

An Exploratory Analysis of Line Managers' Attitudes and Perceptions towards Performance Appraisals

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Abstract

A review of the literature on performance appraisals established a conceptual model for performance appraisal best practice.

The following research will focus on the managers' attitude and perception towards performance appraisals. In particular the following research is an analysis of managers' opinion on their own performance appraisal system, and their comments with regard to each point identified in the conceptual model.

The company in question is a large multinational IT company, and this research was particularly focused on managers within the shared service / technical support centre of this company.

The findings for the most part, were not surprising and were in keeping with the research identified from the conceptual model. Managers of Company IT expressed agreement in the use of performance appraisals and employee performance feedback. However, in the practice of Company IT, the forced distribution and employee rating format appeared to hinder the objective(s) of the performance appraisal meeting.

Acknowledgements

I would officially like to go on record and thank my family and friends for putting up with my 'turmoil' during this dissertation. I would like to thank the company that wished to remain anonymous (Company IT) and the management that were very receptive to my dissertation research and forthcoming with valuable and essential information. I would finally like to take the opportunity to thank the many lecturers I had in my time at National College of Ireland, in particular a thank you to my dissertation supervisor Colette Darcy for her help and guidance.

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CHAPTER 1 - INTRODUCTORY CHAPTER

An Exploratory Analysis of Line Managers' Attitudes and Perceptions towards Performance Appraisals

Performance appraisal (or performance review) is a process for individual employees and those concerned with their performance, typically line managers, to engage in a dialogue about their performance and development and the support they need in their role. It is used to both assess recent performance and focus on future objectives, opportunities and resources needed (CIPD, 2014).

Performance reviews are an integral part of an organisation's business model and "used not only as an evaluation and documentation tool, but also as a strategic tool" (Sahoo & Mishra, 2012, p. 3). "It is hard to imagine a company doing a good job of managing its talent without gathering information about how well individuals perform their jobs, what their skills and knowledge are and what their responsibilities and performance goals are for the future" (Lawler et al., 2012, p.191). Performance reviews remain one of the most important human resource management (HRM) subsystems (Liu & Dong, 2012).

According to Lah and Perry (2008) 93.3% (of OECD companies) have come to rely on individual performance appraisals. This research therefore will seek to examine line manager's perception of the performance appraisal system in operation in their organisation. The research will seek to explore the level of manager buy-in to the process, their perceived level of comfort regarding conducting appraisals and where they see issues or barriers to its effective implementation.

Overview of Research Undertaken

Literary research gathered indicated that line managers find the practice of performance appraisals to be beneficial in achieving the objective(s) of: communicating to staffs on areas around “performance and development and offering the support they need in their role” (CIPD, 2014). The research undertaken for this dissertation was conducted among line managers within a large multinational IT company. The IT company wished to remain anonymous and for that reason, for the duration of this paper this company will be described and represented as Company IT.

From the research gathered from the Company IT line managers all pointed towards the company’s performance appraisal forced distribution system. In general, managers stated that the forced distribution system directly impacted and effected the performance appraisal meeting(s) with staff, effecting employee engagement and therefore overall goal of improving organisational performance was impacted.

Dissertation Overview

Chapter 2 – Literature Review

The literature review consisted of a description of a performance appraisal, as well as detailing the typical performance appraisal process overview evident in the majority of companies. The literature review also details the overall objectives of performance appraisals, as well as the key characteristics needed for a performance appraisal system.

Following on from the key characteristics, the researcher was able to formulate a performance appraisal conceptual model, consisting of key elements that were described by researchers as critical elements for performance appraisals.

Chapter 3 – Research Methodology

The research philosophy adopted for this research was an exploratory analysis of line managers' attitudes and perceptions towards performance appraisals. The research approach taken was that of a qualitative approach, and the research instrument chosen were semi-structured interviews. This was the approach, largely as a result of the researcher's ability to gain access to Company IT and as a result of this access; the sample chosen were line managers within this department of Company IT. The reasons for method chosen are detailed further within chapter three, as well as the limitations of the research.

Chapter 4 – Discussion of Research Findings

This chapter outlines a summary and discussion of the results gathered from the research findings, paying particular attention to;

- Company IT line managers' opinion on the purpose of employee performance appraisals.
- Describing the details of the Company IT performance appraisal system with regard to:

- Scorecards and end of year grades for employee performance.
- Scorecard breakdown and description of each grade.
- The forced distribution system and balance act of employee performance grades.
- Frequency and number of performance appraisals line managers in Company IT attempt to have with their employees.
- The reward system that is in place within performance appraisal ratings, managers' opinions on the Company IT's reward system and it's ability to engage and motivate staff.

Chapter 5 – Analysis & Findings

This chapter reviews the line managers' opinion of the performance appraisal forced distribution system, and also compares it with that of the primary research identified from the literature review. Furthermore this chapters reviews each element of the conceptual model (trust & fairness, confidence & manager "buy-in", training, corporate culture and engaging to employees), as establish from the literary review and compares it with that of the opinions expressed by Compant IT line managers.

Chapter 6 – Recommendations

The recommendations were aimed at providing possible alternatives to elements of the Company IT performance appraisal system. The elements that were targeted in this

chapter, were that which line managers identified as elements that hindered, effected their ability to correctly use and carry out their employee performance appraisal.

CHAPTER 2 - LITERATURE REVIEW

INTRODUCTION AND BACKGROUND TO LITERATURE REVIEW

The purpose of this literature review will be to examine the perceptions and attitudes line managers have of performance appraisals (reviews) that they must carry out on subordinates. The author's search included, but was not limited to the following databases: ProQuest, SAGE, Emerald, EBSCO Host and Summon Academic Article directory, as well as the resources professional institutions, such as: CIPD, XpertHR, goodpractice.net and TLNT. The author searched the above resources, using basic, as well as advanced search functions. Combining the terms 'performance review', 'performance appraisal', 'performance management', 'manager perception', 'manager attitude', 'positives', 'negatives', 'benefits', 'supervisor', and 'manager'. 'Backward chaining' and hand searching were also used to allow access to additional relevant articles that had not appeared in the database searches. Furthermore, the author employed the technique of citation searches, as well as searches on Google Scholar were conducted on key papers in order to check for additional references / resources. Initially, a large quantity of articles was retrieved. Articles that did not reflect the perceptions or attitudes managers/supervisors have towards performance management or performance review systems as outlined in the search strategy were excluded. Articles were excluded for the following reasons:

- Main focus of article was not relevant to area of study.

- Some were excluded where the primary studies were conducted over 10-15 years ago.
- A number of articles were excluded because they could not be accessed either online or in print

WHAT DO THE ACADEMICS TELL US?

Performance appraisal (or performance review) is a process for individual employees and those concerned with their performance, typically line managers, to engage in a dialogue about their performance and development and the support they need in their role. It is used to both assess recent performance and focus on future objectives, opportunities and resources needed (CIPD, 2014). However, delve only a little deeper into the literature and you discover a growing consensus, that the “performance appraisal system is a rudderless sinking ship, most likely broken beyond repair” (Hantula, 2011).

PERFORMANCE APPRAISAL PROCESS OVERVIEW

Figure 1 gives guidance on developing a performance appraisal system and a process flow to consider for performance appraisal (Shane, 2010). These general standards and ‘check points of thought’ are aligned with other researchers and professional institutions (CIPD, 2004, XpertHR, 2014, Applebaum et al., 2011, and Sillup & Klimberg, 2010).

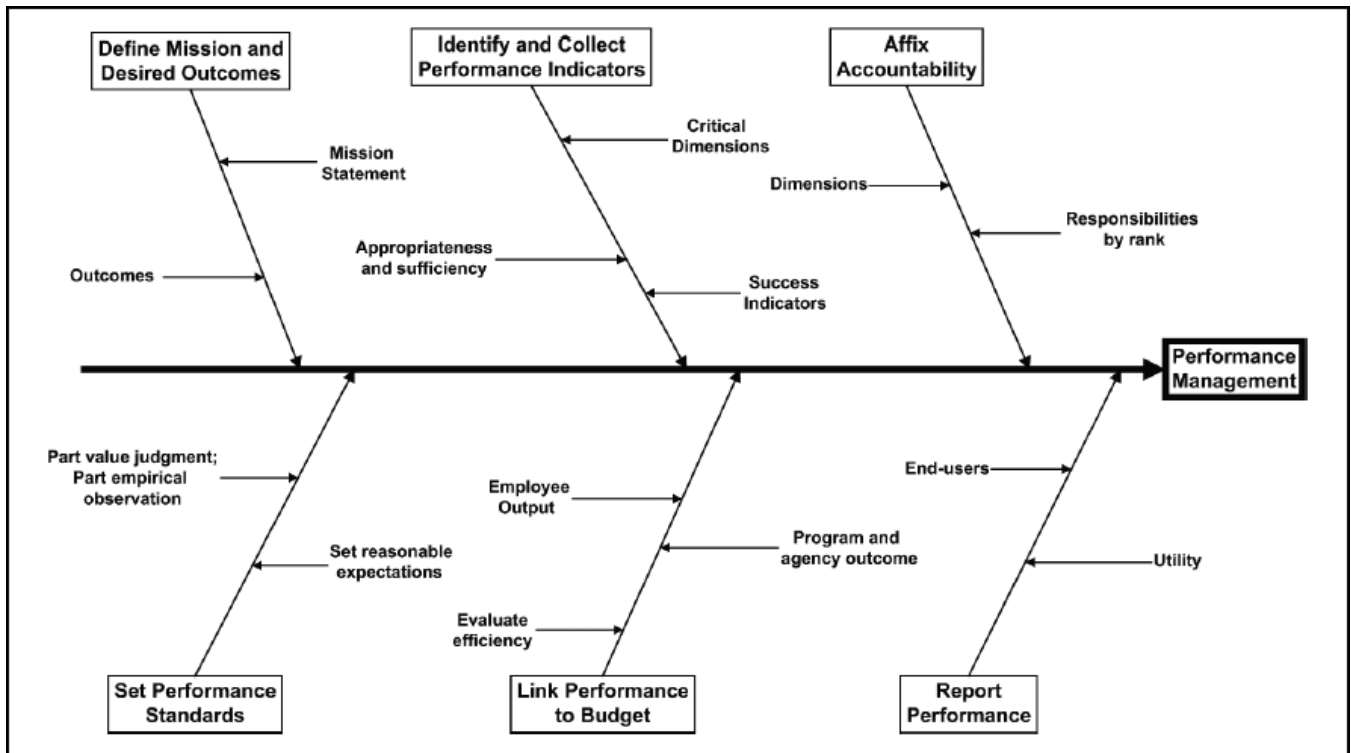


Fig. 1 [Shane, 2010]

The ideal performance appraisal system is a concept or format, not a specific form. It is a process that involves setting expectation (of the supervisor and subordinate), having the subordinate perform to achieve the expectations, of appraising and feeding back the results, and applying the results of the assessment in ways that benefit the organisation, supervisor, and the subordinate involved (Kondrasuk, 2011).

WHAT ARE THE OBJECTIVES OF PERFORMANCE APPRAISALS

Some researchers stated, "It is hard to imagine a company doing a good job of managing its talent without gathering information about how well individuals perform their jobs, what their skills and knowledge are and what their responsibilities and performance goals

are for the future” (Lawler et al., 2012, p.191). For a lot of companies, the purpose of performance reviews are to “measure progress, differentiate between levels of performance, pinpoint training needs, validate rewards and identify promotable employees” (Glen, 1990, p.1). Jawahar & Salegna (2003) suggest performance reviews also have but are not limited to the following functions: “making administrative decision, feedback or development purposes, evaluating effectiveness of HR practices and documenting the basis of employment decision (for legal reasons)”. Curtis et al. (2005), state that these factors combine to undermine the principle and purpose of performance reviews. Researchers describe the ideal performance appraisal, in three ways. One, from the supervisor’s perspective, appraisals would be “accurate and helpful in improving employee performance, and making administrative decisions”. Two, from the employee’s perspective, an appraisal would “fully capture all that they employee has contributed in the job...enable continued career growth” (Kondrasuk, 2012). Figure 2 captures the sentiments of quite a few researchers argue as the objectives of performance appraisal and performance appraisal systems (Shahraji et al, 2012). Note the difference between personnel developmental and administrative objectives. This separation of individual and corporation focus was evident throughout the performance appraisal literature.

development objectives	administrative - executive objectives
<ul style="list-style-type: none"> -providing performance feedback -identifying personal strengths and weaknesses - identify performance of individuals - helping to identify targets - evaluation of to achieve the objectives - identifying the educational needs of individual - identifying organizational educational needs -strengthening the power structure -the improvement of communication - providing a condition for managers to help employees 	<ul style="list-style-type: none"> -documenting decisions concerning employees - determining promotion of candidates -determining the duties and responsibilities -identifying weak performance -decisions in dismissal or maintenance -validation of selection criteria -evaluation of educational programs -decision about compensation and reward -to meet legal regulations - planning personal

Fig. 2 [Shahraji et al, 2012]

The importance of transparency is evident from much of the research. Transparency in particular to organisations being clear on their corporate mission, performance appraisal measurement methods, objectives of their performance appraisal system and tying all this back to their corporate mission / strategy. Kondrasuk et al (2008) found that a large number of problems with performance appraisal systems can be reduced to four categories; “1) purpose of performance appraisal, 2) those involved in performance appraisal, 3) what is measured and how, and 4) the system and process of performance appraisal”.

WHAT ARE KEY CHARACTERISTICS OF PERFORMANCE APPRAISALS?

So far this paper has identified what performance appraisals are, process overview of performance management structures in organisations, performance appraisal purposes / objectives and the obvious differentiation the literature shows between individual and corporate goals for performance appraisals.

For the purpose of this research, now that the groundwork has been established, it is required to delve deeper to understand the criteria and key characteristics that researchers identify as required for effective performance appraisal systems. The overall objective of this literature review will be to identify the key characteristics that researchers attribute to and encourage with regard to performance appraisals and build a conceptual model for performance appraisal systems.

From the research, an overall flavour and suggestion of the characteristics and elements needed for performance appraisal systems were as follows: clarify the goals and role of performance appraisal, focusing on both results and behaviours, and involving more constituencies in this process (Kondrasuk, 2011). Other researchers emphasize the importance of aligning performance appraisals to corporate strategy, and the importance of identifying the correct person to deliver feedback (Sillup & Klimberg, 2010). Industry leaders also state the importance of giving feedback effectively and motivating staff in the correct way (XpertHR, 2014), researchers link the importance of training and

development heavily with attaining this and other objectives (Elicker et al, 2006, and Farndale & Kelliher, 2013).

Figure 3 summarises what some researchers believe as the criteria required for an effective performance appraisal (Applebaum et al., 2011).

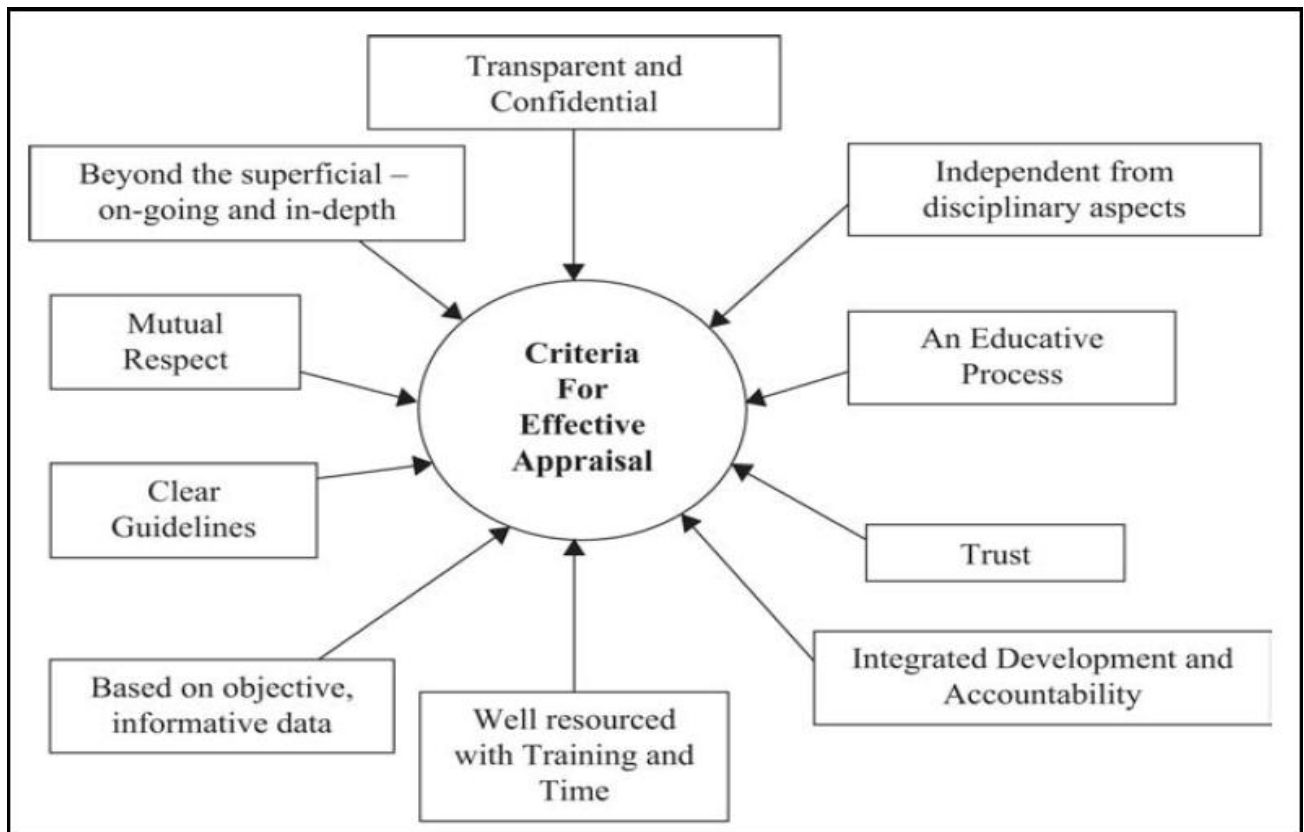


Fig. 3 [Applebaum et al., 2011]

The following part of this research paper will focus on the elements researchers' attribute to an effective performance appraisal system. A conceptual model will be established, each criteria will be discussed in detail, as well as reasoning for their inclusion, according to the sentiment and findings of other researchers.

PERFORMANCE APPRAISAL CONCEPTUAL MODEL ELEMENTS

TRUST & FAIRNESS

The first crucial element to discuss for inclusion and consideration into any performance appraisal model would be trust & fairness. Albeit a very obvious and vague statement, however to elaborate on this point, Meyer & Davis (1999) describe trust in relation to performance appraisals as being “made up of three components: ability, benevolence and integrity. In other words, if an employee believes a supervisor has the skills to properly appraise, has the interests of the employee at heart and believes the supervisor upholds standards and values, the employee is likely to trust that supervisor”.

Researchers state that trust is the key element in managing the supervisor-employee relationship (Patton, 1999). Some researchers go as far as saying that belief in fairness of the standards is the most important factor for performance appraisals, and once that is lost, the entire foundation and benefit of performance appraisal meetings is undermined (Oh & Lewis, 2009 pg 164).

The literature identifies three subsections in the area of trust for performance appraisals and keys to ensuring trust / fairness are achieved:

- 1) Performance reviews carry with them the need for “rating accuracy” (Glen, 1990) Identifying, measuring, and defining the organisational context in which appraisal takes place is integral to truly understanding and developing effective performance appraisals (Levy & Williams, 2004, p.883) and rater affects – managers in good mood recall positive (Levy & Williams, 2004, p.886)
- 2) How to hold manager's accountable, make sure it's fair in order to achieve as much as possible (Oh & Lewis, 2009). Common problems subordinates cite about managers, include the need for manager to have the motivation to rate accurately (Levy & Williams, 2004, p.887, and Steelman et al., 2004).
- 3) Appraisal Effectiveness: Rater Errors, Rating Accuracy and Appraisal Reactions (Levy & Williams, 2004, p.89) Source credibility (Steeleman et al., 2004), Feedback delivery (Steeleman et al., 2004).

Research found by Mayer & Davis (1999) believes that as well as reviewing performance of employees, used effectively performance reviews “may provide an opportunity to build trust in organisations”. As said previously, trust and fairness is crucial in any performance appraisal system. Without this element, arguably the foundation of performance appraisal, and the employee – manager interaction is marred. The research will in part investigate whether line managers in Company IT believe the performance appraisal system is fair, and if not, what they believe should be in a honest and fair performance appraisal system.

MANAGER CONFIDENCE & MANAGER “BUY-IN”

The next crucial point of importance for an effective performance appraisal system is manager confidence or manager “buy-in” (Miller & Thornton, 2006), in the performance appraisal system. Another relatively obvious and apparent point, as it is line managers that hold a key and vital role in delivery of performance feedback. Researchers provided evidence that line manager’s hold a key to tapping into employee engagement and performance management outcomes (Farndale & Kelliher, 2013).

Manager “buy-in” has high importance, as their pivotal role in feedback delivery and being the cornerstone of enacting performance appraisals, means that they must believe in the system that they are enacting. This is essential, in the eyes of some researchers, in order to encourage motivation to rate accurately, and reduce leniency error and increase accuracy with performance rating (Levy & Williams, 2004, Miller & Thornton, 2006). Rating accuracy will reduce rater error or rater effects, such as managers in a good mood only recalling positive points, and thus encouraging thorough feedback and limiting or mitigating against negative and destructive employee reactions to performance appraisals (Levy & Williams, 2004). Spence and Keeping (2013) reaffirm this point other researchers made by stating that managers intentions is one of the most important elements in any performance appraisal.

As this research paper continues, it will later discuss the elements that go hand in hand with enabling and aiding with manager “buy-in”. Some of these areas that work in

tandem with manager motivation are training, performance appraisal purposes and organisational culture. As stated above, manager “buy-in” is affected by numerous factors, but nonetheless is an essential element for performance appraisals. The performance appraisal is reliant on the line managers, as input on ratings and delivery of feedback is largely carried out by line managers.

TRAINING

As previously highlighted, manager “buy-in” is essential for an effective performance appraisal system. However, upon further investigation this point becomes troublesome and not an easily attainable criteria. Research indicates that often managers find difficulty in understanding the performance appraisal system. Upon some of the research, it was found that managers regularly distort performance appraisal results for political reasons (Curtis et al., 2005). Managers often distort ratings for the following reasons: increase subordinate loyalty (Gioia & Longenecker, 1994), avoid making public their department’s poor performers (Longenecker, 1989), protect employees from the consequences of negative ratings, avoiding conflict or damaging working relationships (Longenecker et al., 1987, p. 185). This may be partly down to lack of training and difficulty experienced in delivering constructive performance feedback to employees, particularly if the performance appraisal system is linked with rewards, or other benefits to employees.

McGregor (1957) believed that there was a possibility that managers may find it difficult to transition from day to day managing employees, to then evaluate their performance during an appraisal meeting. (McGregor, 1957) Although relatively old and arguably outdated, McGregor's views seemed to be agreed with by more recent researchers, including Spence & Keeping (2013) and Laird & Clampitt (1985). Indeed Spence & Keeping (2013) specifically discovered "rater discomfort has been proposed to be a result of a lack of confidence in the ability to perform performance evaluation duties. Research has demonstrated an association between rater discomfort and elevated ratings (Spence & Keeping, 2013, p. 11).

Elicker et al., (2006) showed the following findings, after a survey was conducted in which approximately 50,000 respondents indicated that only 13% of employees and managers, and 6% of CEO's, believe that their organisation's current PA (performance appraisal) system is useful. Elicker et al.'s (2006) research showed the reason why stakeholders lacked confidence in the performance review system; the reasons included were similar to the reasons expressed by other researchers. Some of the downfalls and reasons for performance reviews appearing to be unsuccessful were for the following reasons; many firms seemed to "implement metrics without giving any thought to the consequences of these metrics on human behaviour and ultimately on enterprise performance" (Hammer, 2007), another issue highlighted in the literature was that "appraisal reliability and validity still remain major problems in most appraisal systems" (Banks & Murphy, 1985 and Murphy et al., 2004).

Training and manager confidence in performance appraisal impacted greatly on manager “buy-in”. From the literature appeared to be a vicious circle for many studies and companies, and in developing the criteria for an effective performance appraisal system the point(s) of fair or effective performance criteria and manager “buy-in” can become a ‘chicken versus egg’ debate in terms of which comes first.

Researchers indicate that both come simultaneously. Lawler et al., designed surveys and collected the data from 102 large corporations. According to the data, line management has a greater ownership than the HR function in most organisations...line management ownership correlates highly with performance management effectiveness while HR ownership does not (Lawler et al., 2012, p. 194). Line manager involvement is essential to ensure influence on performance appraisal, helping to address concerns around uncertainties with performance appraisals, and ultimately affect training needs. Involvement in performance appraisal design would alleviate some concerns over training and also impact manager “buy-in” in a positive way. However, where researchers state a further importance and obligation a company must conduct in order to ensure effective performance appraisal system is manager training.

As stated previously any performance appraisal system, that doesn’t have trust or fairness in it’s standards and ratings, or “buy-in” from line managers, will struggle to achieve crucial objectives of performance appraisals: objective rating (Glen, 1990, p.1), motivating staff (Kondrasuk, 2012). Researchers such as, Laird and Clampitt (1985) and Elicker et al (2006), in relation to training also state that “managers need specific

guidelines on uses for performance appraisal, and on criteria for assigning ratings” (Laird & Clampitt, 1985, and Elicker et al, 2006). Line manager training is important, in order to enable managers to enact performance appraisals correctly; motivating staff, identifying performance improvements, and assisting in the overall organisational culture or corporate strategy (Farndale & Kelliher, 2013). To keep this in perspective, the researchers identified why training is important and potential pitfalls to a lack of training in relation to line managers. In part, this research will seek to establish if line managers’ agree with researchers and share the same sentiment with a need for training on performance appraisals.

ORGANISATIONAL CULTURE

Organisational culture is the next criteria researchers indicate to bear in mind for an effective performance appraisal system. Organisational culture encompasses other elements previously discussed such as organisational training given to line managers, as well as line manager motivation with regard to performance appraisal. However, it warrants its own focus as an essential element to every company’s performance appraisal system and an organisation’s culture and organisation’s tendency should be strongly considered when devising a performance appraisal system.

Farndale & Kelliher (2013) discovered one of the reasons organisational culture is important for performance appraisals, the culture of a business and more specifically, an organisation’s employees’ trust in senior managers at the business-unit level, was not

only associated directly with levels of commitment employees' had to the organisation, but also moderated the relationship between perceived performance appraisal justice and levels of organisational commitment. In short, researchers were led to discover that trust in senior management and organisational climate directly influenced perceived justice in performance reviews. For reasons such as these, that, identifying, measuring, and defining the organisational context in which appraisal takes place is integral to truly understanding and developing effective performance appraisals. (Levy & Williams, 2004) As many performance appraisal systems hold multiple uses or functions across individual, divisional and organisational levels (Lawler et al., 2012, p.191, Glen, 1990, p. 1, Jawahar & Salegna, 2003, p. 65), such as determining employee promotions, salary increase, bonuses, organisational / department bonuses or performance indicators and for organisations, performance appraisals help to establish the pinnacle of a department / section's capability or help to focus and maximise output. It is for reasons such as the multipurpose function of performance appraisals, that there comes the complexity of balancing the needs of the three levels (individual, divisional and organisational) and as such, often a lot of strain and pressure is put on line managers when divvying performance ratings and conducting performance appraisal meetings.

Organisational culture can be a destructive and crippling part to performance appraisals, unless managed correctly it can cause animosity from employees towards performance appraisal meetings and also cause dissatisfaction from line managers, who coordinate and conduct performance appraisals. Researchers suggest the following ways to mediate and influence organisation culture towards performance appraisals: frequency of appraisal

can eliminate; supervisor selective memory, any surprises at annual review and encourages a culture of constant or continuous feedback (Boice & Kleiner, 1997). Researchers also state that organisation culture can be managed so as to encourage manager motivation to rate accurately, therefore increasing appraisal effectiveness and reducing rater errors, increasing rating accuracy and mitigating against an negative appraisal reactions (Levy & Williams, 2004).

Giangreco et al (2010) encourage line managers, HR and researchers to simplify their approaches and construction of performance appraisals by keeping high consideration for the “why-who-what-when-where-how” question(s) when it comes around to employee performance appraisal and scoring. They suggest that this approach will ensure that the “cultural and organisational variables are not downplayed” and restrict any complicating, emotional or political elements that often come into the fray of performance appraisal and performance review feedback, unsettling employees and causing a ripple effect which disjoints the entire performance appraisal process, making it destructive the organisations overall objectives and goals (Giangreco et al., 2010).

Furthermore, their belief was that of “done effectively, performance management communicates what’s important to the organisation, drives employees to achieve results, and implements the organisations strategy. Performance management done poorly not only fails to achieve these benefits but can also undermine employee confidence and damage relationships” (Pulakos & O’Leary, 2011, p. 147). Organisational culture

influences the organisation's attitude towards performance appraisals, from attitude towards the uses of performance appraisals, and performance appraisal ratings.

ENGAGING TO EMPLOYEES

Throughout the performance appraisal literature, researchers highlight the various destructive elements of performance appraisals, and very relevant / evident throughout the literature is the demotivation that performance appraisals can cause for employees. Researchers concluded that with a low percentage of employees finding motivation from performance appraisals, therefore employees arguably lacked the motivation to address the “training and developmental improvements” identified in performance appraisal reviews. As has been outlined before, this demotivation can undermine the manager to employee relationship, and negatively impact on performance output / productivity, therefore undermining any corporate objectives (Lawler et al., 2012 and Glen, 1990). Kim & Rubianty (2011) conducted a study of US federal employees, to establish the fairness and trust in their existing performance review system(s). In their research, Kim and Rubianty found that 19% of federal employees indicated that performance reviews motivate them to do a better job. Their research indicated a negative relationship between performance reviews and employee motivation. Kim & Rubianty pointed to a possible solution of managing employee expectations of the performance system and perceived fairness in the system (Kim & Rubianty, 2011). Other researchers have indicated that performance reviews are being used as a tool to identify training/developmental improvements (Lawler et al., 2012 and Glen, 1990), but with a low percentage of

employees finding motivation from performance reviews, and arguably lacking the motivation to address the “training and developmental improvements” (Lawler et al., 2012 and Glen, 1990), this can undermine the entire process and purpose of performance appraisals.

Liu & Dong (2012) also agreed with this point, stating: “employees were not satisfied with the performance appraisal system when the system failed to achieve expected results...performance appraisal systems failed to motivate employees to do a better job and had no effect on inspiring intrinsically motivated employees” (Liu & Dong, 2012).

Employees and employee engagement is a relevant criteria for every performance appraisal system. Elements to encourage employee engagement and ‘faith’ in the performance appraisal system are as follows:

1. Strong relationship between manager and employee. Elicker et al. (2006) stated that “employees in lower quality exchange relationships appear to respond less favourably to performance information” (Elicker et al., 2006). This is a similar predicament to the point on “training”, a case of ‘chicken versus egg’ and ensuring to follow other criteria in the conceptual model will impact the overall relationship between manager and employee.
2. Companies must have a fair performance system, transparent and achievable targets. Metrics must encourage performance, and researchers indicate with many firms this isn’t the case, as they appeared to “implement metrics without giving any thought to the consequences of these metrics on human behaviour and

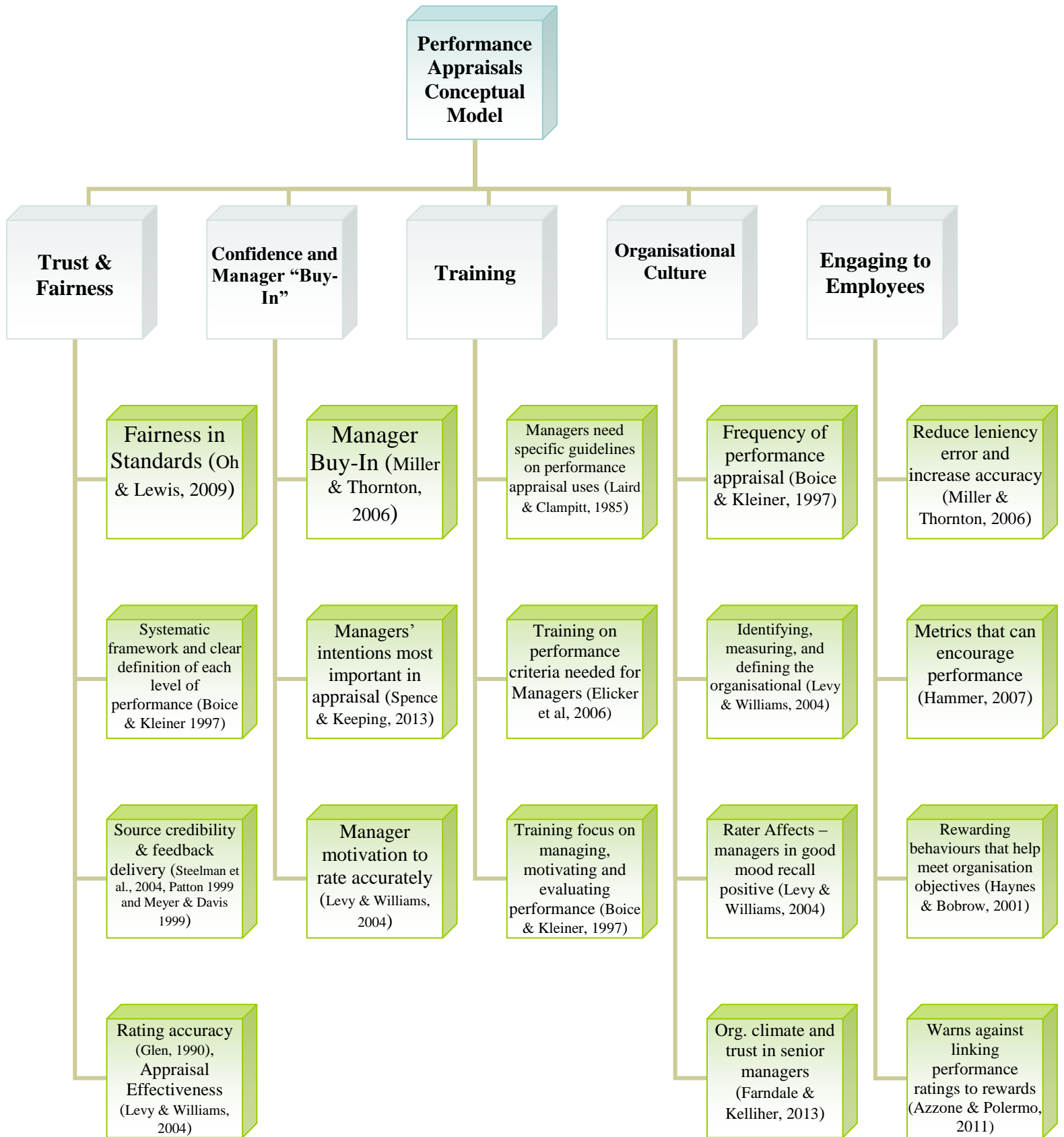
ultimately on enterprise performance” (Hammer, 2007). This point must work in tandem with our previous point of “manager buy-in” which will reduce the likelihood of rating leniency / errors (Miller & Thornton, 2006).

3. Final point for consideration to improve employee engagement in performance appraisals would be reward. Employees must see a return on investment for helping the organisation meet their objectives (Haynes & Bobrow, 2001).

Rewarding employees can be financial or non-financial:

- a. Financial rewards: some researchers warn against linking performance to financial rewards (Azzone & Polermo, 2011, p.91). As the analysis and findings of the research will show, despite popular opinion against linking performance ratings to financial rewards, this was still the case in Company IT. “This final rating would ultimately affect salary increases, bonuses, promotional prospects, and job security” (Manager 1).
- b. Non-financial rewards: including promotion, recognition, extra tasks, and further training. From the research findings, Company IT’s corporate culture affects the relatively basic non-financial reward of ‘recognition’. Some managers in Company IT citing: If they’re not doing well I’d have probably heard through an escalation...you hear negative feedback fairly quickly yeah! (Manager 1). In some companies “high performers are assigned with more challenging tasks and responsibilities and are sent for external training to further enhance their knowledge and capabilities” [Siti-Nabiha et al., 2012].

The main concern is how best to use the appraisal process to motivate and reward subordinates” (Longenecker et al., 1987, p. 191). Overall characteristics employees want from performance appraisal systems include: goal setting, training, and reward / recognition (Schraeder & Jordan, 2011). Arguably, the criteria of trust and fairness, confidence and manager “buy-in”, training and organisational culture could all be undone, should the performance appraisal system not have sufficient rewards or recognition. This will in turn hamper the objective to motivate employees, identify training needs and overall improvement, should the employees not see the reward or benefits to their improved work.



FOCUS OF RESEARCH

Inherent throughout the research on performance appraisal systems, is the importance of leadership and management. Some researchers go as far as saying “the best designed system will fail, if there is not the right leadership and management support practices in place” (Lawler et al., 2012). Tuytens & Devos (2012) reiterate the sentiment from this point, stating that charismatic leadership is important in controlling the performance appraisal system and any desired outcome of the system.

A point highlighted for its importance was “trust and fairness” in the performance appraisal system. Farndale et al. (2011) reaffirm this by stating that “organisational justice is linked heavily with employee commitment to the organisation”, however these researchers go further, stating that commitment is reliant heavily on organisation trust in management and that line managers hold the key to tapping into employee motivation (Farndale et al., 2011 and Farndale & Kelliher, 2013).

The final point to be made on managerial importance in performance appraisals comes from a CIPD study conducted in 2004, it was found that the “higher the employees rated their FLM (front line manager) in terms of the way they managed people, the more satisfied and committed they were. This in turn resulted in higher performance” [CIPD, 2004]. It is for these reasons that the remainder of this research will be focused on investigating line manager perceptions and attitudes towards performance appraisals.

RESEARCH AIMS & OBJECTIVES

This research seeks to explore line manager attitudes and perceptions towards performance appraisal. Through a review of the literature a conceptual model of performance appraisals will be advanced which focuses on investigating the primary contributing factors to performance appraisal and establishing the factors which impact upon managers' perceptions of performance appraisals.

Research Objectives:

1. Investigate line managers' attitude and perception of their formal performance appraisal system.
2. Investigate if line managers' view the exercise of performance reviews as a valuable endeavour.

CHAPTER 3 - RESEARCH METHODOLOGY

INTRODUCTION

This chapter will lay the foundation for research that follows. The researcher will identify and describe a variety of research methods available, and their rationale for choosing their elected approach. This section will also detail the sample chosen, benefits of interview questions, as well as limitations of the research approach taken, and detail ethical considerations the research faced during their investigations.

RESEARCH OBJECTIVES

1. Investigate line managers' attitude and perception of their formal performance appraisal system.
2. Investigate if line managers' view the exercise of performance appraisals as a valuable endeavour.

RESEARCH PHILISOPHY

According to researchers, analysis and investigations fall into three categories of "studies" (Robson, 2002):

1. Explanatory Studies
2. Descriptive Studies
3. Exploratory Studies

Explanatory Studies

The explanatory researches give emphasis in understanding and studying a condition that shows a detailed relationship between two concepts (Saunders, 2009). The term explanatory research implies that the research in question is intended to explain, rather than simply to describe, the phenomena studied. Traditionally, the research denoted by the term explanatory research has been quantitative in nature and has typically tested prior hypotheses by measuring relationships between variable (Maxwell & Mittapalli, 2008)

Descriptive Studies

Descriptive studies comprise mainly of statistical study to identify patterns or trends in a situation, but not the causal linkages among its different elements. Descriptive studies (such as a cross-sectional study) help in generating hypothesis on which further research may be based (Business Dictionary, 2014).

Descriptive research by nature is more systematic and structured as the data collection process here is more organized. It is based on quantitative methods and using numerical tools to evaluate research results (Chuluunkhuu, 2011). According to Robson (2002) it interprets a precise profile of individuals, events or situations.

Exploratory Studies

The term exploratory research or exploration refers to broad-ranging, intentional, systematic data collection designed to maximize discovery of generalizations based on description and direct understanding of an area (Stebbins, 2008). It is usually unstructured by nature.

Exploratory research design is usually used for such topics where information is very little about it and needs more research and information on it (Chuluunkhuu, 2011).

Researchers gather findings by interviewing experts and conducting focus groups and a thorough searching of the literature are the three main ways of conducting exploratory research (Saunders, 2009).

According to Robson (2002), exploratory studies assist in finding out new ideas and understanding in a research subject. Exploratory research is flexible and adaptable in nature (Adams & Schvaneveldt, 1991).

RESEARCH APPROACH

There are three different research methods and those are qualitative research method, quantitative research method and mixed methods (Jose, 2011):

1. Qualitative Research Method
2. Quantitative Research Method

3. Mixed Research Methods

Qualitative Research Method

Qualitative research is a strong preference with collecting in-depth understanding of individuals' views and their opinions. According to Ackroyd & Hughes (1992) interviews are the only way wherein a researcher can get in-depth information about a topic, which is equivalent to impossible for other techniques to get access to. As established above, qualitative research is “exploratory” by nature and doesn't primarily ask closed questions, instead it seeks to build themes and hypotheses, through open questions (Robson, 2002 and Creswell, 2003).

Quantitative Research Method

According to Creswell (2003), quantitative research uses surveys and questionnaires, collecting the data and comparing that to previous data collected. Other researchers state: quantitative is the research method wherein the data can be measured and interpreted (Anderson, 2009). Quantitative is popular as it provides numerical data and statistics which can be viewed and compared in order to prove, or disprove a hypothesis or argument.

Mixed Methods

This research approach is implores to use the ‘best of both worlds’ of qualitative and quantitative. Tashakkori and Teddlie (2003) explain that mixed methods are useful when they provide better opportunities that frame the research answer in a better way and finds solution to all the questions.

For the purpose of this research, the researcher has chosen qualitative research method. The researcher’s decision can be summarized by the following reasons, as depicted by Fisher (2004):

- If you don’t know what kinds of answers you will get from participants, then you should adopt an open approach.
- If you are looking for new idea(s), open approach is more desirable. (Fisher, 2004, p.139).

Qualitative study translates human experiences, opinions and attitudes into words and, quantitative research translates them into numbers (Duffy and Chenail, 2008). The researcher is aiming to discover managers’ opinion on the performance appraisal system currently in place in Company IT, adopting an exploratory and qualitative approach.

RESEARCH STRATEGY

There are two types of research approaches deductive and inductive. An Inductive approach is where the researcher collects data first and then develops theory as a result of the data analysis. According to Robson (2002) deduction approaches have 5 stages:

1. Deducing a hypothesis.
2. Expressing the hypothesis in operational terms.
3. Testing the hypothesis.
4. Examining the outcome.
5. Modifying the theory in light of findings if necessary.

This researcher has chosen to take a deductive approach, with sufficient data and research on the area of performance appraisals; it will be the objective to test the hypothesis: “investigation into managers’ attitudes and perceptions towards performance appraisals”, examines the outcome among the chosen sample in Company IT and if required, modifies the hypothesis.

Interview techniques were a convenient option for this study, as the location of the organization being studied proved to be accessible for the researcher. Interview enables the researcher to infer causal relationship between variables (Saunders et al, 2009) since the researcher need to understand the reasons for participants’ attitudes toward the

performance appraisal system and their opinions about it. This method allows interviewee to lead the discussion into areas that the interviewer hadn't previously considered but which are significant for the findings (Fisher, 2004). Interviewer assumes semi-structured interview would have been the most useful to answer the research questions. Whereas the researcher has no experience on carrying out an interview, in semi-structured interview, the interviewer has a note to remind them of the main issues and also, it prevents the discussion slip into unnecessary areas (Fisher, 2004). One obvious limitation, interviews (for reasons of time constraints) are able to involve only a small amount of participants which brings up a question of whether the findings would have been able to represent the whole population especially, of a large organization as the Company IT.

RESEARCH INSTRUMENT

Semi-structured interviews

As the researcher chose to adopt a deductive, qualitative and open approach, the decision was easier to go with a semi-structured interview format. As the researcher wasn't previously experienced in conducting research interviews, this allowed the researcher to not only keep the conversation and interview on correct track, with regard to staying within the area of performance appraisals. It also allowed the researcher to "explore new paths that emerge during the interview that may not have been considered initially" (Gray, 2004).

The researcher's ability to gain access to Company IT, allowed for face to face semi-structured interviews. The benefits of interviews are that they allow the interviewer to delve deeply into social and personal matters, questioning further where appropriate (DiCicco-Bloom & Crabtree, 2006, p. 315). The semi-structured and exploratory approach allows the researcher to adapt interviews, adding extra questions or talking points, depending on other interviews with line managers within Company IT.

For the purpose of the face to face interviews, the researcher has decided to employ the use of a Dictaphone. Recordings will allow for more freedom of interaction between researcher and participant. The researcher, will hope this will lead to a more easy flowing, conversation, which in turn will allow the participant to relax and potentially disclose more information relevant to the research.

SAMPLE

The sole source of the author's research will be based upon and take place that of a large American multinational technology company. For this research, this company will be referred to as Company IT.

This company has over four thousand employees in Ireland, over four hundred and thirty thousand employees worldwide. Partially due to the size and scope of the business, but also due to restriction of access, the researcher's investigations will be based on interviews of line managers, based within the shared services & technical support centre.

This shared services & technical support centre has a population of approximately five hundred employees. The demographic of the shared service & technical support centre within Company IT is as follows:

- Population nationalities: primarily Irish, with sizeable population also Danish, Swedish, Norwegian, Finnish, Portugese, Spanish, Italian, German, French and Russian.
- Job roles: primarily first and second level technical support representatives. Other professions in the centre, include: team leaders, first line managers, quality specialist, service delivery managers, client support managers, project managers, software developers and network or onsite support representatives.
- Age: average age of the employees within this department would be mid to late twenties.

The demographic of line managers within this shared services & technical support centre is broader than that of the employees:

- Background: some line managers started from first level technical support and progressed to first line manager, others were hired externally from other companies, while many had experience in a manager capacity of other teams or departments within Company IT, and referred to these in their interviews.
- Age: line managers were aged in their late twenties, while others in their late fifties. With this broad age pool, there was also variety in experience, some 'senior' managers that may be new to their people managing role, and some

‘junior’ managers that have been in a people managing capacity for relatively long period.

- Experience as manager: while some were first line managers and others were second line managers, and the interview specifically choose a broad experience base, with managers who managed technical teams (first and second level technical support), as well as managers who managed service focused teams (service delivery managers, and client support managers) and finally managers that had specialised teams (project managers, trainers, and quality agents).

The researcher aimed to complete six face to face interviews with several key figures in the shared service & technical support centre of Company IT. The managers in question have all been given confidentiality agreements, and have been informed that their names, specific references to their teams, as well as their transcribed interview recordings will be destroyed, thus ensuring anonymity for their interviews.

For this research the managers interviewed were as follows:

- Manager 1 – second line manager of a specialised task team.
- Manager 2 - first line manager customer focus team.
- Manager 3 - first line manager of email and web ticket team.
- Manager 4 – second line manager of operations team.
- Manager 5 – first line manager of call taking team.
- Manager 6 – first line manager of specialised technical support team.

LIMITATIONS OF RESEARCH

To repeat once again, semi-structured interviews were chosen as the research instrument, as they help develop understanding of the ways in which managers make sense of, and create meanings about, their jobs and their environment (Schwartzmann, 1993). In particular, the researcher wanted to investigate how line managers make sense and interpret their performance appraisal process. As stated by Schwartzmann (1993), part of the issue with semi-structured interviews, becomes how to get inside the life world of managers so that the researcher is able to interpret this life world from within (Schwartzmann, 1993). Some steps the researcher took to try and ensure trust were; confidentiality agreement and anonymity, review of transcripts, promise of copy of research, as well as full discussion of the purpose of research and answer any questions, prior to recording.

However, there are still limitations to highlight with qualitative and in particular semi-structured interviews, the researcher experienced.

1. The first concerning methodological practice and technique (Alvesson, 2003, p. 27-8) highlights the need for interviewers to be aware of the interviewee as a person who may be influenced by the politics of the organization and not just as a source of objective truth. (Qu & Dumay, 2011, p. 255)
2. The second limitation of semi-structured interviews. Interview transcript is not a mirror of reality but rather a text that needs to be subjectively evaluated.

Therefore, the claims that can be made from interpreting the interview data must

be tempered with a disclaimer about the objective truth of the empirical findings (Qu & Dumay, 2011, p. 256).

3. The third possible limitation of this form of interview: the interview itself becomes the focus of attention rather than the content, which the researcher says it's essential also to be aware of the how the story was told (Qu & Dumay, 2011, p. 256).

Researchers indicate recorded transcripts as a potential source of unreliability for research. Specifically, Perakyla (1997) stated that a method for increasing reliability of transcripts would be to include ensuring technical accuracy in recording and transcribing, and recording subtle nuances and breaks in conversation, such as “pauses, emphases and interruptions” (Atkinson and Heritage, 1984). Furthermore, to reduce the possibility of technical errors and possible misunderstanding of documented research, the researcher also listened to the audiotape recordings again, while reading the transcriptions to ensure accuracy during interpretation (DiCicco-Bloom & Crabtree, 2006, p. 5).

ETHICAL CONSIDERATIONS

DiCicco-Bloom & Crabtree (2006) point directly to the following sub-categories as ethical considerations all researchers should be aware of when conducting semi-structured interviews:

1. Reducing the risk of unanticipated harm – to comply with this, the researcher ensured to inform each participant of the purpose of the paper, also distributing a

- confidentiality agreement, ensuring full anonymity, as well as deletion of any transcripts or recordings following completion of the research.
2. Protecting the interviewee's information – to repeat, the researcher ensured that all information must remain anonymous and protected from those whose interests' conflict with those of the interviewee (DiCicco-Bloom & Crabtree, 2006, p. 6).
 3. Effectively informing interviewees about the nature of the study, and the researcher ensured to gather completed confidentiality agreements, answered any concerning questions prior to recording and finally informed participants that they could review their transcribed notes.
 4. Reducing the risk of exploitation – the researcher offered non-disclosure agreement, opportunity to review their transcribed notes and also a copy of the final research document. All of this was considered in order to put the participants at as much ease as possible and to ensure comfort for interviews.

CHAPTER 4 - DISCUSSION OF RESEARCH FINDINGS

“Imagine you are in a blindfold race against all your colleagues and you’re running faster than you did last year, you’re running better than you did last year, you couldn’t run any faster, there’s nothing left in the tank. But you don’t know are you a hundred metres ahead of everybody else or a hundred metres behind” (Manager 1). This was the analogy a senior manager used to describe how some managers comprehend and interpreted Company IT’s performance appraisal system. To detail further, in the same dialogue this manager went on to state “I had one of my resources come to me recently and he’s had a number of performance review ‘ones’ in the past and at lower ‘salary brackets’ and he’s now up to ‘salary bracket’ eight and he came to me and he says, “you need to tell me, you need to tell me what I have to do in order to get my ‘salary bracket’ eight”. But that’s not how it works, because he could do, I could say “well this is what I would expect of you” and he does that. But somebody else does more and that’s the problem (Manager 1).

The sentiment from all the managers appeared to be along the lines of the view expressed above. All were in agreement that the purpose of performance appraisal was to “identify improvement and also give recognition (financial and non financial)...both to motivate staff but also to drive business calls” and that this all comes down to “individual performance” (Manager 2). However, as will be outlined, the overall sentiment was the Company IT’s current performance appraisal system impeded and often directly contradicted these core values and necessities expressed by managers in relation to employee performance appraisal.

Performance Appraisal Purpose

When asked “what do you think is the purpose of performance appraisals?” This manager expressed distrust and disbelief in the performance appraisal system, specifically citing that “I would like to think that they (performance appraisals) are motivational, the way the Company IT process is...they are not.” This manager quite assertively continued his dialogue, and continued to bemoan the Company IT performance appraisal process.

When referencing the ‘balancing / forced distribution’ system with regard to allocating performance grades, “you are doing the job you’re supposed to be doing, well done”, on the other side we are saying “yeah but it’s not good enough to get money” and “yeah you’re not getting anything for it”, that’s just the sledgehammer and it undoes a lot of the good words that came before it...the balancing system is flawed...the balancing system in itself is demotivational” (Manager 1).

Manager 3 reiterated that motivating staff was “a key part of their role and performance appraisals a beneficial as they give a great opportunity to sit down with employees to discuss personal development and ‘what can I do to help them get to that next step’” (Manager 3). As well as ‘buying in’ to the need and uses for performance appraisals, some managers even went against some researchers findings and beliefs that preparation time goes against managers’ day to day tasks and can be a hindrance. “Company IT the managers tend to have a day job and HR on the side and that makes it (preparation / time for performance appraisals) very challenging. I find that it is usually far more of a scramble than I would like it to be” (Manager 1). Specifically Manager 4 responded

adamantly and passionately with “works in tandem and I get a benefit, the return on investment is huge” (Manager 4). Manager 5 also stated, “Performance reviews have to happen, and with a certain frequency. It doesn’t have to be formal, some people like it formal, some people prefer to use internal comms, and some people just want to have a chat in private”.

Despite having positive views towards performance appraisal meetings, some managers shined the existing performance appraisal system in a very negative light, as they believed the system was not objective, affecting employee performance ratings, ultimately affecting employees benefits and therefore making the performance appraisal meeting itself a challenge. “Yes it’s (performance appraisal) meant to be an objective meeting...and I...it’s not really a suggestion on how to improve it, I’m just calling out that it is not an objective meeting” (Manager 3). The feeling of Manager 3 was mirrored with many other manager interviews.

Brief Overview & Background of Company IT's Performance Appraisal System

Scorecards for the Year

“So there is a ‘performance review’ rating every year” (Manager 3, 2013). Managers agreed that the performance appraisal system was “a little strict in terms of, if most of your employees are very high performers, you have to fight a lot to actually get that through” to the end of year scorecard for that employee (Manager 2).

Score Breakdown

Various managers referenced different performance ratings; Manager 3 summarised and represented the overall sentiment of the line managers interviewed. Their comments on the performance rating system can be viewed in the following table:

Grade	Description
1	'performance review' one is "outstanding performance" and in the forced distribution system accounts for five percent of the entire population.
2+	'performance review' two plus is described as going above and beyond, being a good role model and overachieving on targets
2	'performance review' two is the accepted rating, it means you're delivering what you're meant to be delivering and fulfilling your job requirements
3	'performance review' three means improvement is indefinitely required in a number of areas. If an employee received two 'performance review' threes in a row, two years in a row of low performance, it is the equivalent of a 'performance review' four.
4	'performance review' four means constant and immediate improvement required and you have one foot out the door if you get that rating.

Fig 4 [Manager 3, 2014]

Indeed this scoring system appeared to be promoted across the entire organization by upper management. Score(s) were guided by the fact that “a number of goals set out for the centre from year start and that would filter down through the management. And at each level you would modify those targets based on the type of work you do that influence-relates to those targets” (Manager 6).

Forced Distribution System

The managers in Company IT, at the end of each year, would do “team based decision making in relation to ‘performance review’ rating. So all the managers come together and the senior managers would come together and would look at all of our population and look at low, medium or high and we do a, you know your ‘two’, ‘two pluses’...” (Manager 4). Company IT set the different levels of performance ratings and offer line managers “guidance around each level, em what, you need to be doing to be on a certain level basically” (Manager 2). “When it comes to the ‘threes’, you might find some managers taking one for the team, which is not very fair. But you have to have the distribution” (Manager 4).

The forced distribution system, brought with it difficulties such as the following:

1. Adjustment of results submitted by managers to “fit the forced distribution”.
 - Interviewee: initially I would’ve seen the two as being on a high level both of them right, but I I had to change that.

- Interviewer: higher management, and did, were you ever told why?
- Interviewee: it did not fit into the bell-curve, the normal distribution (Manager 2).

2. Lack of transparency of performance ratings and grades. This was represented well by the following description of a manager's interaction with their employee. "What I have to do in order to get my 'salary bracket' eight"? But that's not how it (the performance appraisal system) works, because he could do, I could say "well this is what I would expect of you" and he does that. But somebody else does more and that's the problem...so the answer I'm going to have to give him, is I'm going to pick all of my high performers that are delivering various products and pick everything that they're going to do and give him the challenge of doing that. To which he will say, "that's not fair" and I will say "exactly" *long pause* and that's the problem" (Manager 1).

Frequency of Performance Appraisals

Managers of Company IT "are obliged to have a minimum of two eh performance reviews per year", and "usually what happens around mid year time and end of year time, you know the word comes down from on high that "you need to have this done by end of next week or something" (Manager 1 and Manager 2). From the half year review staffs "get the feedback of whether they fall into the lower, the middle or the upper category relatively to their peers" (Manager 3, 2013). The year end review is "very strict eh in

terms of guidelines, when we need to do different steps and also you need to sign it off electronically” before submitting an employee’s final year performance score (Manager 2).

Link between Rewards and Performance Appraisals

Career progression and salary increases are linked to the performance review year end scorecards (Manager 5). The year end performance rating system is described by one manager as “very competitive...and there is a certain, tension around the time these goals being communicated. Em it does have a finance impact on people, what rating they get...em there’s an annual bonus system, that’s not budgeted for every year but when its there, the percentage that each employee is given, is decided from their ‘performance review’ rating (Manager 3, 2013). The same manager continued to state “if you have a high performer you actual need to put a case forward to actually get the the rating that you want. Emm so for the annual review, the team based decision making is a bigger deal, because it does affect the salary, emm and their (staff) opportunities going forward really” (Manager 3, 2013). In the views of some managers, the reward system was not correctly aligned to performance appraisal system: “there’s two reasons why the company is losing talent. One is, the managers are both unable to motivate properly through decent recognition and two, where they do identify somebody with ehh a need for a-adjust, there’s no real way of doing it” (Manager 1).

CHAPTER 5 - ANALYSIS & FINDINGS

“The Company IT system is demotivational and the additional factor I know ehhh last year there were voluntary redundancies in another part of Company IT, ehhh and basically if you got a *three* you were red hot favourite to get redundancy, if you got a *two plus* you were gonna struggle. So the ‘joke’ was emm ‘why do I bust my chops to get a *two plus* when lets face it there is no money in it and on the negative I can’t even apply for voluntary redundancy, so I’m better off aiming for a *three*, I’ll get nothing for it but at least I can be considered for voluntary redundancy’. That sort of system is not motivational” (Manager 1). Another manager described a situation of manipulating performance appraisal ratings and ‘lack of faith’ in the system: “if you had a poor performer and if you wanted to manage them out of your team and they had a very low performance rating, nobody would touch them and therefore you would change the rating to assist yourself” (Manager 4).

FORCED DISTRIBUTION SYSTEM

When speaking of the forced distribution or “bell curve”, as Manager 2 referred to it, they expressed various opinions and gave mixed feelings towards the performance appraisal system within Company IT. On the one hand they expressed frustration at the process, being forced to adjust “high performers to lower ratings” but on the other hand also acceptance and the need for an evenly distributed system. In one specific dialogue, Manager 2 showed their reluctance to open up entirely, but evoked a feeling of frustration

with being required, by “higher management” to change a rating they had already submitted, but also appeared to be understanding / calm in the logical and rationale behind it:

- Interviewer: “...so you submitted it (performance rating) with the knowledge that they were at the same level, but who came down and then said it had to be changed and why that was?”
- Interviewee: “higher management”
- Interviewer: “higher management, and did...were you ever told why?”
- Interviewee: “it did not fit into the bell-curve, the normal distribution.”
- Interviewer: “okay, and that’s got to be a tricky situation to then give the feedback to the employee aswell then.”
- Interviewee: “very”
- Interviewer: “okay...(pause)...”
- Interviewee: “tricky I would say”
- Interviewer: “okay”

In part of the interview, the focus turned to discussing the performance appraisal system of Company IT, notably the conversation turned to Company IT’s performance ratings requirement and mandatory percentage breakdown. The interviewer stated “if you’re coming to middle of the year or end of the year, where you have too many people that are high performers and you can’t get those *threes*.” Before the interviewer could finish asking the question of “what would be done?” the interviewee cut off the interviewer stating “you have too!” (Manager 1). These comments were also reflected by Manager 6,

described in the following statement: “if you’re level setting somebody on a half year target...you can’t really tell them what they need to get up the rating scale but you can’t guarantee that’s what they’re going to get”. The forced distribution, particularly the balancing act of performance ratings, had little manager “buy-in”, and it was felt this impacted the ability to fairly rate and engage employees.

Manager 2 described the performance appraisal process, as one with a lot of approvals and “cross-checks” in place. “Prior logging them (performance ratings) in the system, we sorta do sort of em a review with me and my colleagues and my manager.” This manager appeared to show a huge amount of acceptance, despite often negative statements, and performance appraisal ratings for their employees being taken out of this manager’s own control. When asked if there was anything in the system that this manager would change, Manager 2 stated “if most of your employees are very high performers, you have to actually fight a lot to get that through.” However, this comment, as well as the review/comparison with other managers outside of their specific team, didn’t appear to phase their belief in the overall system, commenting that, “these reviews are in place to make sure that, these are the top and absolutely top within the entire organisation” (Manager 2).

The interviewer discussed the “balancing act” of the performance appraisal system, with reference to the requirement of having a certain percentage of *threes*, *twos*, *two pluses* and *ones*, stating “it sounds like a big challenge to balance that, how would you begin to?” Manager 1 responded with “exactly! So you have to take, because I don’t know the

guys (Manager 1 is not their task manager), because I'm relying on feedback I need to balance it, I have to rely on well 'I know this guy and any interactions I've had with him in the past have not been good' or whatever...or have been good, so yeah I take that into account and it shouldn't be" (Manager 1). Manage expressed a negative opinion of performance appraisals and this was the consensus of the majority of managers interviewed. The only view distinguishable opinion came from Manager 2, when they expressed they do believe the performance appraisal system works "fine, because it's based on the principles and business calls of the business units" (Manager 2).

"You have to be conscious that you need your *threes* and it shouldn't be that way, it should be that if somebody is underperforming they get a *three*, it should then be that manager's job to work with and develop that person", but instead Manager 1 appeared to be referring back to a point made previously where you leave people at their ratings, do not develop them because "you need to find someone else to take their place as a '*three*'" (Manager 1).

The dialogue continued with Manager 1, and the interviewer stated "so you have to have your *threes* but why is that? Have Company IT or HR ever communicated why?" The interviewer for the first time, appeared to be taken aback by a question, it was the first time the interviewee paused to think of an answer. When it came, the response was one of partial confusion and disbelief. Confusion and disbelief in the sense that Manager 1 stated "it's just the way it's always been and now that you ask it, I wonder why I never asked the question".

The interviewer asked this manager their understanding of the existing performance appraisal system, and with an element of a dismissive tone, stated: “okay, so it’s American. Emm...it is there to...continuously improve performance for ALL employees” (Manager 3). Manager 3 displayed further evidence that they weren’t completely ‘convinced’ in a way of the performance appraisal system and it’s function. Discussing the performance rating structure, they stated “anybody who gets a ‘*performance review two*’ or a ‘*performance review three*’, will next year strive to improve...” After a long pause, the interviewer asked “what’s your opinion on that” and following a further long pause, the manager responded “it’s very competitive...and there is a certain tension around the time these goals are being communicated. Em it does have a financial impact on people, what rating they get...”

In one part of the interview, Manager 4 was asked to discuss the advantages and disadvantages of the performance appraisal system currently in place with Company IT. Manager 4 appeared to contradict themselves with their response; on the one hand they said that the advantages of the system were that “able to stand over individuals and ratings”, while on the other hand when asked the disadvantages, “forced distribution” was the response to the answer. In fact, Manager 4 highlighted some flaws in the system: “I have seen it happen where you have a stronger manager all their people are ‘ones’ and you have a manager that can’t fight as much”, and “you might find some managers taking one for the team”.

Manager 5 was similar in their assessment of the performance appraisal system. Despite commenting on the forced distribution system and some difficulties with the performance system, this manager expressed an overall acceptance of performance ratings and team balancing. Manager 6 showed an overall acceptance of the performance appraisal system but believed that they structure sometimes has to change as it can half performance”.

Finally, the objective of this part will be to assess Company IT managers’ beliefs in the necessity of each criterion in the conceptual model and if Company IT’s current performance appraisal system sufficiently achieves each point as drawn from the conceptual model.

TRUST & FAIRNESS

Belief in fairness of the standards is the most important factor for performance appraisals (Oh & Lewis, 2009) and researchers state that trust is the key element in managing the supervisor-employee relationship (Patton, 1999). As will be displayed from the research gathered, the managers believed this criterion was not upheld in Company IT.

Researchers pointed to three areas in order to maximise trust / fairness in performance appraisal system(s):

1. Rating accuracy (Glen, 1990, and Levy & Williams, 2004).
2. Manager accountability (Oh & Lewis, 2009, and Steelman et al., 2004).

3. Appraisal effectiveness (Steelman et al., 2004, and Levy & Williams, 2004).

Rating Accuracy

The sentiment and conversation you hear from the majority of researchers, is “the need for ‘rating accuracy’, when discussing performance ratings (Glen, 1990). All of the managers specified the forced distribution performance appraisal system currently in place at Company IT. In particular, one manager discussed at length the frustration of the forced distribution system, specifying that “it’s (performance appraisal system) a balancing act. If you have for example, a ‘matured/experienced/specialised’ team which is hand picked from other areas and they are all over performing, somebody has to get a three” (Manager 1). To elaborate, this manager hit a point raised throughout many interviews with managers, the feeling even if managers begin with the intent to “identify and measure performance in the organisational context” (Levy & Williams, 2004), some managers felt the goal posts of performance reviews moved by the end of the year, when they would have to give a rating for a person’s entire year performance and would now have to ‘balance’ this against the organisation. Inevitably, as this manager puts it “you have to find your ‘threes’”, you have to find your category of average performers. A lot of managers appeared to understand the need for this counterbalancing approach, but like Manager 1 highlighted, even if you have a hand picked and top performing team, your employee performance ratings must have a strict percentage breakdown of low, average and top performers. This forces managers to downgrade ratings; “initially I would’ve seen the two as being on a high level both of them right, but I had to change that”

(Manager 4), which some managers state affects their rating accuracy, undermines the performance a core principle identified by researchers that can inhibit trust and fairness in the performance appraisal system.

Manager Accountability

A further point to highlight, in relation to the effect of Company IT's performance appraisal system with regard to trust and fairness. Manager 2 was asked about the possibility of managers within Company IT manipulating performance ratings scores, this manager responded with the comments "it's plausible". Continuing on, this manager elaborated to say that "we get some guidance to follow the normal bell curve...it does make sure that we don't rate everyone highest and everyone doesn't get high bonus." The dialogue that followed was very interesting, as the manager was very reluctant to go into detail and instead expressed, short / closed answers:

- Interviewer: "where you ever in a situation where you had multiple people rated very highly and you had to re-evaluate their scores?"
- Interviewee: "yes"
- Interviewer: "okay, and...(pause)...was it a case where you reviewed and look a little stricter on their performance and scaled them down or kept them at the same level?"
- Interviewee: "Would really have to look at comparing them to each other and say, okay this one was *slightly slightly* better than that one and then we have to change the ratings."

Oh and Lewis suggested to hold manager's accountable, make sure the performance appraisal system is "fair" (Oh & Lewis, 2009). Discussing the forced distribution system and assigning limits on performance appraisal ratings, this manager expressed that forcing someone a rating and keeping them in that bracket "shouldn't be the way, the whole idea of a manager is that you should be working your whole team to lift them. But you have to be conscious that you need twenty percent *threes*, so I'm not saying you abandon twenty percent of the guys but if you had an opportunity to get rid of some of your low performers. It might be better off not to get rid of them" (Manager 1).

This belief that the system is "unfair" is one of the "common problems subordinates cite about managers" (Steelman et al., 2004) and can subsequently effect "manager motivation to rate accurately" (Levy & Williams, 2004). This all contributes to a demotivational and negative effect, leading to a breakdown in trust / fairness.

Appraisal Effectiveness

The final point identified in the literature review as essential for building belief in trust and fairness of performance appraisal systems, is appraisal effectiveness: rater errors, rating accuracy and appraisal reactions (Levy & Williams, 2004), source credibility and feedback delivery (Steelman et al., 2004). The research gathered among Company IT line

managers expressed concern over the forced distribution system, in some instances managers were often required to “hit a high performing resource with a *three*” (Manager 1). This finding illustrates a lack of trust in the Company IT performance appraisal, which in turn directly affects appraisal effectiveness (rater errors, rating accuracy) and undermines the entire act of a performance appraisal (Levy & Williams, 2004, and Steelman et al., 2004).

This manager stated that his employees were being “task managed” by other managers in other sites, and when it came to the topic of performance feedback, they stated: “if they’re not doing well I’d have probably heard through an escalation, if they are doing well I might have heard through a bit of feedback...(pause)...but more than likely in most cases I won’t hear anything until I do looking”. Soon after dialogue, the interviewer asked “do you think there is a trend to hear more negative feedback through escalations” and before the interviewer finished the statement, the manager cut off to state: “oh you hear negative feedback fairly quickly yeah!” (Manager 1)

Other line managers displayed similar concerns with regard to effectiveness of appraisals in building belief of trust and fairness in the performance appraisal system and ultimately aiding to motivate staff. Their comments were documented as follows:

...Manager 2 expressed that their team “haven’t always been using” a performance appraisal system, and metrics. But expressed that they are moving more and more towards “tracking performance on

individuals". This manager stated that there are still some teething issues and details that have to be ironed out, noting that the system is difficult and "it's not as easy to track for the normal operations in here"...

...Manager 2 stated that "I performance manage are not task directed by me", and that this "feels a little bit pointless because you are just a middle man, there is always a risk that things get lost in translation"...

...Manager 3 stated that they were "uncomfortable" due to the fact that they recently took over a team from another manager, and based on the previous manager's performance feedback had to deliver the performance rating. The manager also said "I didn't feel completely confident in giving them their review" and thankful that they avoided an employee requesting an appeal to the rating...

The trust and fairness appeared to be questionable in Company IT performance appraisal system. Managers cited the forced distribution system and multiple uses for performance appraisal ratings as a contributor to their dissatisfaction. In turn this dissatisfaction leads to a breakdown between employee and manager in the performance appraisal exchange and pollutes the purpose of performance appraisals. As summarised by this manager's statement: "at the end of the year, you have to have a couple *three* performers and if you've gotten rid of them, somebody else has to become your *three* performer, so maybe

you're better off keeping them!?" (Manager 1) This attitude was apparent with a number of managers and calls into question the legitimacy of performance appraisal ratings.

CONFIDENCE & MANAGER BUY-IN

To reaffirm the points made in the literature review:

- Manager confidence or manager "buy-in" is essential to the performance appraisal system (Miller & Thornton, 2006).
- Line manager's hold a key to tapping into employee engagement and performance management outcomes (Farndale & Kelliher, 2013).

Identical to the previous section, it was found that managers expressed a lack of trust in the performance appraisal system. Subsequently the results are the same, with the lack of trust, the foundation for manager "buy-in" has crumbled. Some the key dialogues or exchanges that pointed to a lack of confidence / "buy-in" went as follows:

... "You have to be conscious that you need your threes and it shouldn't be that way, it should be that if somebody is underperforming they get a three, it should then be that manager's job to work with and develop that person", but instead Manager 1 appeared to be referring back to a point made previously where you leave people at their ratings, do not develop them because "you need to find someone else to take their place as a three" (Manager 1)...

...When it came to their performance ratings and evaluation of employees, Manager 3 displayed the feelings of a manager that had difficulty in evaluation and sensed a flaw in the system. Manager 3 stated that “so the performance reviews, it’s very much based on what they tell me they have done. Of course, all their work is documented...because of their roles it can be hard to find the documentation for a good job done” ...

...The interviewer discussed the “balancing act” of the performance review system, with reference to the requirement of having a certain percentage of threes, twos, two pluses and ones, stating “it sounds like a big challenge to balance that, how would you begin to?” Manager 1 responded with “exactly! So you have to take, because I don’t know the guys (Manager 1 is not their task manager), because I’m relying on feedback I need to balance it, I have to rely on well ‘I know this guy and any interactions I’ve had with him in the past have not been good’ or whatever...or have been good, so yeah I take that into account and it shouldn’t be” (Manager 1)...

The biggest contributor to the lack of confidence and manager “buy-in” was the team based decision making, also referred to as the forced distribution system. The feeling of all the managers interviewed was similar and in some cases identical to the sentiment expressed by Manager 3. When this manager was asked if there was anything they would add or change to the current system. The only point the manager made was in relation to the team based decision making of performance ratings for employees. Describing the

usual situation of these team based decision making meetings, the manager described it as “a process where all managers come together and put forward a case of why their employees should get a higher rating than the other manager’s employees. Em and...the up line managers will be there to make sure that the conversation is fair...and sometimes say ‘okay now that is a decision’.” The manager went on to state that ratings affect their employees financially and ultimately “it comes down to money” (Manager 3).

Manager 3 described the team based decision making element of the performance appraisal system in Company IT, with great frustration and distain. Specifically, Manager 3 mentioned that it’s hard to get an objective result of performance ratings, “because the manager who might be more dominating and speak the case better for their employees may be more likely to get their employees put forward and...the *employees’ actual performance is not always reflected in how their manager is putting them forward....*There’s no objective evaluation, it is decided by managers and managers are not objective” (Manager 3).

Forced distribution appeared to be the primary contributor to lack of trust and fairness of Company IT performance appraisal system. Two criteria (trust and fairness, and manager “buy-in”) appear to be heavily linked and are co-dependent on one another in terms of factors which may affect or impact them.

TRAINING

As outlined in the literature review, line manager training is important for a number of reasons. The first to look at is the need of training, in order to enable managers to enact performance appraisals correctly; motivating staff, identifying performance improvements, and assisting in the overall organisational culture or corporate strategy (Farndale & Kelliher, 2013). From the managers interviewed, there was a resounding agreement with this point. Specifically, Manager 4 identified a need for training and certain attributes for managers who conduct performance appraisal meetings. The exact dialogue went as follows:

- Interviewee: “do I get demotivated people in those (performance) meetings, yeah! And it’s my job to turn them around and turn their performance back up.”
- Interviewer: “do you think manager need that ability to turn them?”
- Interviewee: “yes!”
- Interviewer: “and do you think...”
- Interviewee: “do you think they have it? No! Not a lot of them. A lot of managers get so absorbed in the job they forget the people.”

Laird and Clampitt (1985) and Elicker et al (2006), state that “managers need specific guidelines on uses for performance appraisal, and on criteria for assigning ratings”.

Manager 4 raised a point that was brought up by other managers too, the point on training needed for managers that conduct performance appraisals. Manager 4 specifically stated

“I think performance management is one of those areas that’s vital, very important, not always done. Managers leave it on the long finger because they’re not experienced. I don’t think there’s enough education around performance management”.

However much the managers of Company IT highlighted the “need” for training and education in performance appraisals, the confidence in training structure in Company IT was not positive and there appeared to be a disparity and confusion with regard to knowledge of training availability. To expand, Manager 3 was asked directly about performance appraisal feedback and whether there is a need for training to be provided, their response was the following “I think there should be! I think it should be part of the starter package for a manager, I guess it’s not prioritised in the centre” (Manager 3). Like manager 3, some managers stated they were unaware of performance appraisal training. However, other managers stated they were aware of training, but still has problems. In particular, Manager 3 highlighted that performance appraisal training is given to managers, and “it’s suppose to be six months after you become a manager which is already too late, it should be something that is done before your first performance review” (Manager 1).

Despite resounding agreement with the need for training and development of manager performance appraisal delivery, the findings in relation to training lead to two discoveries:

1. The senior managers in Company IT, stressed the importance of need for manager training.

2. In the opinion of manager in Company IT, the training structure was not satisfactorily achieving point one.

The findings from the line managers appeared to indicate the need to increase the intensity of training, improving performance appraisal and rating guidelines and providing further assistance for managers. Spence and Keeping (2013) found that rater discomfort can lack of confidence in ability to perform performance evaluations. This influences the performance appraisal meeting, and often resulting in elevated or distorted ratings. This is evidence of the importance of manager training and assistance to managers during performance appraisals.

CORPORATE CULTURE

Organisational culture can be a destructive and crippling part to performance appraisals, unless managed correctly it can cause animosity from employees towards performance appraisal meetings and also cause dissatisfaction from line managers, who coordinate and conduct performance appraisals. The culture in Company IT with regard performance, as depicted by Manager 1, appears to be negative “if they’re not doing well I’d have probably heard through an escalation”...“oh you hear negative feedback fairly quickly yeah!” (Manager 1)

Researchers suggest the following ways to mediate and influence organisation culture towards performance appraisals: frequency of appraisal can eliminate; supervisor

selective memory, any surprises at annual review and encourages a culture of constant or continuous feedback (Boice & Kleiner, 1997). Researchers also state that organisation culture can be managed so as to encourage manager motivation to rate accurately, therefore increasing appraisal effectiveness and reducing rater errors, increasing rating accuracy and mitigate against negative appraisal reactions (Levy & Williams, 2004).

These findings from researchers don't appear to be evident with the culture of Company IT. The culture and behaviour appears to be detrimental to the overall performance appraisal process aim: "measure progress, differentiate between levels of performance, pinpoint training needs, validate rewards and identify promotable employees" (Glen, 1990, p.1). The validity of "making administrative decision, feedback or development purposes, evaluating effectiveness of HR practices and documenting the basis of employment decision (for legal reasons)" was particularly affected (Jawahar & Salegna, 2003, p. 65).

This point is represented well by the following manager comments:

"Em the reality is, we are the best company in Ireland at what we do, but that doesn't matter. There's geographies like India and China are growing their revenue year on year, we're not! So we're seen as a failure in Company IT parlance and therefore won't be recognising staff. I would have my reservations with the whole way the shareholder model works" (Manager 1).

Manager 1 stated there appeared to be an overall issue with Company IT culture. One situation they described, “a staff member was working on a cost take out programme, due to take out thirty million by end of the year. Emm that was rejected because it was not ‘revenue generating’...(pause)...AND it’s not revenue generating, its PROFIT generating but at the moment the buzz word is ‘revenue generating’.” Another situation Manager 1 stated was, an initiative that was going to be a cash cow or “Rolls-Royce” assignment for Company IT, but in the beginning there were a few fires to be put out and the executive in charge came under huge pressure to cut costs / cut the assignment loose. The executive continued to fight and all that was needed was some investment, however this did not come and the assignment went into “crit sit” (critical situation), and Company IT in the end had to abandon it. But the sentiment from Manager 1 was that “this short sightedness that needs to stop and at the moment, yes that feeds into the performance system aswell”.

ENGAGING TO EMPLOYEES

Kim & Rubianty pointed to a possible solution of managing employee expectations of the performance system and perceived fairness in the system (Kim & Rubianty, 2011). Other researchers have indicated that performance reviews are being used as a tool to identify training/developmental improvements (Lawler et al., 2012 and Glen, 1990), but with a low percentage of employees finding motivation from performance reviews, and arguably lacking the motivation to address the “training and developmental improvements”

(Lawler et al., 2012 and Glen, 1990), this can undermine the entire process and purpose of performance appraisals. Research findings validated this point, “The performance system is irrelevant for that sort of thing (rewards / bonuses) because even if you give somebody a *one* performance, they’ll get no salary increase because Company IT doesn’t give a salary increase anyway or maybe a small one and they might get a small bonus, but really...a small percentage or even a medium percentage of a small figure (referring to salary) is still irrelevant” (Manager 1).

Liu & Dong (2012) also agreed with this point, stating: “employees were not satisfied with the performance appraisal system when the system failed to achieve expected results...performance appraisal systems failed to motivate employees to do a better job and had no effect on inspiring intrinsically motivated employees”.

Managers of Company IT, pointed to the forced distribution system currently in place, as an inhibitor to sufficiently reward and motivate employees. Manager 3 displayed evidence that they weren’t completely ‘convinced’ in a way of the performance appraisal system and its function. Discussing the performance rating structure, they stated “anybody who gets a ‘*performance review two*’ or a ‘*performance review three*’, will next year strive to improve...” After a long pause, the interviewer asked “what’s your opinion on that” and following a further long pause, the manager responded “it’s very competitive...and there is a certain tension around the time these goals are being communicated. Em it does have a financial impact on people, what rating they get...” (Manager 3) Manager 1 was describing a potential situation they may have to face with

an employee, where the employee is looking for a salary increase, and the manager has to state that at the moment in his teams, the person is a new / low performer and in order to get an increase needs to take on “all of these extra tasks or perform to this level, and even that’s not a guarantee.” Manager went on to state that, “he (the employee) will say ‘that’s not fair’ and I will say ‘exactly’.” The frustration was apparent with the manager and after a long pause; stated managers should “not have to be stuck with ‘this is the way it has to be’ response or attitude” (Manager 1).

The line managers in Company IT lacked the ability to incentivise their employees, and guide their performance reviews in a way that could guarantee a reward for employee(s) effort and performance. This pain point was no better summarised than with a line manager’s interaction with an employee, when they faced the question “what performance level must I be at in order to get a salary increase?” The manager had to inform the employee that the performance appraisal system didn’t operate that way, and somebody always performs more and the forced distribution system has to be balanced (Manager 1).

Performance appraisals that fail to achieve expected results, including having the capability to reward employees, failed to motivate employees to do a better job and had no effect on inspiring intrinsically motivated employees (Liu & Dong, 2012).

CHAPTER 6 - RECOMMENDATIONS

The primary areas that the researcher identified as pain points line managers had in relation to performance appraisals, and focus of the recommendations were the following:

- Trust & Fairness – in relation to team based decision making, and managers' downgrading of employee performance ratings.
- Confidence & Manager Buy-In – lack of belief that the forced distribution leads to motivated staff.
- Training – with regard to motivating employees who receive lower ratings.
- Corporate Culture – culture in Company IT appeared to point to primarily hearing negative feedback first, and forced distribution of ratings.
- Engaging to Employees – performance appraisals should be achievable results which engage and reward employees.

A lot of the issues related to the performance appraisal process in Company IT, either directly cited or were a result of the forced distribution system in place.

For this reason, the researcher proposes a review of the performance appraisal process, with the following amendments being the primary focus:

1. Amendment to the Company IT inter-manager team based decision making.

This was a particular pain point for a number of managers, and often resulted in the “the managers that shouted the loudest got their way” (Manager 4) or managers “having to change end of year ratings of employees” (Manager 2). This was not a reflective rating of employee performance and often placed managers in the position of persuading an employee that they believed to be a higher level performer, that in the eyes of Company IT they were in fact a lower level and this can prove to be fatal to any manager and employee relationship.

The downside to an approach outlined above, Company IT will potentially have to review the number of allocations per performance appraisal grade. However, as outlined previously, the manager - employee relationship is critical in order for the organisation to ‘reap’ the rewards of performance appraisals. This approach would help to alleviate concerns raised by managers, concerns expressed in relation to comparing employee performance ratings within the same salary bracket, despite being entirely separate job functions.

2. Provide line managers with improved autonomy in decision making and employee rewards.

In Company IT, all employee performance appraisal ratings were compared along each salary bracket, within an operational function and regardless of job function or role

within that salary bracket. Managers identified this as problematic when it came to rewards, financial as well as non-financial rewards.

One senior manager proposed to allocate more autonomy to line managers. This autonomy would come in the form of a financial budget per manager, and this budget allocation would be decided according to business department and performance or contribution to Company IT. This financial budget allocation would be at the disposal of the line manager(s) and allow them the possibility to give their financial reward to one or all of the team members, use it for training or development, or as team building exercises (Manager 1). As this manager continued to describe, this would allow for more ownership from line managers, will help to remove the belief of unfairness from the inter-manager team based decision making, should increase manager accountability and ultimately improve manager “buy-in”.

3. Review of key performance indicators for the end of year “scorecard” in place at Company IT.

An alternative to Company IT line managers’ procedure for reviewing and assigning end of year performance ratings could be found from another company operating within the IT industry. Specifically a possible alternative could be that of Google’s OKR (Objectives and Key Results) performance appraisal system.

Google's OKR performance appraisal system is based on a mutual objective being set by employee(s) and manager(s). The "objective" is an end of year objective and is expected to be challenging and "push the employee's boundaries", it's not set in stone, it can evolve as the year evolves (Yarow, 2014). According to Google, The Key Results clearly make the objective achievable, are quantifiable and lead to objective grading (Yarow, 2014). Google's OKR system should allow a more transparent system for line managers, enabling them to compare employees' OKRs and achieved targets relative to their OKRs with other employees. The aim of this would be to assist in creating a more objective and transparent rating system, hoping to alleviate situations in which line managers lost trust in the performance appraisal system, when required to lower employee ratings they initially submitted. Instead it would enable Company IT line managers, when it came to their team based decision making, to compare employee performance OKRs and establish differences that assist to justify employees' assigned performance ratings.

The objective of these recommendations would to promote a system, with the aim to gain manager "buy-in" and improve manager sentiment to performance appraisals. Line managers are the individuals spearheading and coordinating employee performance appraisals, and holding that key to tapping into employee motivation (Farndale et al., 2011 and Farndale & Kelliher, 2013). Unless managers have that "buy-in" for the performance appraisal system, that relationship between manager and employee, and motivating or engaging employees to perform may fail (Lawler et al., 2012).

CHAPTER 7 - CONCLUSION

In conclusion, the research was aimed at investigating line managers' attitude and perception of their formal performance appraisal system, and investigating if line managers' view the exercise of performance reviews as a valuable endeavour. The research gathered was largely fruitful in providing content and input towards those research objectives.

A reminder that researcher choose to focus on one stakeholder and viewpoint of performance appraisals. Line managers were the primary focus for this research, as it is line manager that hold the key to tapping into employee motivation (Farndale et al., 2011 and Farndale & Kelliher, 2013) and "the best designed system will fail, if there is not the right leadership and management support practices in place" (Lawler et al., 2012). The researcher must state, that an avenue for further research would be to gather the perceptions and attitudes towards Company IT performance appraisal system, from the viewpoint of the employees

A final reminder that the shared services / technical support centre of Company IT accounted for approximately ten percent of the total workforce for this company in Ireland. A recommendation for further research would be to conduct the same investigation among line managers in other departments or business units of Company IT. This will establish whether the sentiment expressed towards performance appraisals,

is unique to shared services / technical support centre line managers, or if the sentiment is across the whole organisation.

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