

The danger in SELF- APPRAISALS

Asking employees to rate their own performance has been a common part of organisational performance appraisals for many years. But guest contributor **Dick Grote**, author of *How to be Good at Performance Appraisals*, says they can cause more harm than good

The appraisal is a record of the supervisor's opinion. The review meeting is a discussion, not a negotiation

Asking an employee to write a self-appraisal using the company's appraisal form might seem to be an effective management technique. Many books and articles recommend using self-appraisal, including asking the employee to give themselves a rating. An employee's self-appraisal might give the manager valuable data on the quality of an individual's performance as well as a preview of what might be expected when the two sit down to review performance. It would seem to be a good idea.

It's not.

It's a bad idea and it needs to be stamped out.

Here's why: Research consistently demonstrates that individuals are notoriously inaccurate in assessing their own performance, and the poorer the performer, the higher (and more inaccurate) the self-assessment. Research by the consulting firm Lominger indicates "the overall correlation between self-ratings and performance was exactly zero – the most accurate rater by far is the immediate boss."

In *Unskilled and Unaware of It: How Difficulties in Recognising One's Own Incompetence Lead to Inflated Self-Assessments*, Cornell University researchers Justin Kruger and David Dunning report that those who are incompetent performers are also incapable of assessing the difference between good and bad performance. As they put it, "When people are incompetent in the strategies they adopt to achieve success and satisfaction, they suffer a dual burden: Not only do they reach erroneous conclusions and make

unfortunate choices, but their incompetence robs them of the ability to realise it. Instead, they are left with the mistaken impression that they are doing just fine."

One senior executive describing his company's experience using a forced-ranking procedure to identify its "A", "B", and "C" performers told me of the same problem: "The As are afraid they'll be considered Bs, the Bs are scared they'll be seen as Cs, and all the Cs are convinced that they're A players."

In July 2007 *BusinessWeek* surveyed 2,000 professionals in middle management positions or higher in companies around the world. One of the questions they asked was, "Are you one of the top 10% of performers in your company?" Not one of the subgroups in the survey had fewer than 80% of the respondents answer the question affirmatively. Eighty-four per cent of all middle managers reported that they were in the top 10% of performers in their company. Among executives – the most deluded cluster by far – 97% answered 'yes'.

Here's the most serious problem with asking an employee to write a self-appraisal. By doing so you may create a false impression of what the nature of a performance appraisal is.

When asked to write a self-appraisal, particularly when the company's appraisal form is used, it's easy for an employee to assume that the structure of the performance appraisal process is that both the individual and the boss

separately write their appraisals of the individual's performance. They then get together, share each one's document with the other, and come to a common agreement on the final appraisal.

That's wrong. It's important to recognise just what a performance appraisal is. A performance appraisal is a formal record of a supervisor's opinion of the quality of an employee's work. Listen up: the appraisal is a record of *the supervisor's opinion*. The review meeting is a discussion, not a negotiation. Asking the individual to write a self-appraisal encourages a misunderstanding by both parties.

An alternative to self-appraisal

If company policy dictates that employees be asked (or ordered) to write self-appraisals, company policy must be followed. But the manager can prevent much of the mischief just described by explaining to his team exactly what the purpose of the self-

appraisal is (a way to gain information from the employee's point of view) and how it will be used (as one data source for the supervisor to use in preparing the actual performance appraisal). It's wise to ask the employee to submit the self-appraisal to the supervisor well in advance of the performance appraisal discussion so that the supervisor can use the data as an input to the official appraisal and not wait until the review meeting to find out what the employee has written. Finally, it helps to refer to the document the employee is preparing as the "self-assessment" while the document produced by the supervisor is the "official performance appraisal."

There's no question that it's valuable to get information from the individual about his or her own perceptions. This helps the manager

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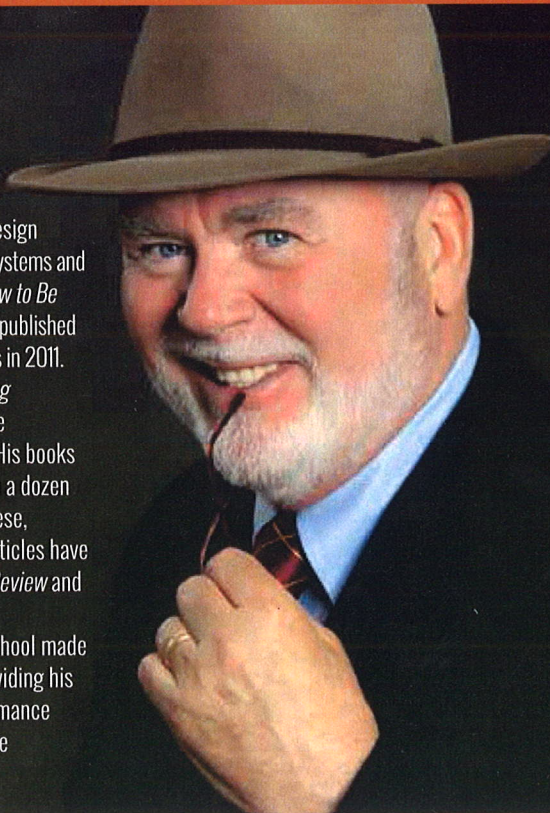
create a well-rounded, complete, and objective appraisal. A better approach is for the supervisor, at the start of performance appraisal season, to ask each direct report to send an informal list of their most important accomplishments and achievements during the appraisal period. The list can be e-mailed or just written on a blank piece of paper – there's no official form. And nothing needs to be said about any problems or shortcomings or failures

that occurred. The manager's purpose is to make sure that none of the employee's successes are overlooked. This "good stuff" list will provide the same value as a formal self-appraisal. More important, it will help remove some of the negativity that surrounds many people's feelings about the performance appraisal process itself.

Dick Grote is President of Grote Consulting Corporation in Dallas, Texas. He has helped some of the world's most prominent organisations, in the United States, Europe, India and Southeast Asia, design effective performance management systems and procedures. His most recent book, *How to Be Good at Performance Appraisals*, was published by the Harvard Business Review Press in 2011.

His new book, *Calibration: Getting Performance Appraisal Right*, will be published by McGraw-Hill in 2015. His books have been translated into more than a dozen languages, including Russian, Chinese, Vietnamese, Arabic, and Thai. His articles have appeared in the *Harvard Business Review* and the *Wall Street Journal*.

In 2013, the Harvard Business School made a series of videos of Dick Grote providing his observations and counsel on performance management for Harvard's executive education programmes



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