

# SEARCHING FOR FALLACIES IN PERFORMANCE FEEDBACK AND APPEAL: A GROUNDED THEORY RESEARCH IN CHINA

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## ABSTRACT

*Employees will usually appeal to the management when they are unsatisfied with the results of their performance appraisal. Hatred, or even intention for resignation, may result if the employees cannot receive satisfactory results for their appeals. Then, what should employees from all levels look out for during performance feedback and appeal? In this research, we conducted a grounded theory research. Based on the findings of our research, we found that: the attitudes of the managers are important, some managers and employees have contradicting attitudes toward performance feedback, and some employees are using appeal as a weapon. Based on the findings of our research, we discussed our recommendations for individual employees and the management of organizations.*

**Keywords:** *Performance; Performance Appraisal; Performance Feedback; Appeal; Grounded Theory.*

### Introduction:

Organizations conduct many forms of performance appraisal over the year to evaluate the competency, job attitude and performance of employees (Chen, 2007). Organizational rituals as such have the effects of checks and control (Stone, 2010). After performance appraisals, managers will then communicate the outcomes of the evaluations through performance feedback.

Performance feedback refers to the process of communicating the outcome of performance appraisal to the target of appraisal, hoping that such communication could influence the behavior of the target. If used appropriately, performance feedback could be used as a form of motivation for better performances (Robbins, Bergman, Stagg & Coulter, 2008). Organizations could also complement the approach with artifacts such as honor and/or monetary rewards to inspire stronger commitments from the employees and expect better future performances (Hattie & Timely, 2007).

The original intention of having performance feedback sessions in organizations is to give employees a mean to know their strengths and weaknesses, hoping that they could use the advices given to improve their

future performances (Wang & Shi, 2004). Nevertheless, humans are not perfect. Some managers might not be adequately trained in management skills, and they might have not been using the appropriate set of management methods on a group of employees. The feedback process might be unduly influenced by the managers' personal opinions and biases, and managers might thus cause conflicts to occur in organizations when their personal opinions led them to give "unfair treatments" to the employees (Cropanzano & Greenberg, 1997).

When this happens, some employees might think of using the relevant appeal processes to seek justice. If the outcomes of the appeal are not satisfactory, then the future performance of the appellant might be negatively influenced. Some appellant might even start to consider resignation (Frank & Tetrick, 1989; Zhao, Liu & Zhang, 2003). What should managers, and employees, expect and look out for during performance feedback and appeal?

Adopting a grounded theory approach, we conducted a series of semi-structured interviews on a group of employees from the Jiangsu Province of China to investigate the issue at hand. Based on the content of our interviews, we found three recurring themes: the

attitude of the managers is important, some managers' attitudes toward performance feedback contradict the employees' attitude, and some employees were using appeal as a weapon. We hope that through the findings of this research, we could provide managers with scientific bases for their future decisions, and we also hope to provide employees with advices on their career development.

### Methodology:

We adopted a grounded theory approach for the current research. The main aim of grounded theory approach is to build theory that is "grounded" in experiences and data. Using theoretical sampling, we located employees working in a firm located at the Jiangsu Province of China. We used the following research questions to guide our data collection:

1. Are the employees satisfied with the outcomes of previous performance feedbacks?
2. What problems do the existing performance feedback process has?
3. How could employees communicate to managers the problems that the current feedback processes have?
4. How do employees handle the problems that they face during work?
5. Did employees choose to remain silent or appeal?
6. Under what circumstances would employees choose to appeal?
7. What are the results of their past appeals?

### Findings of Research:

Based on our interviews, we found that employees from all levels had their own difficulties. Performance feedback and appeal in China are usually conducted in the form of formal meetings. Managers will usually communicate the results of the appraisal processes that they completed before hand at such meetings. Employees who are not satisfied with the outcomes of the appraisal can initiate an appeal. Based on the content of our interviews, we found three recurring themes: the attitude of the managers is important, some managers' attitudes toward performance feedback contradict the employees' attitude, and some employees were using appeal as a weapon.

#### Manager's attitude is important:

We found that many managers like to treat performance feedback sessions as sessions for them to showcase their personal achievements. Such managers were usually extremely proud, and they were not in frequent contact with the employees. Their subordinates do not have many chances to interact with them, and they also seldom approach their employees. The employees did not dare to voice out their concerns and ask questions when they needed to, and the managers did not communicate their messages even when it was

necessary. Hence, when it came to performance evaluation, because the employees did not know exactly what the managers wanted, the employees would usually have poor performance appraisal outcomes. When it came to the feedback session, the session would become the "worst nightmare" of employees who got poor performance evaluations. On one hand, they wished that they could approach their managers for help. On the other hand, they were "afraid" of their managers. While they might have a lot to say, they might not be able to say anything when they stood before their managers. For example, one employee expressed during an interview that:

"When the leaders communicated to us about how well we had done our jobs, it would usually be in the form of one-sided meeting. Most of the time, it would take the form of "they talk and we listen". The atmosphere of the meeting is usually extremely uptight. Sometimes, when we wished to express our opinions, it would be very difficult for us to do so. Even if there were interactions between the employees and leaders, such interactions would usually be dominated by those employees who had done well. Only those who had performed well would be qualified to ask questions. Those who had poor performance or those who were afraid of the managers would choose to remain silent. In the long run, the feedback sessions will not solve our problems. It cannot let us express our dissatisfactions and suggestions. It makes us feel bad, and we feel like resigning."

Under such circumstances, organization's feedback and appeal mechanisms would be rendered useless. Employees could not seek the means that they could use to improve their performances through feedback meetings, and they could also not make the appropriate changes to better fit the expectations of the managers. In addition, we also found that when managers were giving performance feedbacks, the manager's attitude toward performance feedback would influence the employees' perceived fairness of the appraisal outcomes. If the managers could not give employees objective appraisals, employees would resist such feedback sessions. For example, one employee expressed:

"I paid a lot of attentions on the manager's attitude during performance feedback. If the manager's words during the feedback process carried personal biases, or if the manager had adopted an unfair attitude toward performance feedback, I would feel like resigning. If the feedback process only focused on outcomes, but did not care about the employee or those problems that they could face during their daily works, I would feel bad and I would not want to stay in the organization anymore. I could not get any progress anyways."

**Contradicting attitudes toward performance feedback between managers and employees:**

We found that managers and employees had biases in their attitudes toward performance appraisal. They were too focused on past performances, and they had ignored the possibility of improving future performances. We found that some managers believed that when employees had poor performances, it must be because they were not hardworking and because they were only “parasites” who only wanted salaries but not work. These managers did not put efforts into thinking how to help the employees to improve their work performances. They even took the less than ideal performances of poor performers as burdens that “pull down the team’s general performance”. For example, one interviewee from the marketing department mentioned:

“I will evaluate every single employee from the marketing department on their work quality, work content, and work attitude. I will then feedback the results of these evaluations to them during performance feedback meeting. I will usually focus my meeting on how they had done on the main key performance indicators and what targets the company has set for them for the next month. For those who did not meet their targets, I will take a harsh stance. The performance appraisal section will usually be about I telling them what they have not done well. I believe the biggest reason behind poor performance is the problem of individuals. They did not correct their work attitude. This had stopped the performance appraisal sessions to perform smoothly. In the long term, this will hurt the morale of the other team members, causing them to have lower motivations to work.”

Nevertheless, some managers took performance feedback as a chore. It was perceived as a hard task that would bring them no benefits but offending people. They would usually refrain from discussing the outcomes of performance appraisals openly. This was especially the case when they were facing those employees who had achieved bad performance appraisal outcomes. The managers were usually afraid that such negative feedbacks could cause dissatisfaction amongst the employees, and cause them to resist future performance feedback sessions. Some managers even worried that the giving of negative performance feedbacks during meetings could destroy the passions that employees had toward work, and hence causing them to become aggressive or even resign from the job. Hence, to this group of managers, performance appraisal and feedback was also a “nightmare” to them.

On the other hand, we also discovered that some employees had a self-protection stance toward performance feedback. Many employees usually had an over-rated self-evaluated performance outcome prior to performance feedback sessions. Hence, even

if the managers had given them accurate performance appraisal outcomes and told the employees truthful opinions on how they could improve their future performances during the sessions, these employees would still perceive injustice in the outcomes and had negative attitudes and resistance toward the performance appraisal outcomes.

Some employees were sensitive to all forms of performance appraisals. They perceived such sessions as the managers finding their faults intentionally, and they perceived scepticism toward their personalities and job performances. Some employees had low trust in their managers. Hence, when it came to performance feedback sessions, they had resistance toward whatever the managers said. To these employees, they would not make the appropriate changes even if the managers told them the best way to effectively improve their job performances. In the long term, the managers developed a “bad employee beyond hope” attitude toward the employee, and the employee developed a “the manager is picking faults again” mentality.

**Employee using appeal as a weapon:**

We found that many employees did not take appeal as a mean to communicate with their superiors, let both parties know better about each other’s needs, and hence achieve the win-win situation of mutual performance improvement. Many employees took appeal as a form of “last warning”. During normal working days, they would endure and bear things that they were not satisfied with. They were worried that if they make an appeal, then they might become the sore in the manager’s eyes. They would only make an appeal if they could not hold back on their emotions anymore. This type of employees took appeal as a form of weapon, or even as a form of threat. For example, one of our interviewees said:

“Once I made an appeal, it means that I had intentions to resign. But if the company could give me a satisfactory answer to my appeals, I would stay in the company. If my appeal is not answered, or if it is not given enough attentions, I would resign. This is because not only my issue was not resolved. I had also developed a mental distance between me and my company from that day onward. I would resign.”

Nevertheless, not all employees had negative attitudes as such. Some employees took appeal as a mean to improve their own working environment. They would mainly appeal when they were not satisfied with their compensation package, promotion outlook, holiday and welfare, and work design. The main motive behind their appeals was not to improve their future performances; their main motive was to let themselves to have “an easier life”. For example, one of our interviewee mentioned:

“When I first joined the company, because I only had good educational background, but not adequate job experiences, I was not very clear about many procedures. This caused my job performances to be less than ideal. My manager made sarcastic remarks about my educational background. He was not affirmative of my competency, and he simply couldn't see my efforts. He had poor attitude during my performance feedback sessions. I was really unhappy with him. When I appealed to the higher authorities, through the mediating efforts of the more senior managers, my problem was resolved. I continued to stay in the company.”

### Discussion:

Based on the findings of this research, we found that both managers and employees have to adjust their attitudes toward performance feedback and appeal. First, managers and employees have to recognize that the main purpose of performance feedback should be:

1. To let the managers know what the managers want, and whether they have done so adequately.
2. To let the managers have the chance to tell the employees what they have to improve on and how.

The main capacity of managers is to manage and to lead. They need to lead the employees toward the direction that they wanted them to.

Second, not only do managers have to watch out for their attitudes during performance feedback sessions, they also must watch for their attitudes toward the employees during their daily interactions. If managers do not pay much attentions to the employees' daily routines, then the employees might not contribute much constructive opinions to the organization during performance feedback sessions.

Third, managers who are used to have a critical approach towards the employees have to adjust their “employees are wrong, I'm not wrong” attitude. “One type of commander will train one type of soldier.” If the performances of the subordinates of a manager are always poor, this is not only an indication of the employees' incompetency – it is also an indication of the manager's limited capacity as a leader.

Fourth, when organizations have an appeal mechanism, the management must ensure that it “really works”. It must never risk being perceived as an ornament. When engaging in performance appraisal and feedback, the managers must be fair, just and open to all. If not, when the employees have reservations toward the system, the trust between the managers and subordinates might be negatively influenced. This will have a negative impact on the organization's future endeavours on team building and performance enhancement (George & Jones, 2008).

Finally, managers must be careful about the employee perception on the appeal system. They must let the employees know that if they make an appeal, even if it is not accepted, the employee's career prospect will

not be negatively influenced. If not, the chances for the employees to make an appeal will be discounted. The employees should also be aware of their own actions. They must never take appeal as a weapon. This is analogous to the using of resignation threats to get promotion or compensation increment. When the employee first voice out their resignation intention, the manager might accept their request to increase their salary or to promote them to more senior positions. However, if they use the resignation threat again for further request for promotion or compensation increment, the manager might become annoyed. Likewise, if an employee always make appeals to achieve private benefits, it might cause the managers to think that the employee is somebody who only has “appetite but no motivation to work”. The results of such actions would likely to be contrary to what the employees had aimed for.

### Conclusion:

Ultimately, organization is a collection of individuals working toward a common goal (George & Jones, 2008). If the employees of an organization could not work hand-in-hand for the organization, the prospect of the organization is not likely to be bright. Performance feedback and appeal is a mechanism to let the employees know how much they had done, whether the managers are satisfied with what they had done, and how they should adjust their behaviors to do better in the future. However, some managers and employees had misconceptions regarding the mechanism, and they also did not have the right attitude towards it. We hope that through our research, employees from all levels could get some insights, and make the relevant adjustments to their work attitudes to obtain better future performances.

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