Performance Evaluation: Lessons from the Corporate Sector

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Abstract—**Just as the meaning of performance differs in different contexts, performance appraisal needs to be understood within each sector. While the concept has been applied in librarianship for many decades in one or the other form, there is a lack of clarity on how it can be best undertaken. It is the responsibility of the employer to devise some measure for taking decisions on incentives, promotions and training. In a broader sense, the library sector is part of the information industry, where information can be viewed as a commodity. One way to address the practical difficulties in the implementation of performance evaluation methods and lack of standards for defining performance itself is to review new approaches and best practices adopted by the corporate sector. Taking this approach, the present study attempts to throw some light on some implementable corporate strategies on measuring performance in librarianship.**

Index Terms— **Performance evaluation, Performance review, Job Evaluation, Performance measurement.**

I. INTRODUCTION

Performance appraisals are conducted mainly for managing promotions, assessing merit, disciplinary action, maintaining paper trail, identifying deficiencies, providing feedback, communication, aiding the selection process, etc. Terms such as performance measurement, performance assessment, performance appraisal, job evaluation, employee appraisal, and performance review are used synonymously. While several studies have looked at the professional status of librarians, the implementation of performance evaluation methods has been rarely examined [1]. Commenting on the general reluctance of applying performance evaluation in libraries, Jenkins [2] argues that despite appraisals being referred to in literature pertaining to libraries, there is a lack of desire to implement them systematically.

Among the many studies on conducting performance appraisal Evans & Rugaas [3], De Prospo [4], and Edwards & Williams [5] argue that much of the focus is on 'how to' schemes rather on what to measure, how to control performance variables and which factors are important. Further, Edwards & Williams [5] argue that the idea of performance evaluation is still in use because there are still ambiguities about conducting appraisals and measuring performance.

II. REVIEW OF LITERATURE

While providing a summary of discussions during the performance evaluation workshop conducted at the Allerton

Institute on Critical Issues in Library Personnel Management, Cohen [6] argues in support of a performance appraisal system based on goals, one that establishes communication between the employee and supervisor in the areas of responsibilities, results, priorities, development and evaluation of performance. The workshop also brought up the need for objective data to create a base for the consistent rating of staff, which is, till date, considered a burning issue in performance measurement. Cohen further explains that many forces are at play during the process of rating, such as the halo effect, pitchfork effect, central tendency, loose rating, tight

rating, recency error, length of service bias and competitive rating. In 1989, the Council of Polytechnic Librarians set up a committee on library funding and performance indicators to explore how to develop a standard set of performance indicators for polytechnic libraries. Winkworth [7] proposed a set of six indicators, namely, relevance, delivery, effectiveness, cheapness (costs), cost efficiency, and staff efficiency.

While describing performance indicators for public libraries of Scotland, Midwinter & McVicar [8] cite various authors, societies, and reports, to argue that the precise and objective measurement of performance is a difficult feat. Morgan [9] conducted a survey in 1992 covering 119 academic libraries in the United Kingdom, which reveals that approximately two-thirds of the libraries had no written policies on performance assessment and only a meager number of respondents felt satisfied on the procedures adopted for performance assessment. In the context of performance appraisal in academic libraries of United States, Edwards & Williams [5] argue that due to a lack of design techniques, strategic implementation and predefined results have been replaced by personal narrative, and indicate dissatisfaction with conventional performance appraisal mechanisms. Their study advocates the inclusion of context with respect to performance.

While developing a performance appraisal strategy for catalogue quality, Chapman & Massey [10] discuss the difficulty of measuring performance. Performance variables tend to be chosen on the basis of simplicity of calculation, and in the process, important factors of performance are often left out. A study by Martey [11] on performance appraisal in the academic libraries of Ghana reveals that it is only implemented in the University of Ghana, where the process involves a formal appraisal form with performance criteria, followed by an appraisal interview and coaching. It also includes rating of the supervisor and peer rating. Preiser & Wang [12] have conducted a survey in the Public Library of Cincinnati and Hamilton County in the United States to assess the performance of individual branches of libraries in which qualitative and quantitative measures are used and indicators are allotted weights. Performance with respect to reference work rendered has been evaluated by a survey conducted by Fabunmn [13] in three libraries of Ibadan, Nigeria, namely, the Kenneth Dike Library, Polytechnic Library and the Nigerian Institute of Social and Economic Research Library. It found that reference services provided by the staff were of high standard and satisfied the users' needs.

II. LESSONS FROM CORPORATE SECTOR

The private sector, especially the corporate sector, has a long history of performance evaluation that lasts many decades. At different stages of its evolution, software has been seen as a service and a product, while performance evaluation has been considered part of management, which also includes different styles, theories and approaches. Hannabuss [14] argues that the meaning of performance differs in different contexts. If the corporate sector and library sector are compared, we could get a few resemblances, such as staff as engineers, collection as software, and library users as customers. Day [15] argues that the concept of measurement has been borrowed from production, where performance is measured using input and output in a traditional sense. Library science is part of a larger information industry, which variously deals with information as a product and service, including the concepts of information marketing and user satisfaction.

The implementation of performance evaluation varies across different kinds of libraries. While it is actively implemented in special libraries, government libraries, and corporate libraries, it is still at the initial stages in small libraries. Even with the concept of Libra metrics (quantitative analysis through the application of statistics and mathematics to library activities), there is a lack of standards when it comes to measuring performance. In most cases, it is advocated and devised by the employer.

Traditional performance evaluation techniques tend to view the employee as a product, incapable of any strategic involvement, without taking any inputs from him/her and this is met with resistance from employees. McGregor [16] advocates Management by Objectives (MBO), a concept developed by Peter Drucker, based on social values, under which the employee is expected to establish short-term goals for him/herself and the supervisor is supposed to guide him to achieve these set goals. A new approach departs from traditional approaches, which focus on the supervisor, by mainly dealing with the subordinate who is expected to analyze the company's approved statements and prepare statements of the major features. Both the supervisor and subordinate are asked to prepare a draft.

Specific actions are set as targets for the next six months. The subordinate then evaluates his own performance after the completion of the set period. An interview is arranged to examine the subordinate's self-appraisal and mutually agreed targets are set for the next period. However, the supervisor is given greater power when it comes to setting of targets. McGregor also advocates this approach wherein the supervisor's role is to align the subordinate's self-appraisal to organizational realities.

Patz [17] conducted 70 interviews of top and mid-level managers across one Dutch, one Canadian and 17 US companies, which revealed that appraisal forms and mechanisms act as systemic barriers, while bias, fear and concerns act as behavioral barriers. In order to overcome these barriers, he proposed four steps: keep it simple, separate, contained and participative.

On the other hand, Levinson [18] argues that traditional performance appraisals focus on the outcomes of behavior and not on behavior itself. He identified inadequacies of performance appraisal as subjective and impressionistic judgments, arbitrary judgments, rating by different managers, pay dependent on rating rather behavior, and lack of mechanisms to reduce bias among managers. He views traditional performance appraisal mechanisms as static and proposes a dynamic performance evaluation which focuses on the characteristic behavior required for a job, including how to handle one's aggression, manage dependency needs and ego, etc. It also includes the preparation of a critical incident report, which records what the supervisor instructed the subordinate, what subordinate did or did not do, under what circumstances and the problems faced in the process. The report is saved in the subordinate's folder and used during review.

Gellerman & Hodgson [19] have conducted a case study of Cyanamid, a US-based company, which, in its new approach towards performance appraisal, uses only three possible performance ratings, namely, good, exceptional and unacceptable. As opposed to static performance appraisals, the employee is involved in the training and development planning process, and considered integral to planning future performance goals in terms of acquiring the required skill sets. Williams [20] has proposed a new system of performance evaluation, which defines specific behaviors based on goals, communicating these to the employees, and appraising them on the basis of the defined behaviors as well as on their performance on quantitative targets. He further argues in support of performance management rather than performance appraisal, which involves observation, speaking, thinking, planning and training that occur throughout the year. The Limited has identified 19 competencies, including strategic thinking, planning, and execution, through which a manager's progress is to be measured. This approach assumes that if people are directed in the appropriate manner, their performance improves. Similarly, the Greenville Hospital System, South Carolina, used the concept of dimension-based competencies, for which positive results were found.

Grote [21] proposed a model similar to the self-appraisal and behavior-based model called 'True Master'. In 1998, the Minnesota Department of Transportation employed an innovative appraisal system which linked evaluation to the agency's mission. Under this, the team identifies the skills needed by the staff after reviewing the agency's goals, such as leadership, technical knowhow, strategic thinking, etc. Team members then enumerate concrete descriptions of employee actions in order to fulfill their defined targets.

Allen [22] describes performance appraisal in the light of human tendency to commit errors. He argues that there is no such thing as "mental notes" and rating itself affects performance evaluation. Hence he proposes to have individual logs for employee performance. Each task should be clearly defined as that is the only way for performance to be evaluated. He believes that timing, clarity and consistency are the factors on which success of performance evaluation rests. On the contrary, Levinson [23] argues against MBO and its implementation, and instead supports a more rational management approach as proposed by Frederick Taylor. This approach involves setting out clearly who has to do what, who controls the process and how compensation is linked with individual achievement, while mainly concentrating on employee motivation. Baldoni [24] proposes a rather informal and simple method for performance evaluation, which involves itemizing tasks, ascertaining whether the time spent on them is in resonance with the team's objectives, minimizing that which doesn't add value, and evaluating progress.

On the contrary, Mosley [25] has proposed a new system called 'crowd sourcing', which seeks to eliminate the possibility of bias or human errors in rating by an individual, since it is assumed that a group of individuals would make better, more independent decisions and observe more accurately. Dattner [26] argues that if both employee performance and situational factors are taken into account, then variance of past results can be better explained, which would help in taking the necessary steps to improve future results. Paying attention to situational factors would reduce the noise and biases in the evaluation system. This approach has three advantages: it is more accurate; it allows the identification of factors affecting performance; and enables fairer, less biased evaluation of employees. According to Dattner, fairness is the key component for motivation, commitment, job satisfaction, cohesion and retention. Edwards & Williams [5] are of a similar opinion—he argues that in performance appraisal, more importance is given to individual achievement rather the context in which the individual works.

However, there is another notion that rejects formal performance appraisal processes, in favor of alternative formal or informal ways to evaluate performance. Didonato [27] calls performance appraisal a 'terrible system'. He opines that the tying up of appraisal with compensation creates a blame-oriented culture, which is demoralizing and self-defeating. In 2010, Lear, a Fortune 500 company, replaced its annual performance reviews with quarterly sessions in which employees are allowed to talk to their managers about their past and future work with respect to gaining new skills. Such sessions are nowhere connected with compensation. The company dropped annual individual raises and instead adjusted its compensation to local markets. McCord [28] stopped using formal reviews in favor of informal 360-degree reviews, whereby people are asked to identify tasks that colleagues should start, stop and continue. Similarly, Bernstein [29] describes a new system, which has been implemented in Rypple, for giving and receiving anonymous feedback from social media platforms. A case study by Buckingham & Goodall [30] describes a new process of evaluation at Deloitte, which asks certain questions of team leaders, such as what they would do (not think) with each team member, and such data points are accumulated and aggregated over a year, and weighed with reference to specific projects. Once in a quarter, the leaders of the organization hold discussions based on the rich data accumulated and take decisions on promotions and critical skills development. Kenny [31] argues that Adobe dropped its performance appraisal as the time required for processing annual reviews went into several thousand hours. He further argues that Accenture, Intel, Microsoft and many other companies are about to abandon the system of performance reviews. Adobe has introduced a new system called "Check-Ins", which is closer to performance management than performance appraisal. It is a simple method whereby managers coach and advise their subordinates, intended at communicating what is expected of each employee, giving and receiving feedback, and assisting in performance improvement and development.

III. CONCLUSIONS

Performance evaluation is a vital function in any organization [15], [26], [32] and the same is true for the library sector. While the form itself may vary, employees want to know where they stand. Formal performance appraisal procedures tend to put pressure on both supervisors and subordinates. In the corporate sector, there is a new trend to encourage informal performance measurement and to not link compensation with appraisal. In the library sector, approaches can be modified depending on the context in which employee works and using a crowd sourcing method. Library associations and other relevant authorities need to make the effort to standardize the definition of library responsibilities so as to remove much of the ambiguity associated with performance indicators.

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