

Performance Appraisals—

Politics plays role in evaluations

"There's really no getting around the fact that whenever I evaluate one of my people, I stop and think about the impact—the ramifications of my decisions on my relationship with the guy and his future here," one manager admits.

This statement is similar to most reported in a study of how 60 experienced managers from various organizations feel about the appraisal process.

Personnel managers and textbook writers take great pains to create *accurate* appraisal instruments. Yet interviews with managers indicate that in reality *political* factors take precedence over accuracy when appraisals are filled out.

"As a manager, I will use the review process to do what is best for my people and the division. . . . Accurately describing an employee's performance is not as important at generating ratings that keep things cooking."

It's clear that managers sometimes distort—inflate or deflate—ratings to achieve political ends.

What makes managers *inflate* ratings? These reasons were reported:

- to maximize the merit increases a subordinate would be eligible to receive, especially when the merit ceiling was considered low.

- to protect or encourage a subordinate whose performance suffered because of personal problems (feeling sorry for a subordinate also resulted in an inflated appraisal).

- to avoid hanging dirty laundry out in public if the performance appraisal would be reviewed by people outside the organization.

- to avoid creating a written record of poor performance that would become a permanent part of a subordinate's personnel file.

- to avoid a confrontation with a subordinate with whom the manager recently had difficulties.

- to give a break to a subordinate who had improved during the latter part of the performance period.

- to promote a subordinate "up and out" when the subordinate was performing poorly or did not fit in the department.

What makes managers *deflate* ratings?

- to shock a subordinate back onto a higher performance track:

- to teach a rebellious subordinate a lesson about who's in charge.

- to send a message to a subordinate that he or she should consider leaving the organization.

- to build a strongly documented record of poor performance that could speed up the termination process.

SOURCENOTE: Clinton Longenecker, Henry Sims, Dennis Gioia, *The Academy of Management Executive*, vol. 1, no. 3, Academy of Management, Drawer KZ, Mississippi State, MS 39762, August 1987, \$35/yr.

SUGGESTION: Recognize that ratings turned in to you (and that you yourself have received) probably were tainted by political motivations. Beware of relying completely on written appraisals for accurate information.

He smiled and said, "It rots from the head first."

Golding agrees. He writes, "Any business, any division or department of any business, any institution, is only as good as the person in charge."

SOURCENOTE: Charles William Golding, *What It Takes to Get to the Top—& Stay There*, G. P. Putnam's Sons, 200 Madison Ave., New York, NY 10016, 1983, \$13.95.

Motivation—

These principles hike productivity

Consultant Michael LeBoeuf provides three principles for enhancing employees' motivation:

- **Treat people the way you want them to become.** Time and again it's been shown that people will change their behavior to meet others' expectations. How you treat employees tells them how to behave.

Continually checking on them tells them they're not to be trusted. Barking out orders tells them they aren't to think for themselves.

Giving people latitude to do their job their own way tells them you respect their maturity and judgment. Paying particular attention to, and giving recognition for, a job well done tells them you appreciate their efforts and their work is being noticed.

- **You get what you reward—not what you ask for.** If employees are asked to work hard and produce results, but the rewards go to those who look busy and court the boss's favor, then you can guess what they will do.

If they are asked to take initiative, but their salary is based on showing up on time five days a week, again, what's rewarded is what they'll do. Sooner or later everyone learns what's rewarded, and rewarded behavior is what the company gets.

- **Know the person.** Consider each person you're trying to motivate and ask yourself, "What does he or she want? What's meaningful to this person?"

Asking people what they want from their work and from life in general can provide useful insights. LeBoeuf says, "The more you know about an individual the better you're able to empathize and understand what makes him tick and what he's looking for in his work."

SOURCENOTE: Michael LeBoeuf, *The Productivity Challenge: How to Make It Work for America and for You*, McGraw-Hill, 1221 Avenue of the Americas, New York, NY 10020, 1982, \$12.95.

Leadership—

Something's fishy about business

When managers complain about their employees, author Charles William Golding tells the fish story he heard from an old Greek friend.

"Beeeeeel," he said with his Mediterranean accent, "business is like a fish."

"What do you mean?" Golding asked.

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COBRA Notice

Employers may be liable for damages if they don't give notice to an employee's spouse, who is eligible for medical benefits under federal COBRA laws, the 6th Circuit has ruled. The case involved a terminated employee who inquired whether his medical insurance would continue for his wife, who had breast cancer. On at least two separate occasions by two different employer representatives, the employee received assurances that coverage would continue. However, the employee's wife discovered she was no longer insured several months later when she sought preapproval for a medical treatment. The court ruled that COBRA requires notice to beneficiaries (including spouses) that their health insurance may continue for up to 18 months, but notice to the employee alone does not suffice for notice to beneficiaries, the court said. The employer was obligated to provide additional notice to the spouse in this case. (*McDowell v. Krawchinson*, 1997 WL 573086 96th Cir. 1997).

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Ethical Actions

Of the 24 percent of 4,000 American workers who responded to a recent survey on Technology & Ethics in the Workplace, the following percentages do not believe the following actions are unethical:

- Playing computer games on company equipment during office hours: 49 percent
- Using office equipment to help children/spouse do schoolwork: 37 percent
- Using company e-mail for personal reasons: 34 percent
- Using office equipment for personal reasons: 29 percent

American Society of Chartered Life Underwriters & Chartered Financial Consultants, Bryn Mawr, PA., and the Ethics Officer Association, Belmont, MA.

Employee Attitudes

What Makes Employees Stay or Go?

Increased workload and decreased job security may account for grumbling around the water cooler, but they have little or no effect on employee decisions to stay with or leave their companies. What does matter are a few key factors related to skill development, management competence, and reward (psychological and financial).

With the ability to retain talent a major issue affecting business success, companies need to understand and manage the factors that drive retention and attrition. The Hay Group, human resources manage-

ment consultants, compared "committed" employees, those who said they would stay with their organization for more than five years, with those who planned to leave within the next year.

Wide differences in satisfaction in eight critical areas separated the two groups: the opportunity to learn new skills; coaching and feedback from one's boss; the type of work done; ability of top management; recognition for a job well done; respectful treatment; training; and pay.

KEY FACTORS IN EMPLOYEE RETENTION

Satisfaction With:	% Satisfied	
	Committed Employees	Employees Planning to Leave
• Opportunity to learn new skills:	61	25
• Coaching and feedback from boss:	64	34
• Type of work	89	60
• Ability of top management	65	37
• Recognition for a job well done	58	30
• Respectful treatment	69	42
• Training	59	32
• Pay	54	29

These conclusions are based on an analysis of employee attitudes collected from more than 300 companies and a half million employees over the past three years by Drs. Bruce N. Pfau and S. William Alper, leaders of Hay's Research for Management practice, which specialize in employee survey research.

"To retain employees, organizations need to think seriously about their investment in training and development. Companies also need to pay competitively; ensure their work culture encourages coaching, feedback, and recognition; and that top management inspires confidence," says

Pfau.

While the survey results provide a base line of knowledge about what motivates employees to leave or remain, every company has an individual profile, and key factors may rank differently, Alper states. "In this day of tight labor markets and soaring turnover among critical skill groups, companies can improve retention by taking the pulse of their workforce more often and implementing programs that address their employees' concerns."

Hay Group, Philadelphia, PA.