A Study of Performance Appraisal Methods Utilized to Evaluate the Performance of Self-Directed Work Teams

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LOYOLA UNIVERSITY OF CHICAGO

A STUDY OF PERFORMANCE APPRAISAL METHODS
UTILIZED TO EVALUATE THE PERFORMANCE OF
SELF-DIRECTED WORK TEAMS

A THESIS SUBMITTED TO
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BY

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The purpose of this thesis is to discover performance appraisal method(s) and the related satisfaction levels utilized by companies in the Chicagoland area hosting a lateral workplace organization. Motivation for this study is based upon the researcher's desire to improve performance appraisal effectiveness. In order to improve effectiveness, it is necessary to gain a more in-depth understanding of the challenges associated with performance appraisal of the company in transition.

The research in this thesis is both quantitative and qualitative. The quantitative research reveals companies which have restructured to a lateral workplace organization, the related industry, size, performance appraisal method(s) in place and related satisfaction levels. The research continues qualitatively with discovery of the effectiveness of performance appraisal methods utilized by companies hosting a lateral workplace organization. The scope of the research reveals the selection of 200 Chicagoland companies, using a random set of numbers, from approximately 1,000 companies.

The responses from this research will provide a basis for further study to assist companies in transition to meet challenges of effective performance appraisal. One of the challenges which companies in transition may encounter are the identification of evaluator(s) whose appraisal may be more relevant to the successful performance of the employee than that of the current evaluator. These evaluators may be internal or external clients, peers or subordinates. This research will increase awareness of this and other challenges so that appropriate and successful procedures can be researched, explored and implemented to address them.
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ABSTRACT

The emergence of restructuring to a lateral workplace organization has presented various challenges to many industries. This thesis addresses the challenge of performance appraisal in a lateral workplace organization. To address the challenge, it is necessary to gain a more in-depth understanding of the performance appraisal of the company in transition. This thesis purports to gain more in-depth knowledge through quantitative and qualitative research. The quantitative research reveals companies which have restructured to a lateral workplace organization, and their related industry, size, performance appraisal method(s) and related satisfaction levels. The qualitative research reveals the effectiveness of performance appraisal methods utilized by companies hosting a lateral workplace organization. The researcher reviewed methods of performance appraisal generally utilized in connection with a 360 degree performance appraisal system of Chicagoland companies. The scope of the research reveals the random selection of 200 Chicagoland companies, from approximately 1,000 companies. The research revealed the primary utilization of a traditional performance appraisal method in the laterally structured workplace organization. Companies may be overly cautious or hesitant to make a full commitment, requiring adjustments in many other programs, to fit the lateral workplace organization.
CHAPTER I

INTRODUCTION

Corporate Restructuring: Growth and Challenges

Performance Appraisal

Corporate restructuring to improve profitability and productivity may impact reporting relationships and responsibility areas; including performance appraisal. Special challenges related to performance appraisal may arise such as identifying appropriate persons to measure performance and the ability of managers to communicate performance appraisal in a supportive, developmental, objective and timely manner. Some companies may empower employees by delegating responsibility for performance appraisal directly to line management and/or to teams. Other companies may chose to retain responsibility and hold onto traditional methods of performance appraisal.

Retaining responsibility for performance appraisal may not be conducive to work flow processes in the restructured company. Performance appraisal is being researched in this thesis because of special challenges which may be faced during and after restructuring. Two of challenges are identification of appropriate persons to measure performance; and the communication of supportive, developmental, objective and timely appraisals. For an employee/team member who is responsible for setting and achieving goals, making decisions in regard to performance appraisal procedures would seem likely. Decisions such as this pose a special challenge for many companies today.
This thesis addresses special challenges inherent in performance appraisals being utilized in the restructured organization. Thus, the purposes of this thesis are: (1) to identify three corporate structures as work team, flexible or traditional in existence among Chicagoland companies; and (2) to determine the performance appraisal method(s) utilized in the assessment of work teams. The researcher will determine from a sample of 200 Chicagoland companies, those which have restructured to a work team or flexible structure. From those, details of the method of performance appraisal will be researched. Thus, the goal of this thesis is to answer the questions:

1. What kinds of workplace organization are found in Chicagoland companies?
2. Of those companies which identified their workplace structure as work team or flexible, how is performance assessed?

The researcher designed two survey instruments, one to determine workplace structure and related performance appraisal methods and the other to determine details about the performance appraisal methods of work team and flexible structured companies.

Brief History of Workplace Organization

According to Walker, in an effort to meet global competitive challenges companies are restructuring, improving methods of production, service and technical requirements. Individual employee roles have changed to meet these challenges. Educational programs are developed to improve production, service and technical requirements. (1992)

The internal organization of a company depends upon the complexity of primary customer focus, market response and geographic market areas. Other considerations are information requirements and the necessity of empowered decision-making. (Walker, 1992) Walker further states that:
Some companies seeking to promote an environment of flexibility implement organizational changes for the sake of constructive self-improvement. In the process of restructuring, management encourages people to rethink their roles, responsibilities, and relationships. Change often promotes improvement in operations. Organizational changes are made simply to promote new thinking and behavior changes. (p. 134)

According to Walker, companies which support the changing roles of employees can strengthen their position to meet the external challenges with which they are faced. Ample talent in the workplace was available in the 1970's and 1980's due to the baby boom population. The 1990's reflects an aging workforce accounting for shortages. Companies need to attract, retain and effectively manage needed talent. (1992)

Kinds of Organizations Currently In Place

There are traditional, flexible and work team organizational structures, among others. Walker explained, "The traditional organization structures are hierarchical, with single lines of authority and accountability." (1992, p. 135) Further, according to Walker, the flow of information is vertical, through specific channels with reliance on key managerial points. This flow of information and decision-making originates with staff management and is carried out by line management, which is a separate function. (1992)

A work team organization is characterized by the delegation of more authority and responsibility to employees and line management with less staff management involvement. Walker states, "Through coaching and support, managers are expected to enable employees to manage their own work." (1992, p. 265) Mainly, employees and managers will need to be nurtured into key roles in the collaborative environment versus the competition to which they may be accustomed. For the corporation which restructures to a work team or flexible structure, employees and managers both fulfill new roles. Managers may relinquish power and control in
exchange for the role of facilitator, coach, consultant/counselor and/or mentor. The employee may relinquish more of a subjective stance in exchange for objectivity, and becoming the decision-maker with responsibility for the successful completion of corporate goals as related to the team.

... The idea of a team is that people cooperate in working together to ensure each other's success. This does not require altruism, but rather a sense of common purpose and a feeling that their individual goals are compatible with this purpose. Teamwork also requires mutual trust and confidence, which result only by working together effectively. (Walker, p. 266)

Walker explains, "A flexible organization is a network of relationships." (1992, p. 134) While a formal hierarchy exists, empowered individuals have improved roles through a network of relationships and cooperation through teamwork. Employees work together taking responsibility for interdependent decision-making and operations. Staff and line management function as a partnership in a joint effort to achieve goals. Information is accessible to all for successful achievement of goals. Walker further states:

Flexible organizations are decentralized, networked, team-oriented, customer-driven, flat, and lean. Furthermore, they are constantly changing as employees and managers, empowered to seek opportunities for improvement, introduce new ways of working together to achieve business results. The flexible organization is in flux, anticipating and adapting to changes in relationships with its customers, vendors, distributors, and other business partners. (p. 131)

Walker further states that expectations are placed upon employees:

In flexible organizations, more authority and responsibility are delegated to employees, with less overall management involvement. Where there are fewer management levels and fewer managers, as is often the case, employees look for a different type of leadership. Through coaching and support, managers are expected to enable employees to manage their own work. (p. 265)
Restructuring is not an occurrence but a perpetual process in which questions are answered, goals set, and achieved as a group. As summarized from an article by Bruce Hodes, companies which restructure cannot function within the confines of outdated methods. They function more powerfully by thinking in terms of corporate goals as related to those of a team. When employees at all levels assume greater responsibility for results, greater control over the bottom line occurs transforming their role to a greater client-oriented focus. (1992)

In order for team members to assist in improving the bottom line, would it be helpful for them to be positioned to evaluate performance? Would input from related and likely persons seem appropriate? One such system attempts to promote input from individuals at all levels and introduces performance standards to team members. It is referred to as the 360 degree system of performance evaluation. The 360 degree performance appraisal system will be described in greater detail in Chapter II of this thesis.

Why is the Kind of Organization Important?

The kind of organization is important because reporting relationships exist in accordance with the structure of the organization. Each organizational structure suggests a performance management system conducive to the work flow processes in that company. Reporting relationships can be supported to a great extent, through performance appraisal. For example, the traditional structure has historically been vertical in nature in which many layers of management are required to reach decisions. Accordingly, performance appraisal homogeneous to this process is traditional in nature. Contrastingly, in the work team and flexible structured companies, a horizontal structure is supported, with
more decentralized decision-making. Would a performance appraisal system utilizing evaluators with greater responsibility for the success of the person being evaluated than the current evaluator be more appropriate?

Self-directed As the Newest Trend

Many industries have experienced tremendous growth and restructured in accordance with new work flow processes which may or may not be supported by traditional performance appraisal methods. The formulation of self-directed work teams is in response to internal reorganization based on external market changes. As such, experimentation exists in the implementation of self-directed work teams in the laterally structured organization. The work team or flexible structures appeared most supportive of the work flow processes, however, decentralization of decision-making and goal setting may not fall into place. What may currently be needed is empowerment of teams to make decisions as well as set goals, impacting the method by which performance is assessed. A description of the team organization is provided by the Tjosvolds as follows:

In a team organization, people are excited about the company's vision and want to serve its customers. They are in ongoing dialogues about how they can get their jobs done and make continuous improvements. They readily ask for assistance and feel free to speak their minds. They respect and appreciate each other as people and as contributors; they also directly challenge each other's ideas and positions. They want everyone to feel powerful, valuable, and included, not just those in the top positions. They forgive slights, misunderstandings, and opposition.

They realize that their variety of perspectives and training are needed if the company is going to flourish. Confronted with complex internal problems and customer demands, they form task forces and project teams of diverse people; they open-mindedly listen to opposing positions; they hammer out recommendations that make sense from a number of perspectives. They relish the give and take of discussing issues; they work to make sound solutions that deserve their commitment. They take pride and celebrate their individual and company achievements.
People understand how their own efforts fit into the objectives of their department and the goals of their company. They and their bosses and coworkers establish cooperative, congruent goals and rewards so that they can be successful together. They explore problems by exchanging information and discussing opposing views openly to dig into issues and to create solutions. They reflect on their experiences to celebrate progress and learn from conflicts and mistakes. (pp. 3-4)

More knowledge and experience will be necessary to improve effectiveness and adaptability to various corporate structures.

Problem of Assessing Employee Performance

Performance appraisal systems in place may not be conducive to the work flow processes of the restructured company. Revised performance review programs may not be introduced in line with the company's new structure. Managers may not be positioned to release responsibility for reviewing performance or decision-making; necessitating changes to the system of performance appraisal in place. Additionally, employees may not be positioned for the responsibility of decision-making and goal setting. They very well may not be aware of the performance review procedures to be practiced under the new structure. Special problems which may surface involve objectives (or the lack of them) inherent in the existing system. Other problems may involve the ability of managers to communicate the performance appraisal in a supportive, developmental, objective and timely manner.

What special problems exist in assessing self-directed work teams?

While it would seem that performance appraisal is no exception to improved methods of production, service and technical requirements, performance appraisal does need further attention. Special problems may occur such as: Setting and following quality standards given decision-making by those unaccustomed to making them. Teams evaluating their own performance based on quality standards and previously set goals present knowledge and training problems. It would seem likely to implement a
system which will allow true and accurate appraisal of performance. The employee responsible for making decisions and setting goals in the restructured company needs to play a more significant role in performance appraisal.

Special problems may prevail when restructured companies try to maintain methods of performance appraisal previously in place. It is difficult to make an argument in favor of utilizing traditional performance appraisal methods after restructuring to work teams. In Chapter II the researcher will discuss in greater detail the history of the workplace organization. Also, details will be provided describing performance appraisal systems likely to be utilized under the three workplace structures (work team, flexible and traditional).
CHAPTER II
REVIEW OF THE LITERATURE

History of Workplace Organization

In the 1960's, Walker reflected, planning-strived to precisely forecast future needs based on past performance, placing people in the right place at the right time to accomplish the right tasks. The 1960's were such an unsettled period of time, companies dealt with volatility, the energy crisis and uncertain political factors may have impacted some business decisions. (1992)

Walker further stated that in the 1970's, "Attention broadened to include 'upstream' links with strategic planning and 'downstream' links to action program planning." (p. 61) Human resources reflected minimization of existing implications in the workforce, women's liberation and reverse discrimination arose as very real issues. (Walker, 1992)

The 1980's, according to Walker, reflected downsizing to reduce overhead, decentralization, lean and efficient companies. The result was a considerable displacement of talent necessitating career planning, flexible work arrangements and rewards related to performance. The 1980's reflects a rise in the outside contractor/consultant and also sought new ways of retaining and motivating needed talent. The 1980's downsizing caused a greater need for successful planning and culture change to support achievement of business priorities. However, the 1980's fell short of the long term planning which occurred in the 1970's. Attempts
were made to address human resource plans in connection with the strategic plan of the organization generally without success. (1992)

Walker further stated this leads directly into the 1990’s where downsizing (restructuring) continued along the lines of flexibility; only now, companies were faced with stiff competition, mainly with Japan. Attempts have been made to emulate Japanese corporate structures. In the effort to restructure, a more lateral organization is created which places greater responsibility on middle management to translate strategy into business plans. With the objective to increase the capacity to act swiftly, creatively and efficiently, a decentralized structure involving groups (or teams), blurring the lines between staff and line management. Employee talents are recognized and utilized in a more flexible structure with the emphasis on teamwork. Global expansion is a matter of survival impacting the manner in which people are managed. (1992)

How and Why Self-directed Work Teams Arose

According to Walker, global competition is driven by three major economic powers: Japan, Europe and North America with cross border organizations through alliances, joint ventures, mergers and partnerships. While North America must learn to work with Asian and European cultures, political and social issues, there is a strong need to respond to and support the Japanese method of doing business. Employee attitudes toward work is changing, forcing attention to issues surrounding career expectations which very likely will not be fulfilled through lifetime employment with a single company. Company expectations focus on talent in the flexible organization, such as doing business with Japan: (1992)

Companies doing business in and with Japan will need to develop and implement human resource strategies that respond to and support this adaption process. Issues arise in operations in Japan and also in operations elsewhere in the world involving Japanese management and Japanese employees.
Japanese operations and American joint ventures in the United States have discovered that developing the optimal blend of cultures is a difficult challenge, but one that can be met effectively. (Walker, p. 44)

Thus, companies have business reasons for changing to a work team environment. Self Managed Work Teams (SMWTs) should be part of the larger context in order to be successful. (Morris, 1995) To more clearly identify reasons why companies restructure from a competitive to a cooperative organizational structure, Morris summarizes:

The purpose of SMWT's is to share authority and control with employees. This is a major change for the majority of US companies ... and the difficulty encountered by most organizations is they see SMWT's as a quick fix for resolving problems. (Morris, p. 19)

What Is a Team?

According to Woodcock, a team is a group of people who share a common interest and goal, like in a sports team. Woodcock emphasizes this point as follows:

A team is not a social gathering where people meet for the purpose of enjoyment, neither is it an 'audience' of people who are assembled to listen or to learn. The House of Commons is not a team as its members do not share common objectives. Committees are not usually teams because they comprise people who represent different interest groups. Often they share concerns but they lack a unified commitment to action. (Woodcock, pp. 3-4)

Woodcock explains further that teams can accomplish far greater goals than an individual acting alone by providing support and help to members meeting a human need to belong, coordinating activities, generating commitment, identifying training and development needs, providing learning opportunities, enhancing communication and providing a stimulating working environment. (1989)
Kinds of self-directed teams

Prior to describing various team structures, Woodcock identified common characteristics associated with the functionality of the mature team which can serve as building blocks to effective teamwork. (Woodcock, 1989)

1. Balanced roles.
2. Clear objectives and agreed goals.
3. Openness and confrontation.
4. Support and trust.
5. Co-operation and conflict.
7. Appropriate leadership.
8. Regular review.
9. Individual development.
10. Sound inter-group relations.
11. Good communications. (Woodcock, p. 64)

The building blocks provide tools for success of teams, regardless of the type of team. Woodcock defined some of the types of teams in existence. There are Top Teams which set key corporate objectives and its members must represent each aspect of the organization. Management Teams are responsible for more detailed objectives and are responsible for planning development strategies and boundary management between different functions. Operator Teams are those responsible for performing the work. Technical Teams ensure standardization in the approach to accomplishment of the task. Support Teams enable the Operator Teams to operate efficiently. (1989) Walker's definition of Product Development Teams allows collaboration on new products from the design through the production of the components. These super teams draw people from all necessary departments for quick and effective problem resolution. (1992) This thesis will address work teams in a general sense, without specific identification of responsibility areas. Thus, Walker’s definition of a self-directed or self-managed team appropriately defines the functionality of most all teams without regard to the specific team responsibility:
Self-directed or Self-managed work teams

The ultimate in self-managing teams is the entrepreneurial business within a corporation. ... companies finance start-ups by employees who have promising ideas in return for a minority share. Many companies keep acquisitions independent as subsidiaries or set up business units that are distinct, with their own profit and loss responsibility and associated financial statements. Several have even set up "internal boards of directors" to oversee entrepreneurial units. (Walker, p. 267)

The research in support of this thesis focuses upon performance appraisal of self-directed or self-managed work teams as described by Walker.

Performance Appraisal

History

Performance appraisal dates back to the 1970's when corporations were required to submit performance evaluations as a means of justifying additional compensation on an annual basis. To provide background, the origins of performance appraisal were to accomplish the following:

1. They provide systematic judgments to back up salary increases, promotions, transfers, and sometimes demotions or terminations.

2. They are a means of telling a subordinate how he or she is doing, and suggesting needed changes in behavior, attitudes, skills, or job knowledge; they let the subordinate know 'where he or she stands' with the boss.

3. They also are being increasingly used as a basis for the coaching and counseling of the individual by the superior. (Searle, p. 155-156)

The current restructuring environment has generated the need for more effective appraisal systems in order to meet new responsibilities, as reflected by Nancy Foy Cameron:

Appraisal An increasingly important vehicle for one-to-one communication about people's performance, both their expectations and achievements. Top managers need to set the example as well as the requirement, by making sure that they do a good job of appraising their own subordinates before imposing an appraisal system across the board. Formal individual appraisal, usually an annual or semi-annual affair,
needs to be matched by more frequent group mechanisms (for example, Performance Review as part of the agenda for normal team meetings) plus regular informal feedback (at least once a month, and when significant milestones occur) from one's own line manager. (p. 229)

Problems and Solutions for Self-directed Work Teams

Managers who communicate performance appraisal procedures may not be comfortable with the criteria, the objectives or the lack of them, the process and/or procedures, the purpose, the ownership of the appraisal itself or the document. One study conducted on the satisfaction level of employee performance appraisal systems was that done by Searle which is summarized as follows:

A normal dislike of criticizing a subordinate (and perhaps having to argue about the criticism); lack of skill needed to handle the interviews; dislike of a new procedure, with its accompanying changes in ways of operating and mistrust of the validity of the appraisal instrument. (p. 156)

According to Morris companies need to address operational and procedural issues as well as the organizational development component in the beginning to gain support and cooperation. Organizations need to tailor their approaches based on special needs as opposed to stock prescriptions and formulas. The process of transformation is critical to success [in the new structure], and balance must be maintained during transformation from a manager-centered to a collaborative work environment. Managers can meet the challenges of restructuring by participating in the processes and providing the leadership that is necessary to create [employee] ownership and commitment. (1995)

The Tjosvolds have documented some key areas which should be "unlearned" or avoided during the transitional process: Stop learning once the team organization has been formed (organization of the team is not an event, but a process!); believe that leadership is a (1) 'one-person' activity; (2) place blame and ensure that 'you are always right'; (3) make assumptions about boss's goals and problems; (4) make yourself
look good and conceal damaging situations [to yourself] to your boss; (5) force issues and take control of the team; (6) worry only about content not process; (7) dismiss customer feedback; (8) accept "win-lose" attitudes between management and employees; (9) place yourself on a pedestal and "pretend" to listen; (10) be selective about projects given to teams and save the important ones for yourself; and (11) focus only on corporate goals and impose your own ideas as to goal accomplishment. (1991)

For individual team members, accomplishment of goals as a group is an important challenge, the full support of which depends on leadership during transition. Restructuring to work teams impacts the manner in which employees proceed in the accomplishment of goals by managing performance as a group versus individually. To assist this process, in Morris' example, the leadership team developed a change model which was developmental and rewarding in nature. Leaders developed "focus areas and deliverables" while supporting "skills development and training" so that team members could accomplish goals; provide "coaching" where needed; supporting "skills application to work processes" within the "teams" and "rewarded and recognized" successful application of skills in the accomplishment of objectives and "compensated" accordingly while feeding back "Continuous focus ...". (1995) Morris states further:

... In order to change, a shift in behaviors, values and beliefs must take place which is something that training alone is not designed to do. Yet most organizations will impose a training approach to move organizations forward without considering the depth of change they are initiating. (p. 6)

According to Morris, the administrative function can support business reasons for setting up SMWT's by strengthening the roles of coaches, teams, leaders and team members through rewards and compensation. (1995) Team members can be introduced to innovative group processes, realignment of priorities and accomplishment of team goals, as a group,
for the group’s purpose as it relates to the company. It is now time to look critically at team goals before group processes can be implemented. The 360 degree system of performance appraisal, described in the next section, is a system which if adopted, can assist teams in the evaluation of goals.

Managing Performance as Part of a 360 Degree System

Empowered teams may have greater use for a system of performance appraisal more commonly referred to as the "360 degree performance appraisal system". As stated by Walker:

The technique has a particular benefit over a manager’s appraisal in that it fosters a developmental climate. Individuals are encouraged to solicit feedback and to reconcile different inputs as a basis for action. Generally, people like feedback; they don’t particularly like evaluations. The use of feedback lowers defensiveness and allows the individual to 'take charge' of the evaluation process, or at least participate in the development of evaluation results. (p. 241)

The 360 degree system of performance appraisal is about feedback from every person or group impacted by the performance of the person being evaluated. The 360 degree performance management system begins with: (a) self appraisal of the individual by the individual, (employee and manager) who conduct a self-evaluation of their own performance in the achievement of set objectives; (b) peer appraisal, wherein peers evaluate the performance of peers with which they interact significantly; (c) reverse appraisal, in which the manager is evaluated upon leadership ability and open communication by employees; (d) group appraisal in which groups evaluate the performance of groups which interact with their group (team); (e) internal consultant/former manager appraisal of the quality process with which objectives are achieved; and, (f) external clients who evaluate the performance of employees based upon pre-established time frames/schedules/quality. As stated by Walker:
Individuals behave differently with different people; hence each evaluator has a different perspective of a manager's capabilities ... a somewhat different vantage point - looking at different facets of a manager's capabilities. (p. 241)

... there is benefit in obtaining evaluations from others as well, including the individual's manager and other members of the work team: subordinates or other managers who are peers (who work with the person on a daily basis). Also, customers or clients can provide valuable inputs, as can other colleagues in the organization at the same level. ... the person's second-level manager provides a tempering viewpoint in evaluation and a wider perspective of promotability options. ...

In conducting downward evaluations, many managers solicit inputs from a variety of sources. However, the idea of 360-degree evaluation is that inputs from all of these sources are solicited in a rather formal way. This enhances the quality and usefulness of the evaluation and feedback for an individual manager. ... (Walker, pp. 240-241)

The 360 degree performance appraisal system involves input from all impacted functional areas for the purpose of analyzing performance. The system allows the greatest amount of input from all affected areas which can promote the highest quality feedback.

Objectives-Directed Performance Appraisal

The objective method of performance appraisal was originally designed to be conducted in a traditionally structured company; however, it can be adopted by a work team, flexible or traditional structured company. Responsibility for performance excellence is delegated to employees, who are evaluated on the quality process as well as the objectives achieved. As stated by Searle:

One of the main sources of trouble with performance appraisal systems is, ... that the outcome of behavior rather than the behavior itself is what is evaluated. (p. 71)

According to Searle, the process of managing performance under the objectives-directed performance appraisal addresses inadequacies such as subjective, impressionistic and arbitrary judgments, lack of consistency in ratings, employees graded against one another versus a criterion referenced appraisal system, and promotion and layoff decisions based on
appraisals left open for acrimonious debate. The performance management system offers frequent feedback and managers properly trained in effective performance management. (1992)

Previous agreement to an agenda clarifies communication in the objectives-directed performance appraisal because criteria for evaluation are known to all or both participants. This establishes grounds for clear, communication for the achievement of periodic departmental goals in line with corporate goals. This communication is critical to success of the company and teams.

... because the agenda is already known, the tone of the meeting can be more relaxed than if it were a traditional performance appraisal review, and you can discuss problem-solving strategies, modifications to the contract, and/or future goals and objectives, as well as the employee's performance. And because negotiation took place before the meeting, there will be more free-flowing discussion, more feedback from the employee, and fewer complaints or disagreements. (Luke and Watkins, p. 7)

Successful organizations evaluate objective input from employees frequently at every level because it apprises them of all processes that take place which are critical to organizational performance. (Johnson, 1988) An added benefit is that reviews are performed while accomplishments are still "fresh". Johnson stated further that to meet current organizational requirements:

... a performance appraisal process must be developed. Conducting performance appraisals is not the act of completing forms provided by the Human Resources department but rather an ongoing process of analyzing individual performance and affecting changes necessary to ensure that individuals perform at the desired level to satisfy the requirements of the organization. (p. 1)

Toward the end of the established time period, all employees complete objectives and evaluate accomplishments. The leader evaluates the employee on the achievement of the goals and the employee evaluates him/herself on accomplishments. The leader and employee then set goals
for accomplishment of stated tasks for the next specified period of time. They begin the same process again each time period with knowledge of periodic corporate goals for negotiation and decisions for accomplishment of new goals between manager and employee. The accomplishment of new goals often requires the use of a current job description which can be updated and should be kept current in order to regulate pertinent accomplishments.

Targeted evaluation criteria are kept updated by keeping a current job description on file. This clarifies responsibilities and measurable objectives in terms of performance. Johnson stated that objectives-based appraisals (or MBO) is the most measurable:

Although most managers accept the necessity of performance appraisals, there is a lack of consensus concerning the most effective technique. The traits approach, a list of traits relevant to the employee's performance, is considered to be subjective but is popular because of its ease and speed of administration. Although it is the most widely used, it is criticized for its poor reliability and validity caused by poor rating skills, perceptual bias, interpersonal relations, halo effect, leniency in ratings and central tendency. The results oriented approach, such as MBO, where the results achieved by an employee are compared to goals established for the appraisal period, is considered to be objective and to provide motivation for increased performance. (p. 53)

Performance appraisals need tie-in with the job description as well as address the process and the product. (Searle, 1992) Job descriptions need to be perpetual including tie-in with changes in responsibility. This process should become a regular and normal procedure and kept simple in nature, limiting the added responsibilities in terms of accomplishments and emphasizing the value of contributions.

According to Walker, when employees accept responsibility such as decision-making, the job description can be improved accordingly and future performance appraisals can be reflected in the accomplishments. The objectives-directed performance appraisal method provides a means by
which greater incentives can be provided to employees. In terms of marginal performers, managers can be positive in their approach through clarification and review of goals as well as setting developmental objectives. (1992) Performance planning in terms of discussing objectives for completion in a shorter time period for the marginal performer can be a critical component of effective performance management:

In today's team-oriented performance environment, performance planning requires examination of the strengths and improvement needs of all individuals who work on common tasks. ... performance plans may begin with individual evaluation feedback and improvement planning, and then take into consideration the performance demands and effects of team participation. (Walker, p. 287)

Levinson (1970) described effective performance management methods by relating the job description to the performance appraisal. The areas covered are:

'The static job description', 'Dynamic job description', 'Critical incident process', 'Support mechanisms', 'What about results? ... No doubt, there will be some overlapping between behavior and outcome, but the two are qualitatively different. One might behave as it was expected he should, but at the same time not do what had to be done to handle the vagaries of the marketplace. ... Both behavior and outcome are important, and neither should be overlooked. It is most important, however, that they not be confused. (pp. 71-76)

In a work team environment, how will managers evaluate employee performance when the employees are the decision-makers and responsible for goal accomplishment? There is not an easy answer to this question. Under the work team structure, the role of manager has evolved into more of a team player necessitating the development of stronger leaders to address issues and support teamwork objectively. Further training may be necessary to convey appraisals especially when responsibility for goal accomplishment is placed on the employee/team member.

The new program takes a module approach, addressing all areas of supervision to include the role of the supervisor, creating a climate for effective communication, setting standards and objectives, conducting fact finding discussions, employee motivation, analyzing problems and making decisions, improving
performance through feedback, holding work improvement discussions, and holding performance appraisal discussions. (Johnson, p. 75-79)

Under the 360 degree performance appraisal system, empowered team members are responsible for the objectives they have accomplished as well as those which remain incomplete. The team as a whole must deal with the results, and the success of the team depends upon individual contribution. In order to assist the transformation of teams in the accomplishment of goals, team members evaluate performance based upon team and individual performance. Woodcock has established criteria to accomplish this in his book entitled, Team Development Manual. Companies seek quality guidelines and methods of team development to achieve functionality of teams:

"Team Development Manual" has been used by thousands of managers to improve team functioning. ... The team building events in which the material has been used range from directors' meetings to evening seminars, from in-company formal training events to residential workshops and from one-to-one coaching sessions to national conferences involving hundreds of people. ... It can simply be read to give a grasp of teamwork concepts or it can be utilized as a source of ideas for anyone wishing to undertake practical team building activities, ... To the manager it should be a source of practical ideas to implement in his or her own organization, to the student a source of theory and experiment, and to the skilled facilitator a source of further ideas and developmental activities." (Woodcock, p. xi-x)

The objectives-directed performance appraisal method supports control over results, achievement, growth and opportunity for the corporation and employees as team members. As stated by Walker:

In a 360-degree evaluation, the individual is an active participant. In management evaluations, the individual may or may not be active, depending on the climate set by the appraising manager. Too often we think of evaluation as a passive experience for the individual, when it should not be at all. Hence companies have sought ways to involve the manager actively in the evaluation process. (p. 241)
Self-Managed Performance Appraisals

The self-managed performance appraisals can be introduced as a component of the 360 degree system of performance appraisal. The employee evaluates his/her own performance against a set of objectives as agreed upon with the evaluator.

One of the most powerful tools is self-evaluation. Employees at all levels are capable of reviewing their own performance, interests, goals, and plans in relation to stated job requirement or performance criteria. (Walker, p. 283)

As stated by Nancy Foy Cameron, if the formal appraisal is in relationship to the employee's self-appraisal, the process works better and the manager functions as more of a consultant asking more positive questions to understand and suggest more positive responses. To assist the employee's self-appraisal, Cameron mentioned guidelines to assist the evaluation process. These guidelines relate to asking questions about policies not understood or agreed with; as well as the manner in which the attitudes of others impact an individual's work. Is the leadership style supportive? Individuals are to be guided by their areas of competence as perceived by themselves and others, recognition of problem areas, as well as level of motivation and quality of work performed. In regard to process, or communication of the performance appraisal, improvement of questions and communication is important. Prioritization of development needs, processes, competences, attitudes and relationships are areas to consider after the conversation when planning the next step. (1994)

The procedures outlined by Cameron are basic steps which can be adopted appropriately by companies to fit the work flow processes. Generally, employees would like to take responsibility for evaluating their own ability to achieve goals in support of self, peer and reverse appraisals, as Tom Peters (1992) stated:

One solution is supplanting boss evaluation with peer and subordinate evaluation - or '360-degree evaluation,' to use one
of today’s hotter points on the compass). I favor peer, subordinate and self-evaluation - with the boss in a distant fourth place. The truth is, I favor hiring people who need no official evaluation and know who they are and where they stand (and act on it) without the intervention of formal procedures. The catch is that it takes remarkable forthrightness to see ourselves as others (peers, especially) see us; in fact, the more driven we are to perform, the less self-aware we often are of our impact on colleagues. Hence, a little (or more) peer evaluation can go a long way toward smoothing the rough edges. Peters made the point that action and accomplishment are critical factors and that none should feel too proud that they have accomplished so much as evidenced by the fact that employees ‘cater’ to them. (pp. 4-5)

According to Walker, employees’ participation in the evaluation of their own performance assists realization of the true value of their input. Employees can review their progress effectively when presented with goal achievement criteria upon which to measure their performance. This is a responsible manner in which to manage performance. (1992) Walker further states:

Self-evaluation communicates to employees a company’s commitment to disclosure about performance appraisal information, while not necessarily limiting the objectivity of formal evaluations prepared by managers. ... employees help manage the process and are not merely passive when evaluations are made. Often, companies get employees involved in the up-front performance planning aspects, but then revert to unidirectional feedback in the evaluation aspects. (p. 285)

Peer Performance Appraisals

Peer performance appraisals can be implemented as a component of the 360 degree performance appraisal system. The researcher will discuss advantages and challenges which can be faced by companies in the area of peer appraisal. As stated by Walker:

... many evaluation processes solicit appraisal inputs from multiple managers, from peers in the work team, and even from the customers served. This application of 360-degree evaluation ... as a management development tool, may be applied to many types of jobs as a way to enhance the objectivity of performance data. One system solicits inputs on both the criteria and the ratings from three to seven other raters selected by the employee; results are processed by computer and presented as a tool for discussion and analysis ... (p. 280)
The challenge of peer appraisals lies in assuring against bias from those in competition with [peers] and whether or not the comments are based on fact or feeling. Is peer appraisal harshness a carryover from the competitiveness which previously occurred under a traditional structure, former appraisal methods or high school? Do the team members view this as an opportunity to air hidden feelings from previous injustices?

A few organisations use peer appraisal to flesh out the picture generated by the employee and the manager. Peer perceptions may be useful, especially if they help build confidence. However, like the manager's perceptions, they need to be pinpointed firmly on the task. In many organisations the only recognition or reward people get for doing good work is approval and thanks from their peers. (Cameron, p. 149)

Are peer appraisals productive in terms of objectivity and accuracy? Are team members/employees educated in the areas of managing conflict (separating fact from feeling and identification of issues), constructive criticism as well as praise?

[It is] difficult to get employees to be honest and then deal with the fallout, ... At its best, peer appraisal can solve problems bosses can't ... forcing employees to address problems. Employees can be much more honest with their peers and bring to light areas for improvement which may not otherwise be dealt with. (Shellenbarger, p. B1)

One method in support of peer appraisal is that adopted by Eastman, which adds a little sport to the evaluation, encouraging communication and openness to others:

Eastman Chemical estimates that about 10 percent of the work in its operations area will soon be handled by self-directed teams, which rely completely on a peer-review system. It takes some getting used to. Individual team-member reviews are conducted with the active participation of the rest of the team. When its your turn, you grab a felt-tip pen and head for the flip chart, where ... you list your strengths and weaknesses, what's humming along and what needs work. Your peers chime in with their feedback as you go. The company reports that pulling this off requires that each member know how to collaborate with others and how to resolve conflicts. Eastman Chemical trains employees in these skills. (Austin, p. 34)
Thomas Graziano (1973) studied the relationship of approval motivation and internal-external locus of control to certain classroom behaviors and achievements. The attitudes and behaviors studied by Graziano carry over into the workplace and also apply to females.

Graziano explained the purpose for his study in which he attempted to prove that there was a relationship between behaviors instrumental to academic achievement and reinforcement by the approval of others including parents, teachers and peers. He took the hypothesis a step further to indicate that approval motivated persons were more dependent upon social cues than those less motivated by approval. Graziano further characterized individuals who believed behavior reinforcement received was caused by their own instrumental behaviors, identified them as internals, while externals believed reinforcements are caused by outside influences. (1973)

The expectation was that students internally motivated and high on the need approval scale would rate highest on the academic achievement scale. Translated to the corporate world the hypothesis could read: Those internally motivated employees high on the need approval scale received reinforcement and approval from their boss and peers. Graziano stated the purpose of his experiment:

... The rationale establishing the experiment stated that 1) school provides a setting wherein individuals could seek approval from significant others and that individuals high on need for approval would get better grades and teacher evaluations as a result of their need for approval and 2) that internal individuals who feel a greater control over the social reinforcements of the school setting would get higher grades while those individuals who were also high on need for approval would get more positive teacher evaluations based upon their feeling of control over the dispensers of the academic reinforcers (i.e., teachers). (p. 36)

The present study will attempt to assess the relationship of students’ peer evaluations to locus of control and need for approval. ... The subjects were 110 male students ... At Oak Park River Forest High School. Nine classes in all were tested, all were juniors or seniors. ... The Marlowe-Crowne Social
Desirability Scale and the Rotter Internal-External Locus of Control were given to all the students within their regular class periods. ... they were asked to rank order ten male classmates ... (p. 27-29)

Graziano explained the two descriptions: "A" describing an extroverted personality and "B" describing an introverted personality. These descriptions were given to the students who would rank order five fellow classmates for each description. A low but significant negative correlation indicating high need approval students were rated more negatively by their peers than low need approval students. 'Peer Approval Ratings Hypothesis' subjects determined to be high need approval individuals were rated more negatively by their peers. (1973) Graziano made the following discovery:

A significant correlation between teacher evaluations and grade point averages [was discovered] while there was no correlation between teacher and peer evaluations. (Graziano, p. 34)

An assumption was made about students who were low on the need approval scale, that they were to be more popular among peers and higher on the "A" (extrovert) scale. Further assumptions were made that those high on the need approval scale would tend to be naturally more competitive and thus not as popular among peers. Further assumptions were made in regard to subjects high on the need approval scale, that they would be academically more successful if the individual was internally motivated. However, low need approval subjects who were externally motivated were academically more successful than low need approval subjects who were internally motivated. (Graziano, 1973)

While Graziano studied high school boys' need approval and internal/external motivation, the behavior could be applied to employees in general.
Reverse Performance Appraisals

Under the 360 degree performance appraisal system, the evaluation of the manager's performance can either be on a one-on-one basis, or anonymously as a group. The researcher will discuss advantages and challenges which have been faced by many companies in the area of reverse performance appraisals.

The reverse performance appraisal can be somewhat risky for employees as well as leaders. Employees may not feel comfortable evaluating leaders. The reverse performance appraisal is designed to assist building strengths in the leadership area as well as provide a greater voice and recognition for employees, as Morris stated:

Employees must be recognized and treated as valuable assets of the organization, and their ideas and feedback must be highly regarded. Employees are a powerful tool for monitoring and assessing the level of impact on their organization. If given the opportunity, their input and feedback can provide valuable insights about the progress of the change effort; ... Employees can be a powerful gauge for assessing the impact of change, and for making recommendations needed for adjusting and improving the process. (p. 147)

Is there a method of measuring the performance of a manager with low risk to both the employee as well as the manager? While there may be effective methods in existence it is likely that success in the reverse performance appraisal process can be experienced using the suggestion method adopted by Nancy Foy Cameron:

Suggestion scheme Staff ... need rapid and positive feedback when they make suggestions. Many firms present an instant award ... whenever someone submits a reasonable suggestion, perhaps followed by a larger award if significant [improvements] ensue. Once you have instituted high awards, you cannot revoke them.

A suggestion scheme works best if the accent is ... on effectiveness ...

The people [employees] on the suggestion committee must be trusted; their minds and minutes must be open. (pp. 242-243)
Cameron continued by emphasizing if quality teams were in existence that lively interaction could take place in meetings and performance data produced by the team. (1994) Application of a reverse performance appraisal method has been utilized with a slight variation, with success as stated by Nancy K. Austin (1992):

The management-information systems department at Pratt & Whitney, the aircraft-engine manufacturer, has turned the traditional review on its head with its Leadership Evaluation Improvement Process. In LEIP, the employees review the supervisors. Employees anonymously answer a set of 19 questions, rating their supervisors in several categories, such as ability and willingness to communicate, leadership qualities and team-building skills. A consultant compiles the responses and returns them to the supervisors, who then discuss them with their superiors. Each supervisor also meets with employees to review a plan of action for improvement in problem areas. The management information's systems department has used LEIP as part of its overall review process for two years. The company is pleased with its results and is now considering introducing it in other departments. (p. 32)

Reverse performance appraisal can provide valuable insights about talents and shortcomings and can be an educational process. Are managers open to learning about the kind of leadership employees seek? While it is valuable to learn which leadership traits are valued by employees, some executives fear the results. The bottom line is that employees who are being lead know when effective leadership is being practiced. It is, after all, effective leadership that leads companies to success. (Lublin, 1994) Managers will be able to recognize the results of their input and how that has assisted the entire process. A more casual but possibly more effective method of obtaining accurate information is that stated by Cameron:

Audit Feedback can help managers tell their people whether they are winning or losing, and reasons why. Some organisations have in-house consultants who audit various elements. In other places out-house consultations are brought in regularly, to monitor the organisation. One way is to send managers into less familiar parts of the organisation - a do-it-yourself approach. By trying to assess the success of other groups, and working together to do so, the organisation gains by a good audit, and development of the auditors. If DIY auditors have to feed back (and defend) their findings to all managers in the unit they audit, the learning is shared even more widely. (pp. 229-230)
In a study done by Ray and Bronstein through trust-building structures, employees were able to see the organization through two to three positions above their level. They were then positioned to assist in the success of the company. Thus, meetings needed to be open to all employees so that they could become familiar with the goals and objectives of the corporation. (1995) During the reverse performance appraisal meeting, the employee would have the opportunity to evaluate his/her manager on the following quality areas, to be used as a guideline for adoption by corporations/departments:

- Decision-making ability.
- Supervising tasks.
- Organizing and control.
- Delegation.
- Technical ability.
- Development.
- Motivation.
- Communication. (Osborne, pp. 1-2)

**Group Performance Appraisals**

The group performance appraisals can be introduced as a component of the 360 degree system of performance appraisal. The researcher will discuss advantages and challenges which have been faced by many companies in the area of group appraisals. Nancy Foy Cameron states that in order for group appraisals to be effective, the groups must own the decisions made. Cameron further states:

... [groups should move] toward a more adult team relationship aiming at group-generated performance information. Energy can be directed and performance improved, to everyone’s benefit, if a group, just like an individual, has a chance to understand and discuss some basic questions:

- Where are we now?
- Where do we want to go - and why?
- How are we going to get there?
- How do we know when we’re winning?

Group-generated performance reports can actually help improve Performance. This touches on 'voluntary' energy, and in that sense is delicate, demanding nurture combined with tact. The
power to direct rests with the manager, but the benefit comes from the added value people can contribute when they are motivated, looking for ways to win. (pp. 154-155)

In the process of each group evaluating their ability to interact, make decisions and accomplish timely goals effectively, the Tjosvolds have stated:

Employee teams need ongoing reflection and renewal. Workers who have been on the assembly line for ten years have not automatically developed the vision, unity, and skills needed to work as a team. They have to experiment with procedures and skills to become more proficient and to find the ones that fit their situation. Teams need to set aside a time at their regular meetings to take stock of their relationships and productivity. They can meet off the shop floor periodically to reflect in depth on their present situation and make plans for strengthening their team and their innovation. (p. 118)

In order for teams to be effective, they must build good relationships. The influx of teams means that there are more dysfunctional teams in existence and in order to be successful, they must be at peak operation. (Baker, 1995) Further, Baker described one method utilized to promote interaction, which is Network Analysis in the mapping of the relationship of team members to one another either directly or indirectly. It is visually effective and prior to creating a map of mutual support among team members, the expectations must be expressed. Baker states a series of questions to do with communications and integration among team members. They are built into the team's purpose to perform Network Analysis and according to Baker are related to the areas of approvals, boundary specification the network survey and confidentiality: (1995)

Team development needs to be promoted ... As companies rely more and more on teams, trainers and consultants need to employ new tools to promote team development. ... By analyzing the true network of relationships, team members can see their actual relationships, understand why their network looks like it does, design a target network for the future, and implement mechanisms for achieving it. Network analysis can be a powerful tool for facilitating the development of high performance, high function teams. (Baker, pp. 9-13)
If team members addressed the questions stated by Baker in their effort to conduct group evaluations, it would be possible to improve the framework and criteria upon which to evaluate their performance. As stated by the Tjosvolds:

Developing work teams is a concrete way of giving today's employees the respect, involvement, and participation they demand and the opportunities to develop needed conceptual, technical, and social skills. Properly structured and managed, work teams further the learning of employees and the innovation of the firm. How employee teams develop this kind of effectiveness depends upon their situation and personalities, but the team organization guides managers and employees to form and to use their teams. (p. 118)

Baker brought out the importance of interaction among teams within an organization. The Network Analysis methodology supported peak team performance. Recognition among team members occurred when each took responsibility for significant portions of team goal achievement. Participation by all members of a group availed team members of energy so they could be provided with new inspiration and simultaneously enjoy their work. Active participation on the team supports pro-active thinking, employee development and goal accomplishment by team members. (Baker, 1995) Baker's focus on this method supports his position that Network Analysis is most effective for high performance.

The Tjosvolds pointed out benefits the team organization can offer such as fulfillment in the successful completion of jobs as related to customer satisfaction in line with the company's vision. (1991) Similar thoughts were reflected by Woodcock by stating that teams can provide support, coordinate, generate commitment, identify T&D development needs, provide learning opportunities and enhance communication. (1989) Employees may be more motivated given these benefits.
In a study done by Nelson, a higher level of motivation occurred among a group of training and development employees. Informally, Nelson recognized these employees’ efforts toward goal accomplishment by taking 1/2 day per month to do something fun. Promotions were broadcast, a new logo was developed with business cards printed to match. She provided one hour of her time each week so that she could keep the lines of communication open. Prizes were awarded for such things as training for 1000 hours. (1995)

Team development and appraisal can be conducted and communicated using various methods. As stated by the Tjosvolds:

Exploring issues through discussing opposing views contributes to the success of employee teams. It is then that they dig into issues and innovate. They foster the right of dissent, listen to each other’s arguments, and open-mindedly create solutions based on the best ideas. They brainstorm ideas, hash out proposals, and create solutions. (p. 118)

The informal group appraisal is probably most effective if not termed as such, but as a review of team objectives such as the team meeting described by Nancy Foy Cameron. The team meeting enables managers to manage and review progress, reasons for decisions, impending events, solicit feedback and make action plans. Keys to success of these work group meetings is to set and keep to the meeting and time schedule, and answer all queries. (1994)

The team meeting method utilized is the choice of the company in line with the culture, depending upon which system provides the most accurate information in the most timely fashion. Groups always have a choice as stated by the Tjosvolds:

... they can become more committed to their visions, more united, more empowered, and more capable of exploring issues, or they can undermine their purpose and confidence. Teams need to be able to assess their present state of functioning, to celebrate and build upon their accomplishments, to learn from mistakes, and to deal with frustrations. Effective groups
monitor and regulate themselves so that they can continue to work together without a great deal of intervention by managers. They build themselves up into an independent team that will be productive in the future as well as the present. (pp. 54-55)

As indicated by the Tjosvolds, teams assume responsibility for quality performance. This is also supported by Woodcock in the following quote:

In any team there needs to be constant concern with 'what has to be done' and 'how best results can be achieved'. A discipline of regular target setting and review often helps team members to work more effectively. In addition, the intention is to give each employee an accurate view of how the company values his contribution and to enable all concerned to understand what has to be done in order to improve performance. Special attention is paid to what the person needs to learn in order to better meet future needs. (p. 129)

"The skills which a team needs to carry out meaningful reviews are not easy to acquire because they depend upon the development of [teamwork] characteristics ...", (Woodcock, p. 100) Woodcock states further that it is the development of openness and trust which can hold the key to successful team appraisals. A willingness to be open and trusting can assist in becoming an open and trusting team participant and that at first it may be trying, however practice [and support] is important. Appraising performance can occur during or after the completion of a task. (1989)

In support of performance appraisal of self-directed or self-managed work teams, the researcher will discuss the methodology steering this research in Chapter III.
Companies which desire to provide improved products and services externally may benchmark in search of internal practices to adopt. One of these practices is the restructuring to a lateral workplace organization in support of work teams. When companies restructure to support work teams, performance appraisal methods currently in place may not support the restructured company. This methodology will discuss challenges faced during the process of transition to work teams as well as the benefits of performance appraisals akin to teams. Emphasis is placed upon coaching and mentoring participants into a collaborative environment in which decentralized decision-making takes place.

A strong system of performance appraisal could assist employees in meeting external challenges more effectively. According to Johnson, understanding restructuring in terms of the effect upon work flow processes and responsibility areas is critical to performance measurement:

... fairness, performance improvement, career development, communication and understanding expectations' were evaluated; ... the process must be understood and accepted as fair. ... some areas are being overlooked and should receive greater emphasis. ... current process is moderately effective in addressing issues of current performance requirements and expectations, but falls short in areas of performance improvement and career development. (Johnson, p. 90)

The success of work teams may depend largely upon the process of implementation as well as continuing growth, development and flexibility.
companies which develop and guide employees through the change process may be in a better position to support their transition to roles requiring new behavior patterns. To encourage the continuing development and functionality of work teams, thought patterns frequently are redirected from competitive to cooperative. In support of this, Hodes presented a newer contextual type of positive thinking and being tenacious in the pursuit of goals. This thinking is founded on a belief in the success of the corporation as well as the employee. (1989) Leading performance must be a win/win situation for all levels of employees/teams/groups involving participation by all teams and team members for true commitment to goal achievement. Hodes related some key beliefs which served as blockage to contextual thinking. Some of these beliefs could be related to performance management. Some persons responsible for culture change believe in governing the business within a certain framework. This belief can be replaced by contextual thinking, which is conducive to and flexible within the change process. Problems occur when managers try to resolve problems using predefined solutions. Problem resolution needs to be in the form of new, open possibilities versus older beliefs adopted from previous companies, situations or people. (1988)

In Morris's Dissertation, a successful method of implementing a compensation system for a collaborative work team environment was needed. A system for creating a career path, a new rewards system for proper recognition after downsizing and empowerment of employees with an action plan was mandatory to prevent destruction. Team purpose and clarity were needed to provide direction. Thus the managers fulfilled their responsibility for the continuing development of employees in their new roles and accomplishing new objectives. The managers were to provide a clear strategy and demonstrate more interest and concern for the welfare of the employees. A high level of frustration existed within the group. (1995)
In Morris's example, he developed the "Capability Block" to assess competence in knowledge areas required for successful completion of responsibilities:

The [design] team helped the department to better comprehend what the future would look like through the completion of the capability blocks. The capability blocks helped the department to focus on the performance of the individual, and therefore the reward process had greater benefits for the individual than it did for the teams. (Morris, p. 117)

Further, in Morris' example, employees welcomed the capability blocks as an opportunity to create more of an even playing ground. Evaluations then occurred as a result of skill demonstration in comparison to the previous method in which people were evaluated based upon who they knew. (1995)

According to Morris, companies need to address operational and procedural issues as well as the organizational development component to gain support and cooperation. Organizations need to tailor their approaches based on special needs, as opposed to stock prescriptions and formulas. (1995) A new approach is required by managers or consultants (leaders) positioned to guide the process so they may be coached and taught to coach others simultaneously. These coaches are taught to approach problems responsively and compassionately. Mager suggests process steps for determining (a) the problem, (b) who and what are responsible, (c) cost of problem or deficiency to date, (d) type of deficiency, (e) cause of deficiency, (f) solutions to discrepancy, (g) cost of solutions, (h) implementation of solutions. He developed a worksheet to assist managers in determining if training is needed, and if so, in exactly what area the training will take place, the cost and time frame. (1992)

Further support and guidance for leaders into new roles can be accomplished through on-the-job training. On-the-job training can complement coaching, providing a process in the transition to a
collaborative structure. On-the-job training supports leaders new roles by providing guidance and a framework within which to work. Mullaney and Trask developed a set of steps standing for ROPES which could be adopted as one method of teaching adults how to learn. The steps outline a framework for on-the-job training, the details of which can be applied to a group, objective, peer, and/or reverse as well as self-managed performance appraisal systems.

Rapport. ...
Overview and objectives. ...
Presentation of content. ...
Evaluation of trainee. ... directed by lesson objectives ...
  task mastery demonstrated through [application], ...
  simulation, observation, description, or testing. ...
Summary of lesson. ... (Mullaney and Trask, pp. 13-15)

Before on-the-job training can take place, it is important in a changing environment to communicate developments meaningfully. According to Glanz, employees seek opportunities to discover new information about the status of change. Communication is critical during transition. Creativity in communication can be important in maintaining a positive framework in which to work. In "Creative Communications Tools for Trainers", Barbara Glanz emphasizes the importance of creative communications to instill desire to respond effectively. A creative twist makes a statement about a person's purpose; something by which to remember their own work. The creative twist is an added benefit in a changing culture and should not be overlooked. (1994)

The review of the literature revealed that corporate restructuring generally occurred to meet international and domestic market changes in a variety of industries. The restructuring impacted corporations in many areas. One of these areas is performance appraisal which is germane to this study.
Research
Summary

The research consisted of Phase I and Phase II. Phase I was quantitative and its purpose was to discover the following: (a) industry; (b) corporate structure; (c) performance appraisal systems identified; (d) satisfaction levels with the performance appraisal system; (e) comments in regard to system; and (f) willful participation in Phase II. The three corporate structures were identified by the researcher from Walker's definitions of work team, flexible and traditional structures. Phase II was qualitative and involved participation by respondents to Phase I of the research which were identified as work team or flexible structured companies. Team member participants in Phase II would be asked to complete the instrument. They would then answer pertinent questions about the performance appraisal system utilized at that company. The completed instruments would then be returned in sealed envelopes for tabulation and analysis.

Development of Phase I Data Collection Instrument

The researcher developed the Phase I instrument together with a cover letter introducing prospective participants to the reasons supporting the research and requesting their participation. Following, the researcher detailed the process steps utilized to fully develop the Phase I instrument and cover letter most effectively. This development process was not only critical for the research germane to this study, but served as a basis for future studies on performance appraisal.

Phase I Instrument

The design and development of the Phase I instrument took place by consulting materials published by the American Society For Training and Development's Info-Line series as follows: Practical Guidelines on How to Collect Data; and Surveys from Start to Finish, Face-to-Face Interviews.
Telephone Interviews Written Questionnaires. These resources provided guidelines for the development of effective instruments to reveal the desired results accurately. For example, the guidelines addressed the determination of measurement of the appropriate circumstances or behavior patterns which answer the research question(s). The guidelines assisted in the determination of the relevance of conducting a survey through presentation of the benefits and limitations of a variety of data collection methods. They provided explanations, survey instrument development methods, methods by which to collect data, various types of instruments to use, questions to ask, how to ask them and of whom. The guidelines provided direction on the structure and refinement of questions, designed to collect the desired information from the target audience.

The Info-Line guidelines also addressed the issue of survey ethics and assisted in validation of the instrument. Clarity of survey purpose, utilization of and reason for collecting specific data, and confidentiality were emphasized as critical factors in collecting information. Guidelines on running a pilot survey were also provided to determine reliability of the instrument.

Validity and reliability were critical factors to consider prior to construction of the Phase I instrument. A valid instrument would have the capacity to collect information appropriate to the research. A reliable instrument would have the capacity to collect the same types of data each time it is issued, provided it is issued to similar types of professionals. To work toward this goal, the researcher consulted Info-Line guidelines as well as research articles such as: "Validity and reliability: A very short course", Training, March 1986, pp. 89-90; and "Constructing Tests That Work", Training, September 1983, pp. 41-48. The articles were useful resources, directing attention to critical factors to
consider in the valid construction of an instrument and the reliability of
the information collected.

The first consideration in the development of the Phase I instrument was the inclusion of the appropriate research questions which would be useful to human resource professionals. Research question number 1 is most applicable to Phase I:

1. What kinds of workplace organization are found in Chicagoland companies?

Question number 2 is most applicable to Phase II:

2. Of those companies which identified their workplace structure as work team or flexible, how is performance assessed?

The utility of Phase I to human resource professionals is knowledge of the categorization of corporate structures in the industry and the related performance appraisal systems. Given the tabulated quantitative results, human resource professionals could make discoveries which would assist in the improvement of their systems. Phase II is qualitative due to the focus of criteria critical to the success of work team performance appraisals. Undoubtedly the compiled and tabulated results from team members within respective companies would reflect the true value of the information. Upholding the premise of the utility to Phase II is that team members who experience the impact of performance appraisal would be eager to share their thoughts and ideas.

In order to discover the type of workplace organization in existence across a variety of industries, the researcher presented the three structure choices: work team, flexible, and traditional as defined by Walker (1992). The researcher developed questions to discover industry, size, structure, performance appraisal system(s) utilized, and related satisfaction levels. The researcher included demographics questions
requesting clarification as to the white or blue collar organization, and whether the company offers a product or service. It was necessary to sort work team, flexible and traditional workplace structures with related performance appraisal method(s) to clarify and provide dimension to the results. Question structure about performance appraisal method was developed based upon both current and expected attitudes. No preferences were expressed in the mention of any method, and respondents were provided with an opportunity to communicate methods not mentioned in the survey.

The question addressing the level of satisfaction with performance appraisal was developed with careful consideration to sensitivity of human resource professionals. The researcher categorized the high level of satisfaction as "Highly Satisfied", however, at the low end, a category indicating only "Moderately Dissatisfied" was selected. The researcher utilized the methodology supported by Frederick Herzberg (1992) in a discussion on employee job satisfaction in his article, "One more time: How do you motivate employees?", from the Harvard Business Review. Herzberg states:

... the factors involved in producing job satisfaction (and motivation) are separate and distinct from the factors that lead to job dissatisfaction. Since separate factors need to be considered, depending on whether job satisfaction or job dissatisfaction is being examined, it follows that these two feelings are not opposites of each other. The opposite of job satisfaction is not job dissatisfaction but, rather, no job satisfaction; and, similarly, the opposite of job dissatisfaction is not job satisfaction, but no job dissatisfaction.

Stating the concept presents a problem in semantics, for we normally think of satisfaction and dissatisfaction as opposites--i.e., what is not satisfying must be dissatisfying, and vice versa. But when it comes to understanding the behavior of people in their jobs, more than a play on words is involved. (Herzberg, 1992, p. 29)

The researcher adopted Herzberg's methodology, "Since separate factors need to be considered ...", to the categories signifying satisfaction of performance appraisal methods. Human resource professionals may be highly
satisfied with a performance appraisal method for entirely different reasons than those reasons which would cause even the slightest dissatisfaction. For example, a rating of "Highly Satisfied" might be based upon timely, orderly and concise performance appraisal write-ups. However, a rating of say, "Extremely Dissatisfied" (not used) may be based upon lack of managerial training in performance appraisal communication. This may be the result of untimely, disorganized and lengthy performance appraisal write-ups. If respondents categorize a satisfaction level in an "Extremely Dissatisfied" category, it may be for the wrong reason. Although setting up a category stating "Moderately Dissatisfied" does not guarantee that respondents would categorize their satisfaction level (for what may be) the right reasons, the description of Moderately Dissatisfied is less extreme and may better describe low-end satisfaction levels. Based on this, the researcher set up a category at the low end signifying "Moderately Dissatisfied".

An opportunity was provided for respondents to voluntarily comment on performance appraisal. The researcher included this section to provide an opportunity for human resource professionals to openly comment and verbalize concerns. The Phase I instrument also provided respondents with an opportunity to discover further information about participation in Phase II of the research by stating their name, company name, address and phone number.

The researcher studied the instruments designed by Johnson (1988) and Morris (1995), as well as those presented in The Supplement to the Eleventh Mental Measurements Yearbook by Buros Institute of Mental Measurements, University of Nebraska, Lincoln. In the Buros Supplement the researcher discovered numerous types of instruments designed to measure employee attitudes, job satisfaction and performance appraisal systems. Many of these instruments were very similar in terms of
measuring the effectiveness of performance appraisal or employee attitudes. However, no singular instrument existed which incorporated all of the criteria necessary for the researcher to complete the study about work team performance appraisals as designed. Nevertheless, the *Buros Supplement* provided quality background as to content and structure.

The researcher worked to assure that questions in the Phase I instrument met similar types of questions in other standard types of instruments designed for human resource professionals. Human resource professionals are generally the source of information in answer to questions on the subject of performance appraisal. To continue the effort toward a valid instrument, the researcher set up a pilot study to extract opinions from human resource professionals. The researcher worked to assure against response bias and communicating an impartial viewpoint toward any particular type of company, respondent or performance appraisal system. The researcher designed the Phase I instrument utilizing the guidelines, ethics and respect for confidentiality incorporated into those of other standard types of instruments.

**Phase I Cover Letter**

Building an effective cover letter to attract participation was based upon the research conducted by Brenda Johnson and the dissertation by Jay Morris.

The cover letter was also integral part of the information collection process, serving the purpose of an explanatory tool to attract the reader to the subject matter. The cover letter provided an understanding of the intent of the research as well as details and circumstances steering the research. As pointed out in the cover letter, restructuring impacts the functionality of performance appraisal. The letter indicates that the collaborative environment in which the laterally
structured organization operates may present challenges among team members accustomed to a competitive environment. Work teams generally operate within multi-functional roles which may involve multi-reporting relationships. The performance of duties may challenge the method of measuring performance. Companies presented with the idea, through the letter, of more effective performance appraisal for work teams may be more likely to respond to the survey. Their responses would assist the discovery process and participation in solutions.

Pilot of Phase I Data Collection Instrument

Phase I Instrument

Prior to finalization of Phase I a pilot survey in its rudimentary form was sent out to 25 companies to test response types and tabulation results. Feedback received in regard to the Phase I instrument revealed that the question structure did not disclose the type of information which the researcher was seeking for the following reasons:

1. Some of the sentences were wordy
2. Phrases overly embellished or defined
3. Sentence meaning was too definitive; clarity was uncertain
4. Instrument as a whole needed to be more specific, concise
5. Sentences needed to be structured so that subjects were immediately recognizable
6. Clarifications in terms of company classifications were needed
7. The original instrument as a whole was confusing as there were too many of the following type of questions: i.e., "if the answer is "A", go to Part 1, and if "B", ... go to Part 2". The result is that only a small percentage of respondents answered questions of this nature correctly, the others either skip it or answer incorrectly.
8. The multi-answer performance review question number five was originally two questions set up to place a check mark at each applicable method and a separate question was asked to rank the three most important methods. Feedback from respondents indicated that it would be much more sensible to rate each performance appraisal method as opposed to using the check mark in question number 5.

9. In terms of the level of satisfaction, the researcher struggled with the extreme opposites (on the scale indicating level of satisfaction) as rarely will companies indicate an extreme level of dissatisfaction or satisfaction with their performance appraisal methods.

10. Assurances of confidentiality were needed in terms of greater emphasis and explanation.

11. Respondents wanted something in return for their efforts. The survey arriving in the mail needed to have a tool built in to inspire people to respond. The most appropriate inspiration to be made to participating companies was a copy of the compiled and tabulated results of the survey.

Phase I Cover Letter

Prior to finalization of Phase I the pilot survey including the cover letter was sent out to 25 companies. Feedback received in regard to the Phase I cover letter revealed that initial drafts of the cover letter did not solicit the type of information which the researcher was seeking. The feedback received in regard to the cover letter was as follows:

1. The cover letter as a whole needed to be more concise.

2. A scenario describing restructuring needed to be presented so that respondents could identify their structure in terms of the research.
3. Some details were necessary to keep Phase I and Phase II of the research distinctly separate. A separate description for each phase was needed; however, simultaneously the researcher needed to draw the relationship between the two phases.

4. A delicate balance between generalities and details needed to be refined so that prospective respondents would not disregard the letter and instrument.

5. A declaration about confidentiality amounting to more than a simple statement was required. In fact, a paragraph detailing the use of the data and how it would be kept confidential was needed.

Refinement of Phase I Data Collection Instrument

Phase I Instrument

The researcher considered the 11 points of educated feedback by the human resource professionals provided in regard to the Phase II instrument. Discussions were held with persons who devoted the time to respond to the pilot survey. The researcher clarified comments and inputs and incorporated changes to refine the Phase I instrument as follows:

1. The researcher focused on the central idea to be conveyed and the appropriate desired response. Sentence and question structure was then designed to retrieve information in regard to the specific objective.

2. Descriptive phrases were removed and questions rewritten to communicate with clarity, removing all possible misinterpretations due to the use of adjectives.

3. Refinement of the questions involved removal of some overly defined areas in which a simple explanation communicated most clearly.
4. The researcher removed overlapping areas of communication for greater clarity throughout the Phase I instrument. Rethinking the introduction of the entire process from the human resource professional's point of view assisted this process.

5. Simplicity of sentence structure was the resulting challenge of subject recognition. The researcher highlighted the main focal point of thoughts to be conveyed within each sentence, restructuring each to communicate a single versus a complex idea.

6. The clarification of workplace structure involved terminology utilized to describe the various structures most recognizable in the marketplace.

7. Complex questions were divided into distinctly separate questions with distinctly separate answers to continue clarity.

8. The researcher set up question number 5 to utilize a rating of each applicable method of performance appraisal as opposed to utilization of the check mark.

9. The researcher established the categories to indicate satisfaction level appropriately on the instrument as Highly Satisfied as the most and Moderately Dissatisfied as the least levels of satisfaction. If companies answered the question in its original form which stated Highly Dissatisfied at the low end, that question alone might cause them to eliminate their name and company name from the survey. The voluntary entry of names was important to the researcher for the Phase I respondents to continue in Phase II of the research.

10. Confidentiality was a critical factor to communicate to the respondents. The researcher stated "confidential" near the title at the top of the front and back of the Phase I
instrument. Confidentiality was further communicated by a paragraph stating purpose and utilization of the data collected.

11. Respondents willing to complete the survey would most likely enjoy a copy of the results as tabulated. Participation in this research certainly warranted their receipt of a copy of the results.

The Phase I instrument in its final form is shown in APPENDIX A, ILLUSTRATION i.

Phase I Cover Letter

The researcher considered the 5 points of educated feedback by the human resource professionals provided in regard to the Phase I Cover Letter. Discussions were held with persons who devoted the time to respond to the pilot study. The researcher clarified their comments and inputs and incorporated changes to appropriately refine the cover letter. The researcher made changes and improvements to the Phase I cover letter as follows:

1. The Phase I cover letter was written concisely including the five points suggested by pilot survey respondents. This provided balance between details and generalities.

2. A reference was made specifically to the reorganized company in the first paragraph. The researcher defined this structure so that respondents would be in a position to identify their structure with the research. Chicagoland companies responding would thus identify with one of the three (work team, flexible or traditional) structures.

3. The researcher explained Phase I of the research as a distinctly separate and constructive processes in collecting
information than that of Phase II. Attention to the quantitative nature of Phase I and the qualitative nature of Phase II was provided, clarifying the distinctly separate purposes of each phase. Phase I of the research is described in paragraphs one and two of the cover letter which explain the necessity of the preliminary data collection to complete Phase II.

4. A delicate balance was created by not providing too much detail resulting in overburdening respondents, having the impact of possibly discouraging their response. Thus, the Phase I cover letter peaked the interest of prospective respondents opening the door to discovery about Phase II risk-free. For example, on the reverse of the Phase I instrument a section which states, "If you are interested in learning about the continuation of this research, please state your name ..." The emphasis was to learn about Phase II without commitment. After the respondents learned and were comfortable with Phase II they would then be able to make an informed decision about whether or not to participate.

5. Confidentiality was declared by clearly stating the necessity of the research, how the data would be utilized, to whom it would be disseminated and in what form. Thus, no person other than the researcher would review the data. The compiled and tabulated results in the form of percentages would be presented. The results would be utilized to work toward effective methods of conducting performance appraisals in the restructured organization. The researcher set up the letter, with signature, as a guarantee of that confidentiality.

A pro forma of the Phase I cover letter in its final form entitled, "Phase I Cover Letter" is shown in APPENDIX A, ILLUSTRATION 2.
Selection of Phase I Participants

Phase I

There was no restriction on the type of company which received the Phase I instrument as the companies were chosen from a random set of numbers from the First Chicago Guide, 1995-96 edition, as well as Crain’s Chicago Business, April 10, 1995 edition which listed the leading private firms as well as Crain’s Chicago Business, May 8, 1995 edition which listed Chicago’s largest public companies. Included were white and blue collar, and service and product general categories as follows: Agricultural, oil and gas, mining, food and kindred products, paper, printing and publishing industries, concrete and metal industries, industrial, construction and commercial machinery and computer equipment manufacturers, electronics and electronic equipment manufacturers; transportation equipment manufacturers, measurement instrument manufacturers, communications and utilities companies, educational institutions, financial institutions including depository, non-depository credit institutions, insurance carriers as well as holding and investment companies; and, the retail clothing industry. The Phase I instrument with cover letter was sent randomly to 200 Chicagoland companies, both public and private, with the ranging from 8 - 50,000. This mailing was accomplished in mid January 1996.

Development of Phase II Data Collection Instrument

Phase II Instrument

The nature of the Phase II research was qualitative and its purpose was to learn details about the method of measuring the performance of work teams. Criteria for the Phase II instrument was arrived at by conducting research in the Buros Supplement and Measurements of Occupational Attitudes and Occupational Characteristics. (Appendix A to Measures of Political Attitudes). Study continued with the following articles in the development of the Phase II as well as the Phase I instruments: "Validity
and reliability: a very short course", *Training*, 1986, pp. 89-90; "Constructing tests that work", *Training*, 1983, pp. 41-48; "How to collect data", *INFO-LINE*, August 1990, American Society for Training and Development, Issue 9008, pp. 1-12; and "Surveys from start to finish", *INFO-LINE*, December 1986, American Society for Training and Development, Issue 8612, pp. 1-16. For development of the Phase II instrument, the researcher considered performance issues which were reflected in the research conducted. The researcher developed Phase II questions as these performance issues related to the performance of work teams.

The Phase II instrument addressed qualitative issues such as (a) development, (b) support, (c) timeliness, (d) awareness of goals, (e) the formulation of goals within the team, (f) the function of the team and its alignment with company goals, (g) the constructive handling of conflict and areas for improvement, (h) the encouragement of feedback on performance, and (i) the empowerment to draw upon resources for the completion of goals. The researcher included a question on frequency in the appraisal of performance to measure the amount of attention given to measuring work team performance. The reasoning behind inclusion of a question related to issues of timing is based upon support for goals. Upon examination of the Phase II instrument, participants would be given the opportunity to measure performance as well as those individuals or teams whose performance was to be measured. This criteria was reflected in question number 5 which established responsibility for work team performance. Related directly to this was clarity of performance criteria, reflected in question number 6. Clarity of goals to be performed has little meaning unless there is a relationship to the accomplishment of corporate goals. The importance of communicating corporate goals to emphasize work team purpose was critical, and was
reflected in question number 7. Respondents would become aware of the necessity of participation in the formulation of company goals/objectives as is reflected in question number 9.

The Phase II instrument addresses critical areas such as conflict management and performance areas for improvement as reflected in questions number 10 and 11. The participant would learn that the researcher’s inclusion of these very critical areas in the Phase II instrument demonstrate attention to behavior patterns. Behavior and conflict need to be addressed pro-actively and measured in the performance appraisal after direction is provided in these critical areas. Related to this, the object of question number 12 was to encourage participants to provide feedback on the process of and criteria involved in their performance appraisal.

Empowerment of teams to accomplish corporate goals which teams have [presumably] participated in formulating, is critical to the survival of work teams. The purpose of question number 13 is related to the team functionality in question number 8. Empowered teams may independently utilize resources available to accomplish corporate goals. This independence may be reflected in their response.

**Phase II Cover Letter**

The Phase II cover letter was developed to introduce Phase II of the research to respondents of Phase I who identified their workplace structure as work team or flexible. The Phase II cover letter was designed to solicit the participation of the respondents. Because of the nature of the research of Phase II, confidentiality was extremely critical in terms of clearly identifying the purpose of the research and utilization of the data collected.
This confidentiality required a more personal touch as well as communication of details in regard to the type of information collected in Phase II. The personal communication was especially important due to the fact that the information collected would not be from the respondents (of Phase I) but from employees/team members of those responding companies. This area needed to be addressed through building a personal rapport between the researcher and the individual respondent. The personal rapport can only be accomplished through personal contact initially, and followed up by a letter.

Pilot of Phase II Data Collection Instrument

The researcher conducted a pilot survey to continue the effort in seeking the desired information from Phase II. In January 1996 the researcher mailed ten pilot surveys to companies responding that they have a work team or flexible structure in place. The pilot survey solicited opinions about the type of information sought. Three of the ten companies responded as follows:

Phase II Instrument

Respondents to the Phase II pilot assisted in the determination of whether or not the instrument provided the desired information. The Phase II pilot instrument contained fewer questions than the final Phase II instrument. The pilot instrument grouped together information which was to be broken out as follows:

1. Goal clarity and alignment with company goals was originally a single question. Two separate ideas were being requested and should be presented that way.

2. Question number 11 asking about the constructive handling of areas for improvement suggested that a question addressing the management of conflict should also be included.
3. An effective question addressing encouragement of feedback on the part of the participants was necessary to measure the evaluator's effective retrieval of information from the team.

4. Respondents to the Phase II pilot instrument stated that the information sought was very focused on the successful work team. Consequently, it was felt that companies may refrain from participating given the rigorous criteria.

Phase II Cover Letter

Respondents to the pilot survey indicated that the cover letter was too direct in its original form. The letter needed to place the human resource professional at ease in terms of the confidentiality and the type of information requested. Additionally, the cover letter needed to serve as a follow-through to the initial conversation introducing Phase II to the respondents. For example:

1. Originally, there was not a clear relationship to Phase I of the research. The researcher needed to redefine the basics of Phase I in order to inspire interest in the necessity of Phase II of the research.

2. Based upon Phase I of the research, respondents to the Phase II pilot thought or presumed that Phase II would consist of the completion of another survey instrument.

3. Greater clarity as to the type of information sought in Phase II as well as the process of the data collection was needed. This initial clarification needed to be of a more personal nature such as a telephone or face-to-face conversation.

4. Personal introduction was then to be followed up with mailing a copy of the Phase II instrument with cover letter
introducing it. This would confirm details of the actual instrument to be utilized in the information collection process for Phase II.

The answers regarding quality in productivity, effective communication and interactive work flow processes (among other initiatives) supported by the performance appraisal system were targeted by Phase II. The researcher utilized the Phase II instrument together with the cover letter summarizing the discussion explaining the research.

Refinement of Phase II Data Collection Instrument

Phase II Instrument

The researcher took into consideration comments on the part of the respondents of the Phase II instrument.

1. In doing so, the researcher broke out questions on goal clarity and alignment as follows: The researcher stated question number 6 as follows: "I am clear on the criteria upon which performance is evaluated. Options: Yes, No, Usually". The researcher stated question number 7 as follows: "I am clear as to how team objectives align with company goals/objectives. Options: Yes, No, Usually". In this way, the criteria for completion of objectives as well as the relationship to company goals could be determined separately.

2. The researcher included a question on conflict management as suggested by respondents of the Phase II pilot. Where there was a relationship to areas for improvement, conflict may not be one of those areas. The researcher included question number 10 as follows: "Does the performance appraisal system address the constructive handling of conflict to any degree, in any manner? Options: Yes, No, Usually".
3. The researcher included a question on the encouragement of feedback by participants by adding question number 12 stating: "Does the performance appraisal system encourage feedback from participants? Options: Yes, No, Usually".

The researcher incorporated other comments by respondents of the Phase II pilot instrument as appropriate. The researcher then refined the Phase II instrument in line with the goals of this research which was focused on criteria for successful work teams. Even though the information sought by the Phase II instrument focused on the successful work team, the researcher felt the guidelines were appropriate to the research. Further, these guidelines were defined more specifically as criterion-referenced validity in accordance with the research conducted.

Phase II of the research was designed to answer research question number 2. The questions were based upon components necessary to support the functionality of independent work teams. The Phase II instrument solicits information about the performance appraisal system as follows: (a) the existing role of the evaluator; (b) essential criteria being evaluated; (c) clarity of criteria being evaluated; (d) level of team participation in the formulation of objectives; (e) whether or not areas for improvement are handled constructively; (f) whether or not the constructive handling of conflict is addressed; (g) encouragement for feedback; and (h) whether or not employees are empowered with the resources to enable completion of all tasks and goals. The researcher developed this criteria based upon following items which served as a foundation for the design of the Phase II instrument:

(a) decentralization of control and decision-making authority;
(b) empowerment of teams with all resources to achieve goals;
(c) clarity of the company goals;
(d) the role each team and team member will serve in the formulation and achievement of team goals to support company goals;

(e) team understanding of the sometimes multi- and cross-functional responsibilities of each team;

(f) the encouragement of feedback on all issues, whether performance or goal related.

(g) the establishment of open dialogue, interaction and expression of thoughts for an even exchange of ideas in an atmosphere of support;

(h) constructive handling of conflict during restructuring and changes in employee/team roles;

(i) understanding the role of each person or team evaluating the performance of the individual or team;

(j) understanding criteria which will be evaluated at the conclusion of a project or specified period of time; and

(k) understanding the appropriate treatment of improvement areas and that all persons or teams responsible for performance evaluation need to be skilled in communicating performance appraisal.

If a company's goals can be achieved more effectively through work teams, the company may be more inclined to consider issues lettered (a) through (k) in the development and performance measurement of work teams.

Phase II Cover Letter

The Phase II cover letter was revised to include clarity and reflect upon the conversations which took place between the researcher and the respondents. Initially, the cover letter was designed to be the initial contact with those respondents interested in continuing participation in Phase II. After receiving feedback from respondents of the pilot survey, the researcher was encouraged to make initial contact by telephone followed up with a letter. This would encourage a personal rapport with respondents as well as preserve the confidentiality of Phase II of the research. It would also serve to ease the introduction as opposed to utilizing the survey instrument and cover letter as an introduction. A telephone conversation would have the capability of establishing this rapport as well as encouraging the respondents to participate.
1. The researcher drew a clear relationship to Phase I of the research by redefining the basics of Phase I in order to get respondents interested in the necessity of Phase II of the research.

2. The researcher clarified that Phase II of the research would consist of active participation by teams from interested companies responding to Phase I.

3. Greater clarity as to the type of information sought in Phase II as well as the process of the data collection was incorporated into the cover letter of explanation. Since this initial clarification needed to be of a more personal nature, the researcher set up a telephone pre-screen to introduce the process to respondents.

4. The researcher decided upon setting up the process of mailing a copy of the Phase II instrument with cover letter only after the telephone pre-screen initially introducing the process. This would assist respondents to confirm details of the actual instrument to be utilized in the information collection process for Phase II.

The answers to quality in productivity, effective communication and interactive work flow processes (among other initiatives) supported by the performance appraisal system were targeted by Phase II. The researcher utilized the Phase II instrument together with the cover letter summarizing the discussion explaining the research.

Selection of Phase II Participants

The participants in Phase II were selected from Phase I respondents indicating workplace organization from two of the three corporate structures: work team and flexible. The researcher included companies identified as flexible because of the similarity of reporting relationships and work flow processes to the work team organization. In
preparation for the initial telephone contact with each prospective Phase II participant, the researcher summarized the data to be collected from them. The researcher contacted each prospective respondent and discussed details of Phase II then mailed the Phase II instrument and cover letter to those companies. The companies were contacted to answer questions and discuss their continuing interest in participation in Phase II. After each company made a decision about participation in Phase II the researcher worked directly with them to continue the research.

Research Process

From the Phase I results, there were 5 work team and 7 flexible structures identified and each of the 12 companies expressed a desire to participate in Phase II of the research. The researcher contacted each of the 12 companies to introduce details about Phase II. Based upon the information sought by Phase II, the researcher explained details about Phase II and took incremental steps in the approach with the human resource professionals. The researcher confined choices and contacted respondents appropriately so that their level of participation would be ascertained for Phase II. The initial contact was made by telephone utilizing the following process steps to focus attention on a more thorough data collection method. The initial contact, actually a telephone pre-screen, served as a tool to make preliminary determinations about the particular respondent’s continuing participation in Phase II:

- Initial telephone contact
- Discussion, establishment of rapport
- Discuss performance appraisal issues of concern
- Discover likenesses with their issues and those of Phase II of the research
- Share the likenesses with them
- Search for linkages with those issues and the issues steering Phase II
• Introduce these issues to the respondents and ask about their experience in addressing them.
• Point out benefits of addressing these issues in Phase II of the research.

During the telephone pre-screen details were to be discussed in summary fashion initiating the discussion with information about performance appraisal frequency and timeliness. Questions posed to prospective Phase II participants in regard to performance appraisals were designed to measure the performance of individuals, teams or both. Thus, the researcher expressed the importance of the role of the individual or team responsible for measuring performance. The researcher approached the subject of clarity asking whether or not the employees/teams are aware of performance criteria. An understanding, by the employees/teams, about how team goals align with company goals was designed to be posed to prospective respondents. Team participation in the formulation of those goals, critical to completion, would also be addressed during the conversation with respondents. A question was included about the understanding on the part of employees and the degree to which their input is considered in the formulation of objectives in line with company goals. Team function, associated with the degree to which teams participate in the formulation of team goals was addressed in the question of the functionality of teams asking about team member roles. For example, cross functional teams (being self-directed) would have a variety of roles; whereas self-managed teams may be made up of members with roles more similar in nature. If truly empowered, both would be self-directed and the scope of responsibility would be wider with cross-functional teams; and more focused with self-managed teams.

During (but not limited to) the transition to teams (assuming the responding companies did not start up with teams), conflict may arise. The researcher decided to pose a question about whether or not the company
had a method of working through conflict constructively in the performance appraisal system. The discussion could reveal information about training and development programs designed to address issues which could cause conflict. This related to the importance of addressing areas for improvement in a constructive manner to employees/teams being evaluated prior to discovery in a performance appraisal meeting. Generally, the manager or team performing the appraisal is responsible for addressing improvement areas in a constructive manner. Encouragement of feedback, from the employee/team member is another subject in which the manager or team member conducting the evaluation is responsible. The questions related to managerial training were posed to gain greater insight to each company's posture on performance appraisal.

The question of independent functionality of teams could be the foundation for the success of the team. Are the teams empowered to draw upon their resources enabling the completion of tasks and goals? This question truly reflected upon whether or not the responding companies have teams, either self-directed, or groups of people performing objectives simultaneously. There is a difference between the two since self-directed teams assume responsibility for goal setting and achievement. Groups of people accomplishing objectives simultaneously generally do not include goal setting. The overall degree of satisfaction with the performance appraisal system was addressed along with the individual respondent's comments and suggestions for improvement.

The researcher would then pose an explanation of the data collection process. The method of data collection in Phase II was the key to discovering the ability of that system to support work teams. Phase II was qualitative in nature and involved group presentation of the research and the type of performance appraisal being studied. These presentations would be made to those Phase I companies deciding to continue in the research as a result of the conversations and Phase II instrument
examination. Included in the presentation would be team members within the company. Once presented, the team members would be asked to complete the Phase II survey instrument which would answer pertinent questions about the performance appraisal system utilized at that company. The completed survey instruments would then be returned to the person responsible for conducting the data collection and forwarded to the researcher in sealed envelopes for tabulation and analysis.

During the conversation with respondents, the researcher placed additional emphasis on confidentiality. Confidentiality was fully supported as reflected in the fact that the team member was to return the completed instrument to the person responsible for collecting the data in a sealed envelope. The responsible person would then provide the researcher with the envelopes for tabulation and analysis. Information collected from team members would not be disclosed in the format received. Only the compiled and tabulated results of Phase II of the research would be revealed so that responding companies’ human resource professionals of that performance appraisal system would be aware of the general trend.

Respondents would have an opportunity to think about the conversation as well as read the letter and visualize the process. Respondents would then have an opportunity to decide which team(s) would be likely to participate in the research. If respondents decided not to participate in Phase II in the intended manner, the researcher provided them with copies of the Phase II survey instrument so that they could complete and return it. Once the researcher established which companies would participate in Phase II of the research, a date was agreed upon for data collection to take place.

The method of collecting the data directly from the participants was necessary to reduce bias in the data collected. This would be explained to the participants emphasizing the reason for collecting the data from
them as opposed to collecting it from those responsible for implementation of the system. This communication required third party representation so that the results of Phase II would remain unbiased. This is based upon an assumption that the researcher’s convictions about the subject matter could be conveyed to participants in communications. This communication could be in the manner in which the researcher would speak about the subject using voice intonations. It could encompass how the researcher would relate to the participants, utilize body language or punctuate statements. The confidence with which the researcher might communicate could unduly influence participants in one way or another, thus contaminating the results. To prevent bias, employing an impartial third party is the desired procedure to follow in collecting the data. The data need to be pure, and a person to communicate details thoroughly and with clarity is needed. Participants may have questions concerning completion of the instrument and procedures for confidentiality in tabulation, the answers to which should be provided without undue intensity. The participants would then be able to complete Phase II instrument projecting only their own thoughts into the survey.

A copy of the Phase II Instrument in its final form is included as ILLUSTRATION 3. in APPENDIX A entitled, "PHASE II INSTRUMENT"; as well as the cover letter introducing Phase II to respondents included as ILLUSTRATION 4. in APPENDIX A entitled "PHASE II COVER LETTER".

In line with the purposes of this thesis, which are: (1) to identify three corporate structures (work team, flexible and traditional) in existence among Chicagoland companies; (2) to determine the how work team performance is measured; the goal is to answer the questions:

Most applicable to Phase I:

1. What kinds of workplace organization are found in Chicagoland companies?
Most applicable to Phase II:

2. Of those companies which identified their workplace structure as work team or flexible, how is performance assessed?

In an attempt to answer these questions pertinent to the research, the researcher developed hypotheses in regard to both Phase I and Phase II of the research as follows:

I-A. Those companies identified as either a work team or flexible structure will primarily and secondarily utilize a performance appraisal system supported by two or more components of the 360 degree system of performance appraisal.

I-B. Companies identified as flexible will utilize a combination of traditional and 360 degree performance appraisal methods.

I-C. Overall, those companies identified as traditional will utilize a performance appraisal system which is more traditional in nature.

I-D. Those companies identified as traditional will, overall, utilize one method of performance appraisal, traditional in nature.

The researcher developed hypotheses in relationship to Phase II of the research:

II-A. Companies identified as work team or flexible will be eager to share details of their performance appraisal methods utilized.

II-B. Companies identified as work team or flexible will be eager to participate in Phase II of the research.
In Chapter IV, the results will show tendencies in one direction or another in an attempt to prove or disprove the hypotheses.
CHAPTER IV
RESULTS
Phase I

This research is being conducted to identify workplace structure and the related methods of performance appraisal utilized. Restructuring to a lateral organization revealing a work team or flexible structure might lead one to believe that a performance appraisal system more appropriate to that structure should be implemented. This may not be true. The researcher is conducting Phase I to discover whether or not Chicagoland companies have implemented performance appraisal systems more appropriate to the restructured company. Related to this, the researcher developed hypotheses in regard to Phase I which will show tendency in an attempt to either prove or disprove the hypotheses. The hypotheses are:

I-A. Those companies identified as either a work team or flexible structure will primarily and secondarily utilize a performance appraisal system supported by two or more components of the 360 degree system of performance appraisal.

I-B. Companies identified as flexible will utilize a combination of traditional and 360 degree performance appraisal methods.

I-C. Overall, those companies identified as traditional will utilize a performance appraisal system which is more traditional in nature.
I-D. Those companies identified as traditional will, overall, utilize one method of performance appraisal, traditional in nature.

Fifty (50), respondents or eighty-one percent (81%) of the total 62 respondents state the primary method of performance appraisal in place across all three organizational structures is the managerial appraisal of the employee. Whether the responding companies indicate a work team, flexible or traditional structure, the managerial evaluation of the employee remains the primary method of performance appraisal consistently without regard to structure.

Twenty-one (21), or thirty-four percent (34%) of the total 62 respondents, utilize the employee self-appraisal across all three organizational structures. The employee self-appraisal remains secondary against total respondents across all three organizational structures.

Nine (9), or fifteen percent (15%) of the total 62, respondents declined participation in the research or declined to make a statement indicating performance appraisal methods in place there.

Work Team Structure

Responses from companies which identify their structure as work team indicate that these companies continue to utilize the managerial appraisal of individual performance. Those companies have not implemented components of a 360 degree performance appraisal system as a primary system of performance appraisal. Of the 5 respondents indicating a work team structure, 4 utilize the managerial appraisal of the employee as their primary method, indicating 80% usage of this method against respondents identified as work team. Also in the first ranking is 1 respondent utilizing the managerial appraisal of teams, indicating 20% usage of this method against all (5) respondents identified as work teams. The same 4 respondents measured against total respondents (62)
indicates that 6% utilize the managerial appraisal of the employee. The 1 respondent utilizing the managerial appraisal of teams indicates a 2% usage against total (62) respondents.

Of the 5 respondents indicating a work team structure, 3 utilize the employee self-appraisal as their secondary method, indicating 60% usage of this method against respondents identified as work team. The same 3 respondents measured against total respondents (62) indicates that, 5% utilized the managerial appraisal of the employee. Ranked third are 2 respondents, 1 respondent in each of the two categories indicating 20% usage of each method as follows: managerial self-appraisal and peer appraisal. Overall, the manager continues to exercise control over measuring the performance of teams; with self and peer evaluations conducted secondarily.

The satisfaction levels in question number 6 of the Phase I instrument reflect mainly upon the managerial evaluation of the employee and the employee self-evaluation as those methods ranked number one and number two. Companies identified as a work team structure indicate satisfaction levels as follows: The Moderately Satisfied category indicated 3 respondents or 60%, against respondents identified as work team. The Somewhat Satisfied category indicated 2 respondents or 40% against respondents identified as work team. The work team structure indicates no respondents in satisfaction level categories of: Highly Satisfied, Somewhat Dissatisfied or Moderately Dissatisfied.

Companies identified as work team and utilizing the managerial appraisal of the employee generally indicate that improvement of the performance appraisal system is necessary. Further, they indicate that new performance appraisal methods are being considered. Some of these
methods include self-managed appraisal, group (team), peer or reverse; all of which are supported by a 360 degree performance management system. The detailed comments are indicated in APPENDIX B, ILLUSTRATION 5. PHASE I RESULTS.

Flexible Structure

Responses from companies which have restructured to a flexible structure indicate these companies continue to utilize the managerial appraisal of individual performance. These companies have not implemented components of a 360 degree performance appraisal system as a primary system of performance appraisal. The manager continues to have control over the appraisal of groups and individuals in the flexible structured company. Of the 7 respondents indicating a flexible structure, 7 utilize the managerial appraisal of the employee, indicating 100% usage of this method against respondents in identified as flexible. The same 7 respondents measured against total respondents (62) indicates that, of those companies identified as flexible, 11% utilize the managerial appraisal of the employee.

Of the 7 respondents indicating a flexible structure, 3 utilize the self-appraisal of the employee performance appraisal as their secondary method, indicating 43% usage of this method against respondents identified as flexible. The same 3 respondents measured against total respondents (62) indicates that, of companies identified as flexible, 5% utilize the employee self-appraisal method.

Also ranked second is the managerial appraisal of groups with 2 respondents indicating a 29% usage of this method. Ranked third are 2 respondents in the category of group appraisal of groups indicating 29% usage of this method against respondents identified as flexible. Also in the third ranking is 1 respondent in each of the two categories indicating 14% usage of each method against respondents identified as flexible, as
follows: the managerial appraisal of groups and managerial self-appraisal. Generally, the manager continues to exercise control over measuring the performance of groups and individuals.

The satisfaction levels indicated in question number 6 of the Phase I instrument reflect mainly upon the managerial evaluation of the employee and the employee self-evaluation as those methods ranked number one and number two. Companies identified as flexible indicate satisfaction levels as follows: The Moderately Satisfied category indicates 2 respondents or 29% against respondents identified as flexible. The Somewhat Satisfied category indicates 4 respondents or 57%, followed by 1 respondent in the Somewhat Dissatisfied category for a 14% response. Respondents indicating their company structure as flexible showed no satisfaction level categories of: Highly Satisfied or Moderately Dissatisfied.

Traditional Structure

Responses from companies which indicate a traditional structure demonstrates these companies continue to utilize the managerial appraisal of individual performance. Of the 41 respondents indicating a traditional structure, 39 utilized the managerial appraisal of the employee, indicating 95% usage of this method against 41 respondents in the traditional structured company. The same 39 respondents measured against total respondents (62) indicates that, within the traditional category 63% utilized the managerial appraisal of the employee.

Two respondents in the traditional category indicate one method each in the first ranking: 1 respondent utilizing a group appraisal of groups and the other utilizing the employee self appraisal method indicating a 2% usage of each method against 41 respondents in the traditional structured company.
The second ranking for the traditional structured company revealed 15 respondents utilizing the employee self-appraisal, indicating a 37% usage of this method against 41 respondents in the traditional structured company. However, 26 respondents or 63% utilized five separate methods generally supported by a 360 degree performance appraisal system. Among them are: 2 respondents utilizing the group appraisal of groups; 2 respondents utilizing the peer appraisal method indicating 5% for each; 3 respondents utilizing the managerial self-evaluation indicating 7%; 4 respondents utilizing the managerial appraisal of the group indicating 10%; and 15 respondents or 37% had no method in place in the second ranking for traditionally structured companies. In the third ranking, 23 respondents or 56% had no method in place.

The third ranking for the traditional structured company revealed 4 respondents utilizing the employee self-evaluation (as their number three choice in performance appraisal methods) indicating a 10% usage of employee self-evaluation in the third ranking. Also in the third ranking are the managerial self-evaluation and the addition of a category by three separate respondents of: Peer/reverse appraisals, revealing 3 respondents in this category indicating a 7% usage against 41 respondents in the traditional structured company. The third ranking also included 4 respondents in each of the following categories indicating a 5% usage in each category: Peer appraisals, reverse appraisals and managerial appraisal of groups. There were 23 respondents in the traditional structured company which did not have a performance appraisal method in place in the third category, indicating 56%.

The satisfaction levels indicated in question number 6 of the Phase I instrument reflect mainly upon the managerial evaluation of the employee and the employee self-evaluation as those methods ranked number one and number two. The researcher has included the satisfaction level of traditional structured companies to contrast with satisfaction levels of
the work team and flexible structured companies. Companies identified as a traditional structure indicate satisfaction levels as follows: The Moderately Satisfied category indicates 18 respondents or 44%, against companies identified as traditional. Secondly, the category of Somewhat Satisfied indicates 13 respondents or 32%, followed by 7 respondents in the Somewhat Dissatisfied category for a 17% response. Two respondents indicate Highly Satisfied or 5%, followed by one respondent which indicates Moderately Dissatisfied, or 2%.

Companies identified as traditional indicate by their responses to question 7 an awareness of the need for improvement in performance appraisal effectiveness. Even though a willingness to consider more effective methods of performance appraisal is indicated, a slight hesitation to actually change existing systems is also indicated. This is supported by corresponding high or moderate satisfaction levels by traditionally structured companies. Comments by companies which indicate they are Somewhat Satisfied are made by companies utilizing the managerial appraisal of the employee method for many years. Others at the same satisfaction level had programs too recently implemented to offer an opinion on effectiveness. Moreover, some traditionally structured companies at the Somewhat Satisfied satisfaction level indicate it is difficult to motivate managers to utilize the procedures. These companies generally indicate that improvement of performance appraisal systems is needed. Other traditionally structured companies which were moderately satisfied indicate that growth is necessary, and a lack of total satisfaction exists at most all employee levels.

Results Summary

Of the total 62 respondents, 52 replied to Question No. 7, which states: "What suggestions for improvement, or comments do you have in regard to your total performance appraisal system?". The suggestions and related satisfaction levels relate mainly to the managerial appraisal of
employee performance and the employee self-appraisal as the top two systems utilized. The majority of comments in response to question No. 7 of the Phase I instrument indicates a lack of total satisfaction. Respondents recognize that change or improvement of existing performance appraisal systems is necessary. The majority of companies across all three structures indicate consideration of methods more commonly identified as 360 degree performance appraisal methods is occurring. The suggestions/comments are indicated in APPENDIX B, ILLUSTRATION 5. PHASE I RESULTS.

I-A. Those companies identified as either a work team or flexible structure will primarily and secondarily utilize a performance appraisal system supported by two or more components of the 360 degree system of performance appraisal.

Those respondents identified as work team indicate that their primary and secondary methods of performance appraisal are traditional in nature. Specifically, respondents identified as work team rank the managerial appraisal of the employee as its number one method and the employee self-evaluation as its number two method. Less than 20% of work team structured companies utilize a component of the 360 degree system of performance appraisal as their primary method. Two of these companies rank 360 degree components in third place. Although companies identified as work team are utilizing traditional methods of performance appraisal, the introduction of methods more conducive to the work team structure have been introduced. Hypothesis number I-A tends to be disproved by the results of this research.

I-B. Companies identified as flexible will utilize a combination of traditional and 360 degree performance appraisal methods.
Flexible structured companies hosted performance appraisal methods germane to a work team as well as the traditional structure. Even though the flexible structured companies utilize the managerial appraisal of the employee as their number one method (100% of respondents), they were also strong in other performance appraisals. For example, the second ranking revealed 3 respondents utilizing employee self-appraisal and 2 respondents utilizing managerial appraisal of groups. The third ranking revealed 2 respondents utilizing the group appraisal of groups and one respondent in each of the following categories: Managerial appraisal of the group and managerial self-appraisal. These results are very similar to those of the work team respondents as well as those of the traditional structure. Hypothesis number I-B tends to be proven correct.

I-C. Overall, those companies identified as traditional will utilize a performance appraisal system which is more traditional in nature.

Those companies which identified their structure as traditional (95%) utilize a performance appraisal system more traditional in nature. Hypothesis number I-C tends to be proven correct.

I-D. Those companies identified as traditional will, overall, utilize one method of performance appraisal, traditional in nature.

Those companies which identified their structure as traditional utilize several varieties of performance appraisal methods ranked from the first through the sixth ranking. The traditional structured companies utilized each selection of performance appraisal provided on the Phase I instrument. Thus, hypothesis number I-D tends to be disproved by the utilization of the variety of methods of performance appraisal.
In summary, the managerial review of the employee remains the primary method of performance appraisal across all three structures. There is a general lack of total satisfaction with the managerial review of the employee as expressed by those who perpetrate that system. In regard to the system’s effectiveness combined with the need to consider new methods generally, comments were candid and open. Without regard to the structure or performance appraisal methods, a similarity existed among most companies which was traditional in nature. For example, there are work team as well as flexible structures which continue to utilize the traditional performance appraisal as their primary method. The traditionally structured companies, while primarily utilizing the managerial appraisal of employee performance, have also implemented methods of performance appraisal more common to a 360 degree system of performance appraisal. The fully tabulated and detailed results of Phase I of the research are shown in APPENDIX B, ILLUSTRATION 5. PHASE I RESULTS.

Phase II

In Phase I, the types of workplace organization as well as related performance appraisal systems were solicited from human resource professionals from a sample 200 Chicagoland companies. In Phase II the purpose was to discover details about the method of performance appraisal utilized by those companies identified as work team or flexible. In doing so, the Phase II Instrument was designed to discover specifics about the method of performance appraisal directly from employees/team members. This method of collecting data directly from employees/team members is the fundamental first step in discovering details about the method of performance appraisal of work teams. The goal of Phase II of the research is to answer research question number 2:

2. Of those companies which identified their workplace structure as work team or flexible, how is performance assessed?
The researcher hypothesizes in regard to Phase II as follows:

II-A. Companies identified as work team or flexible will be eager to share details of their performance appraisal methods utilized.

II-B. Companies identified as work team or flexible will be eager to participate in Phase II of the research.

The purpose of the initial telephone contact was to introduce the researcher to prospective respondents of Phase II of the research. The researcher made contact by telephone with 100% of qualified Phase I respondents. The researcher was able to arrange participation in Phase II with 1 of the 12 companies which responded to Phase I identified as a work team or flexible structure. The human resource professionals from the remaining 11 companies were not willing or able to pursue Phase II of the research in regard to their performance appraisal systems. Some of those companies tested their performance evaluation procedures for effectiveness previously. Others had recently implemented a new performance appraisal system and it was too soon to evaluate its effectiveness. Others were unable to share with the researcher details about their method of evaluating a performance appraisal system.

Contact with 7 of the 12 qualified Phase II participants occurred within two weeks. Of the 7 companies, the researcher was able to establish a rapport with 4 of them which were considered very strong possibilities. (Of the 7 companies, there were 2 companies which later decided to investigate Phase II of the research and then decided not to participate in Phase II.) Of the 4 companies which established a rapport with the researcher, 3 were seriously considering participation in Phase II. Of the 3 companies, 1 actively participated in the Phase II of the research as Participating Company No. 1, and the remaining 2 companies provided the researcher with their Phase II instruments completed by
themselves. They are not, however, included in the tabulated research results with those of Participating Company No. 1. This is due to the manner in which the data were collected. The responses of Participating Companies No. 2 and No. 3 are summarized by the researcher and included at the end of this chapter as information only.

During the telephone pre-screens, the researcher asked prospective participants about performance appraisal issues of concern to them. These issues were discussed to the degree that the respondent was comfortable with sharing. The researcher determined likenesses between their issues and those steering Phase II of the research and shared those likeness with them. Generally, respondents were interested in learning about linkages between their issues and those presented by the researcher. So the researcher introduced these issues to the respondents and asked about their experience with them. The researcher asked whether they felt addressing them in Phase II would be important. Introducing new issues to them inherent in Phase II of the research is important only to the degree that the respondent feels safe in sharing with the researcher. Any hesitancy may concern only the fact that the respondent may be proceeding with caution. The researcher continued discussions only as appropriate given their responses to questions and the rapport established. If the respondent decided not to participate in Phase II in the described manner, the researcher provided a copy of the Phase II instrument for completion and return to the researcher. Providing interested but non-participating respondents with the Phase II instrument was an act of consideration for their time in communicating with the researcher. In this manner the interested respondents could participate in some manner.

Participating Company No. 1

The researcher arranged participation in Phase II with 1 of the 12 companies which responded to Phase I identified as a work team or flexible structure. The information provided by Participating Company No. 1 of
Phase II of the research is taken from a white collar company which provides a service and hosts a work team environment. Performance appraisal methods in place at this company are primarily the managerial evaluation of the employee and secondarily, employee self-evaluation. An impartial third party collected the data solicited by the Phase II instrument from team members at Participating Company No. 1. The instruments were returned directly to the researcher in sealed, confidential envelopes for tabulation and analysis.

Length of service of respondents to Phase II of the research spanned from one to five years and respondents were female. Of 9 respondents, 7 stated the reviews were conducted annually and 1 is reviewed semi-annually. Eight respondents stated that evaluations measure the performance of individuals and 1 respondent stated that both individuals and teams are measured.

Major issues which present a challenge to the traditional performance appraisal method at Participating Company No. 1 are: (a) timeliness of the performance appraisal; (b) skill on the part of the leader in conveying the appraisal; (c) communication in regard to goals; (d) employee control over goals; (e) a lack of complete knowledge, on the part of the manager to accomplish all responsibilities assigned to an employee; and (f) guidance, mentoring and nurturing on the part of the leader.

An overview of some of the responses to question number 15 which states: "What suggestion/s for improvement, or comments do you have in regard to your total performance appraisal system?", reflects that team members are timid about vocalizing goals and being pro-active. This impacts goal accomplishment; delegation of control, decision-making authority and the empowerment to carry out goals to completion. As one of
few opportunities for communication on: quality of work, areas for
development and constructive criticism (for growth and development)
respondents indicate the performance appraisal meeting needs to be
improved. Communication needs to be clear both verbally and in writing.

According to respondents, it is critical that the performance
appraisal meeting occurs in a timely manner. Of all respondents, 6 state
that performance evaluations are not conducted on schedule and 3 state
that question did not apply. Employee sensitivity to timeliness has
either a strong positive or negative impact upon morale. This timeliness
directly impacts the manner in which respondents feel management
recognizes their accomplishments and abilities.

The criteria upon which employees are evaluated is not generally
known by more than half of the respondents: 2 state they are clear on the
criteria, 4 state they are not clear, 2 state they are usually clear and
1 state this question does not apply. Respondents state greater goal
clarity is needed as too many assumptions are made in regard to goal
accomplishment. Three (3) respondents state yes; 1 respondent states no;
4 respondents state usually and 1 respondent states the question on
clarity as to how team objectives align with company goals/objectives does
not apply. In response to question number 9 which asks respondents to
indicate the degree to which they participate in the formulation of team
goals/objectives, 3 state almost always, 3 frequently, and 3 sometimes
participate. When asked if the performance appraisal system addresses the
constructive handling of conflict to any degree, 4 respondents state no it
does not, 1 states usually and 3 do not know. To discover the ability of
the system to address areas for improvement constructively, 1 respondent
states very constructively; 2 state moderately; 4 state somewhat
constructive and 1 states rarely constructively and favorable. When asked
if the team is empowered to draw upon resources enabling the completion of
tasks and goals, 5 state yes, 1 states no and 3 state usually. The
satisfaction level of the respondents was as follows: 3 state they are somewhat satisfied, 4 state they are somewhat dissatisfied and 2 state the question does not apply.

Employees do however, state that they are aware of team objectives for accomplishment in line with company goals and that team members participate frequently in this effort. Managers and employees alike become involved in goal accomplishment, however employees are generally not aware of criteria for performance evaluation. Basically, employees are unaware of the relationship of individual objectives to the criteria for performance appraisal. Individuals and teams express a need to be aware of the criteria related to performance excellence.

Suggestions for improvement indicate that respondents desire to participate in the formulation of goals. They desire to be more proactive and take control over objectives which could lead them to assume responsibility for the formulation of team goals. They are also looking for recognition and feedback on their performance. This recognition is necessary in order for them to continue (or not) in a behavior pattern related to goal accomplishment. Respondents indicate that stronger leadership is necessary to guide them through career advancement.

Respondents indicate that they would like to articulate their choices in the development of a performance appraisal system which would support their work flow processes. Some of the systems expressed are as follows: The 360 degree system, peer evaluations, and internal and external team evaluations. The improved system should include a staff development program of specific competencies to work toward as well as objectives to accomplish as opposed to simply performance of responsibilities. It is felt that interns should be evaluated as well. The staff development should include incentives for employees as well as groups to attain certain levels of competence such as increased salaries and bonuses. The
salary structure should be redesigned to include tenure, workload, staff member contribution to the organization, financial and sales goals as well as hours worked. Without placing too much emphasis upon the utility of a form, respondents stated that the current performance appraisal form did not reflect all responsibilities performed. Revision of the form, in this case, would have utility. Also, the reflection of all responsibilities could be built into the process of the performance appraisal.

In summary, timeliness, recognition and participation seem to be the common theme among participants of Participating Company No. 1. Most participants state that timeliness of the performance appraisal system needs improvement. Greater recognition for accomplishments and abilities is definitely desired by the majority of those responding. Respondents expressed that participation in the formulation of goals and redesign of the performance management system would assist in their gaining greater knowledge to further their careers. The fully tabulated and detailed results of Phase II Participating Company No. 1 of the research are shown in APPENDIX B, ILLUSTRATION 6. PHASE I RESULTS.

II-A. Companies identified as work team or flexible will be eager to share details of their performance appraisal methods utilized.

Those respondents identified as work team or flexible are eager to share details of their performance appraisal system. They want to share the information in conversations on the telephone preliminary to viewing a copy of the Phase II instrument. Most respondents decided not to participate in the data collection in the manner appropriate to the research. Most conversations resulted in the researcher mailing a copy of the Phase II instrument to the respondent for viewing prior to data collection. Generally, those respondents chose to complete the Phase II instrument and return it to the researcher. Most respondents were eager
to share information in regard to their performance appraisal system. Hypothesis II-A was proven correct.

II-B. Companies identified as work team or flexible will be eager to participate in Phase II of the research.

Respondents were not eager to participate in Phase II of the research in the manner in which it was designed to collect data. Phase II was designed to collect the information directly from employees/team members about the performance appraisal system at those companies. Completing this phase of the research requires a representative of the researcher to work directly with them, explaining the research to them as a group. Each participant receives a copy of the Phase II instrument, completes and returns it to the representative in a confidential envelope. The representative provides the researcher with all sealed envelopes to compile and tabulate the results. This process and the requirement of a representative to work directly with employees/team members of the performance appraisal system could be risky for companies. This may be the reason for the decision of 11 companies not to participate in Phase II. Hypothesis number II-B tends to be disproved because respondents did not or could not participate in the manner appropriate to the research.

Respondents who voluntarily provided information (not collected in the appropriate manner) were not included in the tabulated results. Nevertheless, the information which they provided is summarized separate from the tabulated results of Phase II as follows:

Participating Companies No. 2 and No. 3

Two of the remaining 11 companies' human resources officers completed the Phase II survey (from their perspective) without benefit of the input of their employees are included here. This is only helpful in terms of
obtaining the opinion of the human resources officer. In no way could it replace research which would have been obtained from the employee/team members' viewpoint. It is interesting to note that variances existed in responses to the same questions among officers at the same company in regard to the same performance appraisal system.

In contrast to the research obtained through the team members of Participating Company No. 1, Participating Companies No. 2 and 3 decided to complete the Phase II instrument from the perspective of a single respondent, the human resource professional. The researcher will not analyze the information presented by Participating Companies No. 2 and No. 3 because the information received was not obtained in the methodological manner in which it was intended to be obtained. In order to obtain more accurate results, administration of the Phase II instrument was intended for a representative sample of the work team population at both Participating Companies No. 2 and No. 3. The researcher comments, however, on completion of the instrument as follows:

In terms of clarifying the information supplied by the human resource professionals of the Participating Companies No. 2 and 3, there can be varying degrees of support and justification for each of the initiatives mentioned. For example, statements such as: "goal clarity in terms of alignment with corporate goals exists. Participation in the foundation of the team goals/objectives on the part of employees and managers ranges from almost always to frequent participation.", could indicate that nearly all team members and/or teams assist in the formulation of team goals to align with company goals. Varying roles of team members/team functions could impact this statement which could only be verified by further research on the part of clients. Additionally, the statements:
Areas for improvement are addressed in a very constructive and favorable manner and feedback is encouraged from the participants. Teams are empowered to complete all tasks and goals within their realm of responsibility.

can be myopic, especially if the positive response to this statement is considered a goal for a human resource professional responding to the question. Without benefit of detailed clarifications, the researcher cannot register an accurate opinion in regard to Participating Companies No. 2 and No. 3. Participating Companies No. 2 and No. 3 sought criteria to appropriately measure the effectiveness of performance appraisal systems and compared it to that which the researcher had developed for the Phase II instrument. Since the information sought by the Phase II Instrument is intended to have targeted multiple users of the performance review system, information provided by a single human resource professional cannot be included in the tabulation. The researcher has however, summarized input from human resource professionals responsible for the performance management programs at those companies. A perspective which is candid and objective contributed by team members is the only manner in which collection is to have taken place to elicit responses relevant to the research. Information collected in any other fashion does not support the goals of Phase II and is valuable only from the perspective of the human resource professional. A summary of the results of Phase II Participating Companies No. 2 and No. 3 are shown in APPENDIX B, ILLUSTRATION 7. and ILLUSTRATION 8., respectively.
CHAPTER V
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Summary

The researcher determined from a sample of 200 Chicagoland companies, those which have restructured to a work team or flexible structure. From these companies, the researcher determined the primary method of performance appraisal of those companies which responded. Thus, the goal of this thesis endeavored to answer the questions:

1. What kinds of workplace organization are found in Chicagoland companies?
2. Of those companies which identified the workplace structure as work team or flexible, how is performance assessed?

Performance appraisal methods in place at companies identified with a work team or flexible structure are a combination of the traditional performance appraisal methods and a reflection upon the level of commitment to team performance supplied by the company.

The results of Phase I state that the managerial appraisal of the employee is the primary; and the employee self-appraisal is the secondary method utilized by all three structures. All three structures are working with the same performance appraisal system with a similar set of challenges. The similar challenge which exists among most companies is traditional in nature. For example, there are work team as well as flexible structures which continue to utilize the traditional performance
appraisal as their primary method. The traditionally structured companies, while primarily utilizing the managerial appraisal of employee performance, have also implemented methods of performance appraisal more common to a 360 degree system of performance appraisal. This is disclosed in the responses to question number 7. in the Phase I Instrument as well as question number 15. in the Phase II Instrument. Comparisons of the three workplace structures and utilization of the primary and secondary methods are detailed in APPENDIX C, TABLE 1. PRIMARY AND SECONDARY METHODS OF PERFORMANCE APPRAISAL OF RESPONDENTS WITHIN EACH WORKPLACE ORGANIZATION. This table indicates the number and percentage of respondents utilizing the primary and secondary methods within each structure separately. In APPENDIX C, TABLE 2. PRIMARY AND SECONDARY METHODS OF PERFORMANCE APPRAISAL OF TOTAL RESPONDENTS BY WORKPLACE ORGANIZATION, the number and percentage of respondents utilizing the primary and secondary methods is measured against total respondents.

There is a general lack of total satisfaction with the managerial review of the employee as expressed by those who perpetrate that system. Comments are candid and open in regard to the system's effectiveness and the need to consider new methods. Even though the Phase I and Phase II results indicate unrest in the area of performance appraisal, companies are hesitant to fully replace traditional performance appraisal methods. However, there is an awareness among companies that new performance appraisal solutions are necessary for effective performance. A desire to consider more effective methods of performance appraisal is expressed.

In Phase II, given the responses from Participating Company No. 1, the managerial evaluation of the employee is not an effective method in terms of: (a) communication; (b) goal formulation and accomplishment; (c)
understanding the criteria for appraisal of performance; (d) the constructive handling of conflict; and (e) the achievement of goals by participants.

One focal point of the pre-screens conducted in Phase II is the fact that the Phase I results reveal the primary utilization of the managerial appraisal of the employee in the work team and flexible structures. The interviews reveal that these companies have as their primary system, a 360 degree system of performance appraisal. Reasons for considering changes are: "(a) Focused on wrong criteria; (b) doesn't work for teams; (c) managers dislike the system; and (d) employees' value not realized." Thus, it can be determined that the managerial evaluation of the employee does not enhance productivity of work teams.

According to Morris, companies need to address operational and procedural issues as well as the organizational development component in the beginning to gain support and cooperation. Organizations need to tailor their approaches based on special needs as opposed to stock prescriptions and formulas. (1995)

The tailored approach is required by managers (or consultants) who are positioned to guide the process of setting and achieving goals successfully. The managers or consultants are taught to approach problems responsively and compassionately so they may be coached and taught to coach others simultaneously. Mager suggests process steps for determining (a) the problem, (b) who and what are responsible, (c) cost of problem or deficiency to date, (d) type of deficiency, (e) cause of deficiency, (f) solutions to discrepancy, (g) cost of solutions, (h) implementation of solutions. He developed a work sheet to assist managers in determining if training is needed, and if so, in exactly what area the training will take place, the cost and time frame. (1992)
Changes in industry equal change in the marketplace and restructuring for companies. The concept of work teams has been introduced to provide companies with an opportunity to set up work flow processes to improve goal accomplishment and bottom-line figures. Restructuring involves addressing issues which may not have been addressed in the past, including but not limited to: empowerment of managers/employees/teams, constructive handling of conflict and participation in the formulation of goals.

Managers may be unaccustomed to delegation of the authority necessary for employees/team members to set and achieve stated goals. Managers who transition to the work team environment fulfill new roles (as team members themselves) and coach, mentor and nurture employees. Managers work side by side with employees/team members to develop their decision-making ability. During restructuring, almost all employees assume new roles which can have a more positive effect on some employees than others. Further guidance may be necessary through mentoring, nurturing and coaching employees into their roles.

A structure within which managers/employees/team members can function in their new roles assists the transition so that the following guidelines may be provided: (a) the structure for team members to fully understand the purpose or function of the team; (b) the framework for interaction among teams as necessary; (c) empower the teams with the resources to make decisions and accomplish goals; and (d) the effective management of performance measured against objectives.

Improved knowledge and experience will continually be necessary for work teams to adapt to improved work flow processes through restructuring. While companies may identify their structure as work team, flexible or traditional, there is a similar factor among them. This factor is control
which is suggested by the managerial appraisal of the employee and can be counter-productive to functionality of the team. For example, if a manager controls a team member’s work to the degree that would be necessary to review performance, that manager may still be setting the team member’s goals. The team member needs to set as well as achieve the goals, deciding upon resources to execute projects if the team truly meets the definition of work team and fulfills goals successfully. Individuals or teams which are dependent upon management for decision-making and goal setting can function utilizing the traditional managerial review of the employee. However, they are functioning as groups working simultaneously to accomplish pre-set goals; not as self-directed work teams which should be empowered to accomplish goals independently.

Work teams functioning as groups working simultaneously to accomplish pre-set goals suggest that reorganization has not changed reporting relationships. Empowered work teams utilizing the traditional managerial appraisal of the employee are really not functioning independently. Empowered teams need to have a review system which supports the independent accomplishment of goals and related decision-making responsibility. Self-directed work teams make decisions through group processes, formulating resolutions to problems involving all team members specialized areas. Thus, if those teams are not fully empowered, they cannot be entirely responsible for the accomplishment of goals. It is appropriate at this point to repeat the work team definition as supplied by the Tjosvolds, who describe the team organization as follows:

In a team organization, people are excited about the company’s vision and want to serve its customers. They are in ongoing dialogues about how they can get their jobs done and make continuous improvements. They readily ask for assistance and feel free to speak their minds. They respect and appreciate each other as people and as contributors; they also directly challenge each other’s ideas and positions. They want everyone to feel powerful, valuable, and included, not just those in the top positions. They forgive slights, misunderstandings, and opposition.
They realize that their variety of perspectives and training are needed if the company is going to flourish. Confronted with complex internal problems and customer demands, they form task forces and project teams of diverse people; they open-mindedly listen to opposing positions; they hammer out recommendations that make sense from a number of perspectives. They relish the give and take of discussing issues; they work to make sound solutions that deserve their commitment. They take pride and celebrate their individual and company achievements.

In the team organization, managers and employees are committed to their vision. People understand how their own efforts fit into the objectives of their department and the goals of their company. They believe that this vision unites them. They and their bosses and coworkers establish cooperative, congruent goals and rewards so that they can be successful together. They feel powerful and confident that they have the technical skills and interpersonal abilities to combine their resources to accomplish tasks and move toward attaining their goal. They explore problems by exchanging information and discussing opposing views openly to dig into issues and to create solutions. They reflect on their experiences to celebrate progress and learn from conflicts and mistakes. (pp. 3-4)

Empowered teams must have a part in the formulation of goals and the authority to make decisions before they can assume full responsibility for their accomplishment. Empowered teams have a voice in formulation of goals because they are likely to be responsible for client contact and results daily. Conflict can occur if goals are formulated by persons or teams other than those who are responsible for their accomplishment. Companies which do not provide empowerment for teams to formulate and accomplish goals independently are inhibiting the functionality of the teams. When teams do not function as teams and a traditional method of performance appraisal is utilized, there may be a high satisfaction level associated with the performance appraisal method.

The satisfaction levels are a direct reflection upon the managerial appraisal of the employee as the primary, and the employee self-appraisal as the secondary method of performance appraisal utilized. The majority of work team structured companies (60%) fall into the second level of satisfaction or moderately satisfied category. The remaining respondents of the work team structure fall into the third level of satisfaction, the
somewhat satisfied category. In comparison, those companies which indicate their workplace structure as flexible, 29% fall into the second level of satisfaction or moderately satisfied. The majority indicate only somewhat satisfied in the third level of satisfaction at 57% against respondents in the flexible structured category. Dissatisfaction was indicated with only 14% of work team structured companies. Not surprisingly, the traditional workplace structure indicated 5% of respondents were highly satisfied. The satisfaction level with the greatest number of respondents was the moderately satisfied level with 44% of respondents. Respondents indicated 32% satisfaction at the somewhat satisfied level in the traditional structured workplace. Comparisons of satisfaction results are detailed in APPENDIX C, TABLE 3. SATISFACTION LEVELS INDICATED BY RESPONDENTS WITHIN EACH WORKPLACE ORGANIZATION.

Satisfaction with performance appraisal can be reflected in the company’s commitment to goals. If a company is committed to goals which it believes can be achieved more efficiently and effectively through work teams, then that company may be more inclined to consider all related issues concerning team development and performance. Some of the issues are:

(a) decentralization of control and decision-making authority;
(b) empowerment of teams with all resources to achieve goals;
(c) clarity of the company goals;
(d) the role each team and team member will serve in the formulation and achievement of team goals to support company goals;
(e) team understanding of the sometimes multi- and cross-functional responsibilities of each team;
(f) the encouragement of feedback on all issues, whether performance or goal related.
(g) the establishment of open dialogue, interaction and expression of thoughts for an even exchange of ideas in an atmosphere of support;
(h) constructive handling of conflict during restructuring and changes in employee/team roles;

(i) understanding the role of each person or team evaluating the performance of the individual or team;

(j) understanding criteria which will be evaluated at the conclusion of a project or specified period of time; and

(k) understanding the appropriate treatment of improvement areas and that all persons or teams responsible for performance evaluation need to be skilled in communicating performance appraisal.

Conclusions

Performance appraisal is open to change in terms of criteria, communication of the appraisal as well as the roles of the evaluator and the person being evaluated. In many industries, the strength of the managerial appraisal of the employee is under serious consideration. If replaced it most likely will not be with a single performance appraisal method. Some companies may rely on outside clients and/or vendors to comment upon performance criteria in regard to employees with which they collaborate regularly. Others may rely on internal client contact utilizing self, peer, group, reverse or variations of these methods of performance appraisal. The goal is the accurate measurement of performance by the appropriate evaluator.

Restructuring to a work team organization involves the acquisition of greater knowledge and experience by employees who may not be accustomed to direct responsibility with internal/external clients. Employees who transition to work teams may have to address issues including but not limited to: empowerment of employees/teams, constructive handling of conflict and participation in the formulation of team goals.

Without benefit of in-house, in-depth research, it can be said that work teams from this study are not fully empowered to be self-directed. Companies expressed a slight hesitancy to change traditional methods of
performance review. This may be due in part to lack of knowledge about new performance appraisal methods. Companies reluctant to change traditional methods of performance review may have restructured to work teams and formulated the teams' goals for accomplishment. This description fits that of a reorganized group of people, not empowered self-directed work teams.

With restructuring prominent in many industries companies may find it challenging to commit to empowerment of self-directed work teams. They are encouraged, however, to consider new procedures in order to build strength and support company goals through self-directed work teams. Performance appraisal procedures can serve as a source of support as opposed to simply evaluation of performance. Performance appraisal systems can grow with businesses, industries and client needs as the roles of employees/team members are impacted. Training in performance appraisal can guide employees/team members into new behavior patterns as part of the change process. Companies which adjust to changing performance appraisal processes now will be positioned to accommodate the changing marketplace in which they compete.

Phase II of this study was limited by the fact that the researcher only had access to performance review information from participants of one company. Dimension could have been provided by comparing performance areas from several companies in the following areas: (a) level of employee involvement in goal selection; (b) criteria upon which performance is evaluated; (c) alignment of team with company goals; (d) as well as the degree to which team members participate in the formulation of those goals; (e) empowerment of teams; (f) constructive handling of conflict; and (g) areas for improvement.
Recommendations for Further Study

Improvement of performance appraisal is a perpetual process. As companies, industries, cultures and employees change, so will the need to evaluate performance excellence. Criteria for performance excellence need to be updated. There is an abundance of information to be discovered about performance excellence as can be provided by valid criteria with which to measure performance appraisal systems. The researcher expects to continue to discover, develop and customize performance appraisal methods which measure the quality of work flow processes and internal/external client contact. The purpose of performance measurement needs to be observed to study where improvements are necessary. New developments in the area of performance appraisal will need to be discovered at all times for greater achievement of goals of the company/team/individual.

It would be interesting to conduct a study similar to this one every two to five years to track growth and progress of performance appraisal of work teams. This would allow discovery of trends in performance review systems at those companies originally studied as well as the introduction of new companies for study. Changes in the workplace structure, performance appraisal systems and related satisfaction levels would be interesting to compare.

It would also be interesting to discover which companies had completely implemented a new system. A second phase to such a study might involve discovering reasons for changes which had occurred. Assuming there is a need for this knowledge, a study such as this would provide useful information. Those companies attempting to learn or benchmark in regard to what has and has not been successful might be willing to participate. This would provide a basis for building better performance appraisal systems across many industries. The information could then be presented to participants of all studies.
It may also be useful to conduct further research on the effectiveness of some of the following methods which are currently in use at some companies (not detailed in this thesis) such as: narrative/descriptive, critical incident, human resource manager interview, ranking of employees from best to worst based upon level of performance (within a single work group), checklist [check off applicable responsibilities or rate them], rating scale listing desired qualities as they apply to performance, job behavior methods [in which the manager records behavior], job responsibility performance standard method reflects the original outline of the job description and Behaviorally Anchored Rating Scales, [BARS]. The methods generally do not allow for objective communication nor employee input. (Johnson, 1988)

Companies, cultures, markets, industries and customer bases vary, as do the performance appraisal methods within those companies. Companies will be able to move forward confidently in the area of performance appraisal once successful processes are implemented. Until that time, new criteria in the assessment of performance appraisal, experimentation, implementation, feedback and program evaluation are necessary. This criteria will assist companies in the determination of effective methods to implement prior to phasing out more traditional methods. Testing of methods for effectiveness can lead to growth and improvement in performance appraisal systems.
APPENDIX A

ILLUSTRATION 1.

PHASE I INSTRUMENT
ILLUSTRATION 1. PHASE I INSTRUMENT

CONFIDENTIAL

Instructions: Please answer all questions, and, if you would like to learn about participation in Phase II of this research; and/or receive the demographically and numerically ranked results, please state the necessary information where indicated on the reverse.

The company in which you are employed ..... 

1. is mainly considered to be: ____ White Collar ____ Blue Collar

2. is mainly considered to supply a: ____ Service ____ Product

3. employs approximately _____________ (number of employees).

4. would describe its organizational structure best as follows:
   ____ traditional ____ work teams ____ flexible

5. Is an appraisal method in place to evaluate the performance of your employees and/or work teams?
   ____ Yes. (Indicate by rating [#1 most widely utilized, #2 second ... etc.] all appraisal methods in place to evaluate the performance of your employees and/or work teams. (Those methods which you do not utilize, please leave blank)

   ____ Consultant: former leader -/or/- human resource professional evaluates group [team]
   ____ Group [evaluates themselves as a team]
   ____ Manager evaluates employee
   ____ Reverse [Employee evaluates manager]
   ____ Self-evaluation [manager]
   ____ Manager evaluates group [team]
   ____ Peer evaluations
   ____ Self-evaluation [employee]
   ____ Other ______________________

   ____ No. Have you considered any of the methods stated in this question? ____ Yes ____ No
6. Please signify the overall degree of satisfaction with the total performance appraisal system by indicating on the scale below:

<table>
<thead>
<tr>
<th>Highly Satisfied</th>
<th>Moderately Satisfied</th>
<th>Somewhat Satisfied</th>
<th>Somewhat Dissatisfied</th>
<th>Moderately Dissatisfied</th>
</tr>
</thead>
<tbody>
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</tbody>
</table>

7. What suggestions for improvement, or comments do you have in regard to your total performance appraisal system?

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
CONFIDENTIAL

If you are interested in learning about the continuation of this research, please state your name and all other requested information below. Completing the information below does not obligate you in any manner, it indicates only your interest in learning more about Phase II. I will contact you to share information with you about Phase II in detail.

Name: __________________________________________
Company: _______________________________________
Address: _________________________________________
City & State: ______________________________________
Phone: ___________________________________________

If you have any questions, you may either state them on this survey or contact me at [phone]. If you would like to receive a copy of the demographically and numerically ranked survey results, please note where indicated. I look forward to hearing from you.

Yes, I would like to receive a copy of the demographically and numerically ranked results of Phase I.

Thank you again, sincerely, for your participation. Your response will support the effectiveness of work team performance appraisals.

Linda D. Baxter, Graduate Student
Adult and Corporate Instructional Management Program, (ACIM)
Loyola University, Chicago, IL
[Phone]
APPENDIX A

ILLUSTRATION 2.

PHASE I COVER LETTER
ILLUSTRATION 2. PHASE I COVER LETTER

Linda D. Baxter
[Address] & [Phone]

January 15, 1996

Confidential

[Company]

Dear [Name]:

A complex challenge facing businesses today is that of organizational restructuring. What then is a likely method of appraising performance after reorganizing to a laterally structured environment? As members of work teams, employees’ varying interests, values and talents are likely to impact their contribution to the team’s goal. Since endeavors by team members are generally considered to be equal, companies hosting a work team environment may face challenging work team performance appraisals.

As a graduate student at Loyola University’s Adult and Corporate Instructional Management Program in the School of Education, the focus of my studies has been on the improvement of performance appraisal. In conducting research for my thesis, I seek to determine from a sample of 200 Chicagoland companies, the most widely utilized (Phase I); and the most effective (Phase II) method(s) of performance appraisal.

I would like to ask you to participate in research assisting in the accomplishment of the above challenge. The process begins with Phase I, completion of the enclosed survey. As you complete the survey, please consider participating in Phase II, which will determine the most effective method of appraising the performance of teams. You may indicate your willingness to do so by completing the section at the end of the survey. Also, you have an opportunity to own a copy of the Phase I results which will be ranked demographically and numerically.

The information sought for completion of this research is considered confidential. All information obtained from Phase I and Phase II is for the sole purpose of research and will not be disseminated to any person or company. All information received will be held in strict confidence. Only the compiled and tabulated results in the form of percentages will be presented. This letter, containing my signature, serves as a guarantee of confidentiality.

If you have any questions regarding the process, confidentiality, or the reasons supporting the research, please contact me at the above number. I will be happy to address any questions you have. Please return the survey by the week of January 29, 1996 in the enclosed stamped, self-addressed envelope. Your participation is valuable and I sincerely hope you take advantage of this opportunity to contribute essential information toward improvement of work team appraisals.

Respectfully,

Linda D. Baxter

Enclosures
APPENDIX A

ILLUSTRATION 3.

PHASE II INSTRUMENT
ILLUSTRATION 3. PHASE II INSTRUMENT

CONFIDENTIAL

1. Length of service with your company: _____ yrs. _____ mths.

2. Gender: _____ Female _____ Male

3. Title, if applicable: ____________________________

4. A. Please indicate with a "✓" the frequency with which performance evaluation occurs within your company:

- Annually
- Semi-Annually
- Quarterly
- Monthly
- "As Needed"
- Project Basis
- Performance management is incumbent in responsibilities

B. Are performance evaluations conducted as scheduled?

5. A. Do evaluations measure the performance of:

- Individuals
- Teams
- Both

B. What is the role of the individual or team responsible for measuring performance:

6. I am clear on the criteria upon which performance is evaluated.

- Yes
- No
- Usually

7. I am clear as to how team objectives align with company goals/objectives.

- Yes
- No
- Usually

8. In a phrase, describe the function of your team/group:

______________________________
ILLUSTRATION 3.--Continued

9. Indicate the degree to which you participate in the formulation of team goals/objectives:

<table>
<thead>
<tr>
<th>Generally Participate</th>
<th>Frequently Participate</th>
<th>Sometimes Participate</th>
<th>Rarely Participate</th>
<th>Generally Do Not Participate</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>I</td>
<td>I</td>
<td>I</td>
<td>I</td>
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</tbody>
</table>

10. Does the performance appraisal system address the constructive handling of conflict to any degree, in any manner?

Yes
No
Usually

11. Indicate the degree to which performance review addresses areas for improvement in a constructive, favorable manner.

<table>
<thead>
<tr>
<th>Very Constructive &amp; Favorable</th>
<th>Moderately Constructive &amp; Favorable</th>
<th>Somewhat Constructive &amp; Favorable</th>
<th>Rarely Constructive &amp; Favorable</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>I</td>
<td>I</td>
<td>I</td>
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</tbody>
</table>

12. Does the performance appraisal system encourage feedback from participants?

Yes
No
Usually

13. Is your team empowered to draw upon resources enabling the completion of tasks and goals?

Yes
No
Usually

14. Please signify the overall degree of satisfaction with the total performance appraisal system by circling the appropriate answer:

<table>
<thead>
<tr>
<th>Highly Satisfied</th>
<th>Moderately Satisfied</th>
<th>Somewhat Satisfied</th>
<th>Somewhat Dissatisfied</th>
<th>Moderately Dissatisfied</th>
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<tr>
<td>I</td>
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</tbody>
</table>

15. What suggestion/s for improvement, or comments do you have in regard to your total performance appraisal system?
APPENDIX A

ILLUSTRATION 4.

PHASE II COVER LETTER
February 24, 1996

CONFIDENTIAL

[Company Name]

Dear [Mr. or Ms.]:

It was good talking with you on [day] [name]. As I am devoted to the improvement of performance appraisal systems, I would also like to learn more about the tools with which to measure the performance appraisal systems.

[Name], Phase I of my research revealed a 31% response rate and among them, a transformation and modification of current performance review systems was indicated. Since you expressed that you might be interested in participating in Phase II of the research, I would like to share with you the instrument which I developed, as well as seek your opinion of the criteria being sought.

The information sought for completion of this research is considered confidential. All information obtained from Phase I and Phase II is for the sole purpose of research and will not be disseminated to any person or company. All information received will be held in strict confidence. This letter, containing my signature, serves as a guarantee of confidentiality.

If you have any questions regarding the process, confidentiality, or the reasons supporting the research, please contact me at either of the above two numbers. I will be happy to address any questions you have. Your participation is valuable and I sincerely hope you take advantage of this opportunity to contribute essential information toward development of effective performance appraisal measurement tools.

[Name], if you would like me to visit your staff [date], I would be happy to be there. The entire process will take approximately 30 minutes of your, as well as your staff’s time. This is an opportunity to obtain valuable information in terms of quality performance appraisals.

Thank you again for your participation. I look forward to hearing from you!

Sincerely,

Linda D. Baxter
APPENDIX B

ILLUSTRATION 5.

PHASE I RESULTS
ILLUSTRATION 5. PHASE I RESULTS

The company in which you are employed ...

1. is mainly considered to be: ___ White Collar ___ Blue Collar

56 of 62, or 90% of respondents replied to this question as follows:

36 or 58% = white collar
20 or 32% = blue collar
6 or 10% = No response to this question

2. is mainly considered to supply a: ___ Service ___ Product

53 of 62, or 85% of respondents replied to this question as follows:

29 or 47% = Service
24 or 39% = Product
9 or 14% = No response to this question

3. employs approximately ____________ (number of employees).

<table>
<thead>
<tr>
<th>Number of Employees</th>
<th>1,300</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,400</td>
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<td>40,000</td>
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<tr>
<td></td>
<td>50,000</td>
</tr>
</tbody>
</table>
ILLUSTRATION 5.--Continued

4. would describe its organizational structure best as follows:

- traditional  - work teams  - flexible

55 of 62, or 88% of respondents replied to this question as follows:

- 40, or 65% = Traditional
- 6, or 10% = Work Teams
- 9, or 14% = Flexible
- 7, or 11% = No response to this question

5. Is an appraisal method in place to evaluate the performance of your employees and/or work teams?

(Question No. 5 has two parts: Part I provides percentages of all methods utilized and Part II will show the rankings for each of the performance appraisal methods utilized.)

Part I:

53 of 62, or 85% of respondents replied to this question as follows:

- 52, or 84% = Yes, an appraisal method is in place at their company
- 1, or 2% = No, an appraisal method is not in place at company
- 9, or 14% = No response to this question.

Yes. (Indicate by rating [#1 most widely utilized, #2 second ... etc.] all appraisal methods in place to evaluate the performance of your employees and/or work teams. (Those methods which you do not utilize, please leave blank.)
ILLUSTRATION 5.--Continued

Part I, (Continued):

There are multiple responses to question #5 so the researcher has measured each choice individually against total respondents. It is possible for each respondent to have more than one performance appraisal method in place. On the average, most companies had approximately three total performance appraisal methods in place.

<table>
<thead>
<tr>
<th>Method</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consultant: former leader -/or-/ human resource professional evaluates group [team]</td>
<td>03, or 05% = Consultant evaluates group; 59, or 95% = Do not utilize this method</td>
</tr>
<tr>
<td>Group [evaluates themselves as a team]</td>
<td>11, or 18% = Groups evaluate other groups; 51, or 82% = Do not utilize this method</td>
</tr>
<tr>
<td>Manager evaluates employee</td>
<td>51, or 82% = Manager evaluates employee; 11, or 18% = Do not utilize this method</td>
</tr>
<tr>
<td>Reverse [Employee evaluates manager]</td>
<td>11, or 18% = Reverse performance review; 51, or 82% = Do not utilize this method</td>
</tr>
<tr>
<td>Self-evaluation [manager]</td>
<td>15, or 24% = Manager self evaluation; 46, or 76% = Do not utilize this method</td>
</tr>
<tr>
<td>Manager evaluates group [team]</td>
<td>13, or 21% = Manager evaluates group; 49, or 79% = Do not utilize this method</td>
</tr>
<tr>
<td>Peer evaluations</td>
<td>15, or 24% = Peers evaluate peers; 46, or 76% = Do not utilize this method</td>
</tr>
<tr>
<td>Self-evaluation [employee]</td>
<td>32, or 52% = Employee self-evaluation; 30, or 48% = Do not utilize this method</td>
</tr>
<tr>
<td>Other</td>
<td>02, or 03% = Other methods utilized; 60, or 97% = Did not specify other methods utilized</td>
</tr>
</tbody>
</table>
ILLUSTRATION 5.--Continued

5. Part II will show the rankings for each of the performance appraisal methods utilized. The methods of performance appraisal are ranked according by priority usage by respondents. Companies are listed according to number of employees within each structure.

ABBREVIATIONS

Abbreviations which correspond to the performance appraisal methods as shown on the tabulated results are as follows:

- **Conslt**: Consultant: former leader or human resource professional evaluates team
- **Grp/grp**: Group [evaluates themselves as a team]
- **Mgr/emp**: Manager evaluates employee
- **Revrse or Rev**: Reverse [Employee evaluates manager]
- **Slf/mgr**: Self-evaluation [manager]
- **Mgr/grp**: Manager evaluates group [team]
- **Pr**: Peer evaluations
- **Slf/emp**: Self-evaluation [employee]
- **Other**: Other
ILLUSTRATION 5.--Continued

Performance Appraisal Methods Ranked by Priority

### Company Classification: Flexible, White Collar

<table>
<thead>
<tr>
<th>No. Empl.</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
<th>(6)</th>
</tr>
</thead>
<tbody>
<tr>
<td>40,000</td>
<td>Mgr/emp</td>
<td>Slf/emp</td>
<td>Mgr/grp</td>
<td>Grp/grp</td>
<td>Peer</td>
<td>--</td>
</tr>
<tr>
<td>23,000</td>
<td>Mgr/emp</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>50</td>
<td>Mgr/emp</td>
<td>--</td>
<td>--</td>
<td>--</td>
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</tr>
</tbody>
</table>

### Company Classification: Flexible, Blue Collar

<table>
<thead>
<tr>
<th>No. Empl.</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
<th>(6)</th>
</tr>
</thead>
<tbody>
<tr>
<td>10,000</td>
<td>Mgr/emp</td>
<td>Slf/emp</td>
<td>--</td>
<td>--</td>
<td>Peer</td>
<td>--</td>
</tr>
<tr>
<td>7,000</td>
<td>Mgr/emp</td>
<td>Mgr/grp</td>
<td>Grp/grp</td>
<td>Slf/emp</td>
<td>Revrse</td>
<td>--</td>
</tr>
<tr>
<td>1,150</td>
<td>Mgr/emp</td>
<td>Mgr/grp</td>
<td>Grp/grp</td>
<td>Slf/mgr</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>1,100</td>
<td>Mgr/emp</td>
<td>Slf/emp</td>
<td>Slf/mgr</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>
ILLUSTRATION 5.--Continued

Performance Appraisal Methods Ranked by Priority

Company Classification: Work Team, White Collar

<table>
<thead>
<tr>
<th>No. Empl.</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
<th>(6)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,100</td>
<td>Mgr/emp</td>
<td>Slf/emp</td>
<td>Slf/mgr</td>
<td>Peer</td>
<td>Rev</td>
<td>Mgr/grp</td>
</tr>
<tr>
<td>600</td>
<td>Mgr/emp</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>560</td>
<td>Mgr/emp</td>
<td>Slf/emp</td>
<td>Peer</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>300</td>
<td>Mgr/emp</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

No ranking provided for the methods utilized by the following respondent. The methods utilized are listed alphabetically.

<table>
<thead>
<tr>
<th>No. Empl.</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
<th>(6)</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>Mgr/emp</td>
<td>Slf/emp</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>
ILLUSTRATION 5.--Continued

Performance Appraisal Methods Ranked by Priority

Company Classification: Traditional, White Collar

<table>
<thead>
<tr>
<th>No. Empl.</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
<th>(6)</th>
</tr>
</thead>
<tbody>
<tr>
<td>40,000</td>
<td>Mgr/emp</td>
<td>Slf/mgr</td>
<td>Slf/emp</td>
<td>Revrse</td>
<td>Mgr/Grp</td>
<td>Grp/Grp</td>
</tr>
<tr>
<td>18,000</td>
<td>Mgr/emp</td>
<td>Slf/emp</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>9,200</td>
<td>Other</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>6,000</td>
<td>Mgr/emp</td>
<td>Slf/emp</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>5,000</td>
<td>Mgr/emp</td>
<td>Slf/emp</td>
<td>Peer</td>
<td>Chnlt</td>
<td>Revrse</td>
<td>--</td>
</tr>
<tr>
<td>3,100</td>
<td>Mgr/emp</td>
<td>Peer</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>2,000</td>
<td>Mgr/emp</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>1,500</td>
<td>Mgr/emp</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>1,400</td>
<td>Mgr/emp</td>
<td>Slf/emp</td>
<td>Slf/mgr</td>
<td>Peer</td>
<td>Revrse</td>
<td>Cnslt</td>
</tr>
<tr>
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<td>Slf/emp</td>
<td>--</td>
<td>--</td>
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<td>--</td>
</tr>
<tr>
<td>1,400</td>
<td>Mgr/emp</td>
<td>Slf/emp</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>1,300</td>
<td>Mgr/emp</td>
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<td>--</td>
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<td>Slf/emp</td>
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<tr>
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<td>Mgr/emp</td>
<td>Slf/emp</td>
<td>Grp/grp</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
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<td>Slf/emp</td>
<td>Peer</td>
<td>Slf/mgr</td>
<td>Revrse</td>
<td>--</td>
</tr>
<tr>
<td>500</td>
<td>slf/emp</td>
<td>Mgr/emp</td>
<td>--</td>
<td>--</td>
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<tr>
<td>375</td>
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</tr>
<tr>
<td>300</td>
<td>Mgr/emp</td>
<td>Slf/emp</td>
<td>Slf/mgr</td>
<td>Peer</td>
<td>Revrse</td>
<td>--</td>
</tr>
<tr>
<td>300</td>
<td>Mgr/emp</td>
<td>--</td>
<td>--</td>
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<tr>
<td>290</td>
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<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>105</td>
<td>Mgr/emp</td>
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<td>--</td>
<td>--</td>
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<td>Mgr/emp</td>
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<td>--</td>
<td>--</td>
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<td>--</td>
</tr>
<tr>
<td>8</td>
<td>Grp/grp</td>
<td>Peer</td>
<td>Slf/mgr</td>
<td>Slf/emp</td>
<td>Mgr/emp</td>
<td>--</td>
</tr>
<tr>
<td></td>
<td>Mgr/emp</td>
<td>Slf/emp</td>
<td>Slf/mgr</td>
<td>Revrse</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td></td>
<td>Mgr/emp</td>
<td>Grp/grp</td>
<td>Revrse</td>
<td>Peer</td>
<td>Slf/emp</td>
<td>Slf/mgr</td>
</tr>
</tbody>
</table>
ILLUSTRATION 5.--Continued

Performance Appraisal Methods Ranked by Priority

| Company Classification: Traditional, Blue_Collar |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| No. Empl.       | (1)             | (2)             | (3)             | (4)             | (5)             | (6)             |
| 29,000 Mgr/emp | Mgr/emp         | ---             | ---             | ---             | ---             | ---             |
| 18,000 Mgr/emp | Mgr/emp Slf/mgr| ---             | ---             | ---             | ---             | ---             |
| 15,200 Mgr/emp | Mgr/emp Mgr/GRP| Peer            | ---             | Slf/emp         | ---             | ---             |
| 12,000 Mgr/emp | Mgr/emp Mgr/GRP| Grp/grp         | Slf/emp         | Peer            | Slf/emp         | ---             |
| 11,000 Mgr/emp | Mgr/emp Slf/mgr| Mgr/GRP         | ---             | ---             | ---             | ---             |
| 4,500 Mgr/emp  | Mgr/emp Mgr/GRP| Slf/emp         | ---             | ---             | ---             | ---             |
| 4,000 Mgr/emp  | Mgr/emp Grp/GRP| ---             | ---             | ---             | ---             | ---             |
| 2,500 Mgr/emp  | Mgr/emp ---     | ---             | ---             | ---             | ---             | ---             |
| 2,400 Mgr/emp  | Mgr/emp ---     | ---             | ---             | ---             | ---             | ---             |
| 2,000 Mgr/emp  | Mgr/emp Slf/emp| ---             | ---             | ---             | ---             | ---             |
| 2,000 Mgr/emp  | Mgr/emp ---     | ---             | ---             | ---             | ---             | ---             |
| 900 Mgr/emp    | Mgr/emp Mgr/GRP| Slf/emp         | ---             | ---             | ---             | ---             |
| 475 Mgr/emp    | Mgr/emp ---     | ---             | ---             | ---             | ---             | ---             |
| 170 Mgr/emp    | Mgr/emp Slf/emp| ---             | ---             | ---             | ---             | ---             |
ILLUSTRATION 5.--Continued

Performance Appraisal Methods - No Ranking

No ranking provided for the methods utilized by the following respondents. The methods indicated are listed alphabetically.

<table>
<thead>
<tr>
<th>Company Classification: Traditional, White and Blue Collar</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. Empl.</td>
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<tr>
<td>-----------</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>50,000</td>
</tr>
<tr>
<td>250</td>
</tr>
<tr>
<td>9</td>
</tr>
</tbody>
</table>
Illustration 5.—Continued

Performance Appraisal Methods - No Ranking

Five companies, three blue collar and two white collar, responded by separate letter, generally stating as follows:

(a) could not respond due to current restructuring of performance management system; and
(b) could not respond due to other projects consuming their time.

Two companies, one blue collar and two white collar, responded by separate letter, generally stating as follows:

(a) 'decline to participate due to hundreds of similar requests'; and
(b) 'decline to participate'
ILLUSTRATION 5.--Continued

6. Please signify the overall degree of satisfaction with the total performance appraisal system by circling one dot at any point on the scale below:

<table>
<thead>
<tr>
<th>Highly Satisfied</th>
<th>Moderately Satisfied</th>
<th>Somewhat Satisfied</th>
<th>Somewhat Dissatisfied</th>
<th>Moderately Dissatisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>02, or 03%</td>
<td>21, or 34%</td>
<td>20, or 32%</td>
<td>8, or 13%</td>
<td>1, or 02%</td>
</tr>
</tbody>
</table>

10, or 16% = No response to this question

7. What suggestions for improvement, or comments do you have in regard to your total performance appraisal system?

The responses to question 7. provide greater insight by combining performance appraisal methods and satisfaction levels. The researcher has combined this information which is stated according to workplace structure as follows:

| Work Team Structure |

<table>
<thead>
<tr>
<th>Level of Satisfaction: Moderately Satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
</tr>
<tr>
<td>Mgr/emp</td>
</tr>
<tr>
<td>Mgr/emp</td>
</tr>
<tr>
<td>Mgr/emp</td>
</tr>
</tbody>
</table>
ILLUSTRATION 5.--Continued

Work Team Structure--Continued

<table>
<thead>
<tr>
<th>Level of Satisfaction: Somewhat Satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
</tr>
<tr>
<td>Mgr/emp</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Level of Satisfaction: Somewhat Dissatisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
</tr>
<tr>
<td>Mgr/emp</td>
</tr>
</tbody>
</table>
Flexible Structure

Level of Satisfaction: Moderately Satisfied

<table>
<thead>
<tr>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>Suggestions for improvement/comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mgr/emp</td>
<td>--</td>
<td>--</td>
<td>Junk it, replace it.</td>
</tr>
<tr>
<td>Mgr/emp</td>
<td>Grp/grp</td>
<td>Slf/emp</td>
<td>This is an ever-changing process. You never get to a highly satisfied degree of satisfaction. Performance appraisal is an 'art' at best and changes as the needs of the people change.</td>
</tr>
</tbody>
</table>

Level of Satisfaction: Somewhat Satisfied

<table>
<thead>
<tr>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>Suggestions for improvement/comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mgr/emp</td>
<td>Slf/emp</td>
<td>Slf/mgr</td>
<td>Evaluating use and application of multi-rater systems. Assessing behavior, as well as results, using key corporate values for assessment.</td>
</tr>
<tr>
<td>Mgr/emp</td>
<td>Mgr/grp</td>
<td>Grp/grp</td>
<td>N/Comments</td>
</tr>
<tr>
<td>Mgr/emp</td>
<td>Slf/emp</td>
<td>--</td>
<td></td>
</tr>
<tr>
<td>Mgr/emp</td>
<td>Slf/emp</td>
<td>Mgr/grp</td>
<td>Equity, consistency, goal setting, accountability of management, conflict/negotiation skills</td>
</tr>
</tbody>
</table>

ILLUSTRATION 5.--Continued
ILLUSTRATION 5.--Continued

**Flexible Structure--Continued**

<table>
<thead>
<tr>
<th>Level of Satisfaction: Somewhat Dissatisfied</th>
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</thead>
<tbody>
<tr>
<td>(1)</td>
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<tr>
<td>Mgr/emp</td>
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</tbody>
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**Traditional Structure**

<table>
<thead>
<tr>
<th>Level of Satisfaction: Highly Satisfied</th>
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</thead>
<tbody>
<tr>
<td>(1)</td>
</tr>
<tr>
<td>Mgr/emp</td>
</tr>
<tr>
<td>Mgr/emp</td>
</tr>
</tbody>
</table>

We like our system. Comments: Staff: Reviewed by manager - staff has opportunity to make written comments. Officers: Reviewed 'LY' performance by manager. Set goals for 'TY' with manager. Joint decision on 'performance plan' for upcoming year.
ILLUSTRATION 5.--Continued

Traditional Structure--Continued

<table>
<thead>
<tr>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>Suggestions for improvement/comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mgr/emp</td>
<td>Slf/emp</td>
<td>Pr/Rev</td>
<td>Would like a more measurable, less subjective system.</td>
</tr>
<tr>
<td>Mgr/emp</td>
<td>Grp/grp</td>
<td>Revrse</td>
<td>Incorporating stronger, direct link to strategic business issues.</td>
</tr>
<tr>
<td>Mgr/emp</td>
<td>Mgr/grp</td>
<td>Peer</td>
<td>We are experimenting with 360° feedback and appraisal which seems to have good acceptance.</td>
</tr>
<tr>
<td>By Exception</td>
<td></td>
<td></td>
<td>We have done away with formal performance appraisals, except when performance is so poor as to lead to eventual termination. We believe performance appraisals should be informal and frequent (good or bad).</td>
</tr>
<tr>
<td>Grp/grp</td>
<td>Peer</td>
<td>Slf/mgr</td>
<td>No comments.</td>
</tr>
<tr>
<td>Mgr/emp</td>
<td>--</td>
<td>--</td>
<td>I believe that peer evaluations and some type of self-evaluation would be of help to the manager’s evaluation. We might consider establishing some version of the two.</td>
</tr>
</tbody>
</table>
## Traditional Structure—Continued

<table>
<thead>
<tr>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>Suggestions for improvement/comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mgr/emp</td>
<td>Slf/emp</td>
<td>Pr/Rev</td>
<td>Documented, job specific criteria for each position.</td>
</tr>
<tr>
<td>Mgr/emp</td>
<td>--</td>
<td>--</td>
<td>No comments.</td>
</tr>
<tr>
<td>Mgr/emp</td>
<td>Slf/emp</td>
<td>Grp/Grp</td>
<td>Integration between managers - 'Is my No. 1 employee viewed as top notch by other managers?' Emphasis that meets expectations is an OK rating.</td>
</tr>
<tr>
<td>Mgr/emp</td>
<td>--</td>
<td>--</td>
<td>Ways to 'measure' improvement or results</td>
</tr>
<tr>
<td>Mgr/emp</td>
<td>Slf/mgr</td>
<td>Slf/emp</td>
<td>Emerging process is for individual employees to take full responsibility for individuals and carrying out the performance management process - in a true, You, Inc. Style similar to the way companies present performance to Boards of Directors. This is a role reversal for employees and supervisors in this issue.</td>
</tr>
<tr>
<td>Mgr/emp</td>
<td>Slf/mgr</td>
<td>Mgr/grp</td>
<td>No comments.</td>
</tr>
<tr>
<td>Mgr/emp</td>
<td>Slf/emp</td>
<td>Peer</td>
<td>System is very good, need is to 'Just do it'; managers not affected if they do a poor job of implementing.</td>
</tr>
</tbody>
</table>
| Mgr/emp | Slf/emp | -- | • Need some form of team evaluation  
• Better consistency in individual reviews - among managers |
ILLUSTRATION 5.--Continued

Traditional Structure--Continued

<table>
<thead>
<tr>
<th>Level of Satisfaction: Moderately Satisfied--Continued</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
</tr>
<tr>
<td>Mgr/emp</td>
</tr>
<tr>
<td>Mgr/emp</td>
</tr>
<tr>
<td>Mgr/emp</td>
</tr>
<tr>
<td>Mgr/emp</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Level of Satisfaction: Somewhat Satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
</tr>
<tr>
<td>Mgr/emp</td>
</tr>
<tr>
<td>Mgr/emp</td>
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</tbody>
</table>
ILLUSTRATION 5.--Continued

Traditional Structure--Continued

<table>
<thead>
<tr>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>Suggestions for improvement/comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mgr/emp</td>
<td>Slf/mgr</td>
<td>Slf/emp</td>
<td>I've been in the human resource business for 25 years and I have not found a performance appraisal system that I'm satisfied with - I think we spend far too much time on the evaluation of individual performance, with very little demonstrable benefit to business performance.</td>
</tr>
<tr>
<td>Mgr/emp</td>
<td>Slf/emp</td>
<td>--</td>
<td>The appraisal process, performance, planning and review (PPR) is new and introduced to the manager/officer level in 1995. We have not evaluated the new process.</td>
</tr>
<tr>
<td>Mgr/emp</td>
<td>Slf/emp</td>
<td>--</td>
<td>No comments.</td>
</tr>
<tr>
<td>Mgr/emp</td>
<td>Slf/emp</td>
<td>--</td>
<td>This is our first year. Just rolling out the training for the process. Future initiatives will have a strong team evaluation component and more in-depth education of employees who aren't the key managers.</td>
</tr>
<tr>
<td>Mgr/emp</td>
<td>Mgr/grp</td>
<td>Slf/emp</td>
<td>The system is mainly in place to provide a raise in salary for the employee - not to provide any real appraisal of performance.</td>
</tr>
<tr>
<td>Mgr/emp</td>
<td>Slf/emp</td>
<td>Pr/Rev</td>
<td>No comments.</td>
</tr>
</tbody>
</table>
ILLUSTRATION 5.--Continued

Traditional Structure--Continued

<table>
<thead>
<tr>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>Suggestions for improvement/comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mgr/emp</td>
<td>--</td>
<td>--</td>
<td>Should look for more objective data and use objectives as a guideline for what is accomplished.</td>
</tr>
<tr>
<td>Mgr/emp</td>
<td>--</td>
<td>--</td>
<td>Appraisal system should be designed for specific job or task and not general. Appraisal should be done at anniversary dates or at time other than salary review.</td>
</tr>
<tr>
<td>Mgr/emp</td>
<td>--</td>
<td>--</td>
<td>No comments.</td>
</tr>
<tr>
<td>Mgr/emp</td>
<td>--</td>
<td>--</td>
<td>No comments.</td>
</tr>
<tr>
<td>Mgr/emp</td>
<td>--</td>
<td>--</td>
<td>I think peer evaluations and self evaluations should be added to the appraisal system.</td>
</tr>
</tbody>
</table>
ILLUSTRATION 5.--Continued

Traditional Structure--Continued

<table>
<thead>
<tr>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>Suggestions for improvement/comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mgr/emp</td>
<td>--</td>
<td>--</td>
<td>Make it future directed rather than post directed.</td>
</tr>
<tr>
<td>Mgr/emp</td>
<td>Slf/grp</td>
<td>Slf/mgr</td>
<td>While we talk about being a team-oriented organization, the reality is that we are more hierarchical than we say. From an appraisal perspective, the situation is similar. It is very difficult to get managers to execute performance management techniques in an effective way.</td>
</tr>
<tr>
<td>Mgr/emp</td>
<td>--</td>
<td>--</td>
<td>Considering shift to 360° type system. Minimally, new system will allow the evaluation of manager and those who serve internal customers will receive evaluations from those internal customers.</td>
</tr>
<tr>
<td>Mgr/emp</td>
<td>--</td>
<td>--</td>
<td>We are going to a competency based performance management program in 1996.</td>
</tr>
<tr>
<td>Mgr/emp</td>
<td>--</td>
<td>--</td>
<td>Too numerous to list here.</td>
</tr>
<tr>
<td>Mgr/emp</td>
<td>--</td>
<td>--</td>
<td>Greater integration with core values of company.</td>
</tr>
<tr>
<td>Mgr/emp</td>
<td>--</td>
<td>--</td>
<td>No comments.</td>
</tr>
</tbody>
</table>
ILLUSTRATION 5.—Continued

Traditional Structure—Continued

<table>
<thead>
<tr>
<th>Level of Satisfaction: Moderately Dissatisfied</th>
<th>Suggestions for improvement/comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>(2)</td>
</tr>
<tr>
<td>Mgr/emp</td>
<td>--</td>
</tr>
<tr>
<td></td>
<td>No management support for process</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
ILLUSTRATION 5.--Continued

If you are interested in learning about the continuation of this research, please state your name and all other requested information below. Completing the information below does not obligate you in any manner, it indicates only your interest in learning more about Phase II. I will contact you to share information with you about Phase II in detail.

Name: ___________________________________________

Company: __________________________________________

Address: __________________________________________

City & State: ______________________________________

Phone: ___________________________________________

35, or 56% = Desire compiled and tabulated Phase I results
27, or 44% = Did not desire results

If you have any questions, you may either state them on this survey or contact me at [phone]. If you would like to receive a copy of the demographically and numerically ranked survey results, please note where indicated. I look forward to hearing from you.

_______ Yes, I would like to receive a copy of the demographically and numerically ranked results of Phase I.

36, or 58% = Interested in finding out about Phase II for possible participation in further research
26, or 42% = Did not express interest in discovery of Phase II
APPENDIX B

ILLUSTRATION 6.

PHASE II PARTICIPATING COMPANY NO. 1 RESULTS
ILLUSTRATION 6.

PHASE II PARTICIPATING COMPANY NO. 1 RESULTS

CONFIDENTIAL

1. Length of service with your company: _____ yrs. _____ mths.
   - 3 years
   - 5 years
   - 3 years
   - 2 years
   - 6 months
   - 7 months
   - 3 years
   - 6 months

2. Gender: _____ Female _____ Male

3. Title, if applicable:
   - HR Recruiter
   - Executive Director
   - Student Assistant
   - Administrative Assistant
   - Professional staff
   - Employer Support Program Assistant
   - Marketing Manager
   - College Relations Coordinator

4.A. Please indicate with a "√" the frequency with which performance evaluation occurs within your company:

<table>
<thead>
<tr>
<th></th>
<th>Annually</th>
<th>Semi-Annually</th>
<th>Quarterly</th>
<th>Monthly</th>
<th>&quot;As Needed&quot;</th>
<th>Project Basis</th>
<th>Performance</th>
<th>management is incumbent in responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4.B. Are performance evaluations conducted as scheduled?

   No = 6 responses  N/A = 2 responses  N/A = 1

5.A. Do evaluations measure the performance of:

   Individuals = 8  Teams  Both = 1
ILLUSTRATION 6.--Continued

5.B. What is the role of the individual or team responsible for measuring performance:

<table>
<thead>
<tr>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>To assess her direct reports and provide feedback, to use information to plan action for</td>
</tr>
<tr>
<td>improvement/career development</td>
</tr>
<tr>
<td>Evaluate past performance and career development</td>
</tr>
<tr>
<td>Evaluate your responsibilities within our job description</td>
</tr>
<tr>
<td>To teach, to clarify areas of improvement, strengths, weaknesses</td>
</tr>
<tr>
<td>Supervisor</td>
</tr>
<tr>
<td>Address areas of concern (i.e., staff relations) and areas of improvement</td>
</tr>
<tr>
<td>Executive Director</td>
</tr>
</tbody>
</table>

6. I am clear on the criteria upon which performance is evaluated.
   Yes = 2  No = 4  Usually = 2  N/A = 1

7. I am clear as to how team objectives align with company goals/objectives.
   Yes = 3  No = 1  Usually = 4  N/A = 1
8. In a phrase, describe the function of your team/group:

To work together in assisting professionals and students with career movement.

Programs = career development activities for [ethnic] professionals and students; to plan and implement programs; to promote and evaluate programs; to conduct external relations

Provide career linkages to [ethnic reference]

Work to make [ethnic reference] work in an overrule aspect.

To provide individualized career services

Aiming and reaching for the same goal.

To market [company] programs and services

To provide career services to our clients

9. Indicate the degree to which you participate in the formulation of team goals/objectives:

<table>
<thead>
<tr>
<th></th>
<th>Almost Always Participate</th>
<th>Frequently Participate</th>
<th>Sometimes Participate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>
ILLUSTRATION 6.--Continued

10. Does the performance appraisal system address the constructive handling of conflict to any degree, in any manner?

Yes = 0  
No = 4  
Usually = 1  
Don’t know = 3

11. Indicate the degree to which performance review addresses areas for improvement in a constructive, favorable manner.

<table>
<thead>
<tr>
<th>Very Constructive &amp; Favorable</th>
<th>Moderately Constructive &amp; Favorable</th>
<th>Somewhat Constructive &amp; Favorable</th>
<th>Rarely Constructive &amp; Favorable</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>4</td>
<td>1</td>
</tr>
</tbody>
</table>

N/A = 1

12. Does the performance appraisal system encourage feedback from participants?

Yes = 4  
No = 0  
Usually = 4  
N/A = 1

13. Is your team empowered to draw upon resources enabling the completion of tasks and goals?

Yes = 5  
No = 1  
Usually = 3

14. Please signify the overall degree of satisfaction with the total performance appraisal system by circling the appropriate answer:

<table>
<thead>
<tr>
<th>Somewhat Satisfied</th>
<th>Somewhat Dissatisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

N/A = 2
15. What suggestion/s for improvement, or comments do you have in regard to your total performance appraisal system?

   a. Performance reviews are never conducted on schedule - managers tend to postpone them frequently which creates uncertainty and dissatisfaction among employees being evaluated - it creates TENSION & ANXIETY!!!

   b. Managers do not make expectations/responsibilities clear with certain employees. Managers tend to assume and not communicate with their team members on an individual basis.

   c. Managers tend to have a "myopic" view toward certain employees' performance. ex: Some employees get evaluated on time, quickly, and receive rewards (raise, bonus) quickly. Others have to constantly remind and push managers to conduct reviews and to receive raises and bonuses.

   Would like to have evaluation performed on schedule and not detained because of other meetings or situations that can be postponed until after evaluation.

   Money/raise situation
15. What suggestion/s for improvement, or comments do you have in regard to your total performance appraisal system?

(Cont’d.)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>Performance appraisals should be held on the stated date. Often times, performance appraisals are postponed by two weeks max.</td>
</tr>
<tr>
<td>b.</td>
<td>I’ve noticed that the performance appraisal format utilized by [the company] does not reflect all tasks presently being performed by an employee. For example, a statement such as &quot;handles media relations&quot; is not detailed enough. So much goes into this process (i.e., writing media proposals, set up media proposal database, conduct follow up calls, etc.), that often times it is overlooked in certain performance processes.</td>
</tr>
<tr>
<td>c.</td>
<td>[The company] needs to develop a salary adjustment structure that factors in: tenure, workload, staff member contribution to the organization, financial and sales goals and hours put in.</td>
</tr>
<tr>
<td>d.</td>
<td>[The company] fails to have a system that accurately reflects staff development.</td>
</tr>
<tr>
<td>e.</td>
<td>[The company] needs to have possibly two annual reviews (six months apart)</td>
</tr>
<tr>
<td>f.</td>
<td>[The company] needs to have a post-performance appraisal process. Guidelines should be stated that would allow for an employee to get a quick response re: salary adjustments. Possibly set two weeks after a performance appraisal for a decision to be made.</td>
</tr>
</tbody>
</table>

Need to comply with the review if it’s every six months, it should be every six months, not six and one half, not seven. They should come and bring it to the employee’s attention, not the other way around. I think it makes the employee feel better. Also, if the employee has really succeeded in her job and more it should be taken into consideration.
ILLUSTRATION 6.—Continued

15. What suggestion/s for improvement, or comments do you have in regard to your total performance appraisal system?

(Cont’d.)

- I would like to see a six month for employees in first year
- I’ve noticed that when veterans have had their reviews that it’s often delayed or procrastinated by management (which I know is very busy) but I personally view evaluations as one of the very few important opportunities where you really get to learn how you are doing, areas of development, and constructive criticism and time to meet with my manager and develop my growth.

- 360 degree peer evaluation
- Team evaluations (Internal - especially team, financial planning, marketing); (External - committees Board Members
- Continuous evaluation (not only yearly)
- Communicate process
- Include competencies in evaluations and objectives (not only responsibilities)
- Interns/PT [part-timers] should be evaluated also.

Would like to develop a system whereby it is more consistent, but not cumbersome (too little time!)

Would like to have peers provide feedback to each other and to manager

Would like to incent employees to attain group goals and objectives through both the performance system and salary/bonus structure.

Would like to empower employees to have input in how the system is developed.

I’m new so I have yet to be formally evaluated. Yet, evaluation, whether formally or informally done by a project basis is helpful. Constructive criticism on a rather regular basis is helpful, and positive reinforcement is also helpful.
APPENDIX B

ILLUSTRATION 7.

PHASE II PARTICIPATING COMPANY NO. 2 RESULTS
ILLUSTRATION 7.

PHASE II PARTICIPATING COMPANY NO. 2 RESULTS

Participating Company No. 2 has identified its workplace structure as work team. This company is a white collar company which provides a service. Its primary method of measuring performance is the managerial appraisal of the employee; and its secondary method is employee self-evaluation. This company has provided priority rankings of performance appraisal methods as follows:

1. Manager evaluates employee
2. Self-evaluation [employee]
2. Self-evaluation [manager]
3. Reverse [Employee evaluates manager]
3. Peer evaluations
4. Manager evaluates group [team]
5. Group [evaluates themselves as a team]

The company is moderately satisfied with the appraisal system in place but suggests that greater consistency in goal setting and follow through on the part of managers is necessary.

Information provided by the respondent is as follows:

Performance reviews are conducted semi-annually, and on schedule. The reviews evaluate the performance of individuals by the appropriate managers. Goal clarity on the part of participants exists, however, the system is new and difficult to measure at this point. Additionally, goal clarity in terms of alignment with corporate goals exists. Participation in the formulation of the team goals/objectives on the part of employees and managers ranges from almost always to frequent participation. The performance appraisal appropriately addresses the constructive handling of conflict.

Areas for improvement are addressed in a very constructive and favorable manner; and feedback is encouraged from the participants. Teams are empowered to complete all tasks and goals, within their realm of responsibility, through resources which are available to them as well as being empowered to carry out decisions and plans for completion. The overall degree of satisfaction with the total performance appraisal system is moderate. No suggestions for improvement at this time.
APPENDIX B

ILLUSTRATION 8.

PHASE II PARTICIPATING COMPANY NO. 3 RESULTS
Participating Company No. 3 has identified its workplace structure as flexible. This company is a white collar company which provides a service. Its primary method of measuring performance is the managerial appraisal of the employee; and its secondary method is employee self-evaluation. This company has provided priority rankings of performance appraisal methods as follows:

1. Manager evaluates employee
2. Self-evaluation [employee]
3. Manager evaluates group [team]
4. Group [evaluates themselves as a team]
5. Peer evaluations

Information provided by the respondent is as follows:

Performance reviews are conducted annually, and on schedule, same date company-wide. The reviews serve the purpose of evaluation of the performance of both individuals and teams by the appropriate managers and evaluate results to goals. Goal clarity on the part of participants exists, as well as an understanding of their alignment with corporate goals exists. Participation in the formulation of the team goals/objectives on the part of employees and managers is almost always. The performance appraisal system does not directly address the constructive handling of conflict. Areas for improvement are addressed in the range of a very constructive and favorable manner to a moderately constructive and favorable manner; and feedback is encouraged from the participants. Teams are empowered to complete all tasks and goals, within their realm of responsibility, through resources which are available to them as well as being empowered to carry out decisions and plans for completion. The overall degree of satisfaction with the total performance appraisal system ranges from highly satisfied to moderately satisfied. Suggestions for improvement are as follows:

We are in the process of being "enhanced" to address current concerns, pay for performance and align company, department and individual goals. In addition, "soft skills" like conflict management or negotiation will be evaluated and training made available.
APPENDIX C

TABLE 1.

PRIMARY AND SECONDARY METHODS
OF PERFORMANCE APPRAISAL
OF RESPONDENTS WITHIN EACH WORKPLACE ORGANIZATION
TABLE 1.

<table>
<thead>
<tr>
<th>Performance Appraisal Method</th>
<th>Work Team Structure</th>
<th>Flexible Structure</th>
<th>Traditional Structure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary/Secondary</td>
<td>Number</td>
<td>Percent</td>
<td>Number</td>
</tr>
<tr>
<td>Ranked No. 1 by all three workplace structures:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managerial appraisal of employee performance</td>
<td>4</td>
<td>80%</td>
<td>7</td>
</tr>
<tr>
<td>Ranked No. 2 by all three workplace structures:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee self-appraisal of performance</td>
<td>3</td>
<td>60%</td>
<td>3</td>
</tr>
</tbody>
</table>

Numbers and percentages reflect measurement against each workplace organization separately.
TABLE 2.

<table>
<thead>
<tr>
<th>Performance Appraisal Method</th>
<th>Work Team Structure</th>
<th>Flexible Structure</th>
<th>Traditional Structure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percent</td>
<td>Number</td>
</tr>
<tr>
<td>Primary/Secondary</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary method measured against total respondents:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managerial appraisal of employee performance</td>
<td>4</td>
<td>6%</td>
<td>7</td>
</tr>
<tr>
<td>Secondary method measured against total respondents:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee self-appraisal of performance</td>
<td>3</td>
<td>5%</td>
<td>3</td>
</tr>
</tbody>
</table>

Numbers and percentages reflect measurement against total respondents.
APPENDIX C

TABLE 3.

SATISFACTION LEVELS
INDICATED BY RESPONDENTS WITHIN
EACH WORKPLACE ORGANIZATION

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### TABLE 3.

SATISFACTION LEVELS
INDICATED BY RESPONDENTS WITHIN EACH WORKPLACE ORGANIZATION

<table>
<thead>
<tr>
<th>Satisfaction Level</th>
<th>Work Team Structure</th>
<th>Flexible Structure</th>
<th>Traditional Structure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percent</td>
<td>Number</td>
</tr>
<tr>
<td>Highly Satisfied</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Moderately Satisfied</td>
<td>3</td>
<td>60%</td>
<td>2</td>
</tr>
<tr>
<td>Somewhat Satisfied</td>
<td>2</td>
<td>40%</td>
<td>4</td>
</tr>
<tr>
<td>Somewhat Dissatisfied</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Moderately Dissatisfied</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Number of Respondents Indicating Level of Satisfaction</td>
<td>5</td>
<td>7</td>
<td>41</td>
</tr>
<tr>
<td>Percentage of Respondents Indicating Level of Satisfaction</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Numbers and percentages are measured against each workplace organization separately.

Satisfaction levels reflected mainly upon primary and secondary methods of performance appraisal as stated by respondents to Phase I of the research.

X = Category Not Selected
LIST OF REFERENCES


Close C. J. & Impara, J. C. (1994). The Supplement to the Eleventh Mental Measurements Yearbook. Lincoln, Nebraska: Buros Institute of Mental Measurements, University of Nebraska, Lincoln


CMI (Career Management Institute), The Last Word. (June 14, 1987) Keeping things in context means examining our beliefs [Brochure]. Oak Park, Illinois: Hodes, B.


VITA

The author, Linda D. Baxter is the daughter of Alice E. Miller and Willis E. Baxter. She was born in Evergreen Park, Illinois and graduated from Carl Sandburg High School. She received a Bachelor of Arts Degree in Human Resource Management from DePaul University in 1988.

Linda has studied performance management for many years. She gained exposure to a wide variety of performance management processes and designed a program of performance management for managers. Her research has led to other critical areas of human resource development such as leadership, team development and effective communication skills. Linda has solid experience in designing programs to communicate performance appraisal more effectively.

Linda is Co-Chairman of the Training and Development Interest Group of the Human Resources Management Association of Chicago, (HRMAC). This organization presented her with the J. David Smith Scholarship Award for the academic year 1995-1996. Linda is also a member of the Chicagoland Chapter of the American Society of Training and Development.

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The Thesis submitted by Linda D. Baxter has been read and approved by the following committee:

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The final copies have been examined by the director of the Thesis and the signature which appears below verifies the fact that any necessary changes have been incorporated and that the Thesis is now given final approval by the committee with reference to content and form.

The Thesis is, therefore, accepted in partial fulfillment of the requirements for the degree of Master of Arts.

Date: Nov 30, 1996

Barney Berlin, Ph.D.