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Problems and Remedies in Performance Management: A Federal-Sector Perspective

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Based on my experience in both private- and public-sector organizations, I heartily agree with Pulakos and O'Leary (2011) that there is too much emphasis on the formal, administrative aspects of performance management and too little on cultivating the daily dialogue between managers and their employees, which is the true essence of performance management. However, there are underlying obstacles to the effective implementation of performance management that are much more intractable and problematic and must be addressed. Foremost among these are managerial selection, accountability, and managerial courage. I have repeatedly observed flaws in these areas as serious detriments to performance management in both the private and public sector, but my discussion here focuses on the U.S. federal government because most of my work experience and research over the past decade has been in federal agencies.

Selection of Managers

No matter how well a performance management system is designed, it requires managers with the capability to implement the system effectively. The truth is that a large proportion of managers do not have the competencies required for good management, such as strong communication and interpersonal skills, the ability to deal effectively with conflict, and sound judgment. These competencies are time consuming and difficult to develop; short-term training courses are rarely successful in building these competencies. It's far more effective and efficient to hire people for managerial positions who already have at least a moderate level of these essential competencies that can be enhanced through ongoing training, coaching, and feedback.

Although managing employee performance is a critical role for every federal manager, especially for first-level managers, managers are most often selected on the basis of their technical knowledge and skills. Typically, basic interpersonal communication skills that are the foundation of good performance management and other critical competencies such as conflict resolution and providing feedback are not assessed at all. This misalignment of selection criteria and job requirements has been recognized for more than 2 decades (Hayashida & Carlyle,1989; Marrelli & Tsugawa, 2010; National Academy of Public Administration, 2003; The Partnership for Public Service, 2007; U.S. Office of Personnel Management, 2001), but federal agencies have made few changes to their managerial selection practices. The problem is illustrated through a review of federal job announcements for first-level

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supervisors in July 2009; these announcements inform the public of job vacancies, describe the job, and explain how to apply. The description of duties in job announcements both informs applicants of job expectations and communicates what is considered important in the job. Of the announcements reviewed, 44% did not include even a brief description of supervisory duties, whereas 72% provided no information about the number and type of employees to be supervised. In addition, assessment tools that are not capable of accurately evaluating supervisory competencies or potential are heavily used to identify the most qualified applicants for referral to hiring managers. These include self-rating questionnaires, written narratives of past work experience, and reviews of applications or resumés (Marrelli & Tsugawa, 2010).

Accountability

Pulakos and O'Leary mention accountability as an example of an intervention that is likely to be required to improve performance management, but this brief acknowledgement implies that accountability is a minor factor compared to the performance management system and training they discuss at length. I believe that accountability is a critical factor for the success of performance management in any organization. I suspect a major reason that organizations frequently change their performance management systems is because it is easier and politically more feasible to place the blame on the current system than to hold managers accountable for implementing the existing system.

Managers need to understand that their most important responsibility is to provide each of their direct reports with the guidance, feedback, encouragement, resources, and other support required to perform at their best. A pervasive and long-term problem in the federal government is that managers are often not held accountable for managing the performance of their employees. There are few positive consequences for good management and even fewer negative consequences for poor management. Managing poor performers effectively is an especially troublesome issue. For years, federal employees have been reporting in surveys that their managers do not manage poor performers well (Ferentinos & Tsugawa, 2008). For example, a survey of employees in all large- and medium-sized federal agencies as well as several small agencies in 2007 showed that only 30% of employees believed that steps are taken to deal with poor performers. In the same survey, 63% of nonmanagerial employees and 62% of managers at all levels reported that they do more than their fair share of work because of the poor performance or low productivity of coworkers (Marrelli & Tsugawa, 2009). If managers are not held accountable, no performance management system and no amount of training will result in effective performance management.

Managerial Courage

Many managers' lack of personal courage also contributes substantially to ineffective performance management. For example, a vital component of performance management is to provide frequent, honest, constructive feedback to employees about their performance so that they know in which areas they are doing well and in which they need to improve and can modify their behavior accordingly. This often means communicating messages to employees that they do not want to hear. Honest feedback can result in awkward situations and even open hostility from employees. Thus, many managers avoid the emotional discomfort and potential conflicts of providing corrective feedback. A recent study of federal employees showed that 60% of employees receive formal or informal feedback only monthly or less often whereas 31% of employees receive feedback of any kind just twice yearly or even less often (Marrelli & Tsugawa, 2009).

Another instance in which courage is required to effectively manage employee

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performance is differentiating among employees based on their levels of performance. In most work groups, some employees perform better than others; it is the manager's job to recognize these different levels of performance and provide recognition and rewards, such as salary increases and bonuses, based on performance. However, research consistently demonstrates that people do not accurately evaluate their own competencies or performance. Employees tend to substantially overestimate the level of their performance. Top performers are the one exception. They tend to accurately estimate their own level of performance but underestimate how well they perform compared to others (Dunning, Heath, & Suls, 2004). Therefore, when managers do accurately appraise performance, many employees are offended and believe that they are being treated unfairly, especially when managers have not regularly been providing feedback and the performance rating comes as a surprise to the employee. Many managers therefore take the easy route and give most of their employees high performance ratings.

For example, there is strong evidence that many federal managers are failing to accurately differentiate employees based on their performance. Records in the Office of Personnel Management's Federal Central Personnel Data File show that the vast majority of employees receive high performance ratings regardless of their actual performance. For example, in a sample of 12,000 employees whose agencies applied a 5-point rating scale, less than 1% received ratings of 1 (*unacceptable*) or 2 (*minimally successful*), 14% received a rating of 3 (*fully successful*), 29% received a rating of 4 (*exceeds fully successful*), and 56% received the top rating of 5 (*outstanding*). Thus, 85% of employees received a rating indicating superior performance. It is extremely unlikely, in any organization, that so large a proportion of the workforce would perform at this high level. It is also highly unlikely that less than 1% of employees would be performing below the fully successful level (Marrelli & Tsugawa, 2009).

Recommendations

There are actions organizations can take to improve performance management by addressing each of these three major problem areas of managerial selection, accountability, and managerial courage. Several of these actions are discussed below.

Improvement in assessment practices for managerial selection will have a strong, positive impact on performance management in organizations. The selection process needs to be designed so that people who can and will actively manage performance are identified and hired for management positions. Technical credibility can be used as a prerequisite for a managerial position, but strong communication and personal interaction skills, the ability to coach and provide feedback, and the willingness to hold people accountable for their work and assertively address performance problems need to be the deciding factors in the selection of managers.

Providing a realistic job preview of a manager's responsibilities in the recruiting process will help prospective managers understand how demanding the job is. Many employees aspire to management positions because they typically entail a promotion and salary increase as well as more influence in the organization. However, few understand the requirements of the job. In the job preview, it is important to emphasize that managers are responsible for managing the performance of their employees, including those who are not performing well, and this responsibility will require personal courage as well as the ability to deal gracefully with uncomfortable situations and make tough decisions.

Requiring new managers to serve a probationary period is a practical approach with benefits for both the new manager and the organization. In the federal government, new managers are required to serve a probationary period (typically, of 1 year) before their selection becomes final. If they do not perform well in a managerial role, they are returned to their former nonmanagerial position. This probationary regulation was

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intended to provide a trial period for new managers as they exercise their new performance management and other responsibilities. It allows them to return to a technical position to which they may be better suited without losing their job. Unfortunately, the probationary period in the federal government is not often used as intended. For example, in fiscal year 2009, only one half of 1% of new managers were either reassigned to a nonmanagerial position or left the federal service (Marrelli & Tsugawa, 2010). However, performance management in both private- and public-sector organizations could be markedly improved if a similar plan was followed because persons who find they are not interested in managing performance or do not have the competencies to do so would have a no-fault escape option.

Fostering accountability through communication, modeling, and support by higher level leaders makes it clear that performance management is an essential and highly valued component of managerial jobs. Managing employees well is a difficult and complex job. In addition to providing managers with learning opportunities to develop their performance management capabilities, managers' leaders should reinforce their words with action by engaging in dialogues with managers about their roles and how they are managing their work units, providing guidance and feedback, and working with managers to address potential or existing obstacles to their success.

Organizational practices that support accountability will also improve performance management. For example, an effective organizational practice is to require managers at all levels to meet individually with each direct report on a weekly or biweekly basis. These meetings create a routine structure for employee–manager dialogue and relationship building. At each meeting, managers may review the employee's progress on current assignments and discuss obstacles that may be impeding success, provide feedback and recognition, explain new assignments or expectations, respond to the employees' questions and concerns, discuss the employee's development, and solicit the employee's ideas for improving the work unit. Over time, these meetings stimulate open communication and build a high level of mutual trust.

Effective performance management should also be both formally and informally recognized and rewarded. There should be positive consequences for managers who fulfill their performance management responsibilities and negative consequences for those who do not. Appropriate consequences will vary with the organization and the level of manager but could include items such as performance ratings, awards, salary increases or decreases, bonus payments, learning opportunities, increased responsibility, and promotions or demotions.

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