THE SIGNIFICANT EVOLUTION IN STAFF ASSESSMENTS: A GOOD FIT FOR THINK TANKS?

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August 2019

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Introduction

There is an ongoing, comparatively quiet evolution in the business world, especially among tech firms, large consultancies and major international law firms, to refashion their traditional staff performance assessment systems and staff annual goal setting. Long simmering dissatisfaction began in 2011-2012 to fuel a reform movement that has gradually gained momentum with a jump in adopters of the new system from 2017. The new procedures, still often in trial stages, are now spreading to a broader array of businesses and to some think tanks.

One key attribute of the new paradigm is frequent (at some firms, ideally, 'continuous') feedback on performance so staff can develop more quickly professionally and bring more tailored approaches to tasks at hand. More frequent supervisor-staff interactions are thought to lead to strong working relations and better mentoring. The accent is strongly on the future rather than reviewing last year's activities.

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Second, the leader industries now place very high value on agility—the ability to shift processes and products in response to technological changes, important changes in the regulatory and fiscal environments, and market developments.[1]

A close friend of mine has worked in the marketing department of a major solar power company for the past 15 years. Technical disruption has been a constant factor in product development and production and, in turn, pricing. Additionally, countries, or even states within countries, have frequently shifted tax and other incentives to encourage consumers and firms to adopt solar power as their electricity source. In such an environment annual feedback and goals do not make much sense.

Think tanks clearly operate in a different, much more stable, environment. Some are, however, confronting staff demands for more frequent feedback and promotions. Such demands are seemingly most often found among millennials (those born between January 1983 and December 1994) and a somewhat younger cohort. They focus on not succeeding quickly enough within their organizations or at least their progress not being recognized concretely, with other staff following their lead. Some survey data suggest this is a widespread issue.[2]

Many think tanks have for 15 years and more employed sophisticated annual performance assessment systems that avoid the clear limitations of some of those that for-profit entities are replacing. Strong points often found in think tank protocols include:

- Obtaining the views of a staffer on her accomplishments for the full past year;
- The staffer's views about whether the developmental goals set the previous year were achieved; and, if not, why not, including the supervisor not providing promised support;
- Goals for the next year being set through discussions between the supervisor and the staffer; and,
- Not reducing the assessment results to a single number used to comparatively mechanically rank staff as a basis for determining promotions, dismissals, bonuses and salary increments.[3]

On the other hand, it seems probable that there has been a deficit of 'ongoing feedback' at many think tanks. A natural time for 'check-in conversations' is at completion of a project or a milestone in one with an extended implementation period. My guess is that there are fewer such consultations than optimal and that managers' side of such discussions tend to be focused on perceived staff shortcomings rather than leading more balanced exchanges. There are natural mentors out there to be sure, but my experience suggests they tend to be a minority everywhere.

This post explores the adjustments actually being made by think tanks in line with the trends cited above. It draws on information provided by the four think tanks I view as well-managed that have generously served as the panel for my series of posts at On Think Tanks on management topics. They include three U.S. think tanks: NORC at the University of Chicago, the Urban Institute, and the Results for Development Institute.[4] The Institute for Urban Economics in Moscow rounds out the panel.[5]

Two of these are making major revisions in their staff management protocols somewhat in line with the changes mentioned above. Both are in the midst of incremental, multi-year processes of introducing change. These adjustments have been widely discussed internally and some outside guidance sought. The two have sufficient experience to be able to share it with those thinking about making changes following the 'new paradigm.'

As usual in these blogs, I do not name the Institute associated with a specific practice. Hence, I will refer to these as Adaptor 1 and Adaptor 2, respectively. Adaptor rather than 'adopter' is being used because these are not straightforward on-boarding of the protocol.

The other two are referred to Traditionalist 1 and Traditionalist 2. While continuing to refine their protocols in recent years, the traditionalists have not seen the merit for themselves in the more thorough-going changes embodied in the new paradigm, although one has made modest adjustments in that direction. Clearly these four do not constitute a 'representative sample' in any sense. Their distribution does, however, afford us the opportunity to explore both sides of the merits of adopting the new protocol which has not received universal praise.[6]

The discussion proceeds under five headings. The first looks at the motivations for the sample organizations to adopt the new protocol or not. The second explores how 'more frequent feedback' is being structured. The third considers the adoption of more steps in career ladders. And the fourth provides additional discussion on the most significant change observed. The final section concludes.

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1. The following writings expand on these points. Peter Cappelli and Anna Tavis, "The Performance Management Revolution," Harvard Business Review, ISSN 0017-8012, Vol. 94, Nº 10, 2016. Sloan, N. and D. Agarwala, 2017, "Performance Management," in (eds.) D. Sloan, D. Agarwal, S.S. Garr, and K. Pastakia. *2017 Deloitte Human Capital Trends*. Deloitte University Press, pp. 64-74, . *HBR Guide to Performance Management. Cambridge, MA. Harvard Business Review Press, 2017.*
2. Bartelby, *The Economist*, "A Bleak View of the Future: Young People are Pessimistic about the Economy, Business, and Their Own Progress," May 23rd edition, 2019. The data on which this observation is based are from a new survey of 13,416 millennials across 42 countries, with sample sizes ranging from 200-500 per country. Low pay leads respondents' complaints, followed by a lack of opportunities to advance.
3. The elements of a staff appraisal protocol generally viewed as strong are presented in R. Struyk, Chapter 3, "Motivating Staff for Higher Productivity and Increased Retention," in *Improving Think Tank Management* (Washington, DC: Results for Development Institute, 2015).
4. I should note that R4D now identifies itself as "An International NGO: Working with *change agents* around the globe to create *self-sustaining systems* that support healthy, educated people."
5. I am very grateful to Missy Nachbar, Tatiana Polidi, Margery Turner, Gina Lagomarsino, and Natasha Roberts for discussing their institutes' activities and in some cases sharing internal documents with me.
6. See, for example, Schumpeter, "Reports of the Death of Performance Reviews is Exaggerated," *The Economist*, February 20, 2016, p.59.

Motivation

In approaching the interviews with the four participating think tanks, I expected to find stories of various staff pressures similar to those stated above. I was wrong. Rather, the two Adapters and Traditionalist 2 expressed dissatisfaction with the lack of precision in the performance questions and the limited prompts to which supervisors use when reviewing staff. The largest change in their systems was to replace the prompts in the appraisal form with complete statements on each competence standard that provides concrete standard for the position held by the person being reviewed. Adapter 2 and Traditionalist 1 tailored these statements specifically for each staff position. Requirements within a performance area increase steadily with level or step in the researcher and administrative-operational career ladders. Competencies are discussed further in section 4.

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All three believed that the old systems highly simplified prompts led to imprecision in the ratings as different managers layered their own standards over the brief guidance given by the prompts. This resulted in inequities in ratings. The competency statements address this issue, and all these organizations are enthusiastic about this improvement.

Adapter 1 was clear that pressure from younger staff, actually often those younger than the Millennial generation, is an important stimulus for reworking its performance management. These staffers expressed dissatisfaction with the simple standards stated on the evaluation forms and often argued that their supervisors were misjudging the quality of their work within the very broad and brief standard statements in the annual review form. They were also critical of the four- or five-point numeric rating scale and the fact that an overall score was computed. These elements have all been changed. Additionally, the younger staff wanted more feedback, which is discussed below.

Adapter 2 received pressure to make standards for internal mobility clearer and to allow for different ways (beyond earning an advanced degree) to achieve the necessary competence to be advanced.

Traditionalist 1 has not made any changes to its protocols. Why? It has not been under any pressure from staff or supervisors. On the staff side the reason, at least in part, is that the local job market is soft for well-trained individuals with a strong interest in public policy. This is due primarily to weakness on the demand side which has experienced a major reduction in jobs in the past decade while the supply of well-trained individuals has remained robust. On the supervisor side, they are comfortable with the system and have plenty of other work to do. In the absence of pressure, managerial resources have been deployed elsewhere.

More frequent feedback

Defining and implementing a formal system of frequent feedback is viewed as a major undertaking, even by the two Adaptors who are proceeding step-by-step. There are advanced discussions ongoing at Adaptor 2 and Adaptor 1 is piloting its new process. Neither traditionalist is moving in this direction. Indeed, Traditionalist 2 has a clear and well-promulgated policy that encourages both staff and supervisors to take the initiative in seeking feedback and consultation frequently, at least quarterly. Records are not being kept on the incidence of such exchanges. Relevant training is available to supervisors from internal and external sources.

The following discussion describes the feedback system under implementation by Adaptor 1. First, the Annual Staff Assessment in December is maintained in the new system and its results drive salary increment and promotion decisions. However, a lighter review in June has been added which helps ensure additional relatively in-depth feedback and performance discussions. Mid-year promotions are possible in limited circumstances, such as a staffer who was very close to having sufficient credentials for promotion achieving the needed growth over the next six months.

In the past year the organization installed an app designed to simplify, track, store and facilitate discussions between a staff member and her supervisor was installed. Staff and managers received training on using it.

The app has modules for real time feedback, goal management, check-ins and performance review.
Tasks that can be facilitated with the app include:

- Kudos (positive feedback to a staffer, with options for its distribution),
- goal setting,
- check-ins,
- one-on-one notes (results of conversations),
- ask for feedback (staffer to manager),
- annual and mid-year reviews,
- promotion recommendations, and
- keeping notes on individual staff.

For the past few months everyone has been getting used to the system. Monthly check-ins along with staff-supervisor interactions on both project performance and progress on goal achievement are being encouraged. This is a ‘manager-driven process,’ with the manager taking the initiative and staffers responding. (The app gives managers a set for topic prompts for check-ins to help stimulate recollection of specific events. Their use is optional.) These check-ins have not, however, been mandatory to date and experience has not been tracked, mostly because of turnover in the HR group. However, given the pressure from staff for more feedback, increased interactions are certainly happening. The information in the check-ins feeds into staff assessments.

Experts emphasize, for example, providing positive response at the time the staffer executes an assignment well or takes the initiative to advance a project. Three of four participating think tanks have training programs for supervisors on this and related topics.

Each staffer has one designated supervisor. Most staff work on more than one project and have more one than one manager. Hence, ratings and feedback can be complex. The staffer can seek out guidance and advice from others but should inform the manager that this is being done. It is considered good form for the staffer to explain her plan for seeking additional guidance to her supervisor before making a regular arrangement. The manager is expected to provide input to the supervisors when it is time to prepare the semi-annual assessments. Brief summaries of all check-ins are to be entered into the on-line tool.

Managers and supervisors at Adaptor 1 receive general on- and off-site training on how to conduct performance discussions. In this regard, HR gurus are unanimous on the need for managers to be trained in how to conduct different kinds of discussions, including performance assessments, with staffers. The problems that poor communication skills generate are legend.[7] Experts emphasize, for example, providing positive response at the time the staffer executes an assignment well or takes the initiative to advance a project. Three of four participating think tanks have training programs for supervisors on this and related topics.

All four participating think tanks continue to have annual performance reviews.

7. Marcus Buckingham and Ashely Goodall, "The Feedback Fallacy," *Harvard Business Review*, March-April 2019 issue, pp. 92-1001;. A Q&A highlights version is available in Jena McGregor, "*Everything You Know about Giving Feedback Would be Wrong*;" Also see, Marshall Goldsmith, "Leadership: Development: Try Feedforward Instead of Feedback," *Journal of Excellence*, 2003, Issue 8, pp.15-19.

More steps in career ladders

The story here is straightforward. Over the past five or six years three of the four participating think tanks added one or two steps to the researcher/analyst career ladders and occasionally added one to the ladders for administrative-operational positions. Only Traditionalist 1 made no adjustments, perhaps not surprising as its headcount declined over the period. None of those that added steps said they did so in response to staff pressure for promotions.

Strengthening the basics

The development of competency statements is the headliner among the amendments to the assessment systems examined. For the participating think tanks this meant the decision to amend the annual review with tighter, more descriptive definitions of the standards for competency for key performance elements. The actual standards were intensively debated internally with both managers and staff participating. Because of the centrality of competencies, this section describes them more fully using information from the practices adapted by Traditionalist 2.

In this model, the areas assessed are grouped into four domains: work performance, interactions, cognition and innovation, and management. There is a brief introductory orienting statement to each domain. Within each domain several specific attributes are defined and under each the factors that can be considered by the supervisor in assessing performance are listed.

For example, for the cognition and innovation domain the introductory statement is:
Demonstrating the ability to think intelligently and logically to make sound, accurate and reasoned decisions, and including appropriate people in the decision-making process.

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The attributes listed are:

- Judgement
- Problem-solving
- Innovation
- Initiative.

The general prompt and then five of the ten (to illustrate) more specific ones for Innovation for the supervisor are:

Consider the ability to think intelligently and make decisions logically

1. Displaying original thinking and creativity, making suggestion for improving work, and being resourceful.
2. Consider the tendency to contribute, develop and/or carry out new ideas or methods
3. Meets challenges with resourcefulness
4. Adapts traditional or devises new approaches, concepts methods, models, designs, processes, technologies and/or systems
5. Expresses non-traditional perspectives and/or novel approaches.

Clearly the prompts provide a variety of angles from which a staffer's innovation can be considered—a vast improvement over the few words of guidance traditionally provided to the supervisor for making judgements and to the staffer to prepare a list of accomplishments.

In the Traditionalist 2 protocol, the supervisor mentally adjusts these prompts for the seniority of the position held by the staffer. The two Adapters, on the other hand, have developed prompts for each step in a career ladder of positions.

The open process of developing the prompts—with substantial staff and management input—is believed to make them accurate and realistic. Those at the participating think tanks stress the extensiveness of the work this process involved and the rewards in terms of an improved assessment process that resulted.

Closing remarks

The evidence from examining the experience of the participating think tanks suggests that thoughtful improvement in the staff assessment process is afoot. In particular, the greatest changes are in addressing deficiencies in the protocols used for years, rather than embracing wholesale the ‘new protocols’ attractive to consulting, IT and certain other types of firms.

These are early days in what seems likely to be a sustained process of improvement. This is particularly the case for increasing the frequency and content of check-in type feedback. On the other hand, the annual staff assessment process appears quite likely to be sustained in an improved format.