

Public Management Report

An occasional (and maybe insightful) examination of the issues, dilemmas, challenges, and opportunities in leadership, governance, management, and performance in public agencies.

On why government should:

End Annual Personnel Appraisals

Most organizations—private, public, and nonprofit—engage in the annual ritual of performance appraisal. Yet, few believe that it accomplishes very much. At least as it is traditionally practiced, this annual personnel review gives neither the individual being evaluated nor others in management much new information of real value about what this individual has truly contributed or what the individual should do to improve. Everyone just wants to get the unpleasant and unproductive activity over with so that they can concentrate on the task of achieving their agency's real mission.



The annual performance review is, however, more than a mere waste of valuable time. It is actually bad. It has one significant and pernicious effect. For the annual personnel appraisal undermines the ability of a public agency to deal with a potentially serious problem: eliminating the truly bad performer.

Consider the task of filling out the annual performance-appraisal form from the perspective of the manager. The manager knows—just as everyone else in the organization knows—that Robert is a really obnoxious goof-off. (Let's call him or her Robert, not because I hate the Roberts of the world but simply because I need a name.)

Robert doesn't do any work. Indeed, Robert flaunts his ability to get away with doing no

work. Moreover, Robert also knows the rules, and he is willing and able to use them. Maybe someone once tried to get rid of Robert only to lose one of the many appeals. Maybe no one ever tried. Still, everyone "knows" that Robert is untouchable. It makes little difference how much of this is fact and how much is fiction. The legend affects managerial behavior throughout the agency.

Moreover, in most organizations, the advocates of the performance-appraisal process are being less than truthful when they claim that the task of getting rid of Robert is not a big problem. For when faced with an obnoxious goof-off, the manager has only two real choices: (1) Launch an all-out attack—using the full powers (and convoluted rules) of the personnel system to get Robert fired. (2) Shrug off the problem, fill out Robert's annual performance appraisal form with the usual collection of "meets expectations"—or whatever passes for "satisfactory" in that jurisdiction's hierarchy of evaluative labels—combined with maybe one "needs to improve." Then get back to the big problems.

To Robert's manager, nothing in between makes any sense. Either the manager decides to get rid of Robert—understanding fully how time consuming and emotionally costly this will be. Or the manager decides that other problems are more important. Like every human, Robert's manager has only 168 hours

in a week. And the number of problems that any public manager faces can easily absorb all 168. Thus, every intelligent manager chooses to concentrate on just a few really important and winnable problems, while ignoring all the others—some that are big but not quite as big; others that are simply not winnable. Consequently, year after year, Robert accumulates a long string of “meets expectations.”

Thus, when a new manager comes along and decides that Robert is one of the really important problems, Robert’s personnel file is completely useless. Indeed, it is worse than useless. Robert’s personnel file actually *prevents* the new manager from getting rid of Robert. This fight, the new manager concludes, is not winnable.

So, here is a really radical proposal: If you want to get rid of the obnoxious goof-offs in government, you first have to get rid of the annual performance appraisal. You read that correctly: Abolish the yearly personnel review.

For if there were no annual reviews, there would be nothing in Robert’s file. Thus, a new manager who decides that Robert must go can start building the case from sea level rather than from the bottom of the Mariana Trench.

I can hear the screams now: “How can you abandon this valuable management tool?” Yet, if this tool is so damn valuable, how come it doesn’t help get rid of the Roberts?

Now the screams are getting louder: “Because public managers are too dumb, lazy, and incompetent to use it right.” But wait. Are the defenders of this scared, annual ritual really calling the vast majority of government managers “dumb, lazy, and incompetent.” Can all of these managers really be that inept?

Or is the current system the problem? Does the process of requiring an annual evaluation force even the most conscientious public manager to make a rational, time-allocation

decision and put a “satisfactory” in the file of even the poorest-performing employee?

Maybe—just maybe—public managers are neither dumb nor lazy nor incompetent. Maybe they take an intelligent and careful look at their many challenges. And although Robert may surface at the top of their list of significant problems, a quick look in Robert’s personnel file suggests that this one is simply not winnable. Thus, when the manager creates a list of key priorities, getting rid of Robert doesn’t make the cut.

The annual performance review is more than a waste of valuable time. It is actually bad. It has some significant and pernicious effects. So here is a really radical proposal: Get rid of the annual personnel appraisal.

This is not a theoretical claim; it is an empirical observation. The tool, the evidence reveals, is not useful.

Suppose, however, that Robert’s file was empty. After all, if there is no annual performance review, Robert’s managers need not put anything in his file. Consequently, his file need not contain even the most insipid compliment. At any time, a manager can put a commendation or a reprimand in any employee’s file. Indeed, the new system would encourage both. Still, given the natural propensity of humans, most managers will insert more accolades than rebukes.

If an annual performance appraisal were not required, an empty file would itself be damning evidence of incompetence. **B**

Robert D. Behn is the author of *Performance Leadership: 11 Better Practices That Can Ratchet Up Performance* and a lecturer at Harvard University's John F. Kennedy School of Government.

As a member of the team of Kennedy School faculty who lead executive-education programs for the public sector, Bob chairs “*Driving Government Performance: Leadership Strategies that Produce Results.*” He also conducts custom-designed executive programs for public agencies, most recently in Lisbon.