how supervisors are affected by making appraisals and giving feedback, and to offer recommendations for countering such undesired outcomes. Our discussion focuses on these three areas concerning appraisers: 1) the level of their trust in subordinates; 2) their reactions to the associated exercise of power; and 3) changes in their subsequent job satisfaction.

Trust

Strickland (1958) investigated the effects of close versus general supervision on superiors' trust in their subordinates. In a laboratory setting, subjects were required to act as a supervisor of two individuals who had equal performance records, closely monitoring the performance of one subordinate but only occasionally checking on the performance of the other subordinate. Strickland found that the subordinate given only periodic supervision was later considered by the supervisor to be more capable of working without close supervision, since he had proven himself a trustworthy performer. The subordinate who had been closely supervised was considered to be less trustworthy, and the supervisor felt it necessary to continue close monitoring of the performance of that subordinate. Since this subordinate had not had the opportunity to be disloyal, he had also not had the opportunity to prove himself a trustworthy performer. McFillen (1978) reported similar results from his laboratory study. In sum, requiring closer supervision seems to cause supervisors to feel that subordinates can not be trusted to perform on their own. The relevance of this finding to appraisal systems will become apparent momentarily.

Many of the newer rating devices, such as behaviorally-anchored rating scales (BARS) and behavioral checklists, force raters to observe their subordinates rather closely. There also seems to be a trend toward more frequent appraisals, with the traditional once-a-year evaluation and feedback interview becoming a thing of the past. While newer techniques may yield more accurate ratings and more usable feedback for the subordinate, they may have a dysfunctional effect on superior/subordinate relationships. Requiring more detailed and/or more frequent performance monitoring and appraisal may lead to lowered trust in the subordinate by the superior, as discussed above. If the subordinate perceives the lack of trust by the superior, a Pygmalion effect may develop in which low trust and close supervision by the superior lead to untrustworthiness and a real need for close supervision on the part of the subordinate. The cycle may continue, with more supervision given and more required.

Power

In hierarchical organizations, superiors, by definition, have some power and authority to influence the behavior of their subordinates. The appraisal process in particular dramatizes supervisors power to judge subordinate performance and to give or withhold rewards on the basis of this judgment.

David Kipnis and his colleagues have explored the effects of successfuly using power on the beliefs and attitudes of power-holders. They found that individuals who felt that they used strong forms of power (threats, promises, direct orders) tended to feel that they were responsible for behavior changes produced in the other person (Kipnis, 1972; Kipnis, Costell, Jergen, and Mauch, 1976). In their most recent study (Kipnis, Schmidt, Price, and Stitt, 1981), students acting as work group leaders were instructed to be either democratic or authoritarian in dealing with their subordinates. As expected, leaders told to be authoritarian did use "stronger" means of influence, and did attribute their subordinates' performance to their own successful use of power, rather than to the subordinates' ability or motivation. If a similar mechanism operates in the formal performance appraisal setting in industry, then any positive change in subordinate behavior following feedback may be attributed by the superior to his or her own successful use of power rather than to qualities of the subordinate such as increased skill or effort.

Research in the area of performance attribution has shown that the *perceived cause* of subordinate behavior determines the superior's 1) use of rewards and punishment, 2) closeness of supervision, 3) expectations of future performance, and 4) aspirations for the subordinate (Green and Mitchell, 1979). In cases where subordinate performance does improve, superiors may feel that *they,* not the subordinate, caused the change and thus may deprive the subordinate of praise, rewards, independence, or promotions which may be deserved. An eventual consequence may be feelings of inequity or lowered motivation and satisfaction on the part of the subordinate.

There are other potential negative consequences stemming from the use of power by the superior. Kipnis et al. (1976) also found that successful power users 1) tended to devalue the worth of the influenced person while evaluating themselves more favorably, 2) tried to increase their social and psychological distance from the person, and 3) evaluated the person less favorably. The use of supervisory power in the appraisal and feedback setting may have similar results. It is very doubtful that these kinds of perceptions and behavior promote good superior-subordinate relations.

Job Satisfaction

A sizable body of literature is accumulating which suggests that superiors do not enjoy appraising and giving feedback to their subordinates. McGregor (1957) was one of the first to point this out. He noted that "even managers who admit the necessity of such [appraisal] programs frequently balk at the process — especially the [feedback] interview part" (1957, page 89). He went on to state that appraisers dislike being made to "play God" over their subordinates. Subsequent anecdotal and empirical evidence bears out this conclusion (see Fisher, 1978, for a review).

Superiors seem particularly dismayed by the thought of appraising performance when they are required to give feedback to their subordinates, especially if the feedback is negative (Brett and Fredian, 1981). Both Fisher (1978, 1979) and Ilgen and Knowlton (1980) found that superiors attempted to avoid having to give negative feedback by distorting their performance ratings upward before the feedback interview. Fisher (1978, 1979) also found that superiors of low performers expected their subordinates to dislike them more following negative feedback.

Several dysfunctional consequences may follow from superiors' dislike for the performance appraisal process. First, being required to appraise and give feedback *frequently* (which we noted is the present trend), or to *a large number* of subordinates, or *both* may lead to low job satisfaction for the superior. If a large part of one's work time must be devoted to an unpleasant task, low satisfaction and turnover are likely consequences. Second, if dislike for the appraisal process is manifested by attempts to avoid or distort appraisals, poor performers may be deprived of needed feedback, and good performers may be discouraged by what appears to be supervisors' tacit approval of poor performance. The performance and motivation of the work group may suffer, leading eventually to lower performance ratings of the delinquent appraiser by his or her own superiors.

Conclusions and Recommendations

There have been relatively few studies on the effects of performance appraisal on appraisers. However, the research which exists in this and related areas supports the contention that giving feedback can have unfortunate consequences for the giver. The use of power and close supervision has been shown to influence the trust in and desire to associate with the subordinate. Users of strong and successful influence methods have been shown to devalue the worth of the influenced person and take credit for the performance of that person. Organizations which require frequent and detailed appraisals may expect to have to cope with this type of disturbance in superior-subordinate relationships. Increasing the frequency of formal appraisals is likely to be a mixed blessing, at best.

Most of the criticisms and areas of concern raised in this paper apply primarily to the "traditional" approach to performance appraisal, in which the superior acts unilaterally as policeman, judge, and jury with regard to maintaining subordinate performance. More participative methods of appraising performance which culminate in jointly-set goals for subordinate performance should be less plagued by the problems we have outlined. For example, much less close supervision would be required for a joint determination of whether or not an objective has been met than would be required for the superior to fill out a long behavioral checklist. Further, changes in subordinate performance following a participative appraisal and goal-setting process should be more likely to be attributed to the subordinate rather than to superior influence. The third problem for the appraiser should also be less severe in a participative appraisal system. Superiors cease "playing God" and begin to play "coach." On the other hand, participative systems can be extremely time consuming, and are probably unrealistic with large groups of subordinates or when the task is highly structured (Keeley, 1978).

One means of preventing or reducing supervisors' problems with disliking, distorting, or avoiding appraisal and feedback is to provide extensive training in how to conduct successful appraisal interviews. Probably a major reason for supervisors' dislike of the appraisal process is their uncertainty about how to proceed in the appraisal interview. Behavior modeling training (which involves, first, watching appraisals being handled properly, and then, practicing in the form of role playing) may be especially helpful (See *Personnel Psychology*, 1976, Vol. 29, No. 3 for several articles on behavior modeling training). Supervisors with increased ability to conduct effective appraisal interviews should be more willing to do them promptly and accurately when required. At the same time, increasing the quality and effectiveness of appraisal interviews may mean that there is no need to increase the *frequency* of formal appraisals. As noted above, frequent appraisal interviews may lead to a host of problems for the appraiser.

In conclusion, we have suggested that potentially severe negative consequences may follow for supervisors who have to evaluate others and give them feedback. These consequences have been almost totally ignored by researchers and practitioners in the past. Our present need is for further research in organizations, both to determine the magnitude of the problem, and the efficacy of the solutions (participation and training) proposed in this paper.

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