Course Learning Outcomes for Unit III

Upon completion of this unit, students should be able to:

   5.1 Examine a historical perspective of the performance review process.
   5.2 Compare annual performance review evaluations and real-time feedback coaching.

Reading Assignment

In order to access the following resources, click the links below:


To view the transcript of the video above, click [here](https://youtu.be/63YNQxl4Pto).


To view the transcript of the video above, click [here](https://youtu.be/cZtVR3DvZ4o).


Unit Lesson

In order to access the following resource, click the link below.

College of Business – CSU. (2016, September 1). *Evaluating performance* [Video file]. Retrieved from [https://youtu.be/FBZ-THXh35E?list=PL08sf8iXqZn7ewFt0ZxJuaUuq7MIG1KEr](https://youtu.be/FBZ-THXh35E?list=PL08sf8iXqZn7ewFt0ZxJuaUuq7MIG1KEr)

To view the transcript for this video, click [here](https://youtu.be/FBZ-THXh35E).

Performance Management: Yesterday

*Hardly a competent workman can be found who does not devote a considerable amount of time to studying just how slowly he can work and still convince his employer that he is going at a good pace.*

—Frederick W. Taylor, *Hearings Before Special Committee of the House of Representatives, 1912*
Our investigation into performance management will focus on the early 1900s, when time and motion studies fostered a lack of trust between labor and management (Blake & Moseley, 2011). The aforementioned quote provides a sense of that environment.

Frederick Winslow Taylor (1856-1915), an American industrial engineer, is often referred to as the father of scientific management. He was the original time and motion professional, and he was an efficiency expert. His management methods were published in The Principles of Scientific Management in 1911 (Blake & Moseley, 2011).

He was born in Philadelphia, Pennsylvania, to Quaker parents. He began as a pattern maker and machinist. In 1878, he began working at Midvale Steel Company Plant and worked his way up to a foreman position. This is where he began measuring industrial productivity. Taylor’s studies on time and motion helped him to understand the best methods for completing a task efficiently (in the shortest amount of time). With this knowledge, he was able to design systems that elicited the most efficiency from the workers and the machines (Blake & Moseley, 2011).

Frederick Taylor had firsthand experience and knowledge of the soldiering of labor; this term that he coined means that workers were deliberately slowing down production. He wanted to increase worker productivity and reduce their resentment at the same time. He used the principles of scientific management to study the problems of production and worker resentment. In addition to coming up with standards for deliverables for each job based on scientific analysis and continuously improving work through observation and analysis, Taylor recommended that workers whose productivity surpassed the standards were given incentive pay as a reward. One of Taylor’s significant accomplishments was defining management as the position held by trained professionals (Blake & Moseley, 2011).

Fragments of Taylor’s scientific management methods, published in 1911, still exist today in modern enterprises because efficiency is still correlated to profitability (Bell, 2011). For more information on this, read this article:


To learn more about Taylor, read the following article, which has a comic-book format and is a quick and amusing read:


**Performance Management Today: From Annual Appraisal to Real-Time Feedback**

The focus of performance management evolved from time and motion studies to become more holistic; employers incorporated management by objectives, total quality management, and even the balanced scorecard. Despite the rhetoric that performance is being managed, for decades the majority of employers’ efforts were aimed at appraising or assessing performance rather than planning or managing performance. It was a look back at an employee’s contributions for the whole year based on the gathering of evidence and his or her past performance. It is true that many organizations did make an effort to provide a midyear review; however, little was done to correct problems with the assigned objectives, and little to no adjustments were made by corporate representatives to positively influence productivity through the use of an employee performance plan. Often, the mid-year review was not completed and no one was held accountable. The only review an employee got was an annual performance evaluation. An example of this type of performance evaluation is found in the video below.
The value of the traditional, or annual, approach to performance appraisal was depicted by insightful human resources (HR) professionals as a new form of “Taylorism,” producing damaging and discouraging relationships between supervisors and employees and their peers (Harikumar, 2013).

The traditional performance review process is being dumped by leading organizations such as Accenture, Microsoft, Adobe, General Electric, Gap, Medtronic, and Deloitte; the Washington Post reports that 10% of the Fortune 500 companies have followed suit. Some of the changes include eradicating forced or stacked rankings that encourage competition among peers, abolishing all numeric scales, and swapping the annual appraisal for real-time feedback (e.g., providing feedback when a project is completed or providing ongoing feedback throughout the year) (Cunningham & McGregor, 2015; Wilkie, 2015).

What are these organizations using instead of performance appraisals for decisions such as promotions? Their real-time ongoing feedback is replacing the annual feedback; there is no waiting to find out how an employee is doing. There is statistically reliable data provided daily by software that provides charts and graphs for managers, employees, and their peers to view and comment on. The frequent reporting allows managers and employees to update the status of a project and discuss what roadblocks need to be removed to complete or move the project along. This eliminates much of the wasted wait time for getting answers, and the reviews provided by those working on the project reduce the biases involved with one-on-one annual reviews (Wilkie, 2015). This ongoing dialogue focuses on performance as well as the employee’s career development and aspirations. Managers must be trained on coaching and development in order to have meaningful conversations; this initiative will be a critical but necessary challenge to HR professionals (Harikumar, 2013).

For an example of a performance review using real-time ongoing feedback rather than annual feedback, watch the video below on real-time feedback performance coaching.

To view the transcript of the video above, click here.

More frequent feedback with employees is actually more relevant and appreciated by employees and less troublesome to supervisors. Forced rankings are a thing of the past; research indicates that they do not foster productivity or improvement but, rather, create antagonism between supervisors, workers, and peers. Employee results need to be compared to the metrics established for achievement in that position rather than being compared and ranked against others. To paraphrase David Brennan, General Manager for Achievers, a San Francisco-based employee recognition company, the era of employees competing against each other for top ranking are over; today, employees must be recognized for their unique contributions to the overall success of company goals and carrying out the company’s mission (Wilke, 2015).

All that being said, if there is no data that ranks employees, will it be easier for employees to claim discrimination concerning promotions and pay? Promotions and raises have always had a subjective aspect. They must be even more subjective, considering the time since the last raise, how well the employee develops relationships with customers internally and externally, how well the employee accomplishes his or her assigned objectives, and what the market value of the position is. These things are not considered with ratings and rankings. It is generally felt that if things stay the same in the performance management world, businesses will continue to let down their highest performers (Wilkie, 2015).

A plan to transition to the new real-time feedback system is highly recommended. Among the tips to consider when implementing the new software that allows daily feedback is to take a baseline measure of the old system being used, train your first-line supervisors on the system, be consistent in all areas of HR, and establish weekly meetings that are one-on-one so that the employee knows what to expect. Other things to consider are giving managers instructions on how to have the conversations that encourage engagement, which raises performance due to a focus on constant improvement, and making sure you show managers the

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data. Executives will be on board if you provide the return on investment by tracking the new real-time feedback system data, customer satisfaction, and engagement statistics (Wilkie, 2015).

References


Suggested Reading

*In order to access the following resources, click the links below:*

The influence of Frederick Taylor is still seen in industry today. This article looks at how his theories and writings have impacted businesses over the past one hundred years.


In this unit, you have learned about Frederick Winslow Taylor. In his teachings and theories, he often used parables to illustrate his point. This article contains one of these parables and discusses how the parable can be applied today. You may access the following resource by clicking the link below.


Learning Activities (Non-Graded)

Non-graded Learning Activities are provided to aid students in their course of study. You do not have to submit them. If you have questions, contact your instructor for further guidance and information.

Check for Understanding: Crossword Puzzle

Click here to download a crossword puzzle that reinforces the terms covered in this unit. You can also complete an interactive version of this crossword puzzle by clicking here.