I. Welcome and preview of the session

a. The title of this session tells you how I feel about how performance appraisals are traditionally done (not well). How about you?

i. How many of you have had an unsatisfactory evaluation experience as the person being rated? How about as the person doing the rating?

ii. Is the performance appraisal system used in your organization working well? Or not?

b. Here’s what we will cover in this session:

i. What is traditional performance management?

ii. Why reality does not match theory.

iii. What we can do about it.

c. Before we dive in, I believe the ultimate goal of performance management is to answer this question: “How can we help each person thrive and excel?” As we shall see, I believe the key is optimizing employee engagement.

II. What is the conventional wisdom about performance management?

a. The Workforce Management Curriculum of the NACM Core:¹

i. Performance Management (section 3)

1. The driving component: “Performance management involves establishing and communicating specific performance expectations and goals for each employee and periodically meeting with and providing feedback to the employee about his or her performance as it relates to the expectations and goals laid out.”

2. Reasons for performance management

3. Common types of performance management systems

4. Elements of performance management systems

¹ This section of the Core is being revised; updated version available soon
5. Performance review process
6. Performance criteria (SMART)
7. Common problems/pitfalls with performance management
8. Common rating errors

ii. Employee Relations (section 8)
   1. “The most important part of any organization is its people.”
   2. Subsections on motivating staff, creating a positive court culture, employee satisfaction, and employee conduct.

b. ASK: What do you think are the primary purposes of performance appraisals?

i. The 6 primary functions of performance appraisals are (Coens & Jenkins, page 17):
   1. Improvement
   2. Coaching and guidance
   3. Feedback and communication
   4. Compensation
   5. Staffing decisions and professional development
   6. Disciplinary actions and legal documentation

III. But, something is not right with this picture! Think back to how we raised our hands at the beginning of this session. We know that there are problems, yet we have trouble putting our fingers on them. The reasons why over 2/3 of people worldwide hate performance appraisals include:

a. Underlying assumptions are faulty. For example:²

   i. One appraisal process can effectively serve several functions at the same time. In reality the functions often undermine each other, particularly the administrative vs. the developmental uses (e.g., if people focus on pay, it is very difficult to really hear, accept, and integrate feedback; or, if low ratings lead to discipline, fear will be

² The 8 flawed assumptions are:

- One process serves multiple functions
- One size fits all
- Compulsory process = commitment
- Top down approach empowers staff
- Objectivity and reliability can be achieved
- Ratings motivate
- Periodic appraisals are effective
- Extrinsic rewards motivate
associated with the process and defensiveness will replace acceptance and learning/development).

ii. An evaluation system can objectively and reliably assess individual performance. In reality, supervisors and raters are inevitably subjective and biased. In fact, ratings reveal more about the rater than the ratee!

iii. Rating and rankings are effective motivational and coaching tools. In reality, rating and ranking are inherently destructive of self esteem since most employees are disappointed if they are not given the highest level (80% of people saw themselves in the top ¼ of all performers, for example). Ratings also encourage superficial conversations, as the employee is drawn to the rating (and its impact on one’s standing, pay, or promotion) rather than gaining an understanding of where one stands.

b. Performance management systems, even carefully crafted, have very poor execution. For example:
   i. Rating errors
   ii. Annual interviews (video of bad interview)

c. HBR, October 2016, *The Performance Management Revolution – the focus is shifting from accountability to learning*, by Cappeli and Tavis:

“But the biggest limitation of annual reviews—and, we have observed, the main reason more and more companies are dropping them—is this: With their heavy emphasis on financial rewards and punishments and their end-of-year structure, they hold people accountable for past behavior at the expense of improving current performance and grooming talent for the future, both of which are critical for organizations’ long-term survival. In contrast, regular conversations about performance and development change the focus to building the workforce your organization needs to be competitive both today and years from now.”

IV. So, why do we continue the conventional wisdom insanity?!

a. The purposes are worthy
b. Inertia [230 a.d., Wei Dynasty in China institutes rating of government officials]
c. HR likes it
d. Ignorance of alternatives
V. Don’t you think we can do better? Think about:

a. What are we really trying to accomplish, and how do we get there?
b. How can we help each person thrive and excel?
c. Goal is to fuel performance, not impede it.

VI. Key elements of an effective performance appraisal system/environment:

a. System should be designed to primarily fulfill the first three functions: improvement, coaching & guidance, and feedback & communication.
b. Create a psychologically safe environment/culture/process
c. Focus on the individual (critical!!!)
   i. Use “Situational Leadership” principles
   ii. Continuous communication and feedback (reduce formality)
      1. MBWA
      2. Regular “check-ins”
      3. Everyone keeps temporary performance notes (“me files”)
      4. Be honest and ethical
      5. Feedback is specific, and actionable
      6. Praise in public, point out errors in private
      7. Actively listen with an open mind
      8. Body language is important
      9. No surprises!
   iii. Be sensitive to the diverse backgrounds of staff in carrying out all of these practices
   iv. Focus on intrinsic motivators
      1. Public Service orientation
      2. Rule of Law (a mission that “makes a difference”)
   v. Focus on strengths, not weaknesses
   vi. Focus on outcomes, not process
   vii. Set SMART goals (specific, measurable, achievable, relevant, and time-bound)
   viii. Use good metrics; what you count, counts (as shown above with faulty assumptions, there often are unintended consequences/conflicts). Keep in mind that not all metrics are equal – don’t average them. The 6 C’s are:
      1. Connected to important goals (define success, and measure it)
      2. Consistent (go up when performance improves, and vice versa)
      3. Calibrated to the work
      4. Complete (covers all important work areas)
5. Communicated (what, why, how…) to everyone who can affect the outcomes
6. Current (keep them updated to changed circumstances)
d. Include a calibration/review component.
e. Work to avoid common rater errors and bias
f. Simplify/reduce/get rid of rating scales and rankings that compare employees to each other and mislead with pseudo-objectivity; focus on examining how the employee is performing over time (longitudinally, comparing to self); avoid forced distribution, behavioral, and other similar systems/techniques
g. Be transparent (about the system, content, basis, uses of information, and acknowledge issues and problems).
h. Focus on the future (e.g., training and development needs and plan, career goals and how to achieve them)
i. Routinely include statements like this in discussions:
   i. “What can I do to assist you in achieving our goals?”
   ii. “How can I be a better supervisor and team member with you?”
   iii. “What hinders and helps you to do a good job?”
j. Document a formal review after the discussion (don’t fill out the form in advance!)
k. The system, including any annual component, should be simple (reduce paperwork and red tape).

VII. Implementing these elements will result in an effective and fairer appraisal system. As I said at the beginning, increasing employee engagement is a key goal of an appraisal system. The Gallup organization has devised a validated survey to measure employee engagement around the world. The survey asks workers to answer true or false to these statements:

a. I know what is expected of me at work
b. I have the material and equipment I need to do my work right.
c. At work, I have the opportunity to do what I do best every day.
d. In the last seven days, I have received recognition or praise for doing good work.
e. My supervisor, or someone at work, seems to care about me as a person.
f. There is someone at work who encourages my development.
g. At work, my opinions seem to count.
h. The mission or purpose of my company makes me feel my job is important.
i. My associates or fellow employees are committed to doing quality work.
j. I have a best friend at work.
k. In the last six months, someone at work has talked to me about my progress.
I. This last year, I have had opportunities at work to learn and grow.

How do you and your organization measure up? With my proposed performance management system improvements employees should be able to answer “true” to most, if not all, of these statements.

VIII. Closing/summary of session

a. Remember the NACM Core’s definition: “Performance management involves establishing and communicating specific performance expectations and goals for each employee and periodically meeting with and providing feedback to the employee about his or her performance as it relates to the expectations and goals laid out.” Always keep in mind this is a team effort that results in the development of the employee and achieving the court’s mission.

b. Performance management is not easy – doing it well requires continuous effort and dealing with often difficult issues. The results, however, are worthwhile. In the end, what is more important than making this investment in yourself and your staff?

IX. Sources of further information

a. Workforce Management section of the NACM Core
https://nacmcore.org/curriculum/workforce-management/

b. Court Leader Vantage Point Blog:
   ii. https://courtleader.net/2018/04/10/employee-performance-appraisals-how-do-we-make-them-better/
   iii. https://courtleader.net/2018/04/26/to-rate-or-not-to-rate-is-that-the-question-key-design-considerations-for-performance-appraisals/