ABSTRACT

In spite of the efforts of researchers and practitioners, performance appraisal systems remain more of an albatross than an effective organizational tool. The movement toward objective measurement, employee participation, multiple raters, and the like, represents a definite improvement over traditional trait ratings. Still, internal improvements of appraisal systems may not be adequate to overcome the contextual factors that inhibit appraisal in organizations. Such things as the nature of managerial work, environmental demands, and organizational characteristics generally clash with the internal structure of appraisal systems. Designing appraisal systems congruent with organizational realities will require a new set of assumptions about what an effective appraisal system should look like. (Author)
Appraisal in Context: Clashing with Organizational Realities

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Abstract

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It completely refused to run a) when the waves were high, b) when the wind blew, c) at night, early morning, and evening, d) in rain, dew, or fog, e) when the distance to be covered was more than 200 yards. But on warm, sunny days when the weather was calm and the white beach close by - in a word, on days when it would have been a pleasure to row - the (outboard motor) started at a touch and would not stop.

Steinbeck, 1962, 21-22

Steinbeck's description of an outboard motor provides an apt analogy for a discussion of managerial performance appraisal. When performance has been good, when superior and subordinate have an open relationship, when promotions or salary increases are available, when there is adequate time for preparation and discussion - in short, whenever it is a pleasure - performance appraisal is well received. Most of the time, however, and particularly at those times when it is most needed (e.g., when performance is substandard), performance appraisal refuses to run properly.

Attitude surveys (e.g., Personnel Policies Forum, 1974; DeVries & McCall, 1976) as well as informed opinion (e.g., Ferrara, 1975; Pym, 1973; Winston, 1972; Porter, Lawler, & Hackman, 1975) confirm the general ambivalence toward appraisal. Often viewed with the same enthusiasm as income tax forms,
Performance appraisals are typically described by both supervisors and subordinates as "better than nothing at all."

One reason managers describe their current appraisal systems as "better than nothing at all" is because they recognize the great potential of appraisal for filling the void of interpersonal feedback in their organization. Frequent and accurate feedback to subordinates is critical to both the employees (who want to know where they stand in the organization) as well as to the organization (feedback being a central link in the control process).

The lack of valid feedback in organizations is apparent in the responses of managers, graduate students, and professional sports players to the question "how do you find out how well you are doing?" (Figure 1). As indicated in Figure 1, individuals often have to rely on such indirect indications of their performance as grapevine scuttlebutt, a general self-feeling of competence, and the gain or loss of organizational privileges. For many individuals in organizations, finding out how they stand is not a simple process. At the same time, such feedback is important to them (DeVries & McCall, 1976). Because feedback to employees is important, and yet is not occurring systematically, organizations look longingly toward performance appraisal as the answer to their dilemma.
Lack of research or failure to use the accumulated knowledge about performance appraisal does not explain the continued ambivalence surrounding it. Performance measurement and the appraisal interview have been and continue to be active research topics in industrial psychology. The fruits of the research (e.g., MBO, anchored rating scales, participative interviews) have been and continue to be applied by organizations. The psychometric and interview style alternatives generated, while no doubt a vast improvement over trait measures and tell-and-sell interviews, still seem to resemble the cantankerous outboard motor.

The Thrust of Improved Appraisal

While the literature on performance appraisal encompasses a diverse array of approaches, including numerous rating formats and interview styles, several common themes can be isolated. The driving elements of contemporary "ideal" performance appraisal systems include:

1) objective (reliable and valid) measurement of job performance (e.g., Smith & Kendall, 1963; Shetty & Carlyle, 1975).

2) subordinate participation in the rating and/or interview process (e.g., Cummings, 1973; Williams & Seiler, 1973),
3) frequent feedback and/or performance ratings (e.g., Meyer, Kay, & French, 1965),
4) in-depth training in both performance rating and conducting interviews (e.g., Maier, 1958; Latham, Wexley, & Pursell, 1975),
5) attaching organizational consequences (such as pay and promotion) to appraisal ratings (Porter, et al., 1975; Ivanevich, 1972), and
6) use of multiple raters (e.g., Borman, 1974; Lawler, 1967).

Not all of these refinements have been unequivocal successes: multiple ratings can still be biased (Klimoski & London, 1974), behaviorally anchored rating scales may be only a marginal improvement over nonanchored scales (Borman & Dunnette, 1975), participation doesn't seem to work for everybody (Kay, French, & Meyer, 1962), and tying pay to performance is a sticky business (Lawler, 1971).

More important, these six elements of performance appraisal reflect a closed-systems view of the appraisal process. Implicit in the research on appraisal has been the assumption that internal improvements—new rating procedures, nonthreatening interviews—will lead to effective performance appraisal in organizations. Little attention has been paid to the context in which appraisal takes place—those factors external to the
appraisal system that impact on its effectiveness, regardless of the internal structure. Examination of the external factors may reveal forces that severely limit the potential of contemporary internal improvements.

External Constraints on Internal Improvement

Whether described as open systems or something beyond (Pondy, 1976), there is general agreement that organizations consist of numerous interrelated parts. Information, control, appraisal, and many other facets comprise an interconnected whole with no part totally independent of the others. Performance appraisal is a technology which, like other technologies, is influenced by the way it is used, the people who use it, and the constraints placed on it by the larger system. The quality of a camera may have little relationship to the final print if the photographer is unskilled, the film is improperly developed, there is inadequate time to frame the shot, access to the subject is restricted, or the lens cap is not removed. Most of the work on performance appraisal has emphasized building a better camera, neglecting those factors that reduce the usefulness of even the finest equipment.

That past performance appraisal research has focused on the camera itself is important because appraisal is an organizational tool. Just as a camera is used by an imperfect human being, so too appraisal is used by an imperfect organization. Kane (1975)
and others have generated long lists of situational factors impinging on appraisal. This paper treats only five salient factors: nature of managerial work, organizational characteristics, nature of performance, environmental demands, and daily supervisor/subordinate relationships.

1. **Managerial work.** A recent study found that managerial work can be characterized by variety, brevity, and fragmentation (Mintzberg, 1973). Mintzberg found, for example, that 50% of a manager's activities lasted nine minutes or less, and only 10% lasted over an hour. The vast majority of a manager's contacts were ad hoc rather than preplanned, and managers showed a strong preference for "live," current information (as opposed to looking backward or forward). Further, managers disliked the routine and concentrate their efforts on the nonroutine.

So how does performance appraisal fit into managerial work? By definition, appraisal concentrates on past performance. To the degree that it is formalized, it represents a routine activity which is highly structured. And, to carry it out properly even for only one subordinate, appraisal requires a significant expenditure of time (DeVries & McCall, 1976). Clearly, appraisal systems as currently structured contradict both managerial work styles and values.
Furthermore, virtually all appraisal systems result in a need for managerial action. Some are directly or indirectly tied to such things as salary and promotion, and some involve planned development activities. Even when the appraisal is intended strictly for feedback purposes (i.e., has no formal consequences), the subordinate has every reason to expect the superior to help arrange developmental activities. The question becomes, what control does the manager really have over the implicit or explicit prescriptions?

The answer is that for a variety of reasons managers seldom have much control. Salary increase ranges are usually too small to serve much motivational purpose, often barely matching the inflation rate. Even when the manager has the authority to allocate increases, the appraisal is as likely to justify a predetermined level as it is to predict it. In other cases, allocating increases consists of finely tuning salaries to reach "equity" among organizational peers, focusing less on performance than number of years with the company or span of responsibility. Promotions, too, are seldom at the discretion of the manager since there may not be any positions open, the manager may not be informed about available slots, or the actual decision may be made by higher level managers.

As to developmental prescriptions (often an integral part of performance appraisal systems) again many managers lack the
control to follow up. They may lack knowledge of or faith in available training programs, may not be able to spare the subordinate for the time required, or may lack either the time or the skill to do the coaching themselves.

The uncertainty surrounding managerial ability to deliver the goods promised by a careful appraisal leads to unenthusiastic conducting of appraisals, appraisals likely to generate, not reduce, frustrated expectations. It's unlikely that either manager or subordinate will be overly enthusiastic about surfacing touchy performance issues when little can be done about them. Even the ultimate sanction—firing low performers—is seldom a viable option for many managers.

2. **Organizational characteristics.** Performance appraisal, to be effective, should correlate with rewards (Porter, et al., 1975). Yet managers may not be able to distribute rewards on the basis of appraisals because organizations either have few rewards to offer, or have so many rewards that everyone gets them. Many organizations emphasize merit-based pay and advancement, and build their performance appraisal systems accordingly. In times of plenty, organizations may grow so fast that high and low performers alike get promoted and receive increases. During recessions, managerial personnel may be cut back and increases virtually eliminated. In both cases in the feast/famine cycle, the relationship between
individual performance and salary increase is indirect. More importantly, few organizations, when administering merit pay systems, directly reinforce appropriate conducting of appraisal. Because performing appraisals is seldom defined as critical to the managerial role, managers are not likely to expend much effort on appraisal.

Organizations generally have hierarchies which clearly specify who reports to whom and who is responsible for what. Most organizational members recognize that important goals and procedures will come from the top, as will the important criteria for judging adequate performance. While many tactical decisions remain at lower levels, the performance appraisal process is not a likely forum to meaningfully increase subordinate participation in such decisions. Both supervisor and subordinate recognize the top-down nature of organizations as well as the rapidly changing nature of tactical goals. Meaningful participation in setting or measuring goals can result only from a general managerial philosophy of democracy or delegation with day-to-day subordinate inputs. If such an atmosphere exists, use of the annual appraisal review for goal setting is redundant. If not, its utility is marginal.

Another characteristic of organizations is that even major decisions involve subjective, intuitive, and political processes (Mintzberg, Raisinghani, & Théoret, 1976; Smith, 1963). Decision makers seldom have complete information, and even when they do,
decisions are not always rationally made. Why should we expect a comparatively minor decision, the appraisal of a single individual—to be any more rational and objective? Objectivity in appraisal procedures is a dramatic step forward from global trait ratings, but it's hard to believe that anyone would see managerial performance appraisal as a truly objective process (Kavanagh, 1971). Perhaps deleting the subjective component of appraisal (as in some behaviorally anchored approaches) makes the process sterile and nonintuitive to the managers involved.

3. Performance. The essence of performance appraisal is the performance. Appraising individual performance assumes: 1) that performance varies, 2) that a person's performance is relatively independent of the performance of others, 3) that there is some consensus on what is good or bad, and 4) that performance can be changed (through motivation, development, or elimination of the incumbent).

First, does performance vary, and, if so, how much? If one believes in self- and organizational-selection, or even just organizational Darwinism, it is likely that managerial personnel—and particularly those at higher levels—exhibit a relatively narrow range of performance (Pfeffer, forthcoming). Unlike the normal distribution of ability found in the population in general, one expects (hopes?) that the distribution of talent among organizational
managers is positively skewed. Certainly there are differences in ability, but the range restriction is probably enough to make those differences hard to measure reliably except at the extremes. This can result in appraisal ratings clustered at the high end (often attributed to halo) or in an artificial spread of ratings forced by technologies, like forced distribution.

Given that differences across individuals are hard to tease out, what about performance by one person over time? The old saw, "Past behavior is the best predictor of future behavior," comes into play here. Temporary discontinuities and daily fluctuations are likely to characterize performance over time. Learning a new job, for example, should result in an upward performance trend until competence is achieved. Still, many of our attempts to deliberately change people (e.g., Mischel, 1968) have not produced dramatic effects. For most managers, overall performance is probably stable over long periods of time. The same strengths and weaknesses are likely to emerge in several annual appraisals, and changes may simply mean that the principals are tired or rehashing the same old things. Although still unresolved, these issues are being addressed in current work by Kavanagh (personal correspondence), through a comparison of ipsative and normative uses of appraisal.

Second, to what extent is performance truly individual? Isn't it reasonable to conjecture that most managerial jobs are by nature
interdépendent? Certainly the criteria most often applied in studies of organizational leadership (group productivity, group satisfaction) imply that leadership is of a group nature. Given lateral and sequential dependencies, it is extremely difficult to tease apart individual and group performance. The status of the profit and loss statement is hard determined by a single person. Although personnel decisions based on appraisals must be made at the individual level, the data used often describe group performance.

Third, is there consensus on good and bad? Work with multitrait-multirater matrices of performance would suggest some consensus, but not as much as hoped (Lawler, 1967). Other work has shown that different rating groups evolve different performance criteria (Borman, 1974), even in an MBO-oriented organization (Bishop, 1974). Not only is performance multifacted (Kavanagh, 1972), but apparently so is the observation of performance. Whether performance is perceived as good or bad—or even perceived at all—depends on who is observing.

Finally, can performance be changed once it has been appraised? One way to modify behavior is to attach sanctions to performance. We have already mentioned, however, that organizational rewards are often of insufficient magnitude to dramatically affect performance. Further, a myriad of factors, from equity to seniority, restrict the dispersion of formal rewards on the basis of performance alone. So, even if
performance differences can be appraised, connecting them with differential sanctions is extremely difficult.

Another way to change behavior through appraisal is by diagnosing developmental needs. Once diagnosed, however, can development be delivered? Even if developmental programs are available, can they be delivered? Even if developmental programs are available at the right time, one cannot be overly optimistic about the effectiveness of managerial training programs (Campbell, 1971; Hinrichs, 1975; Stogdill, 1974).

4. Environmental demands. Many organizational constraints on performance appraisal are a direct result of environmental forces. Unions, for example, often resist merit pay systems (Newsweek, 1976). The preferred seniority criteria can eliminate appraisal as an administrative tool.

Recently, EEOC and OFCC guidelines have begun to impact on appraisal. Virtually any mechanism, casual or formal, used to make employment decisions is a test. When discrimination is suspected, it must meet stringent guidelines for reliability and validity (Federal Register, 1970). The threat of legal entanglements can have profound effects on the nature and application of performance appraisal systems.

5. Day-to-day relationships. Perhaps the most important reason that even sophisticated appraisal systems may not work is the nature of established interaction patterns between supervisor and
The dynamics of these interactions are determined by day-to-day working relationships evolved over time (Dansereau, Graen, & Haga, 1975). It is folly to believe that an annual review can effectively change the ground rules established the other 364 days of the year. A hard-driving, authoritarian boss is not likely to be convincing in a participative appraisal interview. More importantly, a supervisor may be justifiably reluctant to surface in an appraisal those factors which might jeopardize working relationships. Particularly since the supervisor may feel constrained in doing something about deficiencies, raising them as issues in appraisal would be frustrating for both parties.

Figure 2 summarizes the external constraints, the ways they conflict with performance appraisal, and the internal factors they might affect. Training managers in appraisal comes out almost unscathed, attaching consequences and multiple raters are a bit more incompatible with organizational realities. Frequency, participation, and objective measurement are three recommendations which clash repeatedly with other organizational forces.

What is clear is that powerful forces external to appraisal systems can have profound impacts on their effectiveness. Improved measurement tools or interview skills alone will not overcome
the external forces, and may in fact exacerbate some of the
problems. More research on what and how contextual variables
influence the appraisal process is badly needed.

What Causes the Clashes

It is puzzling to realize that so much research has been
expended on an organizational tool which conflicts with
organizational realities in so many ways. Why do even the most
recent proposed performance appraisal alternatives contradict
rather than support the context within which appraisal must be
used?

Multiple and possibly conflicting purposes served: Although
only one finite organizational tool, appraisal is expected to
serve many purposes (cf. Personnel Policies Forum, 1974; Feild &
Holley, 1975). The majority of organizations polled in recent
appraisal surveys use appraisal for most, if not all of the
following purposes: promotion/retention/discharge decisions,
salary administration, employee training/development, and employee
counseling. Creating an appraisal system ideal for salary
administration (requiring objective data, infrequently collected,
outcome oriented, and norm-based) may create incompatibilities
with a system useful for counseling employees (requiring frequently
collected, process-oriented data). By demanding that performance
appraisal be an organizational tool for all seasons, the tool
has in turn taken on properties which make it incompatible with the
organization it is meant to serve.
Staff/line conflict: In most organizations appraisal procedures are designed and administered by personnel departments. The data collected and the use of such data are often dictated by personnel department needs. These needs may include forming "management audits" in which the number of high potential managers is documented, or filing reports to the EEOC indicating number of minority group employees and their rate of and basis for promotion. Although staff departments use appraisal data, the responsibility for generating the data and using it for feedback falls on the individual line manager. Effectively using the appraisal may prove difficult for the manager (for example distributing his subordinates along a normal distribution on performance when he/she sees them as comparable), with the resolution often taking the side of meeting the larger organizational need of the personnel department.

Form vs. process: One clear image of managerial work painted by Mintzberg (1973) and others, is that managing is a process, not a product. Being a manager involves deciding, planning, leading, mediating, to name only a few functions. The appraisal process by contrast, is defined by a series of forms which are filled out, signed, reviewed, and signed again. Appraisal yields a product, forcing closure and documentation alien to an organization constantly in flux.
Merit pay myth: A major historical force in the evolution of appraisal systems is the notion of "an honest day's wages for an honest day's work." Appraisal is thus seen as a tool for allowing organizations to more objectively determine an "honest day's work." This, of course, ignores the following realities: 1) organizations, even after extensive investment in appraisal, are finding it difficult to define managerial effectiveness, 2) rewarding individuals requires resources (such as additional wages, or promotions) not necessarily available in an organization, and 3) even if resources are available, promotions and raises are often dictated by nonperformance related factors (e.g., seniority, minority group membership, parity). By using appraisal to support the myth of merit pay, appraisal has often taken the form of an organizational albatross.

Moving Toward Congruence

One conclusion that can be drawn from the clash between PA and its context is that appraisal as it is currently practiced will never be fully effective. Contemporary directions, focused as they are on internal factors, are not tackling some fundamental problems. Can appraisal systems be designed to maximize congruence with some of these external forces? If so, what would they look like?

Figure 2 provides an interesting place to start. Congruence would be more likely if the appraisal system had the following.
characteristics: 1) it were more like other managerial work (e.g., short, ad hoc, current, nonroutine), 2) it incorporated competition for resources, authority differences, and subjectivity, 3) it accepted low performance variability, included group as well as individual performance, and dealt only with behaviors that can be changed, 4) its purposes did not contradict established environmental constraints, and 5) it were flexible enough to fit a particular manager's style and preserve his or her prerogatives.

Sound far-fetched? Indeed, but at the same time it represents an exciting challenge with potentially high payoff for both individuals and organizations.

Resurrecting Appraisal: New Research Directions

It may be presumptuous to expect new research approaches to set straight such an entrenched organizational practice as performance appraisal. One can at least expect research along the following lines to suggest underlying causes of the managerial ambivalence felt toward appraisal:

Internal vs. contextual factors: This paper argues (without a great deal of empirical support) that the success of appraisal is determined more by contextual variables (such as nature of managerial work and job interdependence) than by the appraisal procedures themselves (such as the use of performance vs. trait
scales). This is clearly needed to be tested. Such research will allow us to evaluate whether a dramatically new focus, namely how and where appraisal is used, is a productive alternative to current trends.

Reaching congruence: Grass-roots integration: Returning to the camera analogy, better results will be obtained if the person who will use the camera—the person who best knows the kind of equipment most likely to work in a particular setting—chooses it. Appraisal systems are too often presented as fait accompli by corporate level personnel departments that have misread the environment in which the appraisal is to be used.

In some organizations appraisal systems were structured largely by committees of line personnel, with such committees deciding how appraisal should be conducted, what should be appraised, and what information should be fed back to the subordinates. Appraisal systems generated in this fashion appear more congruent with the organizational context. Interventionist research assessing the impact of this grass-roots form of introducing appraisal could generate creative alternatives to current practices.

Divide and conquer: A good photographer does not use one single camera for all shots. Several cameras, and certainly multiple lenses, may be required for consistently good prints across situations. So too with appraisal: one mechanism may not
meet the demands of the multiple organizational purposes to which it is put. Meyer (1976) suggested one way of subdividing appraisal procedures. Another tack might be to isolate the two major categories of purposes of appraisal: employee feedback (and subsequent development) and organizational documentation. Employee feedback might be best served by frequent, informal supervisor-subordinate "wrap-up" sessions in which the subordinate's performance on a discrete task is reviewed. No documentation of the wrap-up is required. What is said is considered confidential. The documentation demands of the organization are met by a separate annual completion by the supervisor of an appraisal sheet in which performance is summarized, and salary and promotion recommendations are made. This information is then filed with the organization. Whether such alternative appraisals are more congruent with organizational realities needs to be tested through systematic research efforts.

*How do they find out?* Perhaps research on appraisal needs to step back and ask "How do employees find out how well they are doing?" Our asking this question of over 400 managers led us to conclude that looking at performance appraisal ratings is not how managers determine how well they are doing. If appraisal, as currently conducted, is not rich in feedback, how do employees find out? Clearly some employees have a better feeling for their status than others - how so? Do they use peer judgment? Client reports? Do they generate more "hard" data? Or do they have
more clearly defined internal standards? Studies of this natural variation in feedback richness could provide a valuable set of hypotheses on how to make appraisal a more meaningful experience for employees.

Appraisal via the assessment center: One response to the vagaries of taking fine pictures is to place the process in the hands of a professional photographer. The analog in appraisal is to assess individuals through the most formal appraisal system yet designed—the assessment center (Bray & Grant, 1971). Bray and others have designed a technology which can predict future managerial performance. Whether performance in the assessment center correlates with current job performance is another question which would have to be answered. Even more important is the question of whether a vastly more efficient (in terms of staff and time required) form of the assessment center can be generated.
References


Pondy, L. R. Beyond open system models of organizations. Presented at the Annual Meeting of the Academy of Management, Kansas City, Missouri, August 12, 1976.


FIGURE 1

How do you find out how well you are doing?

Managers:
- My boss has subtle ways of telling me when he ticked off.
- I know when the boss is proud.
- I am my own best judge.
- When I really foul up, my boss hears about it and lets me know.
- A secretary told me my supervisor said I was the best they had.
- Am I brought into the action? I'm in trouble when I'm left out.

Professional Sports:

Football Players:
...taking away his playbook... summoning him out of an instructional meeting, or calling him from his room late at night; the emptying out of a locker; excusion from the group picture of the team...

(Plimpton, cited by Ball, 1976)

Baseball Players:
...you could always tell how you were doing by the way the (pitching coach) said good morning. If he said, 'Well now, good morning Jimmie boy,' that meant you'd won your last two or three games and were in the starting rotation. If he nodded his head to you and said, 'Jimbo, how are you doin', how are you doin?' you were still in the starting rotation, but your record probably wasn't much over .500. If he just said, 'mornin', that meant you were on your way down, that you'd probably lost four out of five and it was doubtful if you would be getting any more starts. If he simply looked at you and gave a solemn nod, that meant you might get some mop-up relief work, or you might not, but you definitely weren't starting anymore and would never get into a close game again. And if he looked past you, over your shoulder as if you didn't exist, it was all over and you might as well pack your bag because you could be traded or sent down at any moment."

(Bouton, cited by Ball, 1976)

Graduate Students:
- Feedback from secretaries on what professors think.
- I was not fired from my assistantship.
- Being called in before an ad hoc faculty committee.
- Getting a scholarship to a special university program.
- The "feeling" I can do things now that I couldn't a year ago.
- My advisor's friendliness and suggested activities.
**Figure 2**

Clash between Organizational Realities and Appraisal Systems

<table>
<thead>
<tr>
<th>Constraints Experienced by Performance Appraisal Systems</th>
<th>Nature of Conflict with Performance Appraisal</th>
<th>Internal Factors Inhibited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managerial work:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>activities short duration</td>
<td>requires extensive preparation</td>
<td>multiple raters</td>
</tr>
<tr>
<td>ad hoc contacts</td>
<td>requires formal interviews frequency</td>
<td>frequency participation</td>
</tr>
<tr>
<td>prefers current information</td>
<td>focuses on past behavior frequency</td>
<td>objective measures</td>
</tr>
<tr>
<td>prefers nonroutine action</td>
<td>formal system is routine</td>
<td></td>
</tr>
<tr>
<td>action constrained</td>
<td>results of PA demand action</td>
<td>attach consequences</td>
</tr>
<tr>
<td>Organizational characteristics:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>limited available resources</td>
<td>administrative or developmental programs required</td>
<td></td>
</tr>
<tr>
<td>hierarchical structure</td>
<td>mutual problem solving required participation</td>
<td></td>
</tr>
<tr>
<td>subjective decisions</td>
<td>objective appraisal attempted</td>
<td>objective measures</td>
</tr>
<tr>
<td>Performance:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>low variability</td>
<td>tries to distinguish among people</td>
<td>objective measures</td>
</tr>
<tr>
<td>interdependence</td>
<td>focuses on individual appraisal</td>
<td>objective measures, participation</td>
</tr>
<tr>
<td>lack of agreement on good/bad</td>
<td>objectivity in appraisal</td>
<td>objective measures, multiple raters</td>
</tr>
<tr>
<td>performance hard to change</td>
<td>goals of motivation or development</td>
<td>participation, objective measures, frequency</td>
</tr>
</tbody>
</table>
### Environmental demands:
- Seniority system
- Attempts to reward performance
- EEOC demands for validity
- Attempts at mutual goals setting

### Day-to-day relationships:
- Authority relationship
- Interview/goal setting
- Style conflict
- Preserving relationships
- Possible surfacing of insoluble problems

- Participation, frequency, objective measures