

Pat or Slap? Do appraisals work?

A look at the data on the effectiveness of performance appraisals reveals some disturbing facts.

by Tom Davis and Michael Landa

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For the last 50 years, it has been accepted that performance appraisals have contributed significantly to increased worker productivity. It's time to re-examine this assumption now that organizations face the need to achieve real increases in productivity as the lean and mean '90s come to a close.

Forty years ago the same issue worried at least some management experts. In the July 1959 issue of the *Harvard Business Review*, **Rensis Likert** offered this critique of performance appraisal: "The aim of reviewing the subordinate's performance is to increase effectiveness, not to punish him. But apart from those few employees who receive the highest possible ratings, performance review interviews, as a rule, are seriously deflating to the employee's sense of worth. Not only is the conventional performance review failing to make a positive contribution, but in many executives' opinions it can do irreparable harm."

It appears that few executives were listening to Likert's critique, as the practice then as now, is nearly universal professionally managed organizations. Appraisal continues to be integral to compensation and linked, at least informally, to succession planning and promotion decisions.

However in many organizations the appraisal process has become little more than "pro forma."

Employees and their supervisors often find the appraisal both painful and demotivating. This degradation of the appraisal process has shaken both the employee's and supervisor's faith

in the process outcomes. In spite of this contradiction, the overwhelming majority of firms persist in their commitment to the traditional supervisor evaluation approach.

Within this context, a look at the data on appraisal today reveals some disturbing facts. In 1997, Watson Wyatt Worldwide, a consulting firm with global interests, conducted a national survey of 2,004 Canadian workers. These workers represent a cross-section of employees based on gender, age, industrial sector, union status and non-supervisory versus management status. This "Watson Wyatt WorkCanada" study looked at the internal systems within organizations acknowledged to be intrinsic to organizational success. They examined the motivation system of which the performance appraisal is

a pivotal component within the employee motivational system.

Summary findings

Watson Wyatt's key findings included:

- Less than two-thirds of the sampled employees (60%) said that they understand the measures used to evaluate their performance.
- Even fewer sampled employees (57%) thought that their performance was rated fairly.
- Less than half (47%) said that their managers clearly expressed goals and assignments.
- Only about two-fifths of the sample (42%) reported regular, timely performance reviews.
- Even fewer (39%) reported that their performance review was helpful in improving their on-the job performance.
- Fewer than two in 10 employees (19%) report a clear, direct, and compelling linkage between their performance and their pay.

For most employees, appraisal is at best a highly stressful process with little perceived connection to their compensation. At worst, employees see appraisal as a figurative whip in the hands of management.

Perception, judgment and fact

The failure of performance management techniques such as an employee performance appraisal, is due to the judgmental nature of

Leaders will point to the practice of informal, regular communication between supervisor and employee as far more desirable and effective

these processes. Few appreciate being subjected to the judgment of others, particularly when compensation and career are on the line. Performance appraisal rests solely on the judgement of

the appraising manager and the process generally lacks a "bias control" methodology. The judgments inherent in appraisal often decide compensation and career progression and the employee has little or no opportunity to influence the outcome of a process that is by nature a one-way, top-down communication.

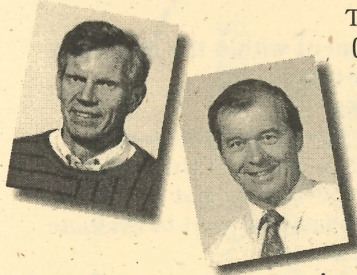
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KUDOS for You All!

by Simon Bergen-Henengouwen and Rudy Pekau



Time to pat yourself on the back (or any other part of your anatomy) for a job well done. We are sharing this with all because many of you provided instruction of the necessary skills demonstrated in winning this competition

Two teams from the Aeronautical Engineering

Technology program traveled to Waterloo, Ontario, May 5 - 9, to compete in the annual Canadian Aeronautics & Space Institute Glider competition. We have the details of the competition, but it basically involves the design and construction of a scale glider (approximately 8 ft. wing span) that is hand-towed aloft to 50 meters and released. The score for the team is made up of three components:

1. A 30-page report on the design
2. A 15-minute presentation of the design
3. A flying competition where points are awarded for weight carried and duration of glide.

Now this is the clincher. The final score consists of 45 points for the flight portion, 30 points for the written report, 10 points for the drawings, and 15 points for the verbal presentation. In other words, a team could score over 50 points without ever flying its glider! This highlights the importance the judges feel COMMUNICATION plays in the overall scheme of things. So those of you who think technical skills are the most important training element we provide (and I know there are none), think again. But also to all of you who taught the AETs math, physics, drafting, technical report writing, speech, materials, etc., thank you for a job well done.

The two SAIT teams competed against teams from the

University of Laval, Concordia University, University of Toronto, University of Waterloo, and University of Manitoba. One SAIT team (see photo), consisting of Rob McKellar, Steven Fahey, and Trevor McTavish, placed first overall. The other, manned by Geoffrey Paulgaard and Jeremy Randle, placed fourth. Of the six years that the competition has existed, SAIT has won it three times. We clearly provide the "best" aeronautical engineering education in the country! That's how we see it.

And the program is not even an applied degree! But that's another story.

P.S. The glider flew beautifully! ⇨



Thank You's

by Heather Sagan



On behalf of the SAIT Academic Faculty Association membership, thank you for your contribution to the SAIT Academic Faculty Association for the 1998/99 academic year. It is through dedication and commitment such as yours that SAIT has achieved a reputation for excellence in teaching. We appreciate your commitment to SAIT and to SAFA.

With increasingly heavy workloads your spare time is limited. It is dedication such yours that continues to make SAIT an institute of choice for a variety of programs. Through your continued commitment, hopefully we can make SAIT a better place for staff and students. To all of you who have volunteered for SAFA, thank you.

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SAFAGRAM is published by the SAIT Academic Faculty Association (SAFA) five times a year on or about the first days of October, December, February, April, and June. Deadline for submissions is the 10th of the month preceding publication. Send submissions to SAFAGRAM, care of the SAFA office, N201 or email submissions to luda.paul@sait. Please keep submissions under 300 words, double space, and, if possible, submit on floppy disc (Mac or DOS) with an accompanying hard copy. Submissions may be edited

for grammar, length, or content. SAFAGRAM editorial policy, as approved by the SAFA Executive on June 14, 1995, is as follows:

1. The Editorial Board has the final say as to what is included or deleted from the newsletter.
2. Editorial Board decisions about newsletter material must be agreed to by consensus.
3. The newsletter will include a disclaimer stating that the views expressed in its content do not necessarily represent the views of the Editorial Board or SAFA.
4. All material included in the newsletter must
 - be signed by the author when submitted to the editors but anonymity may be requested and granted for printing.
 - be based on "reasoned argument" if personal criticism is used.
 - not involve name-calling.
 - not include sexist, racist, or homophobic comments.
 - be related to SAIT, although this will be interpreted broadly.

The views expressed in SAFAGRAM do not necessarily represent the views of the Editorial Board or SAFA.

Thank You's
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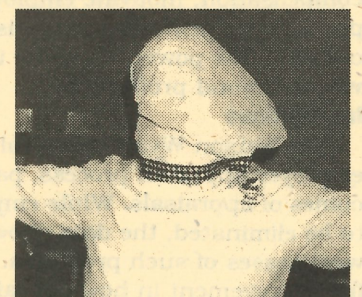
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Pam August, Teaching & Learning Centre
Dennis Boghean, Energy & Natural Resources ♦♦

Can you guess
who this is?



Answer on page 5

Pat or Slap?

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Appraisal based solely upon judgement can result in the closure of communication between leader and employee around the performance issue. This negative impact may outweigh any benefits of the process. Further, leaders often behave as if performance appraisals deal in "facts," rather than "perceptions." There is rarely consideration given to testing assumptions, identifying and filtering out biases or to validating the data surfaced through the appraisal process.

It is not surprising that performance appraisal can generate feelings of isolation and stress for both leaders and their employees. It is difficult to understand how this process can be seriously considered a viable method for increasing motivation and productivity.

Communication and employee performance

Watson Wyatt offers the following restrained criticism of Canadian management in promoting communication within their organizations: "...performance management is an area where the few successes seem to be largely offset by the opportunities for improvement."

Many professional leaders will point to the practice of informal, regular communication between supervisor and employee as far more desirable and effective than the formal performance appraisal process. There is an absence of communication around employee performance outside the formal appraisal process. Fewer than two in five Watson Wyatt survey respondents (37%) say that their leader talks with them regularly about performance-related issues.

The US version of the Watson Wyatt survey shows that Americans manage from six to 12 points higher in effective management of the appraisal process.

Organizations have developed many highly effective methods to carry out downward communication in organizations. Techniques ranging from formal all-employee meetings to corporate newsletters have proven to be important ways of promoting common organizational values, goals and plans. Communication is most effective when it encompasses both talking and listening. By talking rather than listening, organizational leaders fail to secure employee understanding of, and commitment to these values, goals and plans.

Many organizations still operate on the assumption that their work is predominantly dollar driven and assume that compensation should be sufficient to ensure the dedication and commitment of employees. Even if this assumption were accurate, most organizations do not deliver above standard compensation and should not expect the compensation system to deliver above standard commitment and performance.

Management literature is replete with data and opinion that suggest that money will buy only a minimum level of commitment. An article by Loren Gary entitled "Enlisting Hearts and Minds" in *Harvard Business Review* (February 1997) identifies three principles that in conjunction with compensation, motivate employees to commit to the enterprise. These principles comprise the absence of fear and coercion; the power of shared information; and a focus on values beyond profitability.

Implications

The Watson Wyatt study calls for a reexamination of the employee appraisal process, particularly the negative outcomes of appraisals. While employee appraisals may not need to be eliminated, the data shows a lack of appreciation of the weaknesses of such programs. There is also much more need for improvement in how appraisals are done and a need to

Managing for productivity

Watson Wyatt concludes that employers are not tapping into the importance of employee involvement which can be a powerful engine for productivity. As evidence, only 26% of the study respondents say that they are involved in the decisions that affect them. This data reflects a workforce that is not fully engaged in the task of the enterprise.

Writer Chris Argyris' article, "Empowerment: The Emperor's New Clothes" in *Harvard Business Review* (May 1998), refers to two Levels of employee commitment: external and internal.

External commitment, or contractual compliance, is the level of commitment displayed by employees when they feel they have control over their destinies and work in a command and control environment.

The externally committed employee operates at the level necessary to satisfy the demands of their leader. Internal commitment occurs when employees are committed to a particular project, person or program.

The internally committed employee operates at a level of engagement necessary to provide individual satisfaction.

Of the two, it is the internally committed or motivated employee who is most likely to make significant contributions to the success of the enterprise.

foster communication in organizations.

By boosting communication, an organization can increase understanding between employees and their leaders, and tap into vast reserves of employee good will, commitment and effort. In today's business environment, the ability to increase worker productivity and commitment through increasing job satisfaction may be the key survival in the new millennium. ♦♦

Tom Davis is president of The Davis Group (davistom@home.com), a Toronto firm specializing in the solution of labour-management issues. **Michael Landa** is president of OAC Organization Assessment and Change in Toronto and has 20 years experience in the human resources management field.

YOUR BENEFITS COMMITTEE

Your SAFA Benefits committee, comprised of
Simon Bergen-Henengouwen, Chairman/Secretary
Randy Paul
Diana Ponsford
Len Filmer

invite you to send us your comments, questions, queries, or general information which might be of interest to our members. Please furnish the information, in confidence, to Heather Sagan in the SAFA office and include your name.

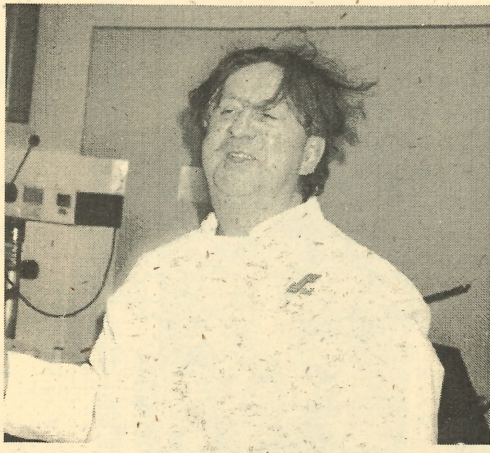
We will publish this information in the SAFAGRAM (anonymously); however, we require a name so that HR is apprised of the data.

We wish you all a healthy and happy vacation. ♦♦

answer from
page 3

Did you guess ...

the one and only
Marcelle
Carpenter



What's Happening at the Teaching & Learning Centre?

by Laura Cuthbertson



Hats off to all of our faculty on another excellent year in the classroom!

Hopefully, this article finds you preparing for those "lazy, hazy (but not-so-crazy) days of summer."

The TLC team would like to extend our thanks to you for your support over the

last year. The total number of workshops offered through the TLC was up 300% over last year, and all sessions were well attended. Congratulations on your commitment to on-going professional development.

Special thanks go out to our PD Committee (Bernard Piche, Gus Yepiz, Louise Bentley, Hanna Hess, Marcel Carpenter, Bruce Kenny, Gary Wall, Michelle Nelson, Dave Samson, Murray Sheridan, Henry Van Malsen), who were instrumental in the success of this year's "Great Teaching Getaway."

What's up for the summer?

August 9 - 20

Instructional Skills Pre-Service Program (80 hours)

This program is designed to meet the needs of the instructor new to SAIT. It focuses on the essentials of adult learning, learning outcomes, lesson planning, and student evaluation. Participants will have the opportunity to prepare and present five mini lessons.

August 21, 24, 26, 28

Instructional Skills Workshop (24 hours)

This experiential workshop is designed to improve the teaching and learning process. Participants review basic ideas about teaching, check current practices, and within the safe environment of the workshop, try new strategies and techniques.

August 21, 23, 25, 27

Technology-Mediated Teaching

This hands-on workshop is based on the same model of teaching and learning as the Instructional Skills Workshop. Participants will develop their ability to link technology and learning. Mini-lesson sessions that incorporate the use of technology will provide a unique opportunity to try new strategies, followed by feedback from peers.

Have a great holiday! See you in the fall!

For more details and specific information on these sessions, call the Teaching & Learning Centre at 7283. ♦♦

Top Printing Award Goes to SAIT Instructor

by Barry Rattigan, Applied Arts & Sciences



Luda Paul, Team Leader of the Print Management Technology program, was named "Craftsman of the Year" at the Gallery of Superb Printing banquet held on May 7, 1999, in Calgary.

The Craftsman of the Year has been awarded annually by the Calgary Craftsmen Club since 1960. It is the highest honour paid to an individual in the printing trade in Calgary. The person selected must be nominated and assessed by his/her peers, and the winner is the one judged to have contributed the most to the printing industry and to the Calgary Craftsmen Club over the past year.

The Calgary Craftsmen Club, established in 1949, is the local chapter of the International Association of Printing House Craftsmen, an organization of approximately 7300 members from around the world, established in 1909, and headquartered in Minneapolis. Luda has been a member of the Calgary Club since 1982. ♦♦



Spelling Chequer

Eye halve a spelling chequer
It came with my pea sea
It plainly marques four my revue
Miss steaks eye kin knot sea.
Eye strike a key and type a word
And weight four it two say
Weather eye am wrong oar write
It shows me strait a weigh.
As soon as a mist ache is maid
It nose bee four two long
And eye can put the error write
Its rare lea ever wrong
Eye have run this poem threw it
I am shore your pleased two no
Its letter perfect awl the weigh
My chequer tolled me sew

Sauce unknown

Captain, there's an iceberg dead ahead ...
What should we do?

Well, I think the deck chairs
would look nicer on the
other side of the boat!

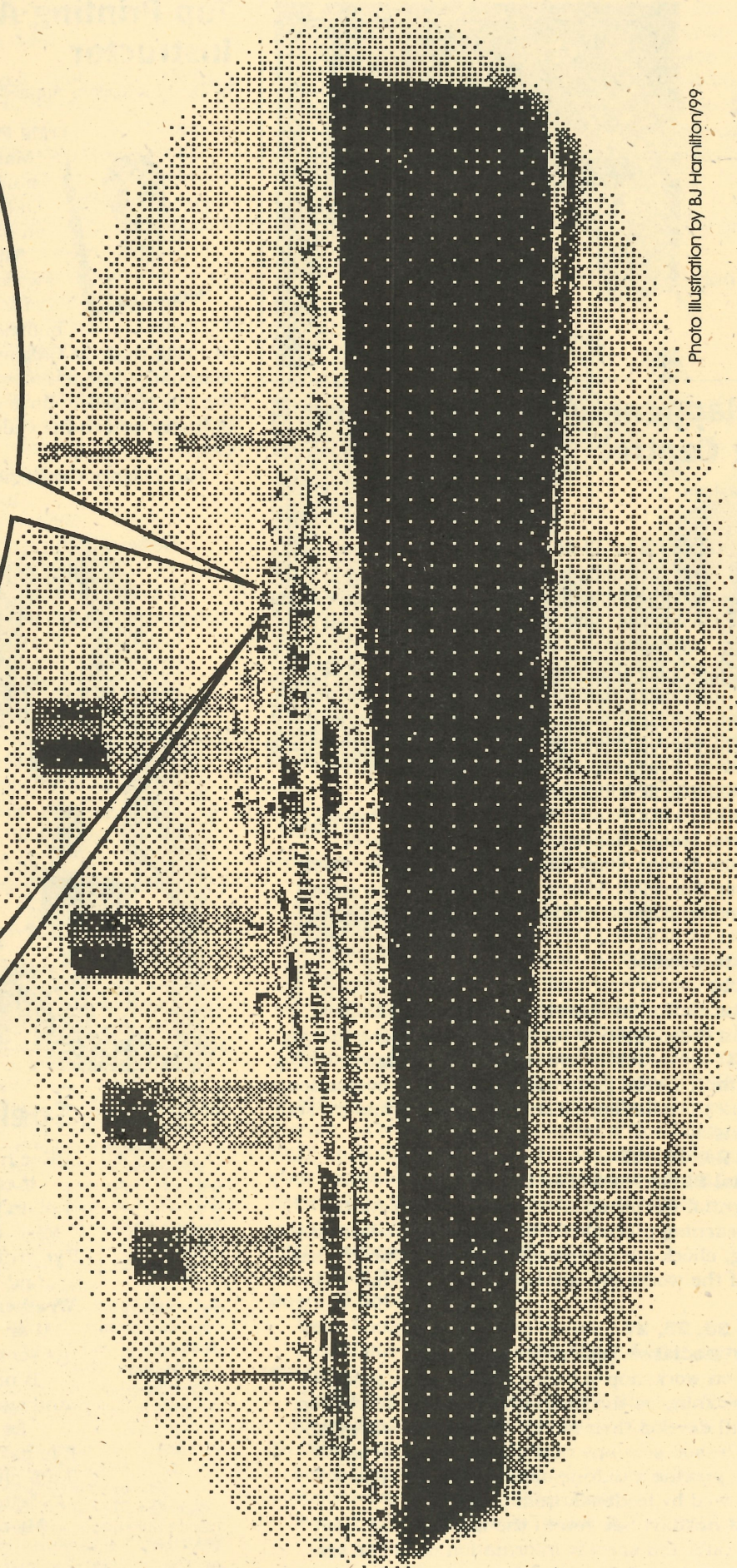


Photo illustration by BJ Hamilton/99

What might have been had the SAIT management team been aboard that fateful night ...