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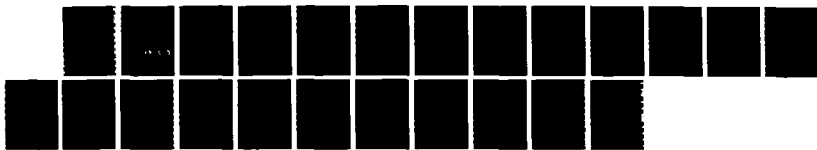
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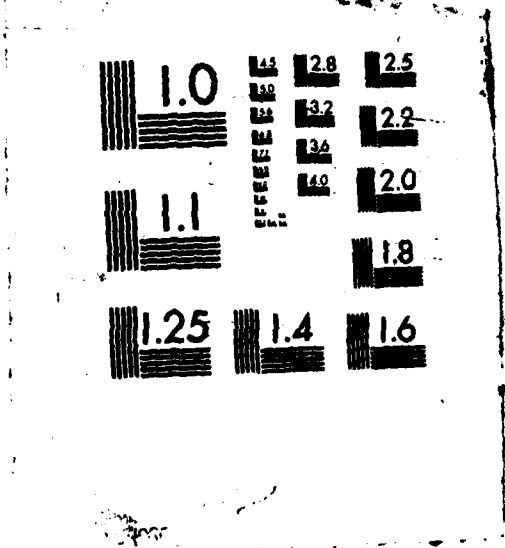
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Performance Appraisal from a Process Perspective:

A Final Report

by

Daniel R. Ilgen

Michigan State University

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Performance Appraisal from a Process Perspective:

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Michigan State University

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Performance Appraisal from a Process Perspective:

A Final Report

Performance appraisal systems play a central role in the active functioning of any large organization. The importance of such systems has become more evident as a result of an acute awareness of the need for organizations to apply personnel practices with regard to promotions, raises, job assignments, and other actions. The need for effective performance appraisal systems also increases as organizations become large and more complex. The latter affects the percentage of the workforce that can be known well by any particular manager and the percentage of the total set of tasks done by employees that a manager in any area of specialization can understand well and validly evaluate.

In spite of relevance and increasing demand for effective performance appraisal systems, by the late 1970s the ability to perfect these systems seemed to have reached a plateau--and a relatively low one at that. For the most part, work on performance appraisal up to that time had focused upon (1) the design of performance appraisal instruments or scales, and (2) the training of people to use the scales.

In a watershed review of the performance appraisal research through the 1970s, Landy and Farr (1980) noted the limitations of past research and stressed the need for future research that shifted the concern from rating scales and training to an investigation of the cognitive processes involved in the rating



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task itself. Over the last six years, a great deal of research and theory has been driven by the orientation suggested by Landy and Farr.

The present research effort was framed within the cognitive perspective. The research was guided by a rather detailed model developed by Ilgen and Feldman (1983). The general framework of the model suggested that the rating task involved four primary subtasks. These were to (1) gather information about the ratee's performance by observing that person's behavior on the job, (2) store that information in memory, (3) retrieve information from memory when asked to rate performance, and (4) make an evaluation of performance based on the information retrieved from memory.

Most of the research supported by this grant addressed one or more of the four subtasks described above in an attempt to better understand the way in which raters process information and make performance appraisal ratings. Although a number of research methods were used, a large number of the studies involved developing video tapes of persons working on a job. The development of such films was extremely time consuming but nevertheless important for the tapes provided a constant stimulus with known properties which could be presented to raters allowing for an assessment of the effects of the known information on ratings. In some cases, the video tape stimuli were used in work simulations conducted in the laboratory, and, in other cases, the tapes were transported to field settings where experienced raters

were used in the research. In all cases, the use of such materials provided a valuable method for assessing the accuracy of ratings.

The specific studies directed at one or more of the four subtasks of the Ilgen and Feldman (1983) model will be mentioned in the paragraph that follows. There were, however, a few studies that did not fit neatly into the subtasks. The first of these was a study of the effects of allowing people to choose performance feedback rather than have it given to them automatically (Ilgen & Moore, 1983). This research showed that giving people a choice of whether or not to receive feedback can be very useful when the act of giving feedback is time consuming and performing the task in a timely manner is important. Those persons with higher ability chose feedback less frequently and, as a result, were able to do the task more quickly.

A second tangential piece by Ilgen and Wiggins (1985)* explored, from a theoretical standpoint, the effects of time on goals and goal setting processes. This discussion considered the role of performance feedback and changing motivation on performance as well as the level of goals maintained by persons who perform similar tasks for a relatively long period of time.

* Several of the research studies were first published as technical reports and later as articles or book chapters. For convenience, only the technical reports will be used for citation in this report.

The remainder of the published research on this project addressed one or more of the rater appraisal tasks. Each study is briefly mentioned below. In addition, all published materials on the grant up to this time are listed in an appendix to this report.

Research on the Appraisal Process

Information Gathering. Two studies dealt directly with information gathering. The first of these (Favaro & Ilgen, 1983), varied the type of information available about ratees and observed the amount of time that raters spent observing ratee performance. The results indicated that information which allowed raters to form a general impression of the ratee decreased the amount of time that the ratees were observed. This occurred even when the general impression was one that was not perceived as providing any cues about performance. It was suggested that when the information was performance relevant, the effect should be stronger and could potentially impact negatively on those people for whom negative stereotypes about their performance exist in the rater population.

A second study of information gathering by Youtz and Ilgen (1986) provided information in a dynamic mode by creating different levels of performance among ratees observed over time. It was expected that consistent performers would lead raters to feel that they knew and understood how well these individuals were performing thus decreasing the time that the raters devoted to observing performance at a later time. The data did not support this

hypothesis. The lack of support was believed to be due, in part, to the level of performance in addition to its consistency.

Storage. A study by Pulakos (1984) investigated the interaction between rating scale format and the tasks of gathering information and storing it in memory. In particular, Pulakos argued that some rating scales place great demands on information gathering in order to use them effectively. Other scales affect encoding. Pulakos used two commonly used rating formats and provided training on both information gathering and encoding/memory. The results showed that scales do demand very different processes from raters and that ratings are more accurate when training for a scale focuses on the information processing demands implicit in the use of the scale.

In two studies directly addressing information processing, Ostroff and Ilgen (1985a & 1985b) explored the nature of the cognitive categories used to store information about employee performance. Using a sample of nurses and a video tape of a nurse performing typical nursing tasks, raters provided a description of the dimensions on which they, themselves, evaluated nurses and people in general. Results indicated that ratings were better when the personal dimensional system of the raters either matched or were highly consistent with the dimensions of the rating scale. There was also a slight indication that providing people with feedback on the match between their own personal system and that of the rating system may have been helpful.

Research on recall and evaluation focused on measures of accuracy (Youtz & Ilgen, 1986) and on rating errors (Pulakos & Schmitt, 1984; Kozlowski, Kirsch, & Chao, 1985). The first of these studies provided an evaluation of Behavioral and Classification accuracy measures while the latter looked at Halo errors.

Conclusions

→ The research supported on the grant provided one of the first sustained research efforts to investigate performance appraisal processes as they relate to the accuracy of ratings. The work on the information gathering stage of this process produced perhaps the clearest findings indicating that conditions do exist which influence the amount of time people spend observing the behaviors of others and suggesting ways to modify conditions or train individuals to insure more adequate sampling of behavior prior to rating.

The research on cognitive category systems used in rating was interesting from the standpoint that it represented one of the first attempts to try to assess the nature to the category systems used by raters in field settings. ← Prior to this time, inferences were made about the systems in terms of how they impacted on performance evaluations, but there were no attempts to assess these directly. On the other hand, the data from the present research were sufficiently unclear as to leave a number of questions with

respect to the nature of the category systems that raters possess and the effects of these categories on ratings.

Information regarding recall was gained primarily with respect to ways to assess accuracy directly and with respect to rating errors. The accuracy research was most useful with respect to indexing behavioral and classification accuracy. The rating error research focused on halo.

Finally, conducting the research revealed some things about the nature of the experimental paradigms used by us and by most others currently addressing performance appraisal processes. Ilgen and Favaro (1985) and Ilgen (1986) discussed some of the boundary conditions that appear to be necessary for research that is conducted in the laboratory for the purpose of learning about the process of performance appraisals done in the field. The major point of this research was that, for transfer, some minimum conditions must be met, and many of the social psychological research studies from which constructs are borrowed and adapted do not meet the minimum conditions.

Ostroff and Ilgen (1985a) suggested that research using the typical paradigm for assessing performance appraisal accuracy may severely underestimate the size of the effects due to restrictions in variance on the criterion measure--the measure of accuracy. Typical accuracy measures have expert judges rating video tapes in order to obtain a standard of performance based on the mean rating of the judges. If the experts do not agree, the video tapes are

rerun until the episodes on tape produce high agreement among the judges. It was argued that this process, necessary for confidence in the quality of the standard, is also likely to produce episodes on tape that are quite easily judged by any judge including a naive one. If this is so, there is likely to be little variance in accuracy measures when the measures are based on some level of agreement between naive subjects' ratings and those of the experts. This problem was raised by the authors without offering a good solution. However, it is suggested that future research needs to look closely at this potential problem and deal with it if the paradigm is to be useful.

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APPENDIX

REPORTS AND PUBLICATIONS

ON

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Contract N00014-83-K-0756
Daniel R. Ilgen, Principal Investigator

Cumulative Publication Record
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TECHNICAL REPORTS

- 2001 Favero, J. L., & Ilgen, D. R. (1983). The effects of ratee characteristics on rater performance appraisal behavior (Tech. Rep. No. 83-5). East Lansing: Michigan State University, Departments of Psychology and Management.
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