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Accountability Is Key to Effective Performance Appraisal Systems

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Pulakos and O'Leary (2011) make important and valid points regarding the design of performance appraisal systems and the need to emphasize simpler appraisal designs. Although I agree with their points, research and experience show that the design principles and suggestions of Pulakos and O'Leary, even when expertly implemented, are necessary but not sufficient. I believe the missing element is accountability. Simpler, research-based appraisal designs are important but are likely to be executed with quality only when executives promote organization-wide appraisal accountability.

Harris, Ipsas, and Schmidt (2008) identified the importance of rater motivation and accountability for improving the accuracy of performance ratings. They note that "(h)olding raters accountable to their supervisors and providing incentives to motivate them seem to increase the accuracy of ratings" (p. 192). Although it is clearly important to hold individual raters accountable, I believe accountability needs to start much higher in the hierarchy than Harris et al. imply and take an organization-wide rather than individual focus. Individual HR business partners may conduct effective calibration sessions and some managers may hold their supervisors accountable for producing well-thought out and accurate ratings, but without an organization-wide focus these individual efforts are not likely to "unbreak" the appraisal process. Lacking an organizational culture regarding appraisal accountability, managers are likely to rely upon their personal theories of performance and "preferred objectives" to rate employees (Daley & Lovrich, 2007) and will not necessarily meet the organization's global needs—they will instead meet their idiosyncratic needs (Murphy & Cleveland, 1995; Tziner, Murphy, & Cleveland, 2001).

To the extent that managers are held accountable, it appears that the type of accountability exercised in many organizations is reactive in nature. That is, managers are held accountable for metrics, such as completing appraisals on time, meeting policy guidelines, and other administrative requirements. In some companies raters are held accountable for justifying their ratings, and in a very few organizations, an analysis of performance ratings is conducted to determine rater accuracy and validity (e.g., the ability to predict long-term performance and potential). Each of these forms of accountability has value, but all have a common drawback—they occur after the fact.

Accountability can also be managed proactively by shaping expectations, including the ways key influencers shape how employees define their roles (Parker, 2007). Communications regarding accountability and expectations are powerful: Mero and Motowidlo (1995) found that raters held accountable for their ratings by a boss (but with no indication of the boss's preferred rating bias) produced more accurate ratings.

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Accountable raters who knew their boss's preferred rating distribution produced ratings that met those expectations. Note that felt accountability on the part of the raters in this case was managed proactively—raters were led to expect that they would be held accountable for producing ratings and did so based on what they knew or supposed the ''boss's'' preference to be.

I've observed this to be the missing element in fielding strong performance appraisal systems. Murphy and others (Murphy & Cleveland, 1995; Tziner et al., 2001) have emphasized the importance of considering social, cultural, and climate influences on how performance appraisals are executed, and several prominent organization development practitioners emphasize the importance of gaining executive sponsorship to support organization change (Beer, 1980; Cummings & Worley, 2001; Kanter, 1997). Yet, very little attention is paid to how executives and other key managers create a culture that values performance appraisal. When key executives and influencers communicate the importance of the appraisal process on an organization-wide basis, both employees and their managers have more confidence in the system. When executives are silent or noncommittal, even a well-designed system suffers. When executives are noncompliant, for example, by not enforcing the curve among the executive ranks, the system quickly breaks.

It is critical for the sponsor of a performance appraisal redesign project to assess the level of executive sponsorship. Particularly important is to gauge the willingness of executives to adhere to the appraisal process and communicate their expectations proactively.

To that end, I offer a few questions based on my observations of executives who drive a ''performance mindset'' through their organizations. Some questions can be posed to executives and other decision makers to assess their willingness to hold themselves accountable for appraisal; others can be used by executives to convey their expectations to the organization. All can be used prospectively to prompt action consistent with the organization's goals for the appraisal process.

Questions to prompt executive self-accountability include the following:

- Do I know who produces strong talent in the organization? Can I assess that through performance ratings? Do I reward people for doing that?
- What have I done to reinforce a focus on performance and feedback today? This week?
- How often have I communicated the purpose and importance of appraisals? Do I refer to them outside the year-end appraisal window? Have I communicated how I or the executive team use appraisal ratings to make decisions? Do I use appraisal ratings to make decisions or do I ignore them or explain them away?
- Do I set a good example by following the appraisal process?
- Do I hold my direct reports accountable for giving accurate ratings and good feedback?
- Do we allow process exceptions at the executive level? At the executive assistant level?
- Do I evaluate my direct reports on how effectively they manage and develop our talent?

Questions executives can use to convey expectations to others regarding appraisal include the following:

- When did you last give someone feedback on their performance? How did you document that?
- What have you done to communicate our expectations regarding feedback and performance?
- Who takes responsibility for calibrating performance ratings and talent assessment in your organization?
- Can each of your direct reports articulate clearly why someone meets the standards of a high potential or high

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performer? Are they all defining ''high performance'' in the same way?
- Have you looked at your appraisal or development plan lately?
- What do your employees say about why we conduct performance management?

The answers to these questions permit executives, HR partners, and consultants to diagnose whether dissatisfaction, and ultimately the effectiveness of the performance appraisal process, can be traced to a lack of accountability. To the extent that executives communicate their expectations regarding the process, reinforce it through their behaviors, and hold others accountable for performance appraisal, the stage is set for any number of good practices (such as those offered by Pulakos and O'Leary) to generate value for the organization. Without this support, even the good practices recommended will degrade and break.

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