

## Negotiated Performance Appraisal<sup>1</sup>



**Harry Kubo, a successful farmer, had as a youth worked as a farm worker along with his immigrant family. He recalled with sadness that the farm employer never seemed to notice the effort. Years later Harry met the former employer and asked why he had never made any positive comments about their work. The response from the former boss was, “I feared you would stop working as hard.”<sup>2</sup>**

After employee selection, we said, performance appraisal is arguably the most important management tool in an organizational setting—yet it is greatly disliked and often neglected. 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 subordinate assume responsibility for improvement. 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.

In contrast, the *Negotiated Performance Appraisal* (NPA) promotes candid dialogue between supervisor and subordinates. It encourages the parties to speak about vital matters that are seldom addressed. While dialogue does not always constitute an agreement, it does allow parties to make more considered decisions that help *prevent conflict*. The NPA model is a powerful instrument to increase organizational productivity. It can also function as an ideal model for *hierarchical mediation* (Chapter 19). In a very elegant way, the NPA preserves

hierarchical differences between the parties while at the same time allowing for an open dialogue about the most challenging issues.

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

The NPA model relies heavily on: (1) the *pre-caucus* and (2) the facilitation of a dialogue mostly between the parties through a *joint session* (topics discussed here but greatly expanded in Chapter 19).

Think, for a moment, of a student who approaches his professor the day before the final exams and, full of anguish, explains that he must get a passing grade in the class. What can the professor do to help this student who has procrastinated until the eleventh hour?

Now, contrast that scene with one where the student approaches his professor the first week of classes and explains he wants to earn an outstanding mark. There is much that this second student and professor can do towards that end: extra reading materials may be assigned, cautions about typical pitfalls discussed, update meetings scheduled, and extra credit work suggested.

Because so few students take the initiative, some professors offer such opportunities to their students. What these few professors are doing is fully transferring the responsibility for learning, and for a better grade, to the students. Also, few subordinates are likely to take the initiative to speak with farm supervisors with enough anticipation to make needed performance corrections.

The NPA does not replace more traditional assessment for making pay decisions. Instead, it helps transfer responsibility to evaluated subordinates by clearly articulating what it will take to earn potential pay increases or

promotion opportunities. Truly, under an NPA system, employees will not have to guess as to whether they are exceeding expectations or barely meeting them.

## THE NEED FOR FEEDBACK

---

Although farm employees 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 are overconfident and become devastated when they do not get the desired raises. Subordinates are better able to make necessary changes when they can discover and analyze their weaknesses in a constructive way.

People need encouraging feedback and validation on a regular basis. Farm supervisors 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. Few management actions can have as constructive an effect on individual performance as sincere, enthusiastic positive affirmation. Without these *goodwill deposits* it is difficult to make withdrawals.

The NPA, as I mentioned, improves communication. A key manager went on to become an outstanding performer after concerns regarding her 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 her anymore—concerns that were echoed by top management.

Many farm enterprises have observed great transformations in their personnel after having gone through the NPA process. In fact, subordinates tend to markedly increase their productivity, generally overnight.

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 *now*—before he felt trapped, as so many people do, in a disliked job.

At another farm a top manager and a key foreman had a candid conversation about the need for the latter to become proficient in English. They had skirted the issue for years. After the negotiated approach, the foreman discovered he was held in very high regard and was being groomed for a significant promotion to vice president. It happened that the new position required English proficiency. The economic benefits

offered by the promotion were considerable, yet the price required to learn another language is often hefty.

The key is to be able to *have this conversation*, which will clarify the needs and the expectations of all parties. Again, it is not as important for the company, in the long term, if this particular foreman decided to learn English or not. The vital point is that the dialogue allowed them to speak openly about the issue. This conversation, together with the NPA follow-up, will clarify whether the farm organization

---

*People need positive feedback and validation on a regular basis. Supervisors who tend to look for worker's positive behaviors—and do so in a sincere, non-manipulative way—will have less difficulty giving constructive feedback or suggestions.*

has found the ideal candidate for the vice-president position—or should look elsewhere.

## FACILITATOR ROLE

The NPA can be performed without the help of a facilitator. However, the use of a qualified facilitator exponentially increases the positive results that can be achieved through the NPA.

Facilitators give the NPA process legitimacy so it is taken more seriously—and is less likely to be seen as yet another passing management fad. The facilitator plays a critical role in the pre-caucuses by preparing the parties. A practical compromise may be to use a facilitator once every three years and carry out the process without one on other occasions.

During the pre-caucuses, the facilitator can help the parties present their thoughts in the best possible light and focus on the required changes, instead of on defending positions. The facilitator is also there to listen to the parties in an empathic way (Chapter 15), challenge their blind spots, help them consider alternatives, study the feasibility of their solutions, and provide interpersonal negotiation coaching (Chapter 19).

*Traditional performance appraisals put the supervisor in a position of being the expert on the employee's performance. The worker often reacts with passive resistance or noticeable defensiveness.*



The role of facilitator during the pre-caucuses and joint sessions will vary depending on the parties' skills and how well they have prepared and completed their assignments.

## OVERVIEW OF THE PROCESS

The basis of the NPA is completing, analyzing, and discussing several lists (Sidebar 7–1). That is, both parties list the areas in which the subordinate: (1) performs well, (2) has shown recent improvement, and (3) still needs to improve. There is also a fourth list for the subordinate: (4) what changes the supervisor may make in order to facilitate the subordinate's improved performance. The facilitator helps both parties arrive at the joint session with these completed lists.

The mechanics of the process is quite important and can be somewhat overwhelming upon first reading. I have introduced some redundancy in an effort to clarify key points. Let me discuss the psychology behind each of these lists.

### List I

*What the employee does well* is viewed from the perspective of the subordinate as well as the supervisor. List I is the NPA's *vital foundation*. This would not be so were it not for the severe shortage of dynamic, sincere praise—of the sort that really makes an impact.

Despite the time-consuming nature of List I, efforts spent in providing praise are seldom lost investments. List I is about putting *praise* into the *appraisal*. In the rush of daily activities at the farm, supervisors usually focus on what people do wrong. How often do we take time to give profound praise?

Validation—when it is well-deserved and sincere—boosts a subordinate's feelings of self-esteem. It can be the driving force that propels individuals toward excellence. On the other hand, apathy is often generated when supervisors constantly criticize.

The main purposes of List I are: (1) recognizing subordinates' strengths and letting them know these qualities



have not gone unnoticed, (2) increasing subordinates' confidence and willingness to receive constructive criticism (people who are too worried about saving face will be defensive and less receptive to improving), and (3) preventing generalization about subordinates' weaknesses from contaminating their strengths.

### List II

*The employee's recent improvements* are seen from the perspective of both subordinate and supervisor. The function of List II is to recognize a subordinate's efforts to improve—even when an item in List II may also find its way into List III. Listing an attempt still in progress underscores the fact that a subordinate may not have completely overcome a weakness, but has made important strides toward improvement.

### List III

*Areas in which the employee needs to improve* are viewed from both the subordinate's and supervisor's perspectives. List III focuses squarely on areas of needed improvement. It is useful to discuss people's weaknesses and develop plans for overcoming them. If List I is NPA's foundation, List III is NPA's *purpose*.

### List IV

*Changes the supervisor needs to make so the subordinate can thrive on the job.* Unlike the first three lists, List IV is constructed only from the perspective of the subordinate. This is done in response to the question posed by the supervisor: "What changes can I make as your supervisor so you can thrive in your position?" 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.

The query comes at the best possible time, after List III, when subordinates have a clear view of what is expected of them. Once subordinates consider the changes they must make to excel, they

## SIDEBAR 7-1

*Lists completed by the subordinate:*

- I. In what areas do I perform well?
- II. In what areas have I improved recently?
- III. In what areas can I improve?
- IV. What changes could my supervisor make so that I can succeed or thrive at my work?

*Lists completed by the supervisor:*

- I. In what areas does the subordinate excel?
- II. In what areas has the subordinate improved recently?
- III. In what areas could the subordinate improve?

are more likely to venture suggestions. These requests tend to tie in with the subordinate's performance-related goals as well as barriers that may have historically gotten in the way.

A conversation about changes that can be made by the supervisor underscores the problem-solving rather than blame-oriented approach of the NPA. When supervisors recognize the need to adjust their own behavior it is easier for subordinates to do the same. It is the sum of these improvements, both by the subordinate and the supervisor, that make the NPA such an effective tool. Furthermore, the NPA process normally makes it easier for the parties to engage in dialogue as future challenges need to be faced.

Figure 7-1 diagrams an overview of the NPA process. First, we will look at the pre-caucuses and then, the joint session.

## PRE-CAUCUSES

During the pre-caucus the facilitator meets separately with the supervisor and the subordinate to help each person brainstorm and begin to fill out the lists. Concrete examples are included under each item—with the assistance of the facilitator—in order to help the parties understand how to proceed in completing this assignment.

As I said, the *subordinate* fills out all *four* lists; the *supervisor* only the first *three*. Of the seven resulting lists, three

*It is human nature not to want to bring up our faults; but it is also human nature to prefer to point out our own shortcomings, rather than having someone else do it.*





*Praise is a scarce commodity. Precisely for this reason, genuine and detailed accolades can have a powerful effect.*

are especially important and often require additional effort. For the supervisor, *List I* (what the subordinate does well) is the most challenging. For the subordinate, *List III* (what the subordinate needs to improve on) and *List IV* (required support from the supervisor) are the most difficult.

The order of the meetings between the facilitator and the parties will depend on several factors. How many people will be participating in the process? How much facilitator travel

will be required? Will some of the interviews be conducted over the phone or in a video conference? Indeed, there is much flexibility associated with the NPA as well as opportunities to improvise. In order to simplify, I will choose an intervention in which the facilitator will do most of the work in person.

### **1. Initial Pre-Caucus between Facilitator and Supervisor**

The objectives of this first meeting are to: (1) determine how the supervisor generally regards the subordinate and encourage the supervisor to *dare to dream* in terms of future changes that would improve the subordinate's performance, (2) help the supervisor learn to fill out the three lists by actually starting the process, (3) assign the supervisor the task of completing the lists before the next pre-caucus, and (4) prepare the supervisor to take the lead in introducing the NPA process to subordinates.

Supervisors may wish to construct a table for each of the lists to be filled out. Sidebar 7-2 details some of the elements that might be included when a supervisor fills out List I.

#### *Dare to Dream*

One of the first steps requires that the supervisor rate, at least in a global fashion, the subordinate's performance. The facilitator may suggest that the supervisor dare to dream—not only in regard to the subordinate's potential performance, but also considering the very best employees the supervisor has had and the characteristics that made them outstanding. The facilitator may frame the question something like: "Thinking of the best employee and the worst employee you have known, please rate this subordinate on a scale of 1 to 100."

Once the supervisor gives an answer, the facilitator may wish to obtain more details. What would it take, for instance, for this individual to move from a score of 85 percent to 92 percent?

List I: What the Employee Does Well

The purpose of List I is to celebrate the subordinate’s accomplishments.

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 your very best? Conversely, have there been people in your life who thought you would never amount to anything? Were they people who did not inspire you to prove them wrong—at least not while they were present?

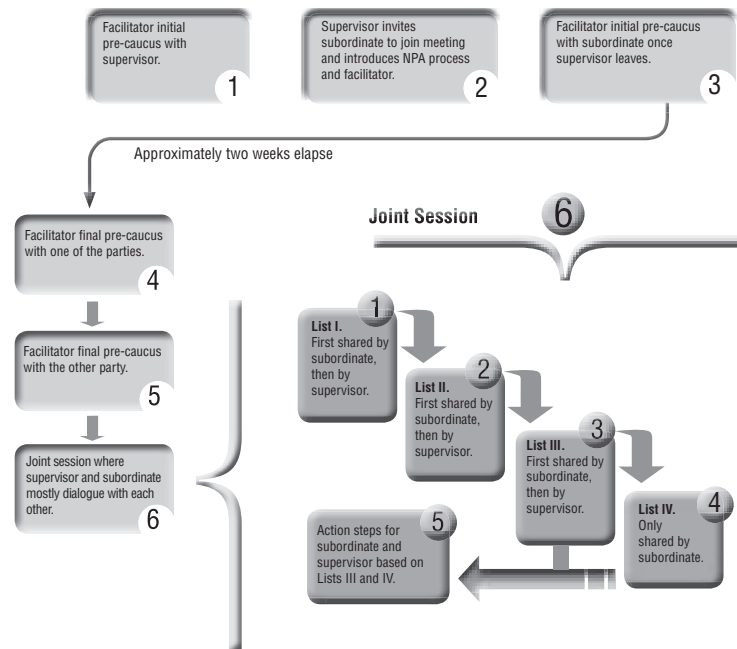
I do not recall where I heard about a leader who began each day with ten coins in one pocket. Every time he praised a subordinate he moved a coin from one pocket to the other. His goal was to shift all ten coins every day. With time, he no longer needed the coins. He became the type of person who saw the good in others. In the same way, the NPA’s List I permits us to look for and celebrate others’ accomplishments.

A farm owner 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 will analyze next. It is a scarce commodity. Precisely for this reason, these sincere and detailed accolades can have such a powerful effect.

Salient reasons supervisors do not compliment others include fear that subordinates may: (1) ask for raises, (2) reduce their efforts, or (3) think they have nothing to improve. Each of these is a legitimate fear. Yet, in the context of

Figure 7–1

Overview of the NPA



the NPA, supervisors may compliment freely without being burdened by these concerns.

For instance, subordinates learn what they need to do in order to improve their chances of obtaining future pay raises—or promotions. Few subordinates bring up the issue of compensation. On one occasion, in the initial pre-caucus, one subordinate manager at a calf ranch included a pay increase in his List IV. Later, when he better understood the purpose of the NPA, without being prompted by the facilitator, he asked that this item be removed from the list.

SIDEBAR 7–2. ORGANIZING THE SUPERVISOR’S LIST I

Supervisors will be more organized if they fill out a table for each list. For instance, for List I, there may be several columns: (1) naming the valued behavior or skill (e.g., creative, proactive, high integrity); (2) supervisor’s definition of the behavior or skill (e.g., to me, integrity means your willingness to give credit to others for their contributions, or a willingness to admit mistakes); (3) why this behavior or skill is valuable to the supervisor or to the organization (e.g. I believe that when someone gives credit to their team, not only do we have greater teamwork, but we also have more motivated employees); (4 & 5) two specific positive examples, or critical incidents, of times when the subordinate has shown integrity are listed (ideally, each of these will begin with a reference to a date, such as “last year you . . .” or “just yesterday . . .”). Most supervisors will have at least 6 to 10 positive items in their lists and if they take 3 or 4 minutes to discuss each one, the idea of taking twenty minutes of praise does not seem as daunting.





© Marsha Campbell Matthews

*The negotiated approach to performance appraisal achieves, above all, a candid conversation between the supervisor and the person being evaluated. It is the employee who takes responsibility for improving future performance.*

Because the NPA promotes considerable discussion about what people can do to improve, there is little worry that praise will translate into reduced effort. Instead, praise helps subordinates feel appreciated—while learning that they must continue to progress. In the NPA praise is not given in a vacuum.

A common complaint among employees is that it is not worth making an effort to excel “because the boss never notices.” Most subordinates who participate in the NPA process are surprised to find out how much their supervisors have indeed noticed about their work performance.

All of these arguments ought to provide a measure of comfort to hesitant supervisors. But it is not that simple. I have discovered that a substantial number of individuals who experience deep fears at the mere thought of giving praise—or of being praised. They offer excuses such as: “The thing is, my father never praised me” and “That is what I pay them for. Why do I also have to tell them they are doing well *all the time*?” Or, they may say, “I’m very uncomfortable with the idea of giving praise.”

I have experienced managerial resistance to change in areas related to employee productivity—such as incorporating job sample testing or incentive pay programs. But I have never encountered outbursts as resentful and emotional as managers’ reactions to the notion of giving praise. The fear seems to extend across cultures as well as organizational levels.

At a seminar, an attorney-mediator exploded: “OK, I will incorporate these principles into the NPA process, but I will *never* apply them in my family!” I was somewhat taken aback by her comment and curious as to why she felt compelled to share this with me in such a public way—she could have just discounted and ignored the recommendation. The next day she shared, in front of the other conference participants, that indeed she *had* tried the approach with her husband and was “surprised by his positive reaction.”

I have begun to see a pattern. I suspect that the greater the protestation, the more likely these individuals have subconsciously realized that giving praise is *precisely* what they need to do—but are afraid of doing.

In terms of increasing productivity, praise cannot replace a competitive salary or other properly designed incentives. But commendations and compliments are so valuable, as I said, precisely because they are so rarely given.

Fear of *receiving* praise sometimes goes hand-in-hand with the fear of giving praise. I wonder if individuals tell themselves they do not want praise precisely because they yearn for something of which they have been deprived?

During a seminar, one participant explained how uncomfortable she was about receiving compliments and admiration. No sooner had she spoken up than others got the courage to join in with similar complaints. I am generally very respectful of people’s opinions,



suggestions, and alternative ways at looking at things, but on this occasion I was surprised to hear myself say, “Just get over it!” Everyone laughed and smiled and seemed happy to acknowledge that we need to be comfortable receiving sincere, well-deserved praise.

It’s uncertain who first said: “The definition of insanity is doing the same thing over and over but expecting different results.” In Rick Brinkmand and Rick Kirschner’s instructional video *How to Deal with Difficult People*<sup>3</sup> they tell a story about a man who made a ceremony of unwrapping his peanut butter sandwich for lunch. He would slowly peel back the sandwich’s paper wrapper as his co-worker looked on, and then he would lift the edge of the bread. After smelling it, he would make a face and complain, “Peanut butter, Rick! Peanut butter!” After several weeks of putting on this daily show, Rick finally asked, “If you hate peanut butter so much, why don’t you ask your wife to make you something else?” The colleague, looking surprised, answered, “My wife!? No, I make my own sandwich every morning.”<sup>4</sup>

May I suggest, then, that while giving sincere, deeply felt praise may be challenging—and even emotional—the outcome of doing so may be its markedly positive impact on people. Not just the individual, but in the long run, on the whole organization. People all around us are starving for a kind word.

I have already argued that self-esteem is strengthened when people face rather than avoid problems. Similarly, learning how to give—and receive—praise also builds self-esteem. The NPA facilitator may have to gently challenge people who fear praise. An excellent question, followed by empathic listening, might be, “Talk to me about those feelings . . . about praise” or, “How do you think those feelings . . . about praise . . . came to be?”

Electronic equipment runs on electricity; to a great extent, people run on validation. In the end, however, it is up to the supervisor to make the best of

this unusual learning and stretching opportunity or to let the moment pass. Most supervisors, when they finally understand the importance of sincere praise, go on to do an excellent job of commending subordinates during the joint session. Managers who have implemented the NPA tell me it has changed their organizational climate for the better.

What, then, constitutes an effective compliment, one that is really valued by the recipient?

When someone does something that is appreciated and we thank that person, such recognition is simply a matter of *good manners*. The omission might generate resentment, whereas, returning an hour later, or the next day, and again thanking an individual for something she did earlier multiplies the power of the recognition. It ceases to be just good manners. Let us examine some ways of multiplying the impact of praise.

The first task given to the farm supervisor by the facilitator is to think of the areas in which the subordinate stands out. Such descriptors as *responsible, creative, efficient, hardworking, trustworthy, proactive, technically competent* and *cheerful* may come to mind.

Sharing any of these favorable comments with the subordinate is equivalent to a three- or four-point accolade. If delivered with a great deal of enthusiasm, it may be worth up to *twelve* points. But even so, the supervisor is not taking advantage of the opportunity to give well-thought-out praise. The goal will be to build the praise into a *hundred*-point compliment.

Let us consider the description *proactive*. How would the power of this praise increase if the supervisor were to explain to the subordinate why she values that characteristic? “Alejandra, you know, I really value people who are proactive. For me, being proactive means that a person (1) takes care of things without being asked and (2) makes others aware of potential problems when these are outside her area of responsibility. That’s taking initiative! The reason I value this characteristic in managers, or

employees, is that it makes me feel I'm not alone, that there are others who care just as much about our enterprise as I do. Alejandra, *you* are that type of person!" *Forty* or *fifty* points.

The supervisor increases the value of praise to *sixty* or *seventy* points by adding specific examples. These are known as *critical incidents*. Critical incidents will often begin with a date, such as, "Three weeks ago . . ." or "Last month . . ." or "Yesterday . . ."

In the category of being *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."

Have you ever said something nice to someone, only to have them ask for an instant replay? I have noticed that people often ask to have nice comments repeated—things that they value hearing. Such repetition is a way of celebrating.

The word *celebrate* involves taking time to reflect on achievements. Anything that is done to prolong the time dedicated to the first list will help in the celebration process. Two indicators of success in using List I are: (1) spending at least *twenty minutes* (and hopefully, it will be double that time) honoring what the person does well and

(2) getting the subordinate to *join in* the celebration.

Why twenty minutes? During the NPA one can see the tension in subordinates even when List I is being shared. For instance, I have seen some subordinates hold on to the table for an extended period of time with the white of their knuckles showing. Eventually, these individuals, when they realize this is a celebration, begin to relax. While some have no problem joining the celebration early on, most subordinates seem to be waiting for the other shoe to drop, so to speak.

I once had a supervisor begin to compliment my work. I asked myself, "Is this for real? Did this person initiate the conversation just to praise my work? Or, will it be followed by some criticism?" My questions were answered soon enough as he transitioned from praise to criticism.

At one managerial training meeting on a more traditional performance assessment approach, the speaker suggested that supervisors give criticism as a sandwich, with praise delivered before and after the criticism. A manager who was present asked in frustration, "So how many of these sandwiches do I have to feed someone before I can get them to do what I want?" But let us return to the NPA.

On one occasion, a general manager being evaluated felt the sincerity of the compliments so strongly that she joined in the celebration by adding several examples of the positive behavior that was being discussed. *One hundred points!* At the end of the NPA, this same farm executive explained she had never been praised that way. After a moment of reflection, she added, "And I have never praised my subordinates that way either."

To illustrate these vital points with yet another example, imagine your teenage daughter has recently won an important game. The whole family goes out for dinner after the sporting event. A vital part of the celebration is the repetition of the exciting moments, a sort of *delayed verbal replay*. You say to your daughter, "Oh, it was so great

*We make it clear that the process is about improvement rather than about blame when we ask an employee: "What can I do differently, as your supervisor, so you can be more effective in your job?"*



© UC Regents; photo by Jack Kelly Clark

when you were almost in the corner, but then you managed to score that goal.” And she responds, “Yeah dad, and did you see when I passed the ball to Sofia and she scored?” Again, *one hundred points!*

To summarize, then, when the person we are celebrating fully joins in we have achieved a *hundred-point* compliment. The individual may join in the celebration by sharing examples of his contributions, asking questions that extend the celebration, or being visibly moved by emotion.

*List II: The Employee’s Recent Improvements*

Through brainstorming, the facilitator helps the supervisor study the areas in which the subordinate has made *recent* improvements. Depending on the type of job, this could include the past few months or past few years. The fact that a person has made progress in a certain area does not mean that the problem areas have been completely overcome. What is most vital about List II is giving subordinates the opportunity to talk about areas in which they have made forward strides.

*List III: Skills the Employee Needs to Improve*

The facilitator asks the supervisor to share those areas in which the subordinate needs to improve—not forgetting the notion of daring to dream. In the brainstorming session, it is worthwhile to list as many items as come to mind. Later on, these can be combined or distinguished from each other, as needed. Likewise, at first it does not matter what descriptions are used. Eventually, derogatory labels like *lazy*, *stubborn*, and *inconsiderate* are replaced with descriptions and examples of critical incidents that are less likely to provoke a defensive reaction.

It is much better to describe the issue without including a judgment. For instance, instead of telling an employee he is not very resourceful, the superior might request, “I would love it, when you are facing a challenge, if you would

also share with me potential solutions for dealing with the difficulty.”

When giving feedback to a subordinate about poor performance it is sadly all too easy to overgeneralize and go back to more traditional approaches—in which the supervisor takes on the role of an expert regarding the subordinate’s work.

Therefore, ideally, supervisors will break down problems into specific points that require improvement. For example, a subordinate can become discouraged by hearing her supervisor describe her as a bad listener, especially when she has really made an effort to improve her listening skills. Instead, the supervisor could suggest that the employee often avoids conversations in which there are differences of opinion.

## **2. The Supervisor Asks the Subordinate to Join the Meeting**

Once the supervisor understands how to complete each of the three lists, but before the subordinate joins the meeting, the facilitator explains how to present the NPA methodology to the subordinate.

Ideally, to preserve the legitimate difference in authority between supervisor and subordinate, it should be the *supervisor*—not the facilitator—who introduces an outline of the NPA process.

If there are several subordinates, then time can be saved by getting them all together for a single presentation—not that the appraisal will be done as a group. Presenting the subject to several people at a time also lets them know they are not being singled out.

The fact that the supervisor also will be filling out three of the lists emphasizes that this process is to be taken seriously. It also encourages subordinates to give less superficial and less evasive answers. Individuals are more likely to bring candid responses to the table. We will walk through the process with Amy, the top manager in the farm organization.

Amy’s subordinates, who will be participating in the NPA, are invited to join her in the conference room. After

Amy has briefly introduced them to Carolina, the facilitator, and to the NPA concept, she will leave her subordinates with Carolina. Because the mechanics of the NPA process can at first seem somewhat overwhelming, and in order to make it clear to subordinates that this process is driven by the supervisor rather than the facilitator, I recommend that facilitators train supervisors (and role-play with them) to say something like:

“I want to thank all of you for taking the time out of your busy schedules to meet with me. This is Carolina, a facilitator who will be helping me out. I’ve already told you a little about the NPA approach we’ll be implementing. I’m very committed to this process. I’m going to ask that you hold your questions for a moment. The assignment I’m giving each of you is to fill out three lists.” While speaking, Amy makes eye contact with each of the subordinates when mentioning each of the three lists, to let them know that she expects each of them to take each list seriously.

“That is,” Amy continues, “List I includes the areas in which you feel you do well, List II, those in which you’ve improved in these past six months, and List III represents the areas in which you still need to improve.”

If subordinates hear only what has been said so far, they might not take the process very seriously. They may assume the NPA probably will be like many other activities the farm enterprise has started throughout the years, many of which went out of style and were soon forgotten.

“I’ll also complete these three lists, seeing things from *my perspective*,” Amy continues. She again makes eye contact with each person while emphasizing each list: “List I, what I see each of you does well; List II, the things I’ve noticed improvement in each of you over the past six months; and List III, what each of you still needs to improve—again, from my perspective.”

Eye contact emphasizes the message that each of the subordinates excels in

some areas and also needs to improve in others. Reluctance to bring attention to our own shortcomings is part of human nature, but it is also human nature to prefer to point out our own shortcomings than to have someone else do so.

“There’s a fourth list, which I’m also asking each of you fill out (but which I don’t get to fill out). The fourth is just as important as the first three. This last list requires your response to my question: ‘What can I, Amy, do, as your farm supervisor, so that each of you can thrive at your job?’”

The focus of List IV is on changes that can be made by the supervisor to facilitate the improvement of each subordinate’s performance. It will not be easy for supervisors to hear some of the answers this question will elicit. If supervisors are not genuinely willing to listen to what subordinates have to say, then it would be better for them to use a more traditional performance appraisal. It must be stressed that List IV allows subordinates to understand that, unlike other types of performance appraisals, the NPA allows the participants to analyze problems and find solutions, instead of blaming or pointing out flaws.

Before concluding, Amy emphasizes several points: “We’ll be conducting these NPAs during the next two to six weeks. We want you to have enough time to give each list serious consideration. I am going to leave you alone with Carolina now, and she will answer all of the questions that you must have—and provide some coaching as well.” After saying goodbye, then, Amy leaves Cristina and the subordinates in the conference room.

Though some of the subordinates initially may not have given much weight to Amy’s comments, they will do so now. They will continue to grow in understanding and appreciation for the seriousness of the NPA as they prepare. There is some group work that the facilitator can do, but it will be important that she also meet with each of the subordinates individually to help them start on each of their lists.






---

*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.*

### **3. Initial Pre-Caucus between the Facilitator and the Subordinate**

Each subordinate will have at least two weeks to prepare for the joint session. Once again, a good strategy is to quickly brainstorm items to include in each list. Then, each item can be expanded upon. Subordinates may also be coached on developing a table to aid in the filling out of the lists.

#### *List I: What the Employee Does Well*

I said that the discussion of List I, during the joint session, should last at least twenty minutes. But the supervisor is not the only person talking during List I. Subordinates who arrive prepared, with a complete list of what they do well, including examples of critical incidents, will contribute quite a bit to the process of prolonging the

celebration. (Of course, subordinates will *not* be told that they are helping to lengthen the celebration dialogue nor made to feel they have any responsibility for doing so.)

#### *List II: The Employee's Recent Improvements*

The facilitator explains to the subordinate that some subjects may be addressed in both List II and List III—that this is an opportunity to point out areas where the subordinate has made attempts to improve.

#### *List III: Skills the Employee Needs to Improve*

List III is often the most challenging for subordinates to prepare. It requires both: (1) a complete list of possible improvements and (2) detailed plans for

strengthening each of the weak areas mentioned. When subordinates are willing to recognize their shortcomings, it will not be necessary for the supervisor to emphasize them. This will help subordinates save face. Ideally, it is the subordinate who will bring up the most sensitive performance-related issues.

If subordinates think they have nothing to improve on, the facilitator might ask: “What changes, or additional improvements, might your supervisor want you to consider?”

Despite the emphasis on individuals solving their own challenges, the facilitator can offer suggestions on how to remedy weaknesses brought up by the subordinate. It is vital for the subordinate to feel empowered to accept, modify, or reject the facilitator’s suggestions in the pre-caucus—or the supervisor’s recommendations during the joint session. That is, the subordinate must take ownership of the strategies for improvement.

Overly ambitious goals are destined for failure. Despite good intentions, they will not yield good results. A non-specific goal, such as “I will work harder” is not very useful either. Achievable, specific, measurable goals should be established—with a timetable for reaching each objective. The subordinate must be ready to show what effect the changes may have in three days, three weeks, three months, and a year.

To summarize, a key role for facilitators is to help subordinates arrive at the joint session well prepared, with several viable solutions or alternatives for rectifying each of the listed weaknesses.

*List IV: Changes the Supervisor Can Make*

It is awkward and uncomfortable for a subordinate to suggest changes to be made by a supervisor. The subordinate ought to be able to come up with at least one such suggestion, however. The facilitator also tries to get the subordinate to dare to dream. At first, the facilitator wants to encourage the

subordinate to express these needs in any way that is spontaneous and natural. These requests may be refined later on in order to reduce the supervisor’s defensiveness. Often in the joint session, when subordinates can clearly see what is expected of them, they feel emboldened to incorporate additional requests into List IV. In the pre-caucuses, facilitators may encourage subordinates to bring up additional issues in the joint-session—even if they were not discussed ahead of time.

**4 and 5. Final Pre-Caucus between the Facilitator and Each of the Parties**

Before the joint session between the supervisor and the subordinate, the facilitator meets once again with each party, in separate pre-caucuses, for the final reviews of their lists, coaching, and role-playing. The facilitator may have a preference for meeting with the supervisor or the subordinate first. Else, these meetings may be scheduled solely to suit the parties’ available time.

An important aspect of the pre-caucus with the supervisor is providing her with the choice of whether or not to lead the NPA process—that is, by introducing each list and in each case inviting the subordinate to go first. The preferred method is for the supervisor to lead, once again establishing the idea that it is her meeting to conduct—not the facilitator’s. Most supervisors accept this challenge. It is important to role-play the mechanics of the meeting, as the facilitator wants to avoid correcting the supervisor during the joint session.

The supervisor is instructed to turn over the time to the facilitator when finished with each list and before moving on to the next. For instance, depending on how much time is used to complete the discussion of List I, the facilitator can incorporate a number of strategies discussed below to extend the time dedicated to this list. If the facilitator has nothing to add, control of the meeting is simply returned to the supervisor.

Another key area that requires role-playing is the transition between hearing the subordinate’s List III and having the

supervisor introduce her List III. The supervisor does not repeat anything in the subordinate’s list, nor does she agree with anything that has been said. Instead, when the subordinate is finished with this list, the supervisor might say: “Thanks so much for sharing your List III with me. I can see you put a lot of thought into it.” At this point, if the supervisor has additional issues to add to List III, she could say: “Let me add a few items to the list so we can converse about them as well.”

This transition needs to be role-played a few times so the supervisor does not fall into the easy trap of agreeing with items in the subordinate’s List III. In the role-plays, the facilitator will want to watch for such counterproductive comments as: “That was also in my list,” or “My list matches yours,” or “I agree with that point.” It is hard enough to speak publicly about our weaknesses without having others telling us they concur. Next, I will describe the mechanics of the joint session.

### THE JOINT SESSION

When the time comes for the supervisor and subordinate to sit down and talk to each other, there should be a relaxed and positive atmosphere. A location without distractions is essential. Phones should be turned off and all interruptions eliminated. These measures let it be known that the subordinate has the supervisor’s full attention.

The supervisor and subordinate sit face-to-face at one end of the table. The facilitator sits at the other end, away from the parties (Figure 7–2). This arrangement stresses that the meeting is mainly between the supervisor and the subordinate.

Throughout the process, the subordinate will share a list before the supervisor does. They will move on to the next list only after the conversation about each list has been completed and the facilitator has been given the opportunity to make any additional comments.

### List I: What the Employee Does Well

The supervisor thanks the subordinate for attending and asks the subordinate to share List I. The supervisor listens attentively and takes notes while the subordinate speaks. The supervisor listens empathically, showing through facial expressions, eye contact, and minimal positive affirmations that she is listening (Chapter 15).

If the subordinate mentions something that the supervisor finds odd, worrying, or unclear, the superior can ask for an explanation. People almost never mind being interrupted if it gives them a chance to clarify something they are saying. When these questions are

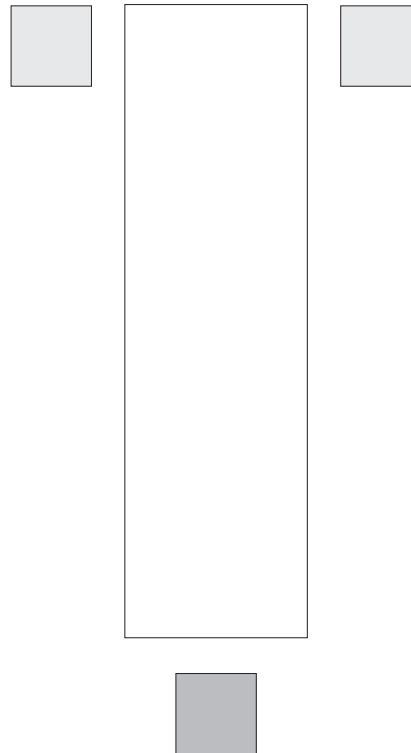


FIGURE 7–2

*Seating arrangement during the joint session of the NPA. The facilitator sits at the far end of the table, away from the two parties. This underscores the point that the conversation is between the supervisor and the subordinate.*

asked with real interest, slowly, softly, and tentatively, they are less likely to put someone on the defensive.

Though there may be disagreement between the supervisor and the subordinate on whether an item constitutes a positive trait, this is not the time to discuss it. There will be opportunities to discuss weaknesses during List III. Nor should the supervisor put a damper on positive subjects by explaining that something on List I has both a positive and a negative aspect. (It should be understood that almost any positive attribute—when exaggerated—can turn into a weakness.<sup>5</sup> For example, exaggerated perseverance can mean spending too much time on one task and refusing to move on to more important things.)

Because the subordinate shares lists first, this allows the supervisor to take note and add compliments that may have slipped out of mind. This opportunity should not be wasted.

At one organization a superior focused on a subordinate's contributions from years past, overlooking her recent work. The subordinate was disappointed

because it seemed her supervisor was not interested enough in her work to update his comments. It is more likely that this type of mistake will occur in organizations where performance appraisals are held regularly and supervisors use notes from previous years. Without ignoring the past, supervisors must focus on more recent events.

After thanking the subordinate for the comments, the supervisor takes a turn to share. It is necessary for the supervisor to praise all of the positive points recorded in her List I, even if they have already been mentioned by the subordinate. Here, repetition is a good thing. It is fundamental that this celebration between the subordinate and the supervisor be drawn out.

An interesting phenomena I have observed is when supervisors share at length with me, during the pre-caucus, the positive things that a subordinate has done, only to spend a fraction of the time describing them once in the joint session. Beside fear of praise, there are additional factors. Supervisors and subordinates have a shared vocabulary

*A key role for facilitators is to help subordinates arrive at the joint session well prepared, with several viable solutions or alternatives for rectifying each of the listed weaknesses.*





wherein they can communicate volumes with a few words. Facilitators want to encourage supervisors to provide compliments without using these shortcuts. When being praised, subordinates will not mind if supervisors go into great detail.

A second factor has to do with anxiety. When we are nervous, we tend to speak faster. People who are starting out as public speakers often find out that speeches that took ten minutes to practice in private took a fraction when they were behind the microphone. Supervisors need to be cautioned to take more time (and maybe a deep breath) to speak slowly, and to celebrate.

One facilitator extended the time spent on List I by asking the supervisor to read the whole list before going into the details. After the supervisor finished with the details, the facilitator recapped what had been said. (Such a summary needs to reflect the supervisor's praise rather than the facilitator's opinions.) The parties continued talking about List I after the summary.

One businesswoman felt she could prolong the celebration and involve the evaluated subordinate by asking for details about how the subordinate had managed to succeed at a specific project. Several approaches, if they are sincere, can be used to achieve these goals.

### **List II: The Employee's Recent Improvements**

The supervisor may have noticed some areas in which she has seen the subordinate improve, but she may have also included them in List III. If the subordinate does not mention these improvements in List II, the most sensible choice for the supervisor is not to mention them until List III is being discussed. List II is similar to List I in the sense that it serves to validate the subordinate's efforts.

### **List III: Skills the Employee Needs to Improve**

As with the other lists, the subordinate shares List III first. However, the rest of the process is very

different. While in the first two lists the supervisor could support the subordinate, and agree with what the subordinate said, that is not the case with List III. Rather, the supervisor will share only the items in List III that the subordinate has *not* mentioned. If the subordinate has taken ownership of a weakness, once again, it is not necessary for the superior to rub it in.

It is possible that the subordinate has, from the start of List III, mentioned the weaknesses being faced as well as possible strategies for overcoming them, and a timetable for their accomplishment. Otherwise, after all of the subordinate's comments and those added by the supervisor have been combined into one list, the supervisor asks the subordinate to choose one item at a time for discussion.

For example, a farm warehouse manager could present a plan for making equipment accessible and at the same time ensuring it is returned. The supervisor can certainly participate in these conversations.

Based on complaints made by his subordinates, a field foreman (who was the subordinate in the NPA) agreed to let his staff know in advance when he was going to need their help, unless it was an emergency. His subordinates had complained that he usually interrupted them with no prior notice.

A facilitator who notices that one of the parties is exhausted or depressed may intervene by asking what the individual is feeling. For example, a subordinate may then share that he is feeling somewhat overwhelmed and does not know how to find the time to fit in a new assignment without neglecting other responsibilities. In one such situation the supervisor thanked the subordinate for these comments and eliminated some of his previous responsibilities. The subordinate was clearly relieved. This additional dialogue increased his chances of success with the new assignment.

While a supervisor ought not contaminate the celebration of a subordinate's strengths by mentioning weaknesses, the opposite can be very beneficial. Subordinates may be

reminded of their strengths when speaking about their weaknesses. Take, for instance, a discussion of a subordinate's tendency to be a little self-righteous and to discount other people's opinions. The supervisor senses that the subordinate is beginning to feel deflated and says, "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."

When a supervisor shares issues from List III, it is best to avoid labels. If the subordinate seems confused, the supervisor can provide additional data in the form of examples of critical incidents. The supervisor uses the miniature hammer whenever possible, by speaking slowly and softly, thus encouraging interruptions from the subordinate.

Some specific agreements may be made at this time in the joint session, while others may be better constructed after discussion of List IV. The role of the facilitator is to make sure that the agreements are feasible and sensitive to the parties' feelings and needs.

#### **List IV: Changes the Supervisor Can Make**

Only the subordinate fills out this list, but that does not mean the superior does not have an important role to play. The supervisor should avoid the natural tendency toward defensiveness. It is essential for the supervisor to listen in an empathic way and encourage the subordinate to feel comfortable expressing ideas, even if the supervisor disagrees with what is being said. When a subordinate finishes his list, the superior repeats the main points and makes sure she has properly understood. Only after ascertaining that she has correctly understood the points does the supervisor respond.

According to one employer's standard operating procedure, anyone who placed an order for supplies had to

check the prices charged by three different suppliers within an established period of time. During the NPA, a manager said to his superior: "Since you keep the purchasing book in your office, when you're not here I have to make the three calls before I can place an order. If I had access to the book, I could see if you had already done it and determine how many additional calls were required. And if I needed to make another call, I would then update the information in the book. It would save us both time."

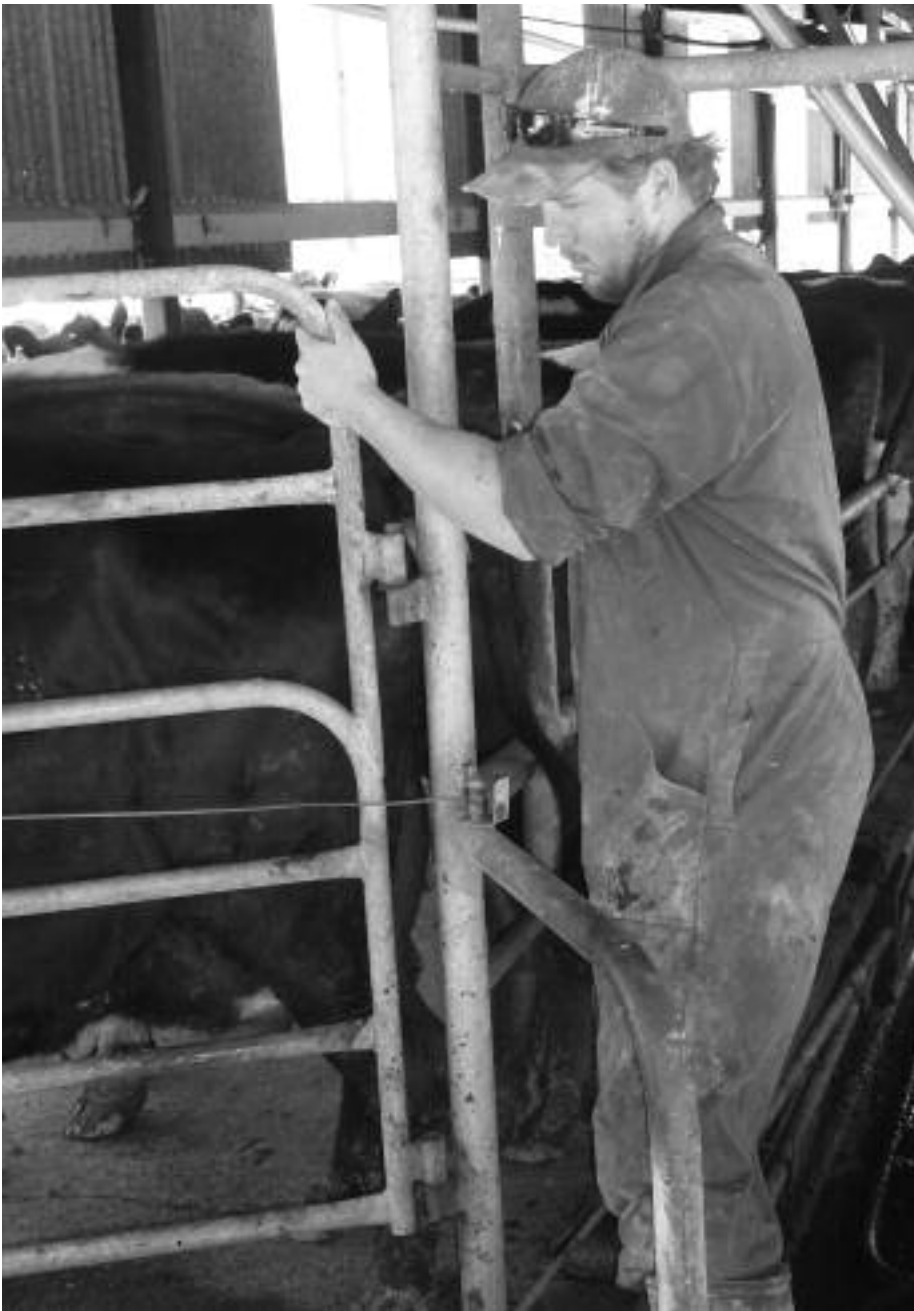
On another occasion, a subordinate did not know how to deal with a boss who sometimes loved to banter but at other times was in a more serious mood. Together, they were able to discuss this delicate subject and reach an interesting agreement. The supervisor would turn a particular item on his desk upside down when it was not safe to joke.

#### **Subsequent Steps and Follow-Up**

The facilitator makes sure each point mentioned in List III and IV are discussed and that logical agreements are reached. These understandings must be specific and supported by a timetable for achieving goals. The agreements can be printed and shared.

A follow-up meeting one or two months after the initial performance appraisal may be necessary in order to discuss the areas in which the subordinate has improved, as well as the areas that need special attention. At one company, an employee had improved in several aspects but other weaknesses soon appeared, including some which had not been discussed at the original joint session. These issues were successfully resolved in the follow-up meeting.

When the NPA has been used to address an employee's poor performance, the supervisor must pay attention and praise the positive changes achieved by the subordinate after the original joint session. Managers tend to forgive weaknesses, almost to a fault. But once these same supervisors decide enough is enough, they can be blind to recognizing individual progress.



*While the NPA can stand alone, it will make its most dramatic impact when coupled with a more traditional performance assessment that can be used to make pay decisions. This becomes an additional incentive for subordinates who know their outstanding performance will eventually merit a pay increase.*

---

In many ways, the follow-up meeting is similar to the initial joint session. The evaluated subordinate must be given the chance to arrive prepared to discuss what has and has not worked so far.

Focusing first on the positive is as crucial for the success of the follow-up meeting as it was for the original joint session. The idea is to preempt defensive behavior. Obstacles to success can be discussed at length.

While the NPA can stand alone, it will make its most dramatic impact

when coupled with a more traditional performance assessment (Chapter 6) that can be used to make pay decisions. This becomes an additional incentive for subordinates who know their outstanding performance will eventually merit a pay increase. An explicit discussion of these points, together with mutual input on what the traditional assessment will entail—and how it will be carried out—will do much to improve ongoing supervisor-subordinate communication and subsequent performance. Likewise, it is helpful to

have ongoing discussions as to how well targets and objectives are being met, so the traditional assessment will not be a surprise to the subordinate.

## SUMMARY

---

The NPA is a powerful tool for increasing individual and organizational productivity. The process encourages the discussion of subjects that are often avoided.

The NPA model facilitates effective conversation through a combination of goodwill deposits, in the form of sincere praise, and a dialogue on how the subordinate can improve skills and performance. Supervisors may have to make changes that will facilitate better subordinate performance. A focus on blame is avoided either way. Discussions of critical incidents in the past are a springboard for conversations about the future. Though the NPA does not guarantee results, it does clarify exactly what each party must do to achieve specific goals.

2. Kubo, H. (1990, February 14-16). Improving Employee Communications. Pacific North West Orchard Business Shortcourse. Washington State University and Oregon State University. I met Harry Kubo at this 1990 seminar, where we were both speaking on agricultural labor management. Kubo died in December 2006 at the age of 84.
3. I prefer to avoid talk about *difficult people* and instead speak about *unproductive behavior*. Otherwise it seems like something genetic, impossible to change.
4. The story has been adapted from the video. Brinkman, R. (Producer), & Kirschner, R. (1995). *How to deal with difficult people* [Seminar]. Mission, KS: CareerTrack.
5. Oaks, D. H. (1992, November). Our strengths can become our downfall. *BYU Magazine*, 34(38), 42–43.

## CHAPTER 7—REFERENCES

---

1. Chapter 7 incorporates new material first published in the journal of the International Association of Facilitators, which can be retrieved from [http://www.iaf-world.org/Libraries/IAF\\_Journals/2010\\_V10\\_IAF\\_Journal\\_full.sflb.ashx](http://www.iaf-world.org/Libraries/IAF_Journals/2010_V10_IAF_Journal_full.sflb.ashx). Billikopf, G. (2010, January). The Negotiated Performance Appraisal model: Enhancing supervisor-subordinate communication and conflict resolution. *Group Facilitation: A Research and Applications Journal*, 10, 32–42, and is mostly reprinted from *Party-Directed Mediation* (3<sup>rd</sup> edition, 2014).