From the Lens of an Appraisee Manager: Influence of Performance Metrics on Management level Employees in a Professional Services Firm in South Africa

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Today, performance metrics of managers are touted as a fundamental cornerstone of employee performance management. But beware that, if improperly used, they degenerate into organisational curse and performance appraisal politics. As these metrics are being widely adopted in organisations, it is prudent that they are used judiciously by those in authority to assess managers, and consistently induce more commitment, motivation and employee development rather than entrench despondency. Using managers’ reflection on their own experience of being appraised, this study aims to understand how the use of balanced scorecard to assess individual managers influences their behaviour, thoughts and emotions within their organisation. A total of 10 out of 32 managers from an advisory division within a multinational professional services firm in South Africa were identified using stratified random sampling. Face-to-face, in-depth interviews with these managers were audio recorded, transcribed and analysed using open coding and constant comparison technique to induce emergent themes. Findings show consensus among managers that leadership bias, misuse and abuse of their individual balanced scorecards by directors has predominantly negative, manipulative and evaluative effects which induces low commitment and morale in a professional services firm. In particular, managers reveal that exclusive focus on the bottom line and individual success by all means necessary, nurtures counter productive perspectives which deride team philosophy. Inadvertently, these pronounce subordination of personal circumstances to organisational pressure while promoting competitive individualism to succeed. Implications of these findings for directors and development of managers are discussed to ensure that more satisfied and committed management constitute the durable hub of firm success.

Key words: Employee Performance Metrics, Balanced scorecard, Appraisee Manager.

INTRODUCTION

The way in which managers are appraised is critical for firm success. Although we know how to develop and implement performance measurement systems, there is a gap in our knowledge regarding perspectives of how managers themselves are influenced by the way performance metrics are actually used by their superiors to appraise them (Bourne et al., 2003). Dhiman and Maheshwari (2013) aptly echoes that “past research has largely ignored the appraisee’s perspective, though being the decision and reward recipients”. In essence, the thrust of the argument is that the practical use of individual employee performance metrics as a tool to
manage performance of managers may inadvertently become an organisational curse rather than a dependable solution if not used properly (Braam and Nijssen, 2004; Spencer and Keeping, 2011). Within the corporate walls, directors of firms are worried that management dysfunction and incentive misalignment continue to be among the key and contemporary contributions to the prevailing turmoil that is engulfing most professional services firms as they try to survive and thrive in the dynamic and complex market for expert services (Teece, 2003). Moreover, Harris (2001) is forthright that the manager’s behaviours, perceptions, and values as a response to how they are assessed have been overlooked and under estimated such that they scupper the translation of organisation’s values, mission and strategy into individual managers’ actions that advances organisational interests.

It the past two decades most professional services firm have been adding or refining employee the level balanced scorecard as a valuable, transparent, developmental and accountability tool to judiciously pinpoint reward and growth to the level of individual managers without losing the bigger picture at all. In the metaphor of Norton and Kaplan (1992), this notion of individual employee metrics or balanced scorecards conjures the image of a “management cockpit” with dashboard-like metrics for measuring and tracking employee performance.

Individual employee performance metrics are closely “tied in” with outputs. To some, this is tempting to hurriedly claim that performance metrics obviously encourage improvement, collective effort, effectiveness and appropriate level of controls (Melnyk, Stewart, and Swink, 2004; Abu-Doleh and Weir, 2007; Craven et al. 2010; Gunasekaran and Kobu (2007) cautions that “performance measures and metrics...are not just measuring. They are also embedded with politics, emotions and several other behavioural issues”. At least, performance metrics show managers and the other employees what is valued and rewarded, what is possible, what is real in their organisation and also strengthen accountability by employees (Martnez, 2005). It has also been suggested that performance metrics help to make success relatively concrete for everyone (Melnyk et al., 2004). In the domain of tacit knowledge, performance metrics help employees in the organisation to make sense of reality, develop directory knowledge (description of the “how” of things), axiomatic knowledge (“why” things and events happen, e.g. why people are promoted or demoted), and recipe knowledge (prescriptive recipes or what “should” be done) in terms of performance and rewards (Sackmann, 1992).

Basically, it is when directors, managers or any other superior fail to judiciously use employee performance metrics and win the approval and commitment of employees that the genuinely laudable reasons for their use dissipate (Hauser and Katz, 1998; Dhiman and Maheshwari, 2013). In this vein, directors have to be conscious of the type of patterns of shared understanding, frames for interpreting reality and negotiating meanings which are consistently and repeatedly being transmitted and sustained at different levels and groups as a result of the ways the individual performance metrics are used within an organisation (Schein, 1984; 2010).

While there are many rich lessons from the stream of extant studies on performance metrics, performance evaluation, performance appraisals and rewards, Fletcher (2001), Martinez (2005) and Siaguru (2011) assert that most of these studies are surveys in the USA and Western Europe. In the light of this methodological gap, the current exploratory study is unique as it allows managers to deeply reflect, provide subjective and multiple perspectives on their own unique experience of being appraised in a multi national professional services firm in South Africa. In addition to this, Cook and Crossman, (2004) observes that much of the existing research has focused on the appraiser and instruments used, rather than the views of a manager as an appraisee. This is research gap is interesting mindful that different roles and different groups of people in an organisation may have quite different views on performance metrics and how they are used (Ukkoet al. 2007; Rautajoki, 1995). As this study focuses on middle management in a professional services firm, it is pivotal to note that middle management level employees play a critical role as they absorb pressure from hierarchically superiors and also pass down some of it (Teece, 2003). This suggests that they are a link and hub of how these firms are managed. Professional services firms are uniquely people-intensive and distinct because of reputational capital (Teece, 2003). Each manager’s performance and potential for growth in the professional services firm being studied was assessed annually using a parsimonious, modified and weighted metrics of a balanced scorecard (BSC) traceable to Kaplan and Norton (1992). To put it simply, this study seek to answer the research question: how were managers influenced by how directors and committee of managers used the individual employee balanced scorecard to assess them in the firm? In this way, the goal of the study was to explore and build our understanding of how middle managers in a professional services firm perceived the influence of how directors and committee of managers used performance metrics to assess them. The study privileges the views of managers who had the experience of being appraised by their superiors. As such, this study contributes to our understanding of how performance measurement, reward and recognition system using the balanced scorecard may inadvertently shift the focus of a
department or an organisation away from its espoused values.

As a point of departure, the paper explores the popular concept of manager before unpacking the concept of individual employee performance metrics. Thereafter, the paper focuses on the research method that was used. Subsequently, findings of the study are presented and discussed. The paper concludes with implications of the findings.

The concept of Manager

As a conceptual springboard, it is informative to briefly illuminate few of the cardinal distinctions between a manager and leader. It is easy to comprehend that managers do things with the help of others and resources (Shied, 2010). They also operate within existing parameters in an organisation (Shied, 2010).

It is edifying to note that the term management derives from Latin word “Manu agere” which means to lead by hand (Mahmood et al. 2012). However, managers do more than leading. In the enduring parlance of Henry Mintzberg (1973), a manager is a person who performs five different management tasks which include leading (leader), the other tasks are planning (planner), organizing (organisation designers or coordinator), motivating (motivator), and controlling (controller). In a different view, Khandwala (2004) emphasize three managerial roles, namely; strategic, operational, and leadership. The plethora of roles is increasing as rapid, dynamic and complex changes in the environment are compelling managers to take new roles such as being innovators or change agents. Studies of what senior managers actually do at work revealed a variety of other distinctive roles broadly categorized into three, namely;
1. Decisional role: That is disseminator, disturbance handler, resource allocator, negotiator and entrepreneur.
2. Informational role: That is monitor, disseminator and spokesperson.
3. Interpersonal role: That is figurehead, liaison person and leader, (Mintzberg, 1973). To perform these tasks and roles, a manager needs a mix of conceptual, human and technical skills which varies according to managerial level (Oosthuizen, 2011).

In the old book, “On Becoming Leaders”, Bennis (1989) highlights a range of interesting differences between a leader and manager. Premised on relational perspective, a leader uses a process of social influence for people to voluntarily follow him while a manager uses formal authority (Bennis, 1989). In essence, a leader is different as he focuses on change, brings an inspiring, social interactional and emotional element to provide direction and influence on followers so that they accomplish group goals. Conversely, a manager brings order and consistency to ensure progress towards the set direction.

In this regard, it is conceivable that organisations should have managers in key positions who are also strong leaders at the same time.

Mahmood et al. (2012) postulates that a ladder of right to give orders and the power to demand obedience (authority) reflect boundaries and layers within the management pyramid (e.g. junior, middle, and top management level). This underlines the notion that a manager may not delegate accountability to anyone else for the final results of what is under his or her ultimate responsibility. It is not unique to professional services firm that the higher the authority that exists, the greater the amount of discretion, particularly on critical matters such as compensation (Teece, 2003). This triggers greater incentive for organisational members or appraisees to “influence management [appraiser] through lobbying, cajoling, distorting information, grovelling etc.” (Teece, 2003). In studying the influence of how superiors use individual employee metrics to appraise subordinates, it is critical to understand that these superiors as leaders actually create, reinforce, and maintain culture through whatever they pay attention to, reward and recognise in the work place (Schein, 2010).

Individual Employee Performance metrics

Within the broad domain of performance management theory, the term “metrics” forms a suitable launch pad to unpack the conceptual complexity of individual employee performance metrics. Commonly, an underpinning thread or portfolio of connotations such as “standard”, “measure”, “quantification” and “verification” are traceable within the conceptual diversity of the term metrics (Melnyk et al., 2004; Deru and Torcellini, 2005). For instance, a “metric” is sometimes considered to mean standard of measurement which may relate to aspects such as efficiency, effectiveness, performance, progress, or quality of a plan, process, or product which can be assessed (Braam and Nijssen, 2004; Deru and Torcellini, 2005; Abu-Doleh and Weir, 2007; Gunasekeran and Kobu, 2007). The philosophy of standardization and measurement is equally evident when Deru and Torcellini (2005) share that a “metric is a standard definition of any measurable quantity”. Melnyk, et al., (2004) brings on board undertones of comparison and verification to propose that “a metric is a verifiable measure, stated in quantitative and qualitative terms defined with respect to a reference point”. It is very salient and unique that Melnyk, et al., (2004) under scores two aspects namely, the notion of being verifiable and also qualitative precepts of a metric which are downplayed in most definitions. This is outstanding as not all aspects of employee performance render themselves well to standardization and measurement in the terms of objective paradigm.
Interestingly, the term “metrics” refers to three different constructs which are used interchangeably, resulting in potential confusion. According to Melnyk et al., (2004) the construct of metrics depicts three levels, namely (1) individual metric at the base (2) metrics set, in the middle and (3) metrics system or performance measurement system at the highest integrative level. Precisely, individual metric is a single measure which is expressed in operational terms to reflect the content or nature of what is being measured (e.g. market share, employee satisfaction, staff cost, margin, individual 360 degree feedback, and sales increase etc.). Individual metrics are combined with others to form a metrics set (Melnyk, et al., 2004). To put it in other words, the concept of metrics set “consists of metrics assigned by higher level of management to direct, motivate and evaluate a single person in charge of a specific activity, area or function” in support of strategic objectives (Melnyk, et al., 2004). Furthermore, metrics sets are combined to create a performance measurement system or metrics system. The concepts of alignment and coordination are foundational to understand any performance measurement system. Essentially, alignment in a performance measurement system ensures consistency of metrics sets across strategic, tactical and operational levels, but also between individual performance with organisation’s strategy (Melnyk, et al., 2004). Coordination as another integrative aspect of performance measurement system ensures that metrics across various functions are consistent and support each other (Melnyk, et al., 2004). In this way, alignment has a vertical focus while coordination of metrics emphasizes on horizontal aspects, as both culminate in a performance measurement system or metrics system such as BSC by Kaplan and Norton (1992). Kaplan and Norton (1992) developed the BSC in the 1990s with the basic idea of translating strategy into holistic, financial and non-financial objectives, measures, targets and actions to achieve intended outcomes. Borrowing from the lingo of BSC, an individual employee performance metrics needs to balance a number of aspects such as (a) short and long term goals, (b) internal (e.g. processes, learning and organisational development) and external aspects (e.g. shareholders and customers), (c) financial and non-financial aspects, (d) leading and lagging indicators, (e) qualitative and also quantitative aspects (Kaplan and Norton, 2005; 2007).

Against the backdrop of measurement, Deru and Torcellini (2005) assert that performance metric refer to “a standard definition of a measurable quantity that indicates some aspect of performance”. It is imperative to rigorously combine quantitative and qualitative facets of performance metrics to link both specific as well as general desired levels of performance achievement (Deru and Torcellini, 2005). Precisely, this study upholds that individual employee performance metrics reflect the load imposed upon an employee. As such, metrics may be designed to be outcome-based or predictive in terms of processes for “preventing occurrence of problems rather than correcting them” (Melny et al., 2004). Concisely, Hauser and Katz (1998) advocate that a good individual employee performance metric should be precise, designed to promote effort above normal, but also easy to establish, monitor and update periodically based on changes in operating conditions. Notably, a good metric should also be a good predictor of future performance (Gunasekeran and Kobu, 2007:2851). It is critical to note that performance metrics form a valuable part of performance management. Theoretically, performance management is characterised as a “holistic approach”, “system” through which organisations set work goals, determine performance standards, assign and evaluate work, provide performance feedback, determine training and development needs, and distribute rewards (Pratt, 1991; Neely, 2005). Alternatively, Grobler et al (2003) view performance management as the systematic process in which an agency involves its employees, as individuals and members of a group, in improving organizational effectiveness in the achievement of the organisational mission and goals.

In particular, this study focuses on “metrics set” which converted divisional objectives, measures and their targets used by directors to assess employee performance at the level of an individual manager. Each manager in the firm understudy has a balanced scorecard comprising eight performance metrics, namely (1) quality of work, (2) utilisation (billable hours), (3) sales, (4) managed production, (5) coaching, (6) net recovery (debtors) and (7) living the values (contribution to developing the firm). Hauser and Katz (1998) accentuate that “the firm [eventually] becomes exactly what it seeks to measure”. How did the use of these metrics influence middle managers?

**RESEARCH METHOD**

**Research Paradigm**

This qualitative study falls in the domain of constructionist paradigm to gain multiple and subjective perspectives of reality from the lens of a manager as an appraisee, rather than appraiser.

**Sampling**

The study involved participants who were from the “management layer” (excluding consultants below and directors above) within the employee structure in one of the cities in South Africa where the multinational professional services firm has operations. Within the manager level, there are three employee grades which are assistant manager, manager and senior manager. These three employee grades were considered as a homogeneous stratum from...
which managers were selected randomly. This “management layer” within the advisory division was chosen because it manages or runs the division, enacts strategy set by directors and also communicates the strategy to the lower levels. Random stratified sampling was used to select participants in this study. The selection of participants stopped when there was data saturation. In this way, a total of 10 out of 32 managers were chosen. A total of six of the interviewees were male while four were females. The professional services firm had been using the BSC for seven years at the time of the study. Furthermore, the longest serving manager who participated in this study had been with the firm for eleven years while the least experienced had less than a year at the time of data collection. As such, these managers were considered as experienced enough to understand and articulate their own experience of how performance metrics were generally used to assess them in this particular firm. The committee of managers and directors of the firm used a modified BSC to assess each of the managers once a year. Over and above the BSC, directors could add comments about their experience with a member of staff. The specific details of the professional services firm and any potentially leading details have been deliberately withheld purely for ethical obligations.

Data collection

Using an interview guide, the researcher conducted semi-structured, in-depth and face-to-face interviews with each of the ten managers. Interviews were conducted at the premises of the professional services firm. Each interview took approximately forty-five minutes. Where necessary, follow-up interviews were used to gather additional information or to clarify developing concepts and themes. Each interview was audio recorded and transcribed.

Data analysis

Data was analysed using open coding and constant comparison technique with the view to induce, categorize similar, and recurrent themes. Member checks were used not only as a way to get feedback on the findings from interviewees, but also to enhance credibility. An audit trail was developed to ensure dependability.

RESULTS

Predominantly, managers in this professional services firm concurred that there were four varied, complex and recurrent themes which depict how directors and committee of managers used performance metrics in assessing them as management level employees. Thus (a) misuse and abuse of performance metrics by directors; (b) leadership bias, (c) focus on success at all cost which has been labelled as “success by any means necessary” culminated in (d) low employee morale. As the number of interviewees was small, the results are tabulated as indicated in Table 1, to primarily provide a broad pattern of emerging perspectives.

<table>
<thead>
<tr>
<th>Perspectives on influence of Performance metrics on managers’ worldview of work</th>
<th>No of Managers out of 10</th>
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<tbody>
<tr>
<td>Misuse and abuse of performance metrics</td>
<td>10</td>
</tr>
<tr>
<td>Leadership bias</td>
<td>10</td>
</tr>
<tr>
<td>Success by any means necessary</td>
<td>8</td>
</tr>
<tr>
<td>Low employee morale</td>
<td>7</td>
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Misuse and abuse of performance metrics by directors

Consensus among all the 10 managers reflects that individual employee performance metrics were actually misused and abused by directors of the firm. At the design level, diagnostic and quantifiable measures were identified, selected and targets determined without input from managers who were to translate them into reality. Managers were frustrated by performance metrics which they construed were impositions by the national office as none of the local people were knowledgeable to explain “how” they were set:

*They just say, “Here’s your numbers. This is what you need to meet for the next financial year.” Instead of saying, “what drove us to those numbers?” Because they can’t really say, “We’ve benchmarked it,” because they don’t have proper numbers to say, “This is what we’ve done,” ….. Instead of taking responsibility and taking ownership and say, “Guys, we set those targets. This is what we expect of you all.” They sort of backtrack and blame it all on the National Office (to whom they report) (Manager 1).*

Additionally, some of the managers were disappointed and annoyed by performance targets given to them as they were less realistic, less reasonable and de-contextualised as deliverables. Failure to effectively tailor performance metrics to individuals as well as the local business reality frustrated some of the managers. One of the interviewees deprecated in this way:

*It’s not realistic in certain respects. That’s why I’m saying*
it has to be done based on some sort of transparency, discussion with individuals and understanding their strengths, you know and also taking into consideration the environment that we’re in. This is [name of place deleted] and I’m tired of drumming this into people’s head. We’re not in Johannesburg where we can say 2 jobs and we have met the target….(Manager 8).

Instances of complete and deliberate disregard of duly completed performance metrics in pursuit of self-serving and unjust actions by directors was a form of blatant abuse of performance metrics. Consequently, managers harboured beliefs of procedural inconsistency, unfavourable attitude towards directors’ overpowering of committee of managers, and strong feeling that the discretion of the “powerful” directors was unfairly used to determine outcomes of performance appraisal:

I don’t think they use the scorecard. I think the scorecard is kept aside and then if they want to penalise or reward a person unjustly, they do it with their strong personalities and nobody looks at the scorecard anymore (Manager 8).

The feeling of unfairness and helplessness of most managers was induced by routinized procedures or aspects of the system which denied them opportunity to defend or explain themselves as appraisees during appraisal meeting:

After we sit on the evaluation panel and, you know…., you are then asked to leave. I suppose you know because there’s all this waiting and stuff. I suppose to some extent you can but you are not there to defend yourself. You are not there to put on the table mitigating circumstances (Manager 8).

In certain instances, managers recollected how directors used their position and influence to manipulate and force performance appraisal decisions on the committee of managers by introducing strange and unknown qualitative factors. One of the interviewees complained about this type of misuse as follows:

And it looks to me like sometimes they, from what I’ve heard, they bring up stuff during the evaluation. That stuff is not even contained in your actual performance metrics… appraisal. So, now when a person is agreeing to something, then something totally strange gets mentioned….(Manager 5).

There was also evidence of how BSC was used to serve some political and hidden agendas of directors and superiors. In this vein, managers lamented how BSC was misused by directors to demonstrate how they liked or disliked some employees:

…Performance management is not a periodic thing…..It’s an on-going thing. One is generally interested in individuals. Nothing should be a surprise at the end of the year – nothing – because the communication should be continuous. That never ever happens because individuals use it as an opportunity to backstab individuals that they don’t like…..If you like an individual or not, performance management doesn’t measure that (Manager 9).

Furthermore, the way BSC was used actually influenced thoughts of managers on what was potentially impeding their career moves, and causing grief.

I think it does have a negative impact on the staff…… I mean it is kind of like, “Well, whatever you do you are sometimes just going to get stuck.” If you have a personality clash with people above, it can be a career limiting move (Manager 7).

As there was lack of logical and robust methods of distributing team rewards to individuals, some managers were ultimately unhappy with team work. Inadvertently, this divided managers and was construed as promoting individualism, internal competition among managers and also inequity. This inadvertent promotion of individualism profoundly contradicted with the core corporate value of teamwork as superiors played the role of the unmethodical judge when rewarding people.

I feel that’s the one driving factor that sort of divides managers up, in that process, and there should be a better way of evaluating that little area. And the same goes for the targets as well. There’s a lot of, “I did the proposal. I’m the driver. I deserve 80%. I deserve 50%.” Again, there are no real formal things in place, it is what the manager or the Associate Director or the Director says, “Give this person 10%. Give this person 20%.” It’s not fair (Manager, 1).

Succinctly, evidence also reflect how managers perceived the pursuit of teamwork as diluting the likelihood of attaining individual targets, and seriously affected not just their bonuses, but also career progression as lucidly illustrated by this interviewee:

If I had to worry about my balanced scorecard, be more selfish about it; why should I have teamwork? Why should I share it with someone else? It is going to negatively affect me at the end of the year. It is going to negatively affect my bonus at the end of the year. It is going to negatively affect my career progression at the end of the year. It has got everything to do with me. It’s got nothing to do with the teamwork. It doesn’t assess me
on how did I push sales for the team; it is assessing what sales have I brought in that can be attributed to myself (Manager 2).

On a slightly different chord, the same manager derided team philosophy as a self-created hurdle to achieve individual target:

If I’m sharing it with the team, I am sharing a bigger value; I am making it harder for myself to get that target (Manager 2).

Leadership bias

All the 10 managers recollected that the attitude and likeability of an employee perceived by directors overrode employees’ actual performance as reflected by the BSC. As a result, some of these managers felt that if they were not “likeable” by the directors, then the evaluation of performance tended to be negative. Avoidance of any conflict with authoritarian superiors was the managers’ coping strategy to ensure survival. The fear of being victimized for questioning leaders epitomized underlying interpretations of management by intimidation (MBI) styles, stifling of ingenuity, and implicitly permitted submission to suppress debate of alternatives in the firm:

There are a lot of overriding factors like e.g. whether you like an individual or not, whether there’s an impression that you have of individuals or whether there is any… I think the conversations – the environment that the leadership is trying to create, is one of authoritative. So you do not question. As soon as you question, there’s a risk that you may become a victim. So as long as you keep quiet and do as you’re told, it’s well and good (Manager 9).

In terms of gender-based bias, female managers felt overlooked and discriminated because they had less billable hours as a result of being on maternal leave or were unable to travel for out of town engagements due to personal health issues. In the words of one interviewee, gender-based bias manifested in the following ways:

I have now got about 2 cases I know of. They’ve been penalised for falling pregnant, just like that, and having issues with maternity leave, having issues with being out of town at the time…. needing to see their doctor every month, you know; these kind of things (Manager 1).

Success by any means necessary

A total of 8 out of the 10 managers perceived that their division was simply about getting the job done in terms of quality and quantity without any personal circumstances getting in the way. Alluding to how financial or bottom-line aspect dominated or pervaded their world of work, Manager 5 characterised the culture of the division with one word... “Money”.

We all walk around here with rand signs because you know when people have conversations, it is not, “How are you doing?” it is, “What are you working on? What’s coming next? What’s this? What’s that?” (Manager 5).

Some of these managers espoused how stretching performance metrics made them feel that they were persistently under pressure to do “better” at all time:

No, I don’t see a difference. I think it’s the same behaviour all the time. It’s – I think when we are doing well, we are pushed to do even better and if you are doing badly, you are pushed to do well. So we’re always being pushed at the end of the day (Manager 10).

Another manager pinpointed the incessant nature of pressure to do “well” and also “more” all the time:

To me it’s always ‘wanting more’, so when you’re doing bad we need to do better. When you’re doing well, we need more (Manager 8).

Evidence shows that success by any necessary means also entailed a very strong predisposition or orientation towards task or outcome, which subordinated personal circumstances to organisational success as a typical modus operandi. A relatively new manager was able to decipher and surmise this as follows:

From what I’ve seen it is ‘everything at all costs’, you know. Like your personal situation is not really taken into account, from what I’ve seen (Manager 1).

In corroboration on the disregard of personal circumstances, Manager 5 asserted:

It’s like they are just worried about, OK, when is the work going to be done?. What is going to be the option? What’s going to be this? What’s going to be that? And then also, I don’t know if it is true, but when I came here there was somebody who worked very well, OK she has left now. She had been pregnant during that financial year so she was not promoted.

Low employee morale

Furthermore 7 of the 10 managers agreed that the general mood of the division was one of despondency, low morale, disengaging with the firm and doing only the bare
minimum as reward was too low to act as a motivator. Rewards were not appropriately linked to recognition of employees' efforts in any given year of evaluation. One of the managers expressed how insignificant rewards did not compare well with effort and was ultimately subtle and powerful in eroding employee morale:

That actually hits the morale more than anything else because you’ve spent a year believing that you have been performing really well; you come out with a great rating, which says you’ve done really well, and, ja, you get some peanuts at the end (Manager 3).

Notably, morale of some of these managers was silently killed by the unreasonable tendency of directors to focus on keep track of petty failures and disregard overall great performance of a manager. This is what one of the managers had to say:

I tend to find that the 9 out of 10 excellent things you do are forgotten by the 1 petty thing that you do wrong at the wrong time. And there’s not that understanding (Manager 6).

DISCUSSION

The findings in this inductive study are discussed mainly from a cultural perspective alluded in the review of literature. These findings provide evidence of predominantly negative influence on manager’s morale, commitment to targets that were imposed, and perceptions of procedural and distributive injustice arising from the evaluative and outcome-based way in which directors were using performance metrics to assess the performance of managers. In terms of positive organisational scholarship, these results suggest a huge loss of opportunity for appraisee managers to get and internalize enough positive reinforcement and insights from their performance metrics, performance evaluation and reward (Donaldson and Ko, 2010).

Drawing from the old adage of leading by example as a powerful way of sustaining culture in a group, it is not apparent how far directors had entrenched or cascaded this type of using performance metrics as the manner in which a mission “is to be accomplished in the firm (Robbins and Judge, 2011). It is arguable that top management’s actions and behaviours in terms of “leadership behaviours” and “managerial behaviours” vividly projects the organisation to employees and other constituents whether positive or negative.

During appraisal, the introduction by directors of criteria that was subjective, deficient and irrelevantly performance (e.g. “likeability”) and also reliance on discretion of directors on reward decisions clearly exemplified lack of fairness in the content of “what” was being evaluated. This way of using performance metrics violated distributive justice which relates to individual’s perception about their rewards in relation to their effort and comparison with others’ effort (Cook and Crossman, 2004).Put another way, distributive justice deals with the ends achieved (outcomes or rewards) or content of fairness (what was considered in making decisions) (Cropanzano et al., 2007).

Additionally, procedural injustice was evident in the managers’ views on lack of fairness in the procedures or means used in the design (e.g. absence of input from managers in setting targets, misalignment of individual rewards to team effort) and also actual use of metrics to make decisions about rewards and career development (e.g. inconsistent application of procedures, outcomes not based on accurate and performance related information, lack of opportunity for appraisees to defend or clarify). An appraisee’s opportunity to express feelings, discuss problems, needs, satisfaction encountered during job performance, and also the supervisor’s effort to listen, accept, and respond is a crucial aspect of fairness in performance appraisal. Fundamentally, procedural justice related to the means used to achieve the ends (how decisions are made) or the process of fairness (Cook and Crossman, 2004; Cropanzano, et al., 2007). In this way, employee commitment became a casualty as managers were excluded in the design of their own performance metrics but also procedures required that they did not form part of their own-performance review.

The old, but aptly caution by Hauser and Katz (1998) maintains that “any metrics system which is simply imposed from above without participation from those it impacts is likely to encounter resistance and even sabotage”. This study stretches this caution to assert that unless all those involved in the process perceive fairness in the system, conduct or processes, and distributive outcomes from the way performance metrics are used, it is very unlikely that fully committed and effective individual performance of managers may be realised in any firm. Borrowing from the parlance of Longenecker and Gioia (2000), leadership bias exhibited by directors in this study qualify as “appraisal politics” which refers to manipulative actions (e.g. manipulating ratings upwards or downwards) to achieve self-serving goals. It is not clear whether the directors perceived the manipulation of ratings as their legitimate discretion or prerogative.

It is easy to dismiss Kantor’s (1968) definition of organisational commitment as old, and eventually miss that it pronounces “the process through which individual interests become attached to the carrying out of socially organised patterns of behaviour which are seen as fulfilling those interests, as expressing the nature and needs of the person”. In this study, teamwork as an espoused key value in the professional services firm
suffered as managers were disillusioned that practices and reward in the current system actually promoted individualism and competition rather than cohesion. Furthermore, majority of managers generally felt that their efforts as individuals and also as a contribution to team work were not being duly recognised and rewarded. In essence, managers did not feel or cognize the need to put in more than the bare minimum effort. It is plausible that the firm’s focus on success at all costs could also be construed by managers as transactional, the directors’ debonair or failure to value themas humans with particular needs and limitations. Thus, the use of performance metrics to assess performance of managers was heavily results-oriented and yet overlooked not just the strategically underlying humanaspect, but also the diversity inherent in the means required to achieve the intended results. Thus, in a quest for productivity and controls, espoused values of professional services firms such as team work were sacrificed while director’s integrity became a casualty in the war for profit and success at all costs. These results differ from a study on appraisee perspective of performance evaluation in India by Dhirman and Maheswari (2013:) who concluded that paternalistic work ethos projected a superior as a nurturant-task oriented guider, and coach who was keen to holdand and support his subordinates rather than a powerful and backstabbing judge with hidden agendas.

As a way of coping, managers resigned themselves to living with the situation as they had lost faith in the process and its outcome. Alternatively, it is possible that some managers associated or made themselves “likeable” by directors who had influence over rewards and development of their careers.Succinctly, this sheds light on how the relational quality of appraisee-appraiser at the level of management could be influenced by the nature and effect of power perceived and attributed to the appraiser by the appraisee.

One of the most interesting finding is that managers had unique “we-consciousness”, “we-feeling”, and “we sentiments” which suggests existence of subculture (Schein, 2010). A given group in an organization has a culture of some sort if it has been together long enough to have a shared history of (1) significant problems and solutions, (2) have had the chance of solving those problems and experienced the effects of their solutions, (3) have developed solutionsthat have worked well enough to be considered valid to be taught to new members as the correct ways when it comes to particular problems, and (4) has taken in new members (Schein 1984). According to Martin (2004) organisation culture is “composed of overlapping, nested subcultures that coexist in relationships of intergroup harmony, conflict, or indifference”. In a nutshell, managers as a group depicted a shared and repetitive perception of unfairness emanating from authoritarian style of directors, grappled with incessant and excessive pressure to succeed by any means (task-orientation), indifference of directors to personal circumstances and human limitations, and expectation of managers to subordinate personal matters to organisational successetc. Themanagerial subculture was evidently inconsistent with the main organizational culture in a number of ways (e.g. individualism vs. teamwork, maternal leave vs. billable hours).

Drawing from the Competing Values Framework by Quinn and Rohrbaugh (1983), it can be deciphered that the manifested managerial subculture resonates with the rational goal model or market model. A rational goal modelis an externally-oriented culture with emphasis on control, planning and goal setting, centralised decision-making to attain efficiency and productivity (Quinn and Rohrbaugh, 1983). Leadership bias and emphasis on productivity without concern for personal circumstances of managers in the firm were some of thepotentially debilitating aspects in the development of an internal and management based competitive advantage in the firm (Quinn and Rohrbaugh, 1983). Opposite to the rational goal model is the human relations or clan model, typified by flexible, internal orientation, focus on human resource development, open communication and participative decision-making as means to achieve cohesion and morale (Quinn and Rohrbaugh, 1983).

A major limitation of this study is the focus on management level employees from a single division in one single location. As such, caution on transferability of these perspectives of managersregarding the influence of balanced scorecard is required. It is advisable that future studies should separate and specifically study each of the management layers from a variety of sites within a firm. As appraisee-centric views provides unique insights, there is need for research from different perspectives for academics and practitioners to enrich their understanding ofhow managers’ performance metrics can be used in a more fruitful way without dehumanizing the organisation and also compromising on the robust of employee performance management.

Practical Implications

There are three cardinal implications of these findings. Firstly, these findings illuminate the necessity of adequately empowering managers in a more transparent and participatory process (combination of top-down and bottom-up approach) of designing, structuring, and setting of targets to enhancenot only commitment of those people involved in pushing the targets, but also promote procedural and distributive justice of the process and system. It is noteworthy that transparency needs to be asked not only from the appraiser but also the appraisees themselves. The need to adequately involve
managers in their own performance appraisal is paramount. Additionally, directors have to bemo re nurturant and ethical, but also desist from appraisal politics in order to fully adhere to organisation’s espoused values and development of employees.

Secondly, it is imperative that the committee of managers be democratized and empowered to allow and accommodate multiple perspectives on performance. It is pivotal that adoption of these structural and process changes to the committee should promote democracy of views from varied members of the committee regarding individual performance. It is envisaged that this may minimise or remove subjectivity and negativity perpetrated by directors and ultimately serve as a robust check and balance on performance decisions related to bonus and career growth.

Mindful that other sources besides an employee’s boss can provide reliable performance evaluation, it is salient to enhance the appraisee’s acceptance and exploration of value in multiple sources of information on performance evaluation (e.g. multi-source assessments which involve peers, subordinates, multiple group of raters) to ensure they receive valuable information necessary for improvements and continual motivation.

Finally, distinctively evaluative use of performance need to be carefully decoupled from developmental use (what will happen) of performance metrics to ensure that superiors executes their roles as judge and helper distinctively without pronouncing one at the expense of another role. Ultimately, this has the potential to tightly mesh and unify employee development, human relational orientation, and performance metrics together as a sustainable bedrock of successful management in a professional services firm.

REFERENCES


