

# Performance Appraisal

## Solving the Toughest Challenges

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By Dick Grote

## INTRODUCTION

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Most of the time, performance appraisal works like it ought to. Rater and ratee talk about how the past year has gone. They discuss aspects of performance that require both cheers and correction. They set some goals for the upcoming year and end up with better insights into each other's views and expectations.

That's how it's supposed to work. But as tough as performance appraisal is ordinarily, the difficulty rises exponentially when the appraisal situation is not the plain-vanilla, garden-variety discussion, or when other factors make conventional appraisal advice irrelevant.

What do you do, for example, when the subordinate is geographically removed from the manager, making data-collection laborious? What happens when the appraisee is technically more knowledgeable than the boss? Or when the person on the receiving end of the evaluation is years older than the appraiser, or is making more money? What do you do when the appraisee is just doing a flat-out lousy job? How do you handle those situations with elegance and professionalism? Typical training programs skirt those troublesome questions. But there are good answers for all of performance appraisal's toughest situations.

## THE DISTANT SUBORDINATE

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Let's start with the easiest. You're in headquarters in Cincinnati; Mary runs the regional office in Des Moines. The only time you get to see her is on her quarterly corporate visits and your occasional travels to Ohio. But still you have to appraise her performance.

It's no different if the subordinate is in a different building, or even just a different office. Managers are frequently placed in the position of having to accurately assess the performance of someone whom they don't see very often. How do you do this fairly?

The mistake appraisers make in this case is to assume that it's their job to figure out an answer to the question. It's not. Make it the *subordinate's* job.

Get together with Mary at the start of the appraisal cycle. Explain the dilemma: "Mary, one of the challenges we face is that I'm responsible for doing your performance appraisal and yet we don't have much contact with each other. I need you to come up with a plan that will allow me to get all of the information I need to do an honest job of evaluating your performance."

Over the next couple of weeks I'd like you to figure out how I will be able to get a complete picture of the contributions you're making." The quality of Mary's plan then becomes another factor to consider in assessing her performance.

## THE TECHNICALLY-SUPERIOR SUBORDINATE

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Janet's got a problem. She was named director of the Lumumba project because of her excellent marketing and management skills, but half the people she supervises are technical whizzes who know far more than she does about the operation of the system. How does she evaluate the quality of their performance?

Start by using the same approach that you would with a geographically remote subordinate: "Bob, I'm the manager of this department but you're far more technically adept than I'll ever be. In addition to doing world-class technical work, I need for you to educate me in how to recognize world-class work when I see it. I want you to come up with a plan . . ."

This is a great group-effort assignment, too. Get the entire team together and explain that one of their assignments is boss-education: you're holding them accountable for teaching you how to evaluate accurately the quality of the work they're producing. Don't be surprised if a peer-review process is recommended. That's probably the best — and the fairest — solution they can devise.

## THE OLDER, HIGHLY EXPERIENCED SUBORDINATE

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This one's a problem only when the individual makes it so. For almost all managers, the fact that a subordinate is older (or younger, or a different religion or shoe size) is irrelevant. Age, religion and shoe size don't correlate with performance, and that's the only thing the appraiser needs to be concerned with.

But appraisers sometimes inappropriately defer to the individual who's been around for many years; the old-timer who years ago bounced the CEO on his knee when the company's founder brought him to the office as a three-year-old. True, longevity and organizational memory are virtues, but performance is what counts in performance appraisal. (And thirty years of experience is not the same as one year of experience repeated thirty times!)

The best way to deal with the highly experienced individual is to get right to the point at the start of the appraisal discussion: "Frank, you've been through this drill many times before.

Let's not waste any time on small talk. How do you think your department compares with where it was last year?" Then shut up and listen, and proceed as you would with anybody else.

## THE HIGHLY COMPENSATED INDIVIDUAL

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It was a sales manager who brought this dilemma up: "How am I supposed to appraise the performance of a guy who's making more money than I am?"

It's a classic situation: a salesman, compensated entirely on commission, ends up making more than his boss. And then the boss is expected to sit him down and evaluate his performance.

The answer is also classic: just do what needs to be done. The fact that his compensation structure is different from yours is irrelevant. He's paid to peddle the potatoes (among other things). You're paid to manage his performance (among other things). Do your job.

## DEALING WITH UNREALISTIC EXPECTATIONS

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The hardest appraisal situations are those where the subordinate's view of his or her performance is disconnected from the reality of the individual's actual contribution. Mary thinks she's a star; you (and everyone else that she works with) know she's a dunce.

In this situation, it's smart to disregard much of the normally wise advice about performance appraisal. For example: It's normally wise to ask people to write a self-appraisal. Not in this case. You don't want to encourage Mary to make her inflated opinion of her performance even more intractable by writing her version down on an appraisal form. Only if your company's policy requires everybody to create a self-appraisal should you do it in this situation. Otherwise, yours should be the only written document.

Another wise way to increase performance appraisal efficiency when you're dealing with the great majority of good solid performers is to give them a copy of their appraisal to read an hour or so before the discussion. This reduces the usual initial defensiveness. People can spend a little time thinking through what you've written and develop some intelligent questions. But disregard this piece of good advice when you're evaluating a non-contributor. Instead, wait until the person is actually sitting in your office before you give her the appraisal to read. You need to break the bad news face-to-face at the exact moment you're going to discuss it. Forewarned is forearmed — and you don't want to forearm a marginal performer.

And just how should you break the bad news? Bluntness here is a virtue: “Come in, Sally, sit down. I’ve got some bad news for you. I have your performance appraisal here, and quite frankly, it isn’t very good. I’d like you to read it, and then let’s talk about where we go from here . . .”

Communications gurus proclaim the importance of setting the proper tone for any meeting, and they’re right. Starting the meeting with the words, “I’ve got some bad news for you,” will set precisely the proper tone for this meeting: the tone is ominous. The words will rivet her attention and preclude misunderstandings. Before reading a word she will immediately comprehend that her performance is not to your satisfaction.

## COPING WITH DEFENSIVENESS

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Don’t get your hopes up that Sally will read all the unpleasantly accurate things you’ve written about her and immediately vow to change her ways. She may ultimately do that, but there will be some struggle along the way.

To start, do what every smart manager has learned to do. Put a box of tissues in your desk drawer. If tears start to flow, simply pull it out, put it down, look away for ten seconds or so, and then get back to the matter at hand.

Defensiveness comes in two flavors: fight and flight. As human beings, we’re genetically wired to respond to danger by either attacking or running away. A negative performance appraisal is a genuine threat that triggers all of our visceral defensive reactions.

The fight response is the easiest to spot. Sally raises her voice, pounds the desk, points her finger. Or she’ll fold her arms across her chest and stare. Either way, it’s her fight reaction that’s been triggered. She blames others, loudly challenges your fairness, and seems ready to put up her dukes.

Flight is the more difficult defensive reaction to pick up. Sally looks away, turns away. Instead of shouts or silence, her vocal response simply diminishes . . . she becomes quieter and speaks more slowly than usual. She changes the subject and asks for less information than you might reasonably expect.

A telltale sign of a flight reaction is premature agreement. Too often, though, we accept excessively hasty agreements as if they're the real thing. Since we want Sally to agree with what we've written, and it appears that we've gotten what we want, we fail to probe to make sure the message has been fully received. Her abrupt agreement isn't genuine or sincere . . . it's no more than a mechanism she's using to bring this distressing situation to an end and get away.

The best strategy for dealing with defensiveness? First, recognize that defensive responses are normal human reactions. Sally's prehistoric progenitors would never have survived Pleistocene hazards if they hadn't fought when challenged or fled when the mastodons approached. Defensiveness has high survival value.

But you're a manager, not a mastodon, and Sally's primeval, genetically coded defensive reaction doesn't help resolve the 21<sup>st</sup> Century pickle that her performance has gotten her in. What to do? First, allow her to vent and listen carefully to what she's saying. Then agree with whatever she says.

Agreement is an incredibly powerful weapon. Agree with anything she says that is factually accurate. Agree that reasonable people may see things differently. Agree with her right to have her own point of view. People can't argue with people who agree with them.

Next, restate her position. Say something like, "If I understand what you're saying, Sally, you feel that . . ." or "Let me try to restate what I've heard you say. You feel that . . ." Many times, just having someone accurately hear what's concerning us is sufficient to make our defensiveness vanish.

But don't just restate her right-brain "position." Reflect the left-brain, "feeling" element too. Acknowledge her feelings by using exactly that word: "If I'm understanding you correctly, you feel hurt / angry / disappointed / betrayed . . ." Then ask for more information on her point of view.

Use pauses liberally. Don't be in a rush. You're reviewing a whole year's worth of performance; you can afford to take an extra ten minutes or so.

## DEALING WITH DISCUSSION DIFFICULTIES

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Pauses are silences, and silences make us feel awkward. If the ratee doesn't answer a question promptly, it may be because the person is uncomfortable or doesn't know what to say. It may also be a manipulative power play. Silence can be used to intimidate — just make sure it's not you who's being intimidated. Ask a question and wait. When your anxiety level rises to the point where you have to say *something* to break the silence, simply ask, "Do I need to repeat the question?" That will surely provoke a response. If it doesn't, call the meeting to a halt and explain what the word "insubordination" means.

Excuses are the most common discussion difficulty. The reason we find them so difficult is that we typically deal with them so badly. We foolishly argue with the merits of the excuse, and by doing so legitimize it.

While it may not be a conscious choice, any time a person offers an excuse for poor performance, the person proffering the excuse is trying to absolve himself of personal responsibility. Our response needs to focus, then, not on the excuse but on the issue of personal responsibility. Agree with the fact of the excuse: "I agree, Mark. Having deadlines that frequently change in the middle of a project does make your work difficult." Then put the responsibility back where it belongs: "And as we've discussed before, changing deadlines is a fact of life in our business. How are you planning to handle that challenge so that you can make sure that your projects are always ready when they're needed?"

## FOCUS ON CHOICES

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The appraiser can increase the probability that the employee will change and resolve a problem if the manager discusses the need for change in terms of the choices the employee makes. We each have the capability for choice. An effective appraisal discussion makes that fact clear to the individual who might prefer to play the role of victim.

It is always appropriate for the manager to consider in advance some possible approaches or solutions the employee might use to solve a problem. But the responsibility for finding a solution is the employee's; not the manager's. If the manager makes a suggestion that the employee accepts and it subsequently turns out that the suggestion was not effective in solving the problem, the employee can turn back to the manager and say, "See! I did what you told me and it didn't work!" So while the manager may assist the employee by making suggestions or offering guidance, the burden of actually solving the problem and improving performance is always borne by the individual.

A final discussion dilemma appraisers confront is the irrelevancy trap. All of a sudden, in the middle of a discussion, you realize that the subject you're talking about has nothing to do with the core issue of the appraisee's unacceptable performance.

Labeling an irrelevancy as such is unproductive. It only generates arguments. Don't waste your breath.

When you discover that you're in the middle of an active discussion of irrelevant topic, the technique to use is, "Dismiss and Redirect." Wait until your counterpart pauses for breath, and then say, "As far as the way they used to handle this situation in your old company is concerned, I'd like to talk about that separately. First, I need for you to agree that you will let me know any time a project deadline is slipping."

The key words are *separately* and *first*. The magic "Dismiss and Redirect" technique can be used anytime a conversational counterpart raises an issue that you want to make go away. You don't say that it's irrelevant or unimportant or unconnected with the matter at hand. Instead, you graciously acknowledge its importance and then, with a sweep of misdirection, consign it to the nether world of irrelevancies and return to the primary issue on your agenda:

"I appreciate your bringing to my attention the fact that the attendance record of other people in the department should be examined, Betty. I'd like to deal with that separately. First, I need your agreement that you will come to work every day on time."

## THE ULTIMATE SOLUTION

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While individual discussion difficulties can be dealt with and solved on an individual basis, the most powerful tool you can have to handle any appraisal challenge is a clear *core message*.

What's the core message? It's the single most important point you want to communicate to the individual you're appraising.

Assume that a month has gone by since your appraisal discussion with Harriet. As you wrap up a meeting with her on an unrelated issue, you say, "Harriet, a month or so ago we had our performance appraisal meeting. What do you remember from our conversation?"

Harriet responds, "Gee, it's been a while . . . a lot of it is fuzzy. But one thing for sure that I remember you said is \_\_\_\_\_."

Fill in the blank. What is it that you absolutely don't want Harriet to forget? What is the single most important point you want to get across? That is your core message, and if you are clear on that, discussion difficulties will take care of themselves. Whether the employee whose performance you're assessing is older than you, or geographically removed, or more technically astute, or is a marginal contributor, start by figuring out the most important message you want to pass on. Then throughout the meeting it will be easy to maintain control by saying, ". . . and that brings us back to the important point, Harriet." And what is that important point? It's your core message, and it's your ticket out of any appraisal dilemma you encounter.

#### ABOUT DICK GROTE

Dick Grote is Chairman and CEO of Grote Consulting Corporation in Dallas, Texas, and the developer of the GroteApproach<sup>SM</sup> web-based performance management system. He's the author of *The Complete Guide to Performance Appraisal*, *The Performance Appraisal Question and Answer Book* and *Discipline Without Punishment*. Dick's latest book, *Forced Ranking: Making Performance Management Work*, was published in 2005 by the Harvard Business School Press.

#### ABOUT GROTEAPPROACH, LTD.

GroteApproach, Ltd., is dedicated to delivering the technology, services and client care that transform organizations from best-effort climates into results-driven cultures. The GroteApproach web-based performance management system is the culmination of Dick Grote's mission to transform the way organizations manage and develop their most valuable resource - their people. It reflects best practices in strategy-based performance management as identified in Dick's 25 years of research and consulting with hundreds of sophisticated organizations throughout the world. Its combination of unrivaled expertise and superior technology make the GroteApproach system an ideal fit for organizations large and small.

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Grote Consulting Corporation is one of America's best-known and most respected specialized management consulting firms. Headquartered in Dallas, Texas, Grote Consulting helps sophisticated organizations, large and small, implement best-practice performance management systems. Its clients include some of the most prestigious organizations, public and private, in North America, Western Europe, and Southeast Asia.

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15303 DALLAS PARKWAY, SUITE 645 ADDISON, TEXAS 75001

800.734.5475    [www.GroteApproach.com](http://www.GroteApproach.com)    [www.GroteConsulting.com](http://www.GroteConsulting.com)