

## PART V – PREVENTIVE MEDIATION

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## Negotiated Performance Appraisal: Alternative and Preventive Mediation



After employee selection, performance appraisal is arguably the most important management tool in an organizational setting—yet it is greatly disliked and often avoided. In the traditional appraisal, the supervisor acts more as a judge than as a coach. Unfortunately, the focus is on blame rather than on helping the individual assume responsibility for improvement.

In contrast, the *Negotiated Performance Appraisal* promotes candid dialogue between supervisor and subordinate. It encourages the parties to speak about vital matters that are seldom addressed. For this reason, the model can also serve as a form of preventive mediation—before negative feelings mount.

The Negotiated Performance Appraisal also functions as an alternative mediation model—for dealing with disputes between supervisors and subordinates. It elegantly preserves the

hierarchical power differences between them while at the same time allowing for a full dialogue about interpersonal issues that might be getting in the way of a positive relationship.

The process is carried out in the context of helping the subordinate thrive on the job, while it provides the superior the unique opportunity to examine his or her own blind spots. In one organization, an executive tried a traditional mediation with only partial success. At the conclusion of a Negotiated Performance Appraisal, he found this approach yielded the elusive beneficial results he had sought.

The Negotiated Performance Appraisal model leans heavily on Party-Directed Mediation in that it preserves the two pillars of the latter: the pre-caucus and the facilitation of a direct conversation between the affected parties through a joint session.

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#### INDIVIDUAL NEED FOR FEEDBACK

Although people vary in their desire for improvement, generally they want to know how well they are performing. Some individuals imagine the worst possible scenario when organizational communication is weak or infrequent. Others tend to think that all is well despite the need for changes.

Subordinates will often be grateful for information on how to improve shortcomings when it is presented in a constructive fashion.

In general, leaders who tend to look for subordinates' positive behaviors—and do so in a sincere, nonmanipulative way—will have less difficulty giving constructive feedback or suggestions. Furthermore, in the negotiated approach, the burden for performance analysis does not fall on the supervisor alone but requires introspection on the part of the individual being evaluated.

People need encouraging feedback and validation on a regular basis. Few management actions can have as good an effect on individual performance as positive affirmation. Without these goodwill deposits, withdrawals cannot be made.

Next to the disciplinary process, performance appraisal interviews are probably the most dreaded management activity.

The subordinate often reacts with passive resistance or noticeable defensiveness. No wonder supervisors are often hesitant to deliver bad news to subordinates. It is easier to ignore the problem and hope it goes away.

Through the Negotiated Performance Appraisal, managers transfer a substantial amount of responsibility for improvement to those being evaluated.

A key manager went on to become an outstanding performer after concerns regarding his marketing responsibilities were clarified through the negotiated appraisal. During the pre-caucus, this same manager had voiced apprehensions that perhaps the organization did not need him anymore. Numerous enterprises have observed significant and encouraging transformations after going through the process.

While effective dialogue does not always constitute agreement, it permits both parties to make more informed decisions. The feedback I have received is that subordinates make huge strides in their job performance after the negotiated appraisal.

But not always. One subordinate decided to quit his job following what had appeared to be an excellent dialogue with the supervisor. The job expectations did not suit his needs. Better to discover this sooner than later.

At another organization, an executive and a key middle manager had a candid conversation about the need for the latter to become proficient in a second language. They had skirted the issue for years. After the negotiated approach, the middle manager discovered he was held in very high regard and was being groomed for a significant promotion. It happened that the new position required learning this language. The economic benefits offered by the promotion were considerable, yet the price required to learn another language is often hefty. Once again, the key is *having the conversation* that will clarify needs and expectations. While the Negotiated Performance Appraisal improves communication, it does not guarantee that subordinates will decide to make the necessary improvements. The open dialogue, nevertheless, along with the follow-up, will soon make



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*The Negotiated Performance Appraisal preserves the hierarchical power differences between a supervisor and a subordinate while at the same time allowing for a full conversation about interpersonal issues.*

it clear to the corporation if it had found the right candidate for the position or needed to look elsewhere.

The best place to introduce the negotiated approach to performance appraisal is within the highest levels of the organization, where it is likely to make its most profound contributions. Middle managers, who in turn apply the approach with their subordinates, will have already participated in the Negotiated Performance Appraisal in their roles as subordinates and will therefore understand the value this tool can have.

### **Facilitator Role**

Although the Negotiated Performance Appraisal can be carried out between supervisor and subordinate alone, the use of a third

party can greatly facilitate the success of the approach. Certainly, it lends the process legitimacy and seriousness. The presence of a facilitator underscores the performance appraisal's value to the organization and ensures it is not seen as just another required form or procedure.

The role of the third party may be played by a facilitator, mediator, interpersonal relations consultant, or human resources manager. As in any mediation process, there are benefits to involving an outside party. This is vital when the Negotiated Performance Appraisal is used as a mediation tool.

During the pre-caucuses, the facilitator can help the parties learn how to present their thoughts in the best possible light and to focus on needed changes rather than on defending positions. The third party is also there to listen to the individuals, ask good questions, help brainstorm, examine the viability of solutions, and provide interpersonal negotiation training.

The third party's involvement in the pre-caucuses will vary depending on the skills of participants and the thoroughness of their preparation. Just as in Party-Directed Mediation, there will be times when additional pre-caucuses are required. It is the responsibility of the facilitator to gauge the safety of moving parties along to the joint session. Permitting a lapse of time between the pre-caucuses and the joint session may also allow individuals to work through complex feelings.

The role of the facilitator changes substantially during the joint session. Once again, depending on the effectiveness of the pre-caucusing, the skill of the parties, and facilitator style, the participation of the mediator can vary widely—from merely observing the discussion and recording agreements to actively making sure dysfunctional communication tactics are avoided.

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## OVERVIEW OF THE PROCESS

Supervisors ask subordinates to bring three lists to the performance appraisal interview. That is, areas in which the subordinate (1) performs well, (2) has shown recent improvement, and (3) needs to improve.

Because the supervisor will also fill out the three lists, individuals are more likely to bring candid responses to the table. It helps for the subordinates to hear the supervisor say something like, “I will also fill out these three lists.” The supervisor should then reiterate the purpose of each list by stating: “I will list (1) the areas in which you perform well and contribute to the organization, (2) the areas in which you have shown recent improvement, and (3) the areas in which you can improve.”

It is a good practice for the supervisors to make eye contact with each of the subordinates while emphasizing each list. Eye contact transmits an important message to those present—that there are areas in which each of them excels and, just as important, areas in which improvement is needed.

It is human nature to dislike bringing up our own faults, but it is also human nature to prefer to point out our own shortcomings rather than to permit someone else to do it. This process allows subordinates to think in terms of their supervisor’s perceived expectations as well as their own.

There is a *fourth* list to be filled out only by the subordinates—just as significant as the first three. Through the fourth list, the superior asks, “What can I do differently as your supervisor, so you can be more effective in your job?” One businessman replaced the words *be more effective* for the word *thrive*.

Note that the supervisor is not asking the subordinate, “Do you like me?” Rather, the focus is on what changes the supervisor can make to facilitate the improved performance of the subordinate.

If a supervisor is not genuinely willing to listen to what the subordinate has to say, the Negotiated Performance Appraisal should be avoided.

When several subordinates are scheduled to participate in a Negotiated Performance Appraisal over the course of a month or two, they can be brought together to hear an explanation of the procedure. This way, subordinates do not feel singled out, and the superior saves time by explaining the approach only once.

The facilitator meets separately with the superior and with the subordinate, during the pre-caucuses, to help each person brainstorm and fill out their respective lists with concrete examples in each category.

The subordinate fills out all four lists; the superior only the first three. Of the combined seven lists, three are particularly vital and often require additional time and thoroughness. For the *supervisor*, List I (what the subordinate does well) is the most demanding. For the *subordinate*, List III (what the subordinate can improve) and List IV (what the supervisor can change) are the most important.

It is appropriate to give subordinates enough time to think through these lists, perhaps two weeks or so to complete the assignment. Thorough instructions will save much time later on. The facilitator coaches the supervisor on how to fill out his or her lists as well as on how to introduce the program to the subordinates.

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## THE PERFORMANCE APPRAISAL JOINT MEETING

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When the time has arrived to sit and discuss the subordinate's performance, a relaxed, positive atmosphere should prevail. A location without distractions is essential. All phones need to be turned off and interruptions eliminated. Such measures give subordinates the message that they are the recipients of the supervisor's undivided attention.

The supervisor and subordinate sit across from each other at one end of the table, while the third party sits at the other end, far away from both individuals, as we saw in Party-Directed Mediation (Figure 5-1). This is done to underscore that the conversation is between the two parties.

### List I

The main purposes of the first list are (1) to recognize the subordinate's strong points and let the person know these positive qualities have not passed unobserved; (2) to increase the person's confidence and receptivity to constructive criticism (because



individuals who are overly concerned about their self-esteem, or about being attacked, will naturally become defensive and less receptive to suggestions for improvement); and (3) to prevent coloring a subordinate's unconstructive behaviors with the same ink (i.e., to avoid labeling an individual as a difficult person rather than as someone who resorts to certain unproductive behaviors).

The subordinate is asked to read List I aloud. The superior listens intently and takes notes as needed. If the individual says something the supervisor finds strange, troubling, or unclear, the superior can ask the subordinate to amplify or explain the point. People seldom mind being interrupted when it means having the opportunity to offer clarification. Such inquiries ought not put individuals on the defensive, nor should they be comments disguised as questions.

Because subordinates read their list first, supervisors can add any missing praise to their own lists. This opportunity should not be taken lightly. At one firm, a superior focused on a person's early career contributions but missed the more recent ones. The subordinate was upset that the supervisor was not paying attention to her latest accomplishments.

These types of errors are more likely to occur in organizations in which performance appraisals are conducted on a regular basis and supervisors use notes from previous years. The supervisor needs to focus on more recent events without ignoring the past.

After the subordinate finishes reading the first list, the supervisor proceeds. The superior praises the subordinate's good points, even if the person has *already* mentioned them.

The first list is the vital foundation of the Negotiated Performance Appraisal. Time spent developing and discussing what subordinates do well is never wasted. In the rush of everyday activities, the supervisor often concentrates on what an individual is doing wrong. How often do we take time to give carefully considered praise? Frequently, a subordinate is visibly pleased when honestly complimented by a supervisor.

A subordinate's feelings of self-worth are strengthened by such validation. It can constitute the positive force, or

momentum, that gives an individual the strength and determination to try harder in areas of weakness. As previously mentioned, sincere compliments are goodwill deposits without which withdrawals cannot be made.

Employees can quickly sense, however, when a compliment is not sincere. Also, when a supervisor is constantly critical and cannot find anything about a subordinate to compliment, the underrated person often has little desire to make needed changes.

Given the immense importance of the the first list, let us take a moment to consider what constitutes an effective compliment, one that is really *felt* by the recipient.

When someone does something that is appreciated, and we thank the individual, such appreciation is simply a matter of *good manners*. Feelings of resentment may otherwise surface.

*The Negotiated Performance Appraisal model makes use of pre-caucusing and joint sessions. During the joint session, the facilitator sits away from the parties and permits them to mostly manage their own conversation.*

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If we return a few hours later, or the next day, and remind the person of the positive circumstances associated with the original compliment, the power of the praise is multiplied.

As a supervisor thinks about and prepares the first list—what the subordinate does well—positive labels such as responsible, dependable, observant, creative, efficient, hard-working, thorough, and self-initiating will come to mind.

Telling people that they are dependable, show creativity, or take initiative is equivalent to a three- or four-point accolade. The supervisor is not taking advantage of the opportunity to deliver a well thought-out compliment.

Consider the expression “takes initiative.” Tell a subordinate that a person who takes initiative is one who (1) not only completes an assignment but does so in a timely manner, (2) informs the supervisor before the due date when additional time is needed to complete a task, (3) brings a problem outside his or her area of focus to the attention of the appropriate person, or (4) takes care of a matter without being asked—that *this* is to take initiative! When the supervisor adds a comment to the effect that the subordinate exhibits such a quality, instead of a three- or four-point accolade, it might be worth thirty or forty points.

The supervisor can increase the value of the recognition to sixty or eighty points by adding specific examples, also known as *critical incidents*. These critical incidents will often begin with a date, such as, “Three weeks ago . . .,” “Last month . . .,” or “Yesterday . . .”

For every positive category, the supervisor needs to explain what is so important about it and hopefully provide at least two examples of the evaluated behavior.

In the category of *observant*, for instance, a dairy herd manager might say: “Two weeks ago, when I was speaking with the veterinarian, you interrupted to tell us that the milk tank refrigeration was off. Your keen observation saved us thousands of dollars.” An executive might say to an assistant, “At the last sales meeting with our French clients, when I was giving my talk, you noticed I had forgotten to bring the samples and managed to

make all the right phone calls to get those to me at the very moment in the presentation when I needed them. I still don't know how you noticed or what strings you had to pull to get those samples to me. Not only did it save me from embarrassment, but we ended up impressing our clients and securing a contract with them.”

Have you ever said something nice to a person only to have the individual ask you what you just said? I have noticed that people often ask for repetition when hearing nice things about themselves that they appreciate but have not heard in general or have not heard from a particular individual.

The purpose of List I is to celebrate the accomplishments of the subordinate. On one occasion, a general manager being evaluated truly felt the sincerity and the power of the compliments she was hearing and joined the celebration by adding several examples of the positive behavior that was being discussed. One hundred points!

The word *celebrate* implies taking time to stop and dwell on what has been accomplished. Anything done to prolong the time spent on the first list will help the process of celebrating.

Imagine that you have just won an important match against another team. The players go out to dinner together after the game. An important part of the celebration is the repetition of exciting moments—a sort of *delayed verbal replay*. One player says, “Ah, that was so great when you were cornered and managed to pass the ball to me.” The other answers, “Yes, and then you scored! Oh, that was beautiful.” The coach adds something to the effect that the leg followed a perfect curve or a player wisely moved to an open spot.

Two measures that mark success in relation to List I, then, are (1) spending at least *twenty minutes* honoring what an individual does well and (2) having the subordinate join in the celebration by adding to what is being said.

One facilitator extended the time spent on the first list by asking the supervisor to read the whole list before going into the details. After the supervisor finishes with the details, this

particular facilitator also reads her summary notes to the subordinate. The notes recap the supervisor's praise rather than the facilitator's opinions. An entrepreneur felt she could extend the celebration time and involve subordinates by asking them for details on how they succeeded in specific projects. As long as they are sincere, a number of approaches may be used to achieve these goals.

An executive once asked, "Besides pay, what tools do managers have at their disposal to help motivate people?" One clear answer is *individual validation*. I would dare say that few people ever receive the type of powerful praise we have been discussing. It is a scarce commodity. Precisely for this reason, these sincere and detailed accolades can have such a powerful effect.

In your youth, was there a favorite uncle or teacher who really believed in your potential? And as a result, when this person was around, did you try to give him or her your very best? Conversely, have there been people in your life who thought you would never amount to anything? People who did not inspire you to prove them wrong—at least not while they were present?

I do not recall where I heard about a leader who began each day with ten coins in one pocket. Every time he praised a subordinate, he moved a coin from one pocket to the other. His goal was to shift all ten coins every day. With time, he no longer needed the coins, as he became a person who looked for good in others. In the same way, the Negotiated Performance Appraisal's List I permits us to look for the good in others.

Managers who have implemented the Negotiated Performance Appraisal tell me it has changed their organizational climate for the better. A positive work environment has, in turn, noticeably improved productivity.

Interestingly, some of the reasons people do not compliment others include fear that subordinates (1) may ask for a raise, (2) reduce their efforts, or (3) think they have nothing to improve on. Each of these is a legitimate fear. Yet, the Negotiated Performance Appraisal permits supervisors to compliment freely,

because each of these issues is in some way incorporated in the discussion. For instance, subordinates learn what they need to do in order to improve their chances of obtaining future pay raises or promotions. Because the Negotiated Performance Appraisal permits considerable focus on what people can improve, there is little worry about praising subordinates.

Even so, a significant number of individuals seem to experience a deeply felt fear of praising. They suggest that duty demands a certain performance level and that further commendation ought not be required. I have noticed a similar reaction to the idea of introducing a pay-for-performance compensation package. But the feelings of resentment toward commending or validating others tend to be especially emotional. “I shouldn’t have to praise my employees!” or “I shouldn’t have to tell my wife I love her—she should know it from my actions!”

Managers, then, often explain that they are not comfortable giving praise. Learning how to give powerful, earnest compliments is an investment that will pay off with dividends.

Electronic equipment, as the name implies, runs on electricity; to a great extent, people run on validation. Praise, of course, does not make up for a poorly designed compensation system. Most supervisors, when they finally understand the importance of sincere acclaim, go on to do an excellent job of commending subordinates during the joint sessions. In the end, however, it is up to the superior to make the best of this unusual learning and stretching opportunity or to let the moment pass.

During the performance appraisal, if the subordinate brings up, as one of his or her good points, a performance issue that the supervisor considers a weak point, the supervisor attempts to understand the subordinate’s perspective and under no circumstances disagrees with the individual at this point.

It should be understood, also, that most positive traits, when taken to their extreme, can turn into weaknesses.<sup>1</sup> For instance, exaggerated perseverance may mean spending too much time on an assignment—refusing to move on to more critical matters.

While there may be disagreement between the manager and subordinate about whether something is a positive trait, this is not

the time to discuss it. The opportunity will present itself when reviewing List III. Nor should a supervisor cloud the positive issues by telling the individual, at the same moment, that a certain point should be listed as a positive contribution as well as an item that needs improvement. Nonetheless, when discussing a subordinate's weak points later on, it can be very beneficial to reiterate positive traits.

### **List II**

The function of the second list is to acknowledge efforts to improve. Of course, an individual's claim to have progressed in an area does not mean the problem has been conquered. Items from List II may also need to be addressed in List III as plans for expected improvement are refined. As before, the supervisor listens and asks for clarification without interrupting. After acknowledging the comments of the subordinate, the supervisor reads his or her own list. While the second list often takes relatively little time to discuss, compared to the first and third lists, it is valuable for subordinates to have the opportunity to speak about efforts they have been making to improve.

### **List III**

The rationale of the third list is to help make good subordinates better at their jobs and to assist those who are performing poorly to progress to an acceptable level. Everyone can improve. Just as leaders may color individuals with negative strokes and not recognize the good in them, supervisors can also neglect to help outstanding employees or volunteers reach their full potential by failing to acknowledge strengths or by ignoring weaknesses, as insignificant as they may appear. In the process of sharing lists, misunderstandings can be cleared up. One subordinate, for instance, mistakenly thought her supervisor disapproved of her level of risk-taking.

A key role played by facilitators during the pre-caucuses is helping subordinates arrive at the joint session prepared with several viable solutions to problems in each of the spheres of weakness. At times, subordinates will struggle to think of areas in

which they need to improve. The facilitator may help by asking, “What changes or improvements do you think your supervisor would like to see you make?”

Again, during the joint session, the supervisor allows the subordinate to go first. The subordinate is permitted to read the complete list, uninterrupted, except when clarification is needed. Ideally, the subordinate’s self-report will be complete and accurate.

When a person speaks of something as being a problem or weakness, the supervisor should not jump right in and say, “I agree; I also think this is failing.”

In fact, when it comes time for supervisors to read List III, there is *no need to repeat* what the subordinate has said. Or to mention that the issues described by the subordinate were also part of the supervisor’s list.

Instead, the superior brings up *only* matters that have not been raised thus far. A key point is that once a subordinate acknowledges something as a weak point, the person has begun to take ownership of the problem.

Once the subordinate has acknowledged the need for improvement, the supervisor needs to be careful not to fall into a more traditional role: that of an expert pointing out faults. Instead, the supervisor can be an active listener, offering support to the subordinate who wishes to change unwanted behavior.

Once the third list is constructed (from the combined comments of the supervisor and the individual being evaluated), the superior can ask the subordinate to discuss specific items, as well as detailed plans for improvement.

A leader might say something like, “Yukiori, you say that you could improve on your organizational skills. Tell me what specific steps you’d like to take to strengthen them.”

The supervisor need not discuss items on the subordinate’s list in the order they were given, but rather, may opt to begin with an issue that appears to have a more straightforward solution. Or the supervisor may ask the person being evaluated to choose a listed item to start the conversation.



A subordinate may provide an overly vague or simplistic solution to a problem, such as, "I'll try harder." Good intentions may not yield positive results, however, unless plans for exactly what will be done differently are established. Nor does it help when an individual sets unrealistically high goals that have no reasonable chance of being carried out.

As solutions are examined, the manager may be asking, "How will we know in three days, three weeks, three months, or a year that the goal is being met?"

Despite what has been said about allowing people to solve their own problems, sometimes it helps for the supervisor or facilitator to offer a few alternatives. The subordinate needs to feel empowered to accept, modify, or reject the suggestions. This is why it is vital, then, for the facilitator to help the subordinate come to the joint session with not only a list of areas to improve but also precise plans to do so.

Depending on the extent and importance of the challenge involved, thinking through a particular work process and all the likely places where obstacles may be introduced may help both parties to better understand the difficulty. The effectiveness of brainstorming sessions might depend on the willingness of participants to think outside traditional solutions.

Concrete solutions have a greater potential for success. An employee in charge of a shop came to an agreement with his supervisor on how to make tools accessible and, at the same time, make sure they were returned. Another person agreed to give colleagues a little advance notice that he would need their assistance rather than demanding instant help, unless, of course, the situation was an emergency.

By the time the subordinate and the supervisor are reviewing the third list, both individuals may be emotionally drained. They may be tempted to solve a difficulty with haste. Also, the subordinate might begin to get defensive, negating the good already accomplished.

The role of the facilitator is to watch for viable agreements and be sensitive to the participants' emotions. Superficial agreements, so parties can move beyond uncomfortable topics,

need to be avoided. The facilitator might ask, “Javiera, how do you feel about this agreement?”

The worst thing that can occur is for the parties to simply plow through without concern for each other’s feelings or the viability of agreements. This is not to say that in the natural course of conversation—in the joint session—there will not be a number of tense moments. Periodically, the supervisor may want to remind the subordinate of something discussed in List I (what the person does well).

Take, for instance, a situation in which the subordinate and the supervisor have been discussing an individual’s tendency to be a little self-righteous and discount other people’s opinions. The manager senses that the subordinate is beginning to feel somewhat deflated. The superior may say something like, “You know, Kenny, I realize that it’s *because* you care so much about this operation, *because* you take pride in your work, *because* you want things done just right, that you wish to express your opinions. We certainly want to keep hearing them. The challenge, as I see it, is to encourage others to feel that their views are important—especially those who are shy about speaking up.”

There may come a point when more good would come from continuing the appraisal at a different time. Supervisor and subordinate may want to set a date to meet again—say, in two or four weeks—in order to brainstorm potential solutions. When the parties are well prepared through the pre-caucuses, only the exceptional case will require a second joint session.

All items raised in either the subordinate’s or the supervisor’s third list need to be discussed before moving to the next stage of the Negotiated Performance Appraisal. Sometimes a manager or a subordinate may leave an item out of the discussion. I generally prefer to err on the side of bringing issues up, even if it means having the parties tell me the topic has been sufficiently discussed. To do otherwise would be to risk neglecting important topics.

The supervisor is cautioned to avoid derogatory labels. Calling an individual lazy, stubborn, inconsiderate, or shiftless is likely to provoke a defensive reaction. It is fine to say something like, “I

would prefer to see you suggest alternative solutions before bringing me a problem you're facing."

In providing feedback to a subordinate about substandard performance, it is all too easy to generalize or to fall back on more traditional performance appraisal approaches. Ones in which the supervisor assumes the position of an expert on the subordinate's performance. Instead, supervisors need to address separately the specific area of performance needing improvement or risk failing to communicate.

For instance, a subordinate may be demoralized by hearing she is a poor listener, especially when she has put much effort into improving her listening skills. Instead, the supervisor could have said that it appeared as though the employee tended to avoid conversations involving disagreement.

While an essential part of the Negotiated Performance Appraisal involves sharing positive critical incidents, the approach taken when dealing with negative issues is somewhat different.

In an earlier chapter, I spoke of using the smallest hammer possible when introducing negative feedback. Only if the subordinate seems lost is the hammer size slowly increased, first by introducing the general principle in more detail and then by adding a few examples of critical incidents if necessary.

After discussing List III or IV, it is useful to refocus and remind the subordinate of some of the positive contributions the person has made to the organization.

Before ending this portion of the joint session, it is good to review exactly what details remain pending and what agreements have been reached thus far. A copy of these points may be printed out and given to each party for further review and as a record of the meeting. Without specific goals and objectives, as well as timetables for their execution, the performance appraisal is of little use. Following through on the timely achievement of the established goals is just as vital. A valid alternative is to work on the detailed list of agreements after reviewing the fourth list.

## List IV

The fourth list is based on the question asked by the superior: “What can I do differently as your supervisor, so you can be more effective in your job?”

When the question is sincere, and when subordinates are given time to prepare a thoughtful answer—especially after being put on notice that their own performance is being minutely evaluated—providing this opportunity for input can greatly improve the performance appraisal process. The subordinate is less likely to hold back suggestions at this point, especially if the supervisor’s shortcomings stand in the way of the subordinate’s expected achievements.

The wording is such that it elicits genuinely useful input. When the subordinate responds to the question, the supervisor needs to avoid the natural tendency to want to defend or explain past behaviors. During the pre-caucus, a facilitator coaches the supervisor on the importance of making an effort not only to understand but also to acknowledge the subordinate’s perspective and to watch for feelings of defensiveness.

As soon as the subordinate realizes that the purpose of the discussion is to *solve problems* rather than *assign blame*, difficulties are more likely to be raised. This process presents an opportunity to correct mistakes and ensure tasks are carried out more effectively. Furthermore, when supervisors recognize—and act on—the need to make adjustments in their own behavior, it is easier for subordinates to do the same.

According to one employer’s standard operating procedure, anyone ordering supplies had to check the prices being charged by three different vendors within a given time period. As a result of the Negotiated Performance Appraisal, a top manager suggested to his employer, “Since you keep the purchasing notebook in your office, when you’re not here, I have to make three calls before I place an order. If I had access to that book, I could check to see if you had already made one or more of the required calls. If I ended up making any calls, the information in the book could be updated. It would save both of us time.”

The most effective performance appraisals not only involve a discussion between supervisors and subordinates but also examine the relationships between subordinates and others with whom they come in contact. So, for instance, instead of asking for anonymous evaluations from a colleague with whom an employee works on a regular basis, each party can answer the question of how best to provide mutual help. The input is given in a collaborative, rather than competitive, spirit. The same process of mutual recommendations for improved collaboration can apply to business partners.

### PERFORMANCE APPRAISAL FOLLOW-UP

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A follow-up meeting is required a month or two after the initial performance appraisal, to discuss areas in which the individual has improved as well as areas that need special attention. At one operation, an employee had improved in a number of areas, but several other weaknesses soon surfaced—including some that were not discussed in the original joint session. These matters were dealt with in a successful follow-up.

When the Negotiated Performance Appraisal has been used to address an individual's substandard performance, the supervisor should be alert and offer praise for positive changes made by the subordinate. Managers often tend to forgive deficiencies, almost to a fault. But once these same supervisors decide that enough is enough, they can have trouble seeing and acknowledging individual progress.

In many ways, the follow-up is similar to the original joint session. The subordinate who was appraised should be given the opportunity to come prepared to discuss what has and has not worked thus far. The supervisor prepares the same way.

Focusing first on the positive is as critical to the success of the follow-up meeting as it was during the original. The idea is to prevent blaming and defensive behavior. The discussion during the follow-up joint session, then, is about specific obstacles preventing people from reaching their full potential.

Tying the Negotiated Performance Appraisal to a traditional appraisal process for making compensation decisions provides a

built-in follow-up. It can act as additional encouragement for subordinates to put forth their best efforts. Individuals should be notified from the outset that a more traditional performance appraisal process will be used to make pay decisions and determine whether goals have been met. It is also useful to let individuals know, periodically, whether their performance, from management's perspective, meets the goals established through the negotiated approach.

## SUMMARY

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The Negotiated Performance Appraisal, much like Party-Directed Mediation, is composed of both pre-caucuses and a joint session. While people in organizations often avoid sensitive topics in their day-to-day lives, the Negotiated Performance Appraisal encourages dialogue and improves communication. As a result, it is an excellent tool for avoiding conflicts or dealing with disagreement before the matter degenerates into a contentious battle. The Negotiated Performance Appraisal is also an effective alternate model for mediating disputes in which there are large differences in organizational power, such as those that exist between a supervisor and a subordinate. The model facilitates effective conversation through a combination of goodwill deposits and frank dialogue about needed improvement—a process that avoids focusing on blame and permits parties to save face. While the Negotiated Performance Approach cannot guarantee results, it does an excellent job of clarifying exactly what each party must do to achieve success.

## CHAPTER 12—REFERENCE

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1. Oaks, D. H. (1992, November). Our strengths can become our downfall. *BYU Magazine*, 34(38), 42–43.