Human Resource Management and Organizational Psychology

“Performance management isn’t dead. The old way of thinking about it is”
Acknowledgment

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Declaration of Research Work Integrity

This work has not previously been accepted in substance for any degree and is not being concurrently submitted in candidature of any degree. This thesis is the result of my own investigations, except where otherwise stated. Other sources are acknowledged by giving explicit references. A bibliography is appended.

By signing the present document, I confirm and agree that I have read RU’s ethics code of conduct and fully understand the consequences of violating these rules in regards of my thesis.

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Abstract

Performance management is one of the most fundamental tasks of human resource management and performance appraisals are one of the more identifiable part of that process. It’s vital that companies continue to evolve the performance management system with changes in the market to make it as efficient as possible. This paper looks at the viewpoint of managers that have experience in conducting performance appraisals or reviews to see if they have any thoughts of improvements that can be of value to modern companies.

Qualitative interviews were conducted with 8 participants from Icelandic private companies with the objective to see what form of appraisals are in use and what the purpose of them is? How satisfied the managers are with the current appraisal system and what thoughts on improvements do they have?

In general, most managers had experience with the ‘classical’ format to appraisals which consists of reviews held at least once a year with the main purpose of giving a two-way feedback, set down goals, assess performance and identify training needs. Most managers had switch to using more modern or ‘lighter’ approaches to it with the main purpose of having a meaningful conversation with their staff. They were generally satisfied with the appraisal processes, but all had their own view on how to improve it. The most supported improvement suggestions concerned the need to better clarify the purpose of the interview as there was a feeling that they weren’t being used to their full potential.

More solutions were suggested that could be a valuable source of improvements for modern companies, for example; better training procedures, new objective measurements systems and more freedom to adapt the procedures to their department’s needs.
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1 Introduction

This research explores managers’ perspectives of performance managements systems in Icelandic companies, with focus on the performance reviews. The objectives are to: a) identify the types of performance appraisals in practice and how they are used within organisations, b) explore managers’ experience regarding their systems and c) retrieve managers’ ideas, if any, on improvements.

The topic of improving performance systems inside organisations is not new, as the concept has been around for over 100 years (A. R. DeNisi & Murphy, 2017) and is still a debateable one. With changing times in organisational development, the aim of this research is to add insight to that continuing debate. Managers’ experience is an important factor when developing efficient ways to manage performance and has therefore been chosen as the topic of this research.

In this chapter the background of the research will be looked upon with a short introduction to the ideology of the literature and on what methods were used.

1.1 Background to this research

One of the fundamental ideas of modern HR practices is that people make a difference inside organizations (Wendt, 2014). People, and more specifically their distinct knowledge and skills, are considered to be company’s most reliable source of competitive advantage in today’s economy (Bassi & McMurrer, 2007). Effective HR practices can greatly improve organizational operations and financial performance. More sophisticated hiring practises, training analysis, talent management and performance management are HR practises that are believed to increase organisational performance (Sikora & Ferris, 2014; Wright, Gardner, Moynihan, & Allen, 2005).

Today’s organizations faced with a period of continuous improvements where they are continuously striving to add more value to their operations, and in a constant battle of doing more with less. The process of performance management helped organisations in reaching that goal (Bae, 2006). In short, performance management can be defined as the continuous process of improving performance, maintaining good performance and correcting unwanted behaviour. While the implementation of a performance management system is often in the hands of the HR or in other higher levels of the organization, managing the performance is the job of the line managers (Armstrong, 2017). HR practitioners are moving towards being managing partners
inside their organisations as they delegate more of the common HR work down towards the line managers, as HR specialist are responsible for practise across the organisation, line managers are responsible for HR practices in their area. This delegation trend of HR responsibilities has well been acknowledged as it is both a growing and a global trend. More work is handled by line managers, there is less need for HR staff and therefore reduction in overhead cost (Francis & Keegan, 2006; Intindola, Weisinger, Benson, & Pittz, 2017; H. H. Larsen & Brewster, 2003; Perry & Kulik, 2008).

In the performance management systems, the use of performance reviews or appraisals is often the most identifiable part of the process as it creates an opportunity for conversations between the company and its employees; e.g. regarding goal setting, performance evaluations, feedback, motivation and more (Armstrong, 2017; Bae, 2006; Javidmehr & Ebrahimpour, 2015; Wendt, 2014). Performance reviews are sometimes called performance appraisals, a term previously used to describe performance management but now they are mostly used together (Armstrong, 2017). This paper will look upon the term performance review and performance appraisal as the same concept.

Performance ratings are another factor that have often been characteristic in performance management (A. R. DeNisi & Murphy, 2017; A. S. DeNisi & Pritchard, 2006). However, the usage of rating scales has been under a lot of debate and companies have been showing increased dissatisfaction with its usage (Adler et al., 2016; Kline & Sulsky, 2009), this has led many to abandon their ratings procedures (Armstrong, 2017).

Though most can agree that increasing performance is a valid goal for all modern companies, there are still some problems with the performance management process, and research on performance management is fairly new and limited compared to performance rating and appraisals (A. R. DeNisi & Murphy, 2017). Furthermore, a link between improved individual performance and increased firm performance has not yet been fully established (A. DeNisi & Smith, 2014).

The process of performance management has been criticized. It’s often thought to be to administrative and a burden to the company by hindering strategic business results, not managing the objective of getting managers and employees engaged in a two-way discussion (Armstrong, 2017). The performance appraisals are often seen as the starting line in performance management that all other processes are built upon. Therefore, many of the problems associated to
performance management are often related to the performance appraisals (Cappelli & Tavis, 2016; A. R. DeNisi & Murphy, 2017).

1.2 The research

The objective of the research is to see what form of performance appraisals are in use and their purpose, how satisfied the managers are with the processes and if they have any suggestions on possible improvements. To answer this, the research uses a qualitative interview design which allows the interviewee to get a deeper understanding of the topic at hand while exploring concepts that would not otherwise emerge from more standardized questions or interviews (Creswell, 2014).

1.3 Research questions

From this discussion about performance management three research questions are stated:

1. What form of performance appraisal are managers using in their organisations and how are they used?
2. How satisfied are line managers with their experience of the performance appraisal process in their organizations?
3. From their experience, what ideas do managers have to improve existing procedures if needed?

1.4 The structure of the paper

This paper is structured as follows: First chapter is introduction to the research topic. Next four chapters span the literature review where relevant concepts for this thesis will be discussed and connected to recent research. The methods are introduced in chapter six. The results are then put forward in three chapters, each focusing on relevant research questions. Finally, in chapter ten the results are discussed and compared to the literature.
2 Literature overview

2.1 Performance management

In the process of performance management, organizations try to measure performance, create a feedback loop by going over assessed performance and develop strategic goals, both on an individual and team level that align with the goals of the company. This is all done to develop the necessary knowledge, skills, abilities and other characteristics (KSAO’s) of their staff (Armstrong, 2017; Lee, 2005). To do this, organizations use various performance planning processes, along with coaching, mentoring and providing feedback to employees (Society of Human Resource Management (SHRM), 2012). When this process is correctly implemented, it communicates priorities, individual accountability and overall performance level, and raises higher organizational performance (Bae, 2006; Wendt, 2014). In other words, the performance management system can be thought of as an umbrella term of various activities that are all focused on improving the performance of the organization.

It is important that the process of performance management is in alignment with the company’s strategic goals (Armstrong, 2017; Micheli & Mura, 2017). Though this concept may sound obvious, aligning the behaviour of employees with the company’s goals and mission is difficult to achieve. Crotts, Dickson and Ford (2005) think that well defined performance systems are the key in achieving this as they help in directing the behaviour of the employees (Bourne, Franco-Santos, Micheli, & Pavlov, 2018; Micheli & Mura, 2017). For example, the papers by Melnyk, Bititci, Platts, Tobias and Andersen (2014), and Micheli and Manzoni (2010) both argued that well set up performance systems give organizations a strong tool to convey the companies mission and help align the behaviour of the employees to their goals. Therefore, the importance of proper performance systems is hard to argue and their use if often recommended when implanting new strategies or managing organizational performance (Davis & Albright, 2004; Melnyk et al., 2014). There is also evidence that suggest that organizations that effectively manage the performance of their human resources are likely to outperform those who don’t (Biron, Farndale, & Paauwe, 2011; Mcdonald & Smith, 1995). By bundling together talent management systems, learning and reward management a good performance management system can play and important role in increasing employees engagement (Armstrong, 2017).
2.2 What is Performance

The first step in assessing performance is often the process of defining the concept. For all situations, organizations must specify what performance is, what it is not and reach an consensus about it (Campbell & Wiernik, 2015). Correctly defining performance can be tricky as it is often thought of as a multidimensional construct, but it is necessary to properly define it each time to give adequate feedback and set proper goals (Bates & Holton, 1995; Campbell, McHenry, & Wise, 1990; Franco-Santos et al., 2007).

Throughout the literature, performance is often defined as either the behaviour that follows some outcome or the outcome itself without the behaviour that precedes it – or a mixture of both. Kane (1996) argued that performance should be looked at as final outcome or something measurable that a person leaves behind independently from the behaviour that lead up to that. It is a record of person’s accomplishments that may not necessarily be written down, but are measurable (Armstrong, 2017; Kane, 1996). Campbell, McHenry and Wise (1990) on the other hand argue that performance is a behaviour and should be distinguished from its results. It is an observable thing that people do and is in line with the organization’s goals. Though performance is multidimensional, work related performance do share some similar factors that make it measurable (Landy & Conte, 2012).

Looking at performance as a mixture of both the behaviour and the outcome that follows is a more comprehensive outlook when defining performance. Brumback (1988) stated that performance dose not solely lie on the results of the work done but also in how the work is delivered. Here, performance is both looked upon as behaviour and the result. Using this mixed method view, other factors are acknowledged that can influence behaviour or the outcome of the work (Armstrong, 2017).

These three views on performance agree that in order to properly define the concept the work in question has to be looked upon with the strategic goals of the company in mind (Brumback, 1988; Campbell et al., 1990; Kane, 1996; Landy & Conte, 2012). Then, organisations can properly set down behavioural standards that both supervisors and employees can agree upon.
2.2.1 What influences performance

In the early years of performance motivation, only monetary incentives were thought to increase performance but now it’s generally acknowledged that other things can also be influential. Training programs, education, development programs and culture are examples of encouragements that all influence individual performance (Armstrong, 2017). According to Buller and McEvoy (2012) and their Line of Sight Model good performance is influenced by a clear company strategy and strong HR practices, which in turn creates effective company culture and structure to further develop the KSAO’s of the employees.

According to the Line of Sight Model, a clear strategy is one of the first things organisations must develop to support good performance. When a clear strategy is in place employees know what the company wants from them and what goals they must finish to reach that standard. Managers use the strategy to hire the right people for the right positions, and development programs are built to support employees in reaching the companies’ goals. A positive work culture should also increase employees performance which is in turn controlled, to some extent, by strong HR practise (Buller & McEvoy, 2012).

2.3 Measuring Performance

When measuring performance organizations are trying to quantify an action and performance measurements are tools used to quantify the effectiveness and/or the efficiency of a job-related action. Therefore, it is an instrument that is both quantifiable and verifiable (Franco-Santos et al., 2007; Melnyk et al., 2014; Neely, Gregory, & Platts, 1995).

A performance measurement normally has three elements: 1) A measure that quantifies what is happening, 2) a standard or a set of targets with benchmarks that guide raters when choosing between good and bad performance, and 3) consequences or set of instructions if an employee is on, below or above the set target. These three elements are necessary from a business perspective and skipping one of them skews the system (Melnyk et al., 2014). How these elements are defined and measured is up to each organization but some trends have emerged, like using key performance indicators, scorecards and Balanced Scorecards (Armstrong, 2017; Kaplan & Norton, 1996).
2.3.1 Performance Measurement System (PMS)

In the beginning, performance measures were mostly based on accounting principles and focused solely on financial measures like economic value. These measures quickly became obsolete in modern companies as they failed to connect performance to the companies’ goals and were unsuccessful in helping managers take internal decisions as they weren’t leading indicators (Armstrong, 2017; Bourne, Mills, Wilcox, Neely, & Platts, 2000; Davis & Albright, 2004; Kaplan & Norton, 1996). Furthermore, these measures were not always considered fair because external factors could easily influence the scores (Campbell & Wiernik, 2015).

Nevertheless, it was important for organizations to develop some kind of measures that reached strategic alignment (Bititci et al., 2012). This lead to the development of various performance measurement models that asked the question on how PMS should be used to manage the performance of the companies? Frameworks like S.M.A.R.T. (Cross & Lynch, 1988) and The Performance Prism (Neely, Adams, & Crowe, 2001) are example of available frameworks (Bourne et al., 2000) but none has gained as much popularity as the Balanced Scorecard (Bourne et al., 2018; Kaplan & Norton, 1996). The Balanced Scorecard has the capacity to connect human resource measurements like performance measurements to strategic objectives and link them to both financial and non-financial indicators (Bourne et al., 2018, 2000; Bourne, Neely, Platts, & Mills, 2002; Triana, Trzebiatowski, & Byun, 2017).

With a multidimensional system like the Balance Scorecard (Bourne et al., 2000; Kaplan & Norton, 1996) companies sought to improve their financial and none financial measurements by taking in data from electronic monitoring. Electronic Performance Monitoring (EPM) is increasingly becoming more popular as it helps organizations in decreasing cost, increase productivity and remain competitive. These technologies can be used to monitor any quantifiable aspect of a job, continuously. For example, EPM has been used when monitoring driving time, keystrokes and errors, communication time, idle time spent, appointment numbers and it can collect huge amount of constant quantitate data about employees (Bates & Holton, 1995; Bhave, 2014).

A relatively new view on performance systems comes from the complexity theory, where PMS are considered as complex social systems inside the company (Bourne et al., 2018; Sahin, Vidal, & Benzarti, 2013). This view is becoming more accepted as companies are getting bigger and more complex but must stay dynamic to keep up with fast market changes. It acknowledges
the view that overly controlled process can leave managers unable to react to complex situations but on the other hand if they are not given enough guidance and structure the performance process may be adversely affected (Okwir, Nudurupati, Ginieis, & Angelis, 2018). Here, modern changes in the organizational internal environment may have negative effects on the PMS process because it will be harder to predict what and how to measure performance in the future. Evolving PMS from the viewpoint of the complexity theory could help companies stay active in today’s market (Melnyk et al., 2014; Okwir et al., 2018).

There is a consistency in the literature that well-designed PMS could influence strategically aligned behaviour in organizations. Also, PMS can help to identify new strategic objectives, better align business processes and improve overall performance (Micheli & Mura, 2017).

2.4 Performance appraisals

In order to properly use a performance management system, organizations have to create systematic procedures to extract maximum value from their employees, and available data from company’s PMS or other sources. One of the most known systems to do this is the performance review. A well-structured performance review gives organizations a valuable tool to connect employee performance to their actions and decisions (Farris, van Aken, Letens, Chearksul, & Coleman, 2011; Meekings, Povey, & Neely, 2009).

A traditional or classic performance review is a communication tool for supervisors and employees to discuss work related issues, both personal or general. The review is held at least once a year and the main purpose is to give a two-way feedback, set down goals, find ways to motivate and sometimes reward the employee, assess performance, address poor performance and identify training needs (Armstrong, 2017).

Though the process of performance appraisal is generally considered important, it is sometimes looked upon as a yearly dread, both by the employees and their managers (Kline & Sulsky, 2009). This dread can be understandable. Giving employees and managers their performance feedback is considered the most challenging part of the process, as those that give the feedback must give a clear, specific and descriptive feedback while maintaining an supportive atmosphere (Bae, 2006; Wendt, 2014).

The setup of performance reviews can vary between companies, but the recommended design is often similar. The raters themselves, which often are the supervisors, should try to create an
environment without distractions. To lower the power distance between the manager and the employee, the supervisor should be casual and relaxed, so the employee feels more comfortable discussing their thoughts. At the meeting, the focus should be on the necessary KSAO’s relevant to the employee’s job setting. The rater should try to praise the employee for special behaviours, let them give their own assessment on his or her performance and then comment on that. An action plan to improve performance in line with company’s goals should be created in agreement of both parties (Armstrong, 2017; Bae, 2006; SHRM, 2012). Well conducted review can be important for organization as it directs employees’ behaviour and explores opportunities for promotion, and if necessary layoffs and demotions (Bae, 2006; London & Smither, 1995).

Performance reviews has been under some criticism for being ‘too heavy’ in operation (Brown, Hyatt, & Benson, 2010; Budworth, Latham, & Manroop, 2015; Mani, 2002). These criticisms have motivated some organisations to look at their own performance management processes and change it from an annual process to a continuous one or to another modernized version. This change follows more the natural cycle of work, where feedback becomes timelier in line with certain performance indicators (Cappelli & Tavis, 2016).

2.4.1 Different forms of classical appraisal

There are many different forms of classical performance appraisals used in today’s market as different approaches are fit for different companies. For example, is the standard approach where the performance appraisal is solely based on job analysis. Performance is evaluated from pre-determent standards and compared to other employees. Another, is a behavioural-based scale where job related behaviour is compared to an anchored scale. Thirdly, the appraisal is based on a graphic rating scale which is probably the most common and easiest rating system used. An employee is rated based on certain traits and given a grade on pre-determined scale (Armstrong, 2017; Kline & Sulsky, 2009). Finally, it is the 360-degree appraisal format where organisations gather information from multiple sources in order to judge ’true´ performance. It was designed to fix many of the problems that have been found in other rating formats, but its benefits are still debatable (A. R. DeNisi & Murphy, 2017; Fletcher, 2001).
2.5 Feedback

When employees get information about their behaviour its often-called feedback and is mostly associated with performance appraisals. With feedback, managers can motivate, praise and give their thoughts on employees’ job performance. To do this correctly managers must have all the necessary data available to give constructive feedback that benefits the employee, if the data is not at hand there is a danger that the feedback isn’t in line with the strategy of the organisation. There is also the danger that the feedback will become demotivating, damaging the job satisfaction of the employee (Armstrong, 2017; Landy & Conte, 2012).

Feedback is a process that managers must conduct, no matter what form of appraisals they use, if any. Supervisors have to tell their employees how they are doing and what can be done better. To make full use of feedback companies must have a system in place that gathers relevant data in a well conducted way, and then managers can build on that data to motivate their employees. Well conducted feedback increases the employees trust in the organisation and increases job satisfaction (Kluger & DeNisi, 1996). Therefore, feedback is often associate with the performance appraisals or management as they provide a system to formally assess the employee with relevant data and procedures.

It’s also important for feedback to conducted correctly. Feedback must be clear, specific, constructive, transparent, timely and partial. It is recommended that it should contain both positive and negative work-related aspects, so it can be further used to develop the employee, therefore it can be constructed in a way to support good behaviour while working on unwanted behaviour. Though it is important for behaviour to have some negativity so an employee can be further develop, managers must strike a balance as to much focus on unwanted behaviour can damage job satisfaction and lessen productivity (Kluger & DeNisi, 1996; Landy & Conte, 2012).

2.6 Summary

Performance management systems are an essential part in modern business environment when it comes to sustaining a competitive advantage. The systems in place often have many layers all with the function of improving overall performance inside an organisation. The central piece in these systems has often been the performance appraisal. If done correctly, the performance reviews are valuable tool to summarize data and give constructive feedback on
work related behaviour to employees. However, how well organisations manage to do that, is still up for debate.
3 What influences good appraisals?

How well the performance evaluation is carried out concerns the organization, badly conducted performance appraisal can damage the employee’s perception of the reviews. Employees negative perceptions of the appraisal process has been linked to negative behavioural and attitudinal outcomes (Erdogan, 2002).

3.1 Performance rating

In theory, performance ratings are tool to help managers identify performance information and help supervisors in improving their employees performance as the scales summarize an employee performance level at a given time period (Armstrong, 2017; A. R. DeNisi & Murphy, 2017; A. S. DeNisi & Pritchard, 2006). Two different rating formats are common; behavioural and trait-based rating scales. Behavioural based scales require the rater to evaluate the frequency or the quality of a set of work related behaviours through observation. An example of a behaviour scale would be the Behavioural Observation Scale (BOS) where raters are asked to rate the frequency of specific behaviours or the more know, Behavioural-Anchored Rating Scale (BARS) where behaviour is compared to some defined basepoint. Trait based scales, on the other hand, require the rater to evaluate an employee on series of traits and competencies, often based on the KSAO’s found in a job analysis. Behaviour scales are often thought of as superior rating scales because of the direct link to actual job related behaviours, where trait based scales are considered to be more objective (Armstrong, 2017; Kline & Sulsky, 2009).

Lee (2005) argued that rating scales focus too much on measure and the desire to accurately appraise performance becomes misguided. Additionally, the scales don’t support two-way feedback as it builds on lagging indicator. In the literature, the emphasis has been on defining ‘bad’ ratings instead of focusing on what could be done better (Armstrong, 2017; Lee, 2005). Also, it is difficult to justify the ranking of an employee as there is a difference between people in how the evaluate an employee, making it hard to see the true performance of an employee (Kline & Sulsky, 2009) and rating scales are also sensitive to rating distortions (Landy & Conte, 2012; Murphy, 1982).

For the first 100 years of research on performance management, the focus was manly on improving the format of rating scales with little success in finding appropriate format. Though
research were not successful in finding the perfect rating format, it clarified performance
judgment in behavioural terms and anchored it (A. R. DeNisi & Murphy, 2017).

3.1.1 Models of job performance and performance rating

Murphy (2008) summarized numerous models that explain the relationship between
performance rating and job performance into three formats; one-factor model, multi-factor
models and mediated model.

The theory behind the one-factor model is that the relationship between performance and
perceived performance rating is straightforward and direct, but the relationship is disrupted by
measurement errors that skew the performance rating from ‘true’ performance (Murphy, 2008).
Multifactor models and the mediated model are similar as they both state that the link between
rated performance and job performance is disrupted by many variables that systematically affect
performance. These variables can include the failure of the rater to recall relevant behaviour,
conflicting purpose of the rating inside companies, faults in different rating formats internal
political sources, organisational culture and personal goals (Murphy, 2008). These models
explain why simple rating procedures often fail inside organisation.

3.2 Rating distortions

Rating errors are unconscious or conscious inaccuracies in ratings, these may be actual
effects, intentional biases or systematic distortions that lead to failures in rating ‘true’
performance (Bizzi, 2017; Landy & Conte, 2012). The Halo-effect is one of those errors. Halo-
effect is when the rater judges a person by a single or few personality or character trades and
expands that trait to rate the person in question (Murphy, 1982). Central-tendency error is
another common error where rater doesn’t want to score his employees to highly or to poorly,
instead he doesn’t distinguish between employees as he rates them all as average or scores them
at middle point. No employee is thought to be superior to another and no one is perceived less
(Landy & Conte, 2012).

In the classic performance management process the performance review is conducted once or
twice a year. When the recall period is this long, raters often fall for the recency of event error
where recent performance and events weight more than the overall performance throughout the
year (R. J. Larsen, 2013).
Generally, two strategies are put forth when dealing with rating distortions; increasing the quality of the rating format or training the raters in recognizing the most common errors (Kline & Sulsky, 2009). Research in this field has mainly been successful in pointing out the problems in rating accuracy, but from those research a new field emerged concerning the perception of accuracy in rating. Employees perception of accuracy can be related to perceived fairness in performance management and its effect on the ratees and the organisation (A. R. DeNisi & Murphy, 2017).

3.3 Fairness

The interaction between the employee and his manager during the process can influence how fair the employee perceives the process to be, where it can be argued that perceived unfairness in the process can lead to negative behavioural results for the organization (Farndale & Kelliher, 2013; Masterson, Lewis, Goldman, & Taylor, 2000).

The perception of fairness is often connected to the justice literature where organisational justice of often split up into three types; distributive, procedural and interactional justice. In the theory of distributive justice individuals compare their input/output ratio with their peers to determine what they perceive as fair. When employees perceive an unfair difference between them and their peers they modify their behaviour accordingly. If an employee perceives his performance evaluation as significantly lower than his matching peers he will show negative behavioural outcome. The problem with distributive justice theory is that if an employee receives and unfairly high performance evaluation compared to his peers, he will often not show any behaviour changes (Erdogan, 2002; Landy & Conte, 2012).

Procedural justice relates to the systems procedures, where if the procedures that lead to a performance evaluation are looked upon as fair by the employee the results are also interpreted as fair. Procedural justice is therefore connected to the performance management systems in whole that is often designed by the HR. Interactional justice on the other hand is connected to the perception of fairness in employee's supervisor, or the perceived fairness that lies in the interactions between a supervisor and his employee. So if the employee perceives the system to be fair (procedural justice) but perceives the manager as not using that system fairly (interactional justice) he will think the whole process is unfair (Erdogan, 2002; Erdogan, Kraimer, & Liden, 2001). The process of procedural and interactional justice is more closely
connected to this research topic but it’s good for managers to have the notion of distributional justice at hand as it could be a factor in affecting employees performance.

The full scope of the justice literature is beyond the topic of this paper but by looking at the interaction between the theories of procedural and interactional justice HR managers can see that even if the performance management system is designed well, if badly implemented by the managers it could lead to organisational performance troubles.

3.4 Training

Training managers in performance management has been shown to increase the reliability of the system. An example of training would be the Frame of Reference training (Borman, 1979) when it comes to rating, where raters are shown behavioural examples of performance and asked to rate it, when done the raters discuss the most appropriate rating and assess the true score of the ratee. This often lead to better accuracy when assessing performance and lead to the general consensus that training raters in what to not to do was unsuccessful in improving accuracy, but training them in what represents good versus bad performance and making them self-aware of that was somewhat successful (A. R. DeNisi & Murphy, 2017).

Companies have also come with their own ideas to increase accuracy as one of them is creating a group discussion about performance. Where managers are asked to discuss, compare and justify their evaluations with each other. This discussion leads to some calibration between raters and probably has some effect in diminishing rating errors. It has on the other hand been argued that raters are more likely to conform to social influences and therefore diminishing the accuracy of the ratings (Murphy, 2008).

3.5 Sources of for appraisal

Even though the managers are usually the ones that appraise employees, other informational sources are often used. For example, information can be drawn from peers, other supervisors, clients, by self-evaluation and subordinates. Furthermore, the source doesn’t have to be limited to one or two, it can be from multiple sources. Often, multisource appraisals are called 360-degree appraisals (A. R. DeNisi & Murphy, 2017).

In theory, 360-degree feedback is intended to fix many appraisal problems as it combines data from multiple sources aiming at uncovering ‘true’ performance. How well the process
works in uncovering ‘true’ performance indicators is still debatable (A. R. DeNisi & Murphy, 2017; Fletcher, 2001). Different raters give different assessment as they get their evaluation from different perspective, agreement between different raters is therefore far from perfect (Murphy, 2008), this makes it sometime difficult for managers to follow the performance appraisal with proper action. In addition, there have also been comments about too much bureaucracy involved, making the system too rigid. The whole process is also extremely time consuming and expensive, making 360 degree feedback less popular by the years (Armstrong, 2017).

3.6 Changes in performance appraisal

In a 2014 survey for HR managers, results showed that about half of HR graded the overall effectiveness of their performance management systems between C and B or as an average rating. Additionally, around one third said their managers were not effective in differentiating between poor, average and strong performers (SHRM, 2014). To combat this, companies are finding new ways to assess and manage performance. Most noticeably by moving away from the annual or bi annual format and introducing continuous appraisal or a mixture between, often without a formal rating procedure. With companies like Deloitte and Windows changing from the traditional approach to a continuous one, this trend has been set further in motion (Armstrong, 2017; Cappelli & Tavis, 2016; Williams & Beck, 2018).
4 Modern appraisal

Moving from the more classical once a year performance appraisal format to a continuous one has been one of the biggest changes in the PM literature. This move is often seen as logical as employees' performance is in itself a continuous process, and measuring it annual or biannual is not seen as the most logical approach (Armstrong, 2017). Specially, in a company that emphasises on performance-based benefits, a rigid yearly structure that focuses on past behaviour is not often seen as the most optional way. Changing from the traditional system discussed above to a system that follows more closely day to day work activities, encourages candid discussions between employee and supervisor when projects are finished or certain milestones have been reached focuses more on current performance, creating leading indicators to solve to further develop the employee (Cappelli & Tavis, 2016; A. R. DeNisi & Murphy, 2017).

Cappelli and Tavis (2016) identified three prominent business reasons why organisations should move to continuous appraisal programs and increased focus on individual accountability. The first reason relates to ever growing focus on developing employees. With tightening labour market and more need for specialised individual’s, companies have to move away from practices that push away employees and focus on increasing individual growth. To do this they must deal away with the traditional appraisal formats, taking away the yearly review should in theory give managers better opportunity to coach their employees and promote growth.

The second is the increased need for market agility. Increase pressure to innovate and find new ways to hold competitive advantage has forced companies to stay alert and be aware of changes. Setting down shorter goals with continuous check-ups helps companies in staying on point. The third is due to growing focus on teamwork. Going from grading, 360 degree feedback and focus more on individual accountability makes it easier for companies to foster teamwork (Cappelli & Tavis, 2016).

Cappelli and Tavis (2016) also touch upon some possible problems that could persist with the continuous performance process. One of those problems is based around the fact that most of the HR systems that have been built to revolve around the traditional performance appraisal systems. By switching to a continuous process, companies and HR specialist have to look upon their older system and completely reset it so it aligns with the new system. Another problem revolves
around aligning individual and company’s goals together. Aligning company’s goals with the individual employee is becoming increasingly more difficult as goals are seldom yearly but based on individual projects that may vary throughout the year. Though continuous performance appraisal was built around the concept of project variability, how well it works in aligning the employees and company’s goals together has yet to be tested. There is also the trouble of rewarding performance, though companies that have taken up continuous performance appraisal still say that their managers are adapt in paying for performance research has still not been show to support that claim (Cappelli & Tavis, 2016).

Managers in the traditional performance appraisal process where often said to fail in differentiating between employees (Armstrong, 2017), the thinking of getting rid of grading or formal appraisal will somehow help managers in doing so is still a debatable theory. Formal appraisal where also often legally safe when conducted and documented correctly, the check ins are way more informal and have yet to be properly defended in court, they still hold a certain face value of fairness though (Cappelli & Tavis, 2016).

With the rise of continuous appraisal some have wondered if there is something as too much feedback involved, what kind of feedback should be used and if it should differ between job related tasks. This has led to a discussion of creating a middle ground, getting rid of the heavy classical approach that managers and employees often dread and instead create a feedback environment based on timely task-related feedbacks. These feedback can differ from check-ups as they still hold a certain formality to them (Anseel, Lieve, & Schollaert, 2009; Anseel, Yperen, Janssen, & Duyck, 2011; Armstrong, 2017).

There is are limited amount of research on the continuous performance appraisal process and other modern changes (A. R. DeNisi & Murphy, 2017) where the literature still has to catch up to this new trend. The new appraisal is supposed to rely on comprehensive and consistent performance data rather than attempts at objectifying and quantifying performance, HR should however look upon it with cautious. Continues performance appraisal data could be the same old product but in new packaging, but the content is less important than the process itself (Cappelli & Tavis, 2016; Williams & Beck, 2018).
5 The role of the HR and managers in performance management

One of the first to link HR practices and organisational performance was Huselid (1995) in his study of high performance work practices. He argued that effective HR systems that synergies various practices and align them to the strategy of the organisation help to create competitive advantage. This was supported by his results that effective HR systems lower turnover rates and increase productivity therefore leading to higher organisational performance.

Since Huselid (1995) published his results numerous studies have found similar linkage between various HR practices to greater organisational performance but the cause effect relationship has been questionable. Reverse causation has been suggested, rather than HR practices cause greater performance, greater organisational performance causes better HR practices. There is also a question if there is a third variable effect, the connection between the HR and organisational performance could therefore maybe be better explained by looking at individual HR practices instead of bundles of them (Jiang, Lepak, Hu, & Baer, 2012; Wright et al., 2005). Another factor that could be influencing this relationship is the connection between the HR and other managers, as the HR can often create effective HR process but these responsibility are often delegated to other managers to implement them (Gilbert, DeWinne, & Sels, 2015; Sikora & Ferris, 2014).

5.1 Managers as HR representatives

Practices that mangers are facing as HR representatives include performance reviews, recruitment activities, career planning and other similar activities (Francis & Keegan, 2006; H. H. Larsen & Brewster, 2003; Perry & Kulik, 2008). This is understandable as delegating HR responsibilities down the line increases organisational swiftness as manager can make fast decisions that are tailored to the problem at hand. Managers also work closely with their staff and having them conduct HR practices adds value to the organisation by reducing time and cost. Well set up devolution system also has positive effect on perceived people management (Farndale & Kelliher, 2013; Francis & Keegan, 2006; Perry & Kulik, 2008).

But this delegation is not always as smooth as it should be and there is some evidence that may explain why that’s the case. For example, though the knowledge of the HR practices is commonly known throughout the company managers knowledge on how to implement them may
be lacking, they may not want to take on this responsibility, they may not have necessary time to execute them, the information flow could be lacking, or they may not see the benefits of conducting these practices. There is also a question on how consistent and coordinated managers are when implanting HR procedures (Bowen & Ostroff, 2004; Boxall, 1996; Sikora & Ferris, 2014). Another factor could lay in the relationship between the HR and the line managers, as HR managers become more strategic partners they could accidentally distance themselves from the managers and be frowned upon. Managers could therefore take upon the mantle of employee champion and try to protect his staff from the intervention from the HR (H. H. Larsen & Brewster, 2003). Managers are also often burden with high business goals and may see HR activities as secondary to them, therefore not focusing on them as much as a HR specialist would do (Perry & Kulik, 2008).

5.1.1 Strong HR practices and managers.

Managers and the HR department do not always see eye to eye therefore it can be important to have strong HR practises in place as they could increase the chances of implementation by the managers. When strong HRM practises are in place, managers get visible, consistent and understandable information on what the organization expects from them and what competencies are needed. Managers know their role in the system, understand what abilities are needed from them and get the necessary motivation and opportunities to implement HR procedures. This increases the confidence of managers in doing their role properly (Bowen & Ostroff, 2004; Gilbert et al., 2015). Having strong HR practises could therefore be necessary for companies when implementing workable performance management systems as they motivate, prepare and support managers in implementing it.

5.2 Social Context Model

The social context model which was created by Ferris et al. (1998) says that the types of HR system that are created and implemented are influenced by the culture of the organisation. Culture is often defined as the shared belief, attitudes, values and the assumptions that is shared between members of an organization and influences their behaviour (Landy & Conte, 2012). An emerging feature to organizational culture is the influence of the internal political structure of a company as personal interests, the power structure and other factors influence not only what gets
prioritised but also influences the culture. Another significant factor that influence companies culture is fairness and diversity (Ferris et al., 1998).

It’s important to have companies culture in mind when thinking about implementation of HR policies as the culture can drive the development of HR policies, practices and system. Therefore, the organisational culture can influence what systems are implemented, how they are built and how well the implementation goes. A strong, well-defined culture should drive up the development of consistent HR polices. The organizational culture also influences how well managers perform their HR related duties. When managers perceive relevant HR practices as having value to their work and/or could offer some political value their implementation efforts should be greater (Ferris et al., 1998; Sikora & Ferris, 2014).

Though it has been argued that companies culture can drive the development of HR policies, practices and systems, HR systems can arguably also influence organizational climate and culture. When HR systems is considered high in distinctives, consistency and consensus it will create a strong situation inside a company, creating a shared construct between employees and effecting the organisational climate. It can be argued that with stronger HR systems, more aspects of organizational culture can be effected (Bowen & Ostroff, 2004; Ferris et al., 1998; Sikora & Ferris, 2014).

5.3 Strong HR practices

Strong HR procedures are methods that are high in distinctiveness, consistency and consensus so that unambiguous messages are sent to managers. For a process to be distinctive means that it stands out in the environment and therefore captures the interest of managers. A distinctive procedure is characterised by four features. First is visibility or to what degrees the HR practises are salient and observable in organisations as strong HR practises are readily noticeable in daily work routines and activities. Second is understandability where HR messages lack ambiguity and are easily comprehended throughout the company. Third is the legitimacy of authority where HR systems are considered as high-status and high-credibility functions. Finally, the systems are relevant or they have to follow the strategic goal of the company (Bowen & Ostroff, 2004).

Consistency is about establishing an effect over time and creating procedures where the effect occurs each time. A consistent procedure is instrumental or an unambiguous cause effect
relationship between the systems desired outcome and employee consequences. It is valid, where HR practises must show consistency in what say they do and what they actually do. Finally, the HR and other directors must send consistent messages throughout the organisations (Bowen & Ostroff, 2004).

Finally, strong HR procedure must be consensus or reach an agreement among all the employees about the intended view of the procedures and the event-effect relationship. There must be an agreement among the main HR decision makers, where employees perceive a message that has reached an agreement through the top management as a strong message. The procedures must be fair as employees must sense that practices are following all three dimensions of justice (distributive, procedural and interactional justice) (Bowen & Ostroff, 2004).

5.4 Managers in performance management

Delegating or devolvement of HR responsibilities is the act of transferring responsibilities from an centralized HR unit and delegating it to line managers in other organisational units (Intindola et al., 2017). At minimum managers conduct some kind of performance reviews, make promotions and terminations but with the delegation on more HR practises managers got involved in things like career planning, safety planning, cultural development and maintenance, recruitment planning and other activities that were solely thought to be HR practices before (Perry & Kulik, 2008; Renwick, 2003). Delegation is often seen as economically efficient as supervisors are often well knowledgeable about their staff and work more closely with them than any HR represented. This makes managers more capable in solving problems on the spot, taking fast decisions, making the company more agile while reducing operation time and cost (Farndale & Kelliher, 2013; Francis & Keegan, 2006; Perry & Kulik, 2008). Successfully delegating HR activities down the line have strengthened the link between HR and increased companies performance (Intindola et al., 2017; Sikora & Ferris, 2014).

When it comes to delegating performance management responsibilities, managers and HR practitioner have not always been in full agreement as the involvement of supervisors have often been discussed as the weak link in the system. Managers have been quoted in saying that they think the PM system is too bureaucratic and are often unwilling to accept responsibilities for the system, making it unreliable and prone to rating distortions. This unwillingness for the systems leads other managers, employees and HR practitioners to question its fairness (Harris, Doughty, &
Kirk, 2002; Renwick, 2003). The HR and managers have also different perception of how well PM is conducted in the organisation, performance results have shown that performance appraisals are often done poorly by managers where they themselves think they are doing a good job at it (Renwick, 2003). The performance appraisal process is also often frowned upon by managers and employees, making it hard to keep them motivated (Kline & Sulsky, 2009).

Earlier research on this subject pointed out that line managers had limited knowledge when it came to HR procedures and the managers themselves where often quoted to show concern for their lack knowledge. Here, devolution strategies had to be followed by regular, systematic support from the HR to avoid making damaging mistakes for the organisation (Harris et al., 2002; Perry & Kulik, 2008; Renwick, 2003). If not, there often difference between set down HR practises and actual practises, this gap could be fixed with training, motivational incentives, lessen the workload, change prior and etc (Purcell & Hutchinson, 2007).

More recent studies have argued that moving power from the HR to the line makes reduces the control the HR has in the organisations, actually making the HR less strategic (Reichel & Lazarova, 2013). On the other hand, well delegated procedures to the line lead to positive effects on the image managers had for the HR and a consensus link between them have been linked to effective business performance (Kulik & Perry, 2008; Maxwell & Watson, 2006). What may underline this difference in results is how well the delegation has been done in organisations. When done efficiently, supporting individuals, HR teams, managers and others at different organisational levels, delegating responsibilities like PM could be extremely successful (Intindola et al., 2017).

5.5 How performance management benefits the managers and the employees

If the performance management system is correctly implemented it can benefit the whole organisations. But these benefits can also be seen on micro levels inside the company, both to the employees and managers.

Performance management systems can beneficial to both employees and managers, this in turn can motivate them in using the system to its full effect. Correctly set up systems can inform employees on what the organisation wants from them. They get regular feedback on their job and have a say in how they can use or develop their talent to reach organisational goals (Armstrong, 2017). Getting constructive feedback has also been shown to increase employees job
satisfactions. Positive experience to performance appraisals also has been show to increases employees happiness as they perceive the system as a tool to help them reach their goal (Landy & Conte, 2012, p. 21).

If managers use the performance system to its full extent it can provide them more capable staff and improve the work of the whole department. As the manager’s job is mainly to improve the work of his or her department, having a well set up performance system can be a great help in reaching that goal. Supervisors should also have a better overview on what skills their employees process and find means to develop them. Having a special session once a year, or often, to think about performance can to some extend clarify what is considered good and bad performance and convey this information to the staff. In addition, managers have a chance to have a good formal chat with their employees, which is not a privilege they can always have in modern job setting (Armstrong, 2017; Landy & Conte, 2012).
6 Method

The object of this study is to see what form of appraisals managers are using, how managers experiences the performance appraisal process in their perspective companies and if they have any suggestions of improvements to it. The process in whole can be seen in figure 1.

6.1 Qualitative research

To reach the stated goals of this research the researcher relied on qualitative research methods. This research method was chosen as it allows the researcher to get a better and deeper understanding of the research questions than a quantitative approach could have done.

Qualitative studies work well when researchers want to get open and diverse set of answers from a pool of participants. It is based on an interview between a researcher and a participant where the researcher decides on a topic beforehand but has no pre-determent preferences about the dialogues content. Qualitative research is in its bases a social interaction between individuals and takes into account behaviour, feelings and other factors that are not considered in quantitative research (Creswell, 2014).

There are some characteristics that often define qualitative research. The research method helps researchers in getting a detailed understanding of some central phenomenon. The research questions are often stated broadly to capture the experience of the participants. It collects data from a small pool of participants and that data is based on verbal conversation. The researcher analyses the data and creates themes that interpret the larger meaning. And finally, the literature review plays a minor role, but justify the purpose of the research (Creswell, 2014).

In qualitative research, words, people behaviour and other characteristics are written down when appropriate as it is a systematic approach to catalogue the opinion of people. It is often stated that the accuracy of the qualitative research design is lower than in a quantitative approach and the researcher is not going to deny that possibility, but instead it gives the researcher a better understanding of the subject at hand, more insight and better feeling for the topic and its problems. This is understandable as the researcher goes into the participants environment and tries to understand their thoughts and step into their shoes. This gives the researcher a chance to see things from a different perspective, but it comes with the downside of not being able to generalize the outcomes. Neither is it possible to confirm set down hypothesis with qualitative
approach, but researchers can further build upon the results from the qualitative approach and learn from them. Therefore, the data gathered is mainly descriptive (Creswell, 2014).

It’s especially important that the researcher himself stays objective when designing his research and takes the data he gets, though they may not necessarily be what he expected. The objectivity is important as the researcher can easily influence the participants in the study by social interactions, even though he may not mean to do so (Creswell, 2014).

6.1.1 Research design

This research will be based on a qualitative interview design where a researcher asks one or more participants open-ended questions and records their answers. These recordings are then transcribed and recorded to find themes. The reason to ask open-ended questions is so that the participant can express their experiences unconstrained, hopefully without being influenced by the researcher biases or past research findings. This lets the participants answer questions with an open-ended response, that lets them form their own opinion (Creswell, 2014).

Advantages of an interview are that they allow participants to describe detailed and personal information and with a good interview guide the researchers has some control over what information he receives. On the other hand, the data from the interview can be deceptive and be objective to what the researcher wants to hear. The present of the interviewee can also be troubling as it may affect how the participant would normally respond. Having only few participants can also be troubling as some participant could be withdrawn and answer poorly. To avoid some of these problems the interviewee must stay calm, hold a neutral posture and learn to use icebreakers before the interview to encourage open conversation (Creswell, 2014).

The type of interview used for this research is a one-on-one interview format. This is a time-consuming method where data is collected and recorded from multiple of one-on-one interviews. The questions used were all open-ended, with this format responses often come with answers that allow researchers to explore concepts that are often beyond what they originally intended to get. The drawback to this is that the answer are often different in context and length, making it harder to code (Creswell, 2014).

As this design is based on one-on-one interview some ethical issues are relevant. The most prominent is the concern for participant privacy, where the researcher must make sure that the answers given will not be traced back to the participant as they maid be disclosing private or
sensitive information. There also must be full discler involved when it comes to the purpose of the study and mutual trust must be formed (Creswell, 2014).

6.1.2 Sampling

The sampling method used for this research was the purposeful sampling method as the researcher intentionally selected the participants that would take part. This was mainly done for the researcher convenience and to get the most informationally rich participants (Creswell, 2014).

There were couple sampling strategies associated with the purposeful sampling method used in this research. The first is the concept sampling strategy is where the researcher samples individuals because they can help the researcher better explore a specific concept with in a theory or literature (Creswell, 2014).

To adequately reach this objective the sample was chosen with a certain level of variability to get different perspective on possible improvements, if there were any. This strategy falls under the maximal variation sampling where multiple perspectives of individuals is combined to represent the complexity of the environment at hand. This procedure requires the researcher to identify some common characteristics to define the sample and then identify some traits that differentiate the participants (Creswell, 2014).

The final sampling strategy is the usage of snowball sampling. This is typically done by asking a participant to recommend other individuals that the fit the criterion to be sampled. The request can either be formal in the interview itself or informal (Creswell, 2014).

6.2 Participants

The population for this research are Icelandic managers that have experience in formal performance management process. The final sample for this research consisted of 8 participants from 4 Icelandic based companies in the private section. The inclusion criteria for the sample was that all participants had to be managers working for a private company that has an active HR policy and do at least an annual performance appraisal. The managers must also have had at least one year or more experience in performance management.

The participants that agreed to take part in this study were all manager at different levels in their perspective companies and all had lengthy experience in performance management. There
was some gender disparity as there were three men and five female’s participants. Though the size of the managers span of control varied, the group employees where quite homogeneous as they mostly consisted of experts in their perspective fields. The age of the participants was not taken down as it didn’t seem to be an appropriate variable for the researcher. 

Further description of the participants or their perspective companies won’t be discussed further as to protect their privacy. All data from them was coded anonymously with the promise that no information would be put forth that could be traced back to them.
Figure 1. The process of the research.
6.3 Conduction of the research

6.3.1 Email correspondence

First, emails were sent to the HR department in various private companies in the capital area of Iceland, the objective of the email was to get permission from the “gatekeepers” to conduct the interviews. The email contained a sort introduction of the researcher and what the objective of the research was. It also highlighted the importance of conducting this research as the managers view on the performance system could lead to valuable insight for future improvements. The email also asked, if the HR manager could meet with the researcher and discussed how the performance management process was conducted inside their company. If the HR managers gave permission to conduct this research on companies ground the email asked them to recommend two to three managers that would fit the participant criteria and asked for their contact information. The email also contained a declaration of full privacy, where all interviews would be coded in a way that no answer could be traced backed to individuals or the company.

Through this process two companies said yes. The researcher had a meeting with the HR manager of the organisations where an unformal discussion took place about the purpose of the research, short history of the performance management changes inside their perspective organisations, how the process is built today and in both cases the HR manager came with suggestions of literature articles that could proof useful for this research paper. Following this discussion, the HR manager allowed the research to be conducted on company’s grounds and sent out an email shortly after with the contact details of suggested managers that were willing to participate.

In the two companies where the HR managers personally allowed the research to be conducted a special email was sent out to the suggested managers. It was similar to the email that was sent out to the HR but included a thank you note for allowing the researcher to conduct the interview, a short introduction of the researcher, objective of the paper and why it is important to get their views on the performance management process. Including that, the email contained a time reference on how long the interview could take, that all answers would be coded anonymously and could not be traced back to individual or specific companies and then the manager was asked when he would like the interview to be conducted.
Because of limited number of answers from the HR managers or departments the researcher also sent out emails to experienced manager the researcher had some connection to. These managers all had experience when it came to performing reviews. The emails sent out to them were almost identical in build up as the previous emails sent to managers except they did not include thank you note at the start. Those managers that agreed to an interviewed were informally asked after the meeting if they could recommend another participant that fit the requirement, following the snowball strategy of sampling procedures.

6.3.2 The interviews

All the interviews were conducted at the managers leisure at their perspective companies. The reason for holding the interviews on their companies’ grounds was to lessen the inconvenience to the managers and to keep the environment comfortable. Before each meeting the interviewer and interviewee had small talks that were not necessarily related to the topic at hand but were more to lighten the mood, making the interview more comfortable. When both parties were ready the interview began.

The interviewer started each interview by asking if he could tape the conversation with the reminder that each tape would be deleted when coded and full privacy would be ensured. All the recordings were taped on the researchers Samsung Galaxy S7 phone. When permission to tape the interview was granted, the interview itself started. The interview followed an interview guide (see appendix 1) and varied between 18 and 30 minutes. When done, the researchers stopped the taping and often had a casual talk with the participants, sometimes a topic would emerge that was relevant to the research and the tape was put backed on, other times the participants wanted to talk of record and that request was fully respected. Finally, the researcher asked participants if they would like to recommend other managers that fitted the research requirements, asked if they would like to be sent a link to the paper when published and thanked for their participation.

6.3.3 Interview guide,

The interview guide was designed in a semi-structured way (Creswell, 2014) and the final version of it can be seen in Icelandic in appendix 1. The guide started with a pre-question were the interviewee was asked to shortly explain the last time he performed a performance appraisal;
the process that lead up to it, how the performance appraisal itself was like and what process came after it.

After that the interview was split into three parts. In the first part the interviewee was asked to talk about his experience of his or her last performance appraisal. That part contained 7 prepared questioning probes to dig deeper into the topic if necessary. Examples of probes would be; “Did you experience like you had enough time frame to conduct all the interviews?” and “How did you experience the information flow from the HR or your nearest supervisor before the interview?”.

The second part was based around how satisfied the supervisor was with his last performance evaluation process. This part contained 8 probes to get deeper answers if necessary, for example; “did you feel like the performance evaluations process helped you get a better understanding of your employees’ performance?” or “did the performance evaluation process help you in distinguish between your employees’ performance?”.

The final part was a discussion around what problems the manager had talked about throughout the interview and if they had any ideas of improvement to the performance appraisal process. There were no probes here and this part was completely open and differed between each interviews subject.
Figure 2. The coding process.
6.3.4 Coding process

When the interviews were done all the recordings were moved and deleted from the researcher phone to the researcher computer. VLC media player was used to slow down the speed of the interview to make the coding process easier. All interviews were written up in Microsoft Word and saved both in a cloud server and on the computer hardware, to make the interview easier to read and pre-code al the interviews were printed out. All participants got a random number assigned to them and a pseudo name that will be used when quoting them if needed.

As seen in figure 2, in the process of transcribing the interview and in the first read over, a preliminary analysis was conducted where possible themes were noted and coded down. The interviews were then thematically coded (Belotto, 2018; Creswell, 2014) using the qualitative coding softer Atlas.ti and on pen and paper. From the preliminary analysis and first coding, couple of inter relative themes were found which were then collapse into five distinctive themes that were in alignment with the research questions. Throughout the whole thematic coding process, the codes were constantly reviewed and often changed to fit the themes better.

The fives themes were then interpreted further in the results chapter, throughout the interpretation the themes were sometimes altered as new ideas emerged. Before this paper will be published all the data related to the interviews will be deleted from the cloud server and computer. In addition, all relevant paper material will be destroyed. This is in line with the ethical stance of this research to keep all answers anonymous and untraceable.
7 Results: Form of the performance appraisals and their usage

In this chapter the first research question will be answered: What form of performance appraisal are managers using in their organisations and how are they used? Two themes emerged: 1) Different forms of performance reviews and 2) The purpose of the performance system.

7.1 Theme: Different forms of performance reviews

All participants of this study had experience of conducting a classical performance review. Such approach was performed once or twice year, performance was graded on a standardized form and then discussed in a formal meeting with the employee. Like Karl said:

“We had a list of standardized questions … that both the one that was going to the performance review had to answer and the supervisor […] the question were in simple terms how you rate yourself and how do I rate you, then we met and went over it […] it used to be once a year and preferably taken in a single month.”

However, the classical approach was not considered to be efficient enough and most of the perspective companies had adopted to more ‘lighter’ or modern version of appraisals. Two participants used a modified version of the classical approach that was simpler in use and understand. Others used a more modern way to review their employees which was mostly characterized by formal chats or shorter interviews conducted two to three times a year. Katrín said:

“We have different themes for each interview […] this new setup is more like a formal chat, I think it’s much better and much easier to follow […]. It’s a good way to set down goals for the year and to follow up on them.”

Others said that the only way the classical system could work was if they were continuously appraising their employees between reviews, and then summarizing their thoughts in the formal interviews. Like Edda said:
“It’s clearly not enough, just to meet my employees twice a year, if I would be doing that there is something seriously wrong with my organizational skills, the only way performance reviews are efficient is to have continuous feedback or appraisals throughout the year and use the reviews to summarize. If there is something that I think my staff can do better or is doing well I have to talk to them right away, I can’t wait, if somebody dose that then it that would just be bad management.”

Though the approach was described as chats they were formal in a way that the reviewee used a semi-standardized form to discuss important matters and was required to do so on fixed periods throughout the year. Managers were not required to document the process as information wasn’t centralized, but most did it for their own benefit. The managers had some leverage when it came to adapt the procedures of the reviews as they could add or change questions if needed to better fit their department’s needs. Jónas said:

“… the interview is conducted with each employee where we go over the template, and I take down notes throughout the conversation … I use the template to support myself, but I also venture a little bit beyond it when appropriate […] change questions and add ones if necessary”

Some had, often with their staff’s approval or lack of disapproval, combined two interviews into one if the theme between them was similar. There was no grading involved which participants considered an advantage. They expressed concerns about a grading procedure to be too ‘subjective’ and prone to rating errors similar to the halo, central tendency and the recency of events errors. As Katrín said:

“I think it’s extremely hard to give people grades, what are we comparing them to? … maby we are okay in one field compared to another company, but we are incredibly bad in another … we put employees and managers in tuff situations … it is an incredibly subjective assessment, you don’t know how to assess people”
Interesting outcome from these interviews was that those that had experienced a lighter traditional format liked it more than the older one, and those that had abandoned the classical format altogether preferred the formal chat much more. Katrín described her experience:

“I think this new arrangement, the chat, is better and it’s much easier to follow up on it […] I thought that very little came out of the old [classical] form, it’s like … I think this is much better, better form, more open and more adaptable”.

7.2 Theme: The purpose of the performance system

The managers agreed that in reality, the performance review did not help them to evaluate their employees’ performance. However, the approach helped them to better understand how the employee perceived his or her performance. As Sigurlaug worded:

“No … but I did get a better understanding of how differently people saw themselves […] It’s interesting how people often evaluate themselves differently from the manager.”

Performance was often pre-distinguished as supervisors just knew their employees’ performance beforehand, as Halldóra described:

“I already know who they are, I have many specialists working for me and I regularly have to discriminate between them; who is a top performer and who are at the bottom, that is actually already done.”

Interestingly, as one mentioned, these pre-determent views all managers had about their employees will always influence subjective ratings or other measures. Because of that, managers should use other objective ways to assess performance. Instead he thought formal reviews were good to find ways to improve performance or motivate it. Also, common experience was that people were often much more active reaching their performance related goals when reviews came around instead of working on them throughout the year. In addition, when both parties were assessing yearly performance, they often focused more on recent events instead of the whole period. Another discussed problem, was that mangers got an incentive to postpone tackling bad performance until the reviews came about, having adverse effects to the workplace.
Even though the managers are generally satisfied with the system they have, there is a lack of purpose as the performance reviews in themselves do little to discriminate performance. They do however carry with them another useful purpose.

The main purpose of conducting reviews was the chance to have a formal discussion with employees, like Dórunn said:

“When you have as big of a group as I have, you never get a proper chance to discuss things with them. Here [during the review] everyone gets three quarters and things are properly discussed.”

The same applied to those that ran small departments and were in continuous conversations with their employees and even had daily ‘check-ups’ to see if everyone were working towards the same goal. They agreed that reviews gave them a chance to have deeper one-to-one conversations that they would otherwise not have.

Another big purpose of these conversations was to find ways to further develop the employees. From the reviews, managers often found a gap in training needs useful for the department or the organisation as a whole.

Finally, the managers used the reviews as an opportunity to get feedback on their own performance. This was not formally built into the process, but the managers opened up for discussion. As Jónas said:

“I personally try to incorporate feedback on myself in these formal conversations […] Before we meet I try to remind them to reflect upon it, but it’s not mandatory […] as some may feel uncomfortable talking like that to their supervisor.”

7.3 Summary

The classical form of performance appraisals is still in use though most participants in this study have switch to ‘lighter’ version or to more modern approaches. Rating on the other hand have mostly been abolished as most managers dislike the rating process.

What was clear throughout the interviews is that the main purpose of them is to have a formal discussion with the staff as managers don’t often get that chance. This gave the appraisals great value to the manages as they found ways to develop and motivate their staff further.
8 Results 2: Managers experience

In this chapter the second research question will be answered: *How satisfied are line managers with their experience of the performance appraisal process in their organizations?* Two themes were identified: 1) Benefits and experience and 2) Support from above.

8.1 Theme: Benefits and experience

The managers mostly had positive experience with their perspective performance review process though they all had some suggestions on how to improve it. They felt that their employees were sometimes nervous or felt uncomfortable when the review period started but calmed down after everything had been explained. However, when the classical approach was used it sometimes lead to severe stress for both parties like Sigurlaug said:

“The company went sideways, the month of the review was terrible [...] everything was sideways and this one hour interview caused nervousness and sleepless nights … this isn’t supposed to happen.”

It was quite clear that the participants’ response to the ‘lighter’ or modern approach was more favourable than the classical review. In their mind the newer systems gave them the same beneficial outcomes but also made them feel more comfortable throughout the process. Most of them also agreed that it is important to have these talks, and generally they perceive that their staff to agree. This consensus that they themselves are benefitting from this can explain why their experience is so positive.

The managers also experienced that the purpose of the performance reviews process wasn’t clear enough as no matter how well they were developed, they didn’t have clear view on what the overall intention was. Karl expressed his concerns as follows:

“There are other things that the performance reviews could be valuable for, which its currently not. People have to think about if they want to use them for a wider purpose. But the current purpose, what it is could be better framed down [...] my experience is that they have tried to improve the procedures without thinking
about the whole purpose, but I think it’s definitely important to have these conversations”

There is also a general agreement that the process they have, though not perfect, is perceived fair for both the managers and employees. The systems in place were often considered fair, but there was some concern that other supervisors could be unfair to their staff when it came to solving performance related problems.

Performance appraisals were often thought to be in line with organisational culture, except the performance grading. Like Edda said:

“Yes, I do think the reviews are in line with our culture and Icelandic culture, except for performance grading which is just not in line with our countries culture. It’s much more accepted here to talk about things instead of putting some numbers on paper.”

8.2 Theme: Support from above

Support emerged as an important theme for the managers’ experience of the appraisal process. It varied between participants how much support they got from their HR or other higher-level managers. Most participants mentioned getting training when the new system was implemented. Since then they got regular reminders from the HR or others when it was time to conduct the performance appraisals, but proactive support was lacking when it came to the process itself. However, the managers knew who to turn to if help was needed. Karl mentioned:

“The support itself has dwindled over time, I’m not even sure anymore if they have changed the system or not, I just don’t know. I think last time I got an email [from HR] that asked, ‘have you taken the conversations’, I answered ‘yes’.”

Even though support was sometimes lacking it did not have much influence on the participants experience. Most of them believed they didn’t need much support from the HR or others because the form was so standardized “that you can’t fail, except if you are a dummy”. Nevertheless, Þórunn expressed dissatisfaction with the support she got, which was none, and the motivation was little. She still performed her review for her own sake as she thought it was important to have these deep conversations with her staff.
8.3 Summary

Modernized and ‘lighter’ versions seem to lessen the stress than can follow appraisals while still maintaining the same beneficial outcomes. The overall purpose of the reviews is not clear enough, both for the manager and employees. Support from HR or other managers varied in intensity, but most participants were offered training in how to conduct performance appraisals. Managers also knew whom to ask for help when needed and the forms had set of instructions that conveyed clear information.

The performance appraisals seem to be high in procedural justice but there is a lingering concern that it could be used unfairly if wanted. They are also considered to be in line with the culture of the organisations, though grading people is not.
9 Result 3: Thoughts on improvement

In this chapter the third research question will be answered: *From their experience, what ideas do managers have to improve existing procedures if needed?* One theme emerged regarding the managers views on possible improvements: Improving the process.

9.1 Theme: Improving the process

All managers had ideas of what could be done better in the performance management process to make their job more efficient when conducting reviews. Most participants agreed that the purpose of the performance reviews had to be clarified. For example, Karl said:

“… the purpose of the review could be clarified better, which also adjusts expectations, so people know what they may expect from these interviews. What effects do these conversations have, how are they documented, it’s usually just me that has to tell everybody that these conversations aren’t documented anywhere so nobody is going over this [except me], and that’s okay in itself but it has to be clear why so people don’t question the purpose of these conversations and in what purpose they are used, this could be explained better”

Hence, better defined goal of the performance reviews would be beneficial to both parties. However, the responsibility lies with the HR to better clarify the purpose. Also, it varied between companies if the interviews were documented and how centralised it was.

Even though managers were not pleased with the previously used grading system to distinguish between performance they addressed the need for objective measures. In order to connect the value of higher performance to financial outcomes. Like Jónas worded it:

“We in modern technological societies have better ways to measure performance … I think as soon as we find adequate ways to measure performance we can use it when deciding salaries and other benefits […] since we are on that topic, there is a lack of connection between financial aspects of the companies and employees’ performance, clarifying that connection could motivate supervisors in improving performance”
However, there was not a consensus among participants whether performance should be connected to salaries. Some wanted to keep the performance review and pay discussion separated while other wanted to connect it together.

Views about how often managers should conduct ‘formal chats’ were expressed. Managers of smaller departments felt that three times a year was too much because of their constant communication with their employees. On the other hand, one manager with experience working both with smaller and larger departments, wanted to eliminate reviews altogether and switch to a continuous appraisal.

Some managers wanted increased training relating to the performance appraisals, though mostly on what to do with the information after they had performed the reviews. Supervisors were confident on what their job was before the appraisal process started but were unsure on what to do after.

There were also wishes to increased freedom to adapt the forms used to each department where managers could add or change questions if necessary. This was further discussed by Hákon:

“We have this big expensive computer system which we are supposed to use when conducting the reviews. If we follow just the questions that are designed for everybody in the organisations the system feels to computerized and alienates the staff […] I for example read the instruction for the reviews before each interview, go over the questions and then I just close the computer and talk to my staff, making them feel more comfortable by getting rid of all the bureaucracy. Imagine how much we can save a year be getting rid of this program.”

9.2 Summary

Some improvements were suggested. The most prevalent of them where that the purpose of the interviews should be clarified better, having a better system in place to measure some performance indicators and make the reviews more adaptable.
10 Discussion

In this chapter, the result from this paper will be explored, interoperated and compared to past literature findings.

10.1 What form of performance reviews are managers using and how are they used?

10.1.1 Form of the interviews

Most participants had experience in conducting reviews built on the classical approach. These reviews were held at least once a year between an employee and his manager. The main goal of the performance appraisals was to give feedback and assess current job performance of the employee. Occasionally the assessment was based on rating formants. This description was in accordance with the literature view of Armstrong (2017) and Kline & Sulsky (2009).

Interestingly, some participants were using a variation to the classical model as they claimed to be using a ‘lighter’ format of it. This modernized version could still be classified as a classical version with a graphic rating scale but was simpler in use and understanding, making the performance process easier, more efficient and enjoyable for both the manager and their employees.

Others had moved from the classical approach to another modernized version of appraisals, this version was a mixture of the traditional and continuous approach. It was characterized by formal chats with pre-made conversations themes. This format was much ‘lighter’ or ‘easier’ versions to the classical appraisal approach as the participant said they were less nerve racking and more basic. These chats were conducted more frequently throughout the year than the classical version. Nevertheless, it seemed to take less time. In addition, the newer formats didn’t have performance ratings. So, those managers that were experienced in using both forms of appraisals were generally more satisfied with the newer versions, therefore more willing to conduct them accurately.

Abolishing subjective performance rating is a prevailing factor in modernising the performance appraisal (Cappelli & Tavis, 2016). The change from classical appraisals to modernized versions was perceived as a positive change by the managers. The critics from the managers about rating were mostly in line with the problems of grading discussed in the
literature, as its subjectivity was the biggest concern. According to some managers, rating employees is probably not in line with Icelandic culture, which could further explain the dislike for it. There were also problems discussed relating to the halo and central tendency errors (Landy & Conte, 2012; R. J. Larsen, 2013), so even though managers were aware of these inaccuracies in rating they were still problematic.

A discussion closely related to the recency of events error (R. J. Larsen, 2013) brought forth interesting faults with system that is built around fixed time periods. When assessing employees on fixed periods the ratee often looks at occurrences that happened close to the evaluation period. This problems with fixed assessment periods could also be true about yearly goals, employees sometimes show more goal related behaviour closer to the rating period, instead of working on them the whole year. Another problem relating to having appraisals on fixed periods, like once a year, is that some managers tended to wait until the formal interview to deal with performance related problems, possible lowering his or her departments productivity in the meantime. Time related issues are somewhat improved by increasing the frequency of the interviews, like with the formal chats, but there is still the possibility of deferment of problems until the interviews take place, instead on working on problems as they come up.

The classical performance appraisal is may not be the best fit for today’s companies, but according to the managers experience in this paper, a modernized version on it that takes on its best qualities and abandons its worst while still maintaining its formality, could be more feasible. Having the formality in interviews gives them a structure that could be used to focus on goal setting and project management, making these conversations longer time orientated than the day to day check-ups. Interviews also have a specific time ceiling, forcing the conversations to be to the point and efficient. Having a formality to the interviews, seem to lower the perceived power distance between managers and his or her employees, making them more likely to speak about problems, or point to some facts that may otherwise not have been discussed under normal circumstances.

10.1.2 Purpose of the reviews

The literatures states that the purpose of performance reviews is to create a dialogue between a manager and his subordinate, set down goals, evaluate performance on a given period, give feedback to reinforce and motivate behaviour (Armstrong, 2017; Bae, 2006; Javidmehr &
Ebrahimpour, 2015; Wendt, 2014). This is mostly true in this research, except that performance reviews are not used to evaluate performance or differentiate between employees. Instead, managers mostly relied on their intuition as they claim to know the performance level of their staff beforehand. This lack of evaluation could explain why managers felt that the system wasn’t used to its full potential. The lack of PMS in companies could explain the feeling as the original design of the review is to extract maximum value from measured data (Farris et al., 2011; Meekings et al., 2009). Performance ratings would not be feasible data as they are subjective and therefore already skewed to some extent by the managers’ intuition, but other measurements could be added to the process. This is not saying that measuring performance should be the objective of these reviews, but that modern version may still have lingering element in their design from their classical formats that has yet to be adapted from them.

However, in this paper, formal appraisals seem to be a good tool when it comes to creating a dialog between managers. The formal discussions that performance appraisal offer is necessary as managers normally don’t take the time to discuss things with their employees. The check-ups of the continuous appraisals probably also fail in this as they don’t deliver a chance to go deeper into problems. These deep discussions offer a chance to see how the employees feel and find ways to develop them further. Creating this opportunity to get proper feedback is important and motivates managers to conduct these interviews and in doing them well. Managers also sought the opportunity to get feedback on themselves. This aspect was never formally built into the system, but mangers had the leverage of adding, changing or skipping some aspects of their formal forms to adjust it to their own department’s needs.

In conclusion, the perceived purpose from both the formal chats and classical appraisals is to get an opportunity to have a close conversation which is in line with the literature (Armstrong, 2017). This seemed to be enough reason for managers to want to perform these reviews. People make the difference inside organisations (Wendt, 2014), having the chance to discuss important thing with those people is therefore important for employees, managers and the whole company.

10.2 How satisfied are the managers with the performance appraisal process in their organisation?

Managers were mostly satisfied with the performance management process inside their companies as they themselves benefited somewhat from it. Employees often became nervous
around interviews, but in the lighter formats those feeling were quickly subdued. The results were mixed when it came to the classical format as some experience dread while others thought it was not a big deal.

Interestingly, the system was generally perceived as fair, the companies had managed to build a performance management procedure that functioned fairly and if done correctly, was somewhat satisfactory to both managers and employees. There was however some concerned that individual managers could use performance reviews unfairly, probably for their own advantage. This is in line with the justice literature (Erdogan, 2002; Erdogan et al., 2001) but there is some limitation on what organisations can do when it comes to an unfair usage of a fair system as that will always be a possibility with personal interests involved.

The support managers experience varied between participants, even between those that worked in the same company. There is however a question on how much physical support managers needed. For most supervisors, a training program was in place at the start of the process where they learned the basics of conducting appraisals. In addition to that they had well defined forms and information banks they could access when in doubt, the procedures where even described as ‘idiot proof’ in one company. This gave managers all the information they needed to perform their reviews well.

This is somewhat in line with the concept of having strong HR practices. Generally, the organisations in this research have most of the features that distinguish a strong system (Bowen & Ostroff, 2004; Gilbert et al., 2015). The aspect that seems to be lacking concerns what message the procedures are relying as managers aren’t sure about its purpose. The appraisals were also thought to be in line with the company’s culture. But, it can also be argued that the appraisals have been adapted to fit organisational culture, for example; by getting rid of rating systems and encourage open communications. All this could explain why managers generally are satisfied with their company’s performance systems.

10.3 From their experience, what ideas do managers have when it comes to improving existing procedures?

Though most managers were satisfied with the performance management process they all had their own ideas of what could be done better. One noticeable improvement suggested was to clarify better the purpose of the performance appraisals as their staff often had misconceptions
regarding the objectives of the interviews. Such misunderstanding may arise from the general feeling that the reviews aren’t reaching their full potential, as the perceived goal of the appraisals isn’t clear, creating a communication gap on what their purpose is.

Though the perceived purpose of these conversations is often just to have a formal chat with the employees, which is a good reason to have them, the company must make it clear that that is their purpose and nothing else. The HR must clarify the procedures better, creating stronger sets of HR practices that managers and staff can follow. Defining the goals of the interviews should not lie in the hands of each manager as there could always be misconceptions in communications, instead this information should be centralized and communicated to all employees.

The results suggest that there is a need for a better system in place to measure performance indicators, another than performance grading, as managers agree to many of the problems the literature has put forth. There didn’t seem to be any PMS systems in place, or at least not that the managers were aware off. With the technology advances today, managers think that there are ways to create less subjective measurements from available data. EPM (Bhave, 2014) is maby be a viable solution to this where, in cooperation with managers, the HR could find couple indicators that could provide useful in judging relevant performance. With PMS systems like the balance scorecard (Kaplan & Norton, 1996) and focusing on leading indicators instead of lagging EPM could become a reliable source of data to evaluate performance. The continuous monitoring of EPM systems has raised questions about privacy issues and what effect it has on the employee being constantly under supervision, e.g. on stress-level and psychical health. However, as an add on to other performance management data, PMS has been shown to increase the perceived accuracy of the whole process as it is objective, relevant and timely (Bates & Holton, 1995; Bhave, 2014).

Organisations that still deploy classical performance appraisals may want to change to modernized versions like the continuous appraisal or find a middle ground like the formal chats. The modern versions seem to be preferable to the older versions and in essence they serve the same purpose but with less bureaucracy, stress and time constrain. This of course all depends on the company’s strategy as they must first see what their trying to achieve in modern market and if appraisals can help with that. Continuous appraisals could be a good substitute for appraisal in companies with large departments where time is always a limited resource, but for organisations
managing smaller departments with specialist, formal chats is a viable option. A lighter version could also be extremely cost efficient as companies can spend less money in expensive programs, and managers and employees have more time on their hands. No matter what version of the appraisals companies decide to use, they must give managers some level of control to adapt the process to their department’s needs.

Companies could also benefit by having a training option available for managers that feel the need for further education in conducting appraisals. Especially, train managers or create a better set of instruction on what to do with the information collected in the interviews. In this research, there seemed to be a lack of strategies concerning follow up procedures after the interviews have been conducted.

A factor organisation could however add into the system is the option to create two-way feedback on performance or add a lighter version of an 360° structure. Though having a formality in the system can lower the perceived power distance in interviews, not having a two-way feedback built into the system could lead to some awkward situations if the process doesn’t have some control over it. It therefore, may be good to incorporate, to some extent, and anonymous 360° feedback as many employees feel uncomfortable talking back to their supervisors.

10.4 Limitations and future research

There are some prevalent limitations to this research. The first is the relatively small number of participants but despite, saturation was reached in most areas. However, more participants from different types of companies are needed to gain better understanding of the performance system used in the Icelandic context and how it can be improved. There is also a lack of quantitative data as the view point expressed by these managers can’t be generalized onto other supervisors. The researcher also lacked experience in conducting qualitative research which could have affected the outcome of the interviews. Additionally, only looking at the view point of managers is limited in itself as the staff should also be asked about their opinion on improvements. All companies in this study were privately owned, state-controlled organisations may be different, and the results stated in this paper may not be relevant to them.

Future research could expand on the result stated in this paper and make a quantitative questioner, sending it out to managers in Iceland, incurring if the views stated in this research
hold a consensus on the market. The view point of the HR and the employees could also be looked deeper into, seeing if they hold some answers. Additionally, developing a case study that focuses on helping an organisation move from a classical approach to some modern or lighter version could be an extremely insightful experience. Another interesting research topic could lie in implementing and EPM system in companies or see if some PMS indicators could be valuable in assessing performance or giving feedback on it. Research on perceived power distance and its impact on organisational culture is also a subject that needs further look upon.
11 Conclusion

This result from this research could be used when creating or updating performance systems in a modern market. The main result is in line with the current literature that classical performance systems are somewhat outdated for modernized companies. The researcher has some concern when it comes to getting rid of the formal appraisals altogether as they offer a way for managers and their staff to communicate in a formal setting. Having a continuous process and then short formal interviews couple of times a year to summarise available performance data seems to be the most optional mixture to keep organisations dynamic while still holding some control over individual goal setting and overall strategy.
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13 Appendix 1

Til að hafa ferlið skýrt þá er markmiðið með þessu viðtali er að fá reynslu þína þegar kemur að því að framkvæma frammistöðumat, hversu sát/ur þú ert við frammistöðumats ferlið og hvort þú hafir einhverjar hugmyndir frá þinni upplifun um hvernig mætti bæta ferlið.

Til að byrja viðtalið, getur þú stuttlega sagt mér frá hvernig seinasta frammistöðumats för fram í þínu fyrirtæki?

Part 1: Hvernig var þín upplifun á seinasta frammistöðumats ferli sem þú framkvæmdir?

(Ef hann talar ekkert um ferlið fyrir frammistöðumatið sjálft)
Hvernig fannst þér upplýsingaflæðið frá mannauðstjóra eða næsta yfirmanni vera fyrir frammistöðumatið?
Fannst þér þú hafa nægilega upplýsingar eða þekkingu um hvernig ætti að framkvæma frammistöðumat?

(Auka spurningar þegar kemur að upplifun hans af sjálfu ferlinu)
Fannst þér þú hafa nægan tímaramma til að framkvæma öll viðtölin?
(Hvort hann hafi verið of upptekinn)
Fannst þér þú hafa hæfnina til að geta almennilega greint á milli starfsmanna?

(Ef stjórnandi talar ekkert um upplifun sína eftir frammistöðuferlið sjálft)
Þegar þú varst búin að taka öll viðtöl og meta þína starfsmenn, hvernig fannst þér vera farið með þær upplýsingar sem þú gafst frá þér?
Finnst þér þú hafa grætt eitthvað á að framkvæma þessi viðtöl?

(Ef stjórnandinn er ekkert að minnast á utanaðkomandi stuðning)
Hvernig fannst þér stuðningur frá öðrum stjórnendum eða mannauðstjóranum vera?
Auka: Finnst þér matið vera partur af menningu fyrirtækisins.

Part 2: Hversu sáttur varst þú veið seinasta frammistöðumats ferli?

Probes:
Leið þér eins og þú værir að gera eith hvað markvert fyrir fyrirtækið eða þína stafsmenn?
Hafðir þú betri skilning á frammistöðu þínna starfsmana?
Leið þér eins og upplýsingarnar sem komu út úr ferlinu voru vel nýttar?
Sérð þú tengsl við frammistöðu niðurstöður þínar og umbunir til starfsmana?
Hvaða tilfinningar hafðir þú fyrir ferlið?
Hvaða tilfinningar hafðir þú eftir ferlið?
  Hversu sáttur varst þú með stuðninginn sem þú fékkst frá öðrum stjórnendum/mannauðstjóranum?
  Finnst þér ferlið vera sanngjarn, gangvart þér og þínum starfsmönnum

Part 3: Út frá þeim hlutum sem við erum búin að vera ræða hér, hefur þú einhverjar hugmyndir af endurbótum á ferlinu?