The Social Context of Performance Appraisals

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1. Performance Reviews- challenges & limitations
2. Social Context factors
   • Identification
   • Benefits & Consequences
   • Management
3. Implications & Discussion
I. Performance Reviews-
Challenges & Limitations

- **Past Focus:**
  - Measurement Tools
  - Accuracy (limiting bias)

- **Lacking:**
  - Useful recommendations to practitioners
  - Acknowledgement of context and impact on relationship between the supervisor and the subordinate

- **Needs:**
  - To consider impact of the social context of the performance review
2. Social Context factors-
Identification I

- Distal Factors: contextual factors that affect many human resource systems, including performance appraisal.
- Include organizational climate & culture, organizational goals, human resource strategies, external economic factors, technological advances & workforce composition.
- They have an indirect impact on performance appraisal.

Distal Variables

- Org Culture, Climate, & Values
- Society’s Sociopolitical System
- Technological Development
- Competition
- Economic Conditions
- Workforce Composition
- Unemployment
- Demands for Diversification
- Legal Climate
- Organ Life Cycle and Structure
- Organizational Goals
- HR Strategies

2. Social Context factors-
Identification II

- Process Proximal Factors: Factors that have a direct impact on the performance appraisal process.
- Structural Proximal Factors: Factors that deal with the configuration of the appraisal itself.

Process Proximal Variables

- Org’s Policies re: Feedback
- Rater Acquaintance, Commitment, Affect Ratee Commitment and Affect Group/Task Characteristics
- Rewards/Trust/Threats/Punishment
- Ratee Past Behavior & Perf Level
- Supervisor-Subordinate Relations/Leadership
- Impression Management
- Rater Accountability
- Feedback Environment/Culture

Structural Proximal Variables

- App System Features
- Need to Document Performance Appraisal Goals & Purpose
- Perf Standards
- Perf Dimensions
- Appraisal Training
- Freq of Appr
- Consens of High vs. Low Ratings
- Legitimacy of Appr
2. Social Context factors-
Identification III

- Supervisor Issues: Factors related to the person doing the appraisal such as supervisor mood, similarity in personality/mood, motivation of supervisors, rating purpose, supervisor discomfort, accountability.

- Supervisor Personality Factors
  - Performance Appraisal Discomfort
  - Agreeableness
  - Conscientiousness

2. Social Context factors-
Identification IV

- Subordinate Factors: Factors related to the subordinate.

- 2 main areas – subordinate motivation & reactions to performance appraisal process.
  - Merit pay- effective?
  - Participation & perceptions of fairness
  - Subordinate Reactions- largest area of growth since 1995.
2. Social Context factors - Costs

- Cynicism- employees’ and managers’ beliefs that the organization’s performance appraisal process lacks integrity and is not very useful.
- Hypercompetition- undercutting coworker performance in order to acquire valued rewards perceived to be scarce associated with performance appraisal process.
- Counterproductive Work Behaviors- production deviance, property deviance, political deviance, personal aggression, withdrawal behavior.
- Turnover (and intentions to turnover)-
From **Subordinate** Perspective...

- Subordinate Involvement in PA
  - Inadequate job resources: -.26**
  - Utility of Past PA: -.28**
  - Low feedback availability: .07
  - Poor feedback delivery

- Performance Appraisal Cynicism
  - Turnover intentions: .39**

From **Supervisor** Perspective...

- Accountability for PA (Time 1)
  - Inadequate resources for PA (Time 1): .23*
  - Utility of Past PA (Time 1): -.88**
  - Performance feedback discomfort (Time 1): .02

- Performance Appraisal Cynicism (Time 2)
  - Turnover intentions (Time 2): .54**
2. Social Context factors - Benefits

- Identification of management potential & future leaders
- Identifying needs for support/training
- Recognizing & rewarding top performers
- Increasing organizational commitment, trust, & job satisfaction
- Increasing retention of top performers
- Paper trail for legal purposes (dismissals)


- Multi-source Feedback Systems - (typically for developmental feedback)
- Performance Appraisal Purpose – administrative purpose results in more lenience than ratings for developmental or research purposes.
- Supervisor Training – frame of reference training (an intervention designed to improve the validity of trait judgments in the performance appraisal context).
4. Implications & Discussion

- Particularly in this economy, employees have become more cynical about their organizations overall and performance appraisal in particular.
- Be careful about accountability with performance appraisal—this works only if managers feel the process is valuable, useful, within their abilities, and worth their time & effort.
- Make sure performance appraisal process is consistent with other organization system & culture factors.
- It’s better to make small changes to calibrate the performance appraisal process rather than replace the process. Too many changes will increase cynicism/decrease trust.
- The key is to provide adequate resources to both supervisors and subordinates.

Thanks for your attention!

Questions?

If anyone is interested in learning more about these tools or would like to assess the attitudes/perspectives of their employees, my colleagues and I would be happy to facilitate an assessment at your organization.

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Resources: