
Performance Management Fundamentals

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I was keen to read the Pulakos and O’Leary (2011) article and compare their perspective on performance management with my own—a perspective developed over many years of trying out new models of performance management, observing how organizations operate, and following the research and writing on this topic inside and outside our field. During my career in both the public and private sectors, I have worked to get rid of performance appraisal practices that clearly didn’t work despite what my psychometrically fixated professors in graduate school taught me (e.g., the forced-choice rating checklist technique), and I have jumped on opportunities to work with enlightened executives who were interested in experimenting with better processes. Along the way, I have designed various performance management models that were successfully implemented in a number of organizations.

I agree that a shift is needed in how we think about and work with performance management in organizations. This shift should revolve around six fundamental points:

- Managing performance is inevitable. Unmanaged performance is random and chaotic and thus disastrous for organizations.

- The performance being managed has two parts: results and the manner in which results are achieved (what I call the “bottom line of behaviors”). For performance to be managed well, both results and behavior need to be managed well.
- The purpose of managing performance is simply to help the organization fulfill its purpose and goals. Thus, everyone in the organization should be responsible for managing performance.
- Performance management will not be effective in an organization when it is owned by the HR department. When people in the organization rely on the HR function to tell them what to do and when to do it, then they are not taking responsibility for performance management themselves.
- Performance management will always be broken in a workplace with a strong hierarchy (i.e., one where there are many layers, strong compartmentalization, and a management culture of command and control).
- The particular performance appraisal technique used is not the most important issue, except when the technique is so bad it yields useless information for the individual and the organization.

I found agreement with many of these points in the Pulakos and O’Leary article. However, there are two issues about which I differ (or have a stronger perspective on). First is the role of hierarchy in the failure

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of performance management. Second is the use of performance ratings.

One inescapable conclusion I have drawn from my study of organizations is that strong hierarchy could not be more dysfunctional. On the other hand, performance is optimized in flat organizations that responsibly empower employees to manage their own performance (see Brumback, 2003b). Empowered people will invariably outperform commanded and controlled people. Thus, I advise organizations to focus not so much on enhancing the manager–employee relationship (to improve performance management) as on enabling their employees to take responsibility for managing their own performance. Such personal responsibility is enabled through a context of clear organizational purpose, vision, and goals; a culture that touts competent, ethical, energetic behavior directed toward producing the best results; careful hiring and targeted training; structured flexibility (e.g., applying looser or tighter policies as appropriate); and guarded trust (e.g., monitoring problem performance more closely and verifying all self-appraisals).

Finally, my experience differs from that of Pulakos and O’Leary who say that they have found well-developed and calibrated performance ratings to be “uniformly well received and useful in practice.” I have found that rating scales encourage dishonesty because it is so easy to fudge them up or down the rating scale. Rather, I would advocate for a series of 20 or so direct yes/no questions about the accomplishment of objectives and about the manner of achieving the objectives (e.g., Were all objectives met? Is behavior consistently positive?) with

brief descriptions that support the “yes” or “no” response. A “yes” answer is much harder to fudge when the true answer is “no.” I’ve shown that this alternative approach to appraising the performance of both individuals and their teams, including basing bonus decisions on the answers (if the organization insists on bonuses), is feasible (Brumback, 1988, 1993, 2003b).

On the other hand, I’m pleased that the focal article authors did not advocate for another sometimes used as an alternative to ratings: rankings or the relative placement of people from highest rank to lowest rank. Such rankings have nothing to do with the goal of performance appraisal, that of comparing an individual’s performance to absolute standards, and thus should be abandoned (Brumback, 2003a). It is important to realize that even if an organization has embraced the first five of my “fundamental points” above, it can all be undone with the use of a horrible technique!

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