



**MSM**

**MAASTRICHT  
SCHOOL OF  
MANAGEMENT**

**BUSINESS CONSULTANCY PROJECT**

**“Rebooting Staff Performance Appraisal system (PA)  
at ADA University”**

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## Abstract

Assessments of the performance were the topic of much scientific study, scholarly literature, and practitioners' advice. While reviewing published works on the subject when strolling through a bookstore's aisles. And if there is an experienced manager in a traditional business organization, then undoubtedly that manager saw one new performance assessment program after another being implemented and retired.

At ADA University as well, the same happened with the PA system, which began to be implemented first in 2012 and stopped in 2016. The system and the organization had challenges, problems, thus it had to stop. Despite there was a nice globally adjusted PA Manual, during the system implementation period there were some broken links to the real application. Unknown goals that were not aligned with strategic ones, directors setting simple KPIs, less automated system, and backup problems with the budget challenges forced to stop.

ADA University with 161 employees is striving to be the prestigious educational institution not just in Azerbaijan, but also in the region. Offering education in English language, supportive student life, international staff and students, diversity, cooperation with high ranked universities outside Azerbaijan, career services, and other services make this university unique. All of these services to be in high quality demands hard work in the back by the staff members. Thus, performance appraisal is always needed not to just appraise them for their results, but also to maintain that motivation of employees, train them for their development, align their performance to some rewards.

Nonetheless, the PA system stopped and employees could not be evaluated against their tasks. In the literature review part the question of what performance management and an appraisal are widely explained. While trying to search for answers to the identified research questions to reboot the PA system, surveys and interviews have been done with staff members and managers respectively. Here quantitative and qualitative approaches are used, 6 hypothesizes

established and a regression analysis run. Based on the findings recommendations part was built with a table of action at the end.

**Keywords:** PA, PMS, performance, appraisal, awareness, goals, training, development, alignment, KPI, communication, reward, feedback.

## Contents

Acknowledgments .....	1
Abstract.....	2
Acronyms .....	7
List of Figures.....	8
List of tables .....	8
<b>1. Introduction .....</b>	<b>9</b>
1.1. Research background and motivation.....	9
1.2. Problem statement.....	10
1.3. Research objectives.....	11
1.4. Research questions.....	11
<b>2. Organization Profile .....</b>	<b>12</b>
2.1. Background information-History.....	12
2.2. Core Values.....	12
2.3. Mission and Vision .....	12
2.4. ADA University as an entity.....	13
2.5. SWOT analysis .....	14
<b>3. Literature Review .....</b>	<b>18</b>
3.1. Introduction.....	18
3.2. History of Performance Appraisal .....	19
3.3. What is Performance? .....	19
3.4. Managers and performance.....	21
3.5. Defining Performance Management System as a whole .....	22
3.5.1. Challenges of the performance management system .....	28
3.6. Defining Performance Appraisal/Assessment .....	30
3.6.1. Is PA necessary at all? .....	30
3.6.2. Performance Appraisal design.....	33
3.7. Creating PA culture .....	37
3.7.1. Getting ready for PA .....	37
3.7.2. PA Policy and Procedure.....	38
3.8. Legal sides .....	38
3.9. New standards in the Performance Appraisal process.....	40
Conclusion.....	42
<b>4. Research Methodology .....</b>	<b>44</b>
4.1. Research tools and approach.....	44
4.2. Data Collection .....	45

4.3. Quantitative analysis.....	49
4.3.1. Summary of statistics .....	49
4.3.2. Hypothesizes.....	50
4.3.3. Regression .....	51
Conclusion.....	53
5. Analysis .....	53
5.1. Assessment of previous PA documents of ADA University .....	53
5.2. Automated system and PA at ADA University .....	58
5.3. Interviews.....	59
5.3.1. Interview with Elchin Mammadov .....	60
5.3.2. Interview with Gulnur Ismayil-Director of Student Services and Alumni.....	61
5.3.3. Interview with Rovshana Samadova, COO.....	62
5.3.4. Interview with Gunay Ziyadova- Director of Admissions and Students records....	63
5.3.5. Interview with Gulnara Safarova-HR representative .....	64
5.4. Summary statistics.....	65
5.4.1. Introduction .....	65
5.4.2. Experience of the staff members .....	66
5.4.3. Box-whisker analysis.....	66
5.4.4. Hypothesis testing .....	69
5.4.5. Regression model analysis .....	71
6. Recommendations .....	76
6.1. Recommendations coming from 6 hypothesizes .....	76
6.1.1. Awareness.....	76
6.1.2. Changes .....	77
6.1.3. Task setting.....	79
6.1.4. Communication and briefs.....	80
6.1.5. Alignment with reward system-Career Path and Grading system.....	81
6.1.6. Feedback.....	81
6.2. Recommendations coming from interviews with directors .....	82
6.2.1. Alignment with strategic goals .....	82
6.2.3. Short term goals.....	84
6.3. Recommendations coming from interviews with the HR representative .....	85
6.3.1. Where to start?.....	85
6.3.2. How does the process look like? .....	90
7. Conclusion.....	94
References .....	96

Appendix .....	101
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## Acronyms

COO-Chief Executive Officer

ERP-Enterprise Resource Planner

HR-Human Resources

KPI-Key Performance Indicators

IT-Information Technologies

PA-Performance Appraisal

PAM-Performance Appraisal Method

PDP-Personal Development Plan

PM-Performance Management

PMS-Performance Management System

## List of Figures

Figure 1. ADA University Organizational Chart.....	14
Figure 2. Adapted from Maslow.....	21
Figure 3. Performance Management Process Phases .....	23
Figure 4. Aligning individual, departmental, and organizational goals .....	25
Figure 5. Performance Appraisal Design .....	33
Figure 6. Performance Appraisal Process in ADA University, 2010-2016 .....	55
Figure 7. Survey results. ADA University staff members' experiences by years and percentages .....	66
Figure 8. Box-whisker analysis of staff members. ....	67
Figure 9. Box-whisker analysis of staff members. ....	68
Figure 10. Normalized plot of adjusted model for the staff members those experienced previous PA system.....	73
Figure 11. Normalized plot of adjusted preliminary model for the new staff members .....	75
Figure 12. Compared to the list of Performance Management software.....	79
Figure 13. Aligning individual goals with organizational goals .....	83
Figure 14. Job analysis. ....	86
Figure 15. Performance / Work Habits Analysis.....	87

## List of tables

Table 1 Core strategic differences between traditional and new era performance management ..	42
Table 2. Hypothesis testing results .....	70
Table 3. Preliminary model for the staff members those experienced previous PA system .....	72
Table 4. Preliminary adjusted model for the staff members those experienced previous PA system .....	73
Table 5. Preliminary model for the new staff members .....	74
Table 6. Preliminary model for the new staff members .....	75
Table 7. The estimated PA process for ADA University .....	94

## 1. Introduction

### 1.1. Research background and motivation

ADA University is being the leading educational institution in the whole Caucasus region remains to be promising in educating and preparing a fresh talent pool for the whole country in different areas. Teaching students not only the theory but also delivering experience while the process has never been easy. ADA University with exceptional educational system adoption strives to provide its best to the students for a better growing economy.

Providing education is the front part of this entity. There is a back office that works hard to deliver all values to faculty members and staff, which as a result ends with a specific quality of product-education. Each staff member is working to reach the aim of providing the best for the best results. Nonetheless, to check whether the delivery process is done in the right way or not there is a need for a continuous check. It has been 3 years already that ADA University stopped the performance appraisal system and works hard without knowing the best and worst performers, the results, and the needs. This project has been done to find out whether there is a point to reboot and redesign the performance appraisal system for ADA University staff members or not. If yes, what kind of actions are needed to reestablish such a system?

I am as an MBA student doing this final project considering bringing a balance of theory and practical knowledge to answer research questions. Having more than 2 years' experience in establishing and executing a performance appraisal system in a private company helped me to identify the starting point to dive into the problem and bring the needed expertise for further analysis and recommendations.

Also, regardless of the COVID-19 crisis, it was not hard to get in touch with HR and managers. Since the economic crisis is around the corner and all businesses, including universities, will need to optimize and become more efficient to survive in this new reality I tried to do research and come with less costly recommendations.

As a student, it was not hard to gain the trust of HR department staff and above, since being alumna BBA2017 student many of such projects always brought ADA University student-staff members together. Being involved in several projects helped to get to know the ADA University organizational structure operations in real life. From admission to studying in the library, solving problems with IT, working with Marketing in several projects are just small pieces of the puzzle. Moreover, ADA University being an open entity in giving information and not hesitating to recall its problems helped me to do surveys and numerous interviews with the employees.

## 1.2. Problem statement

ADA University as an organizational entity faced a common problem where multitasking for the HR staff made most processes stop. A year was spent to transfer all operations to a newly established ERP (Enterprise Resource Planning) system which needed a huge work to do manually and it overloaded HR staff by eliminating performance review, training and development, and other interactive parts of human resources management system. During the interview with Rovshana Samadova, the COO at ADA University, she named several problems regarding the performance review process. Due to manual workload, the process could not be done properly and it affected several processes in the chain, such as promotion and salary raise issues. Moreover, taking her comments, it can be claimed that the system should be redesigned again by renewing performance review documents and aligning current job descriptions, KPI system, training and development, reward management, and other chain operations.

There are some perception problems with managers and whole staff, according to Gulnara Safarova, who is filling the HR administrator position at ADA currently. She claims that there is lacking performance evaluation culture, and the main objectives of the new system should be delivering the importance of the system. The staff has changed over these 3 years and new people brought new challenges. New employees can be divided into two parts: those who had such a system before and those never heard review word at all.

Another problem that called by G. Safarova was the frequency of the appraisal process.

According to her words, it is still negotiating whether to organize it on a fiscal year basis or an academic-year basis. Furthermore, deciding yearly also comes with the question of how many times in a year the appraisal should be carried.

Last, but not the least problem was not having an interactive software that would help to embrace all staff into one unique system which is backed up with the whole ERP system that operates currently. Before, it was quite hard to collect the review documents, as they were on paper and manually typed. Solution this problem needs to be researched for more interactive tools that will enable sync with the current system.

Concluding, during 2012-2014 ADA University staff had a Performance Appraisal System in hard copies. In 2015 they started the first online appraisal and tested in 7 departments with a limited number of participants (20 out of 150). Since then Performance Appraisal has never been conducted.

### 1.3. Research objectives

The main aim of this consultancy project is to identify the problems with the performance appraisal system and find proper recommendations to it from academic and practical sides.

Another objective is to conduct a thorough literature review to come up with international PA practices that best fit the ADA setting.

### 1.4. Research questions

1. Is it needed to renew the PA document?
2. Will writing PA policy and procedures help with creating a culture and delivering positive sides of the performance appraisal for the whole staff?
3. What the PA review frequency should be?
4. How to establish a PA alignment with other HR and operational functions?
5. What kind of actions to take on settling PA procedures' communication plan for the whole staff?

## 2. Organization Profile

### 2.1. Background information-History

ADA University was created by the President of the Republic of Azerbaijan according to a decree dated 13 January 2014. The University is a public higher education institution participating in the provision of undergraduate and graduate programs. This University is the legitimate successor to the Azerbaijan Diplomatic Academy (ADA) and the Information Technology University. They were merged to create ADA University in January 2014. University operates as School of Public and International Affairs, School of Business, School of Education, and School of IT and Engineering with a total of 2324 students up to date (ADA University, 2020). Established on 6 March 2006, the Azerbaijan Diplomatic Academy began providing an Advanced Foreign Service Program to diplomats from the Ministry of Foreign Affairs and government officials since January 2007. The Academy launched its first Master's degree in September 2009, then the first Bachelor's degree in September 2011 followed (source: [ada.edu.az](http://ada.edu.az)).

### 2.2. Core Values

ADA University holds 5 main core values:

1. Academic excellence
2. Accountability and shared governance
3. Honor, integrity, and transparency
4. Diversity, collaboration, and communication
5. Social responsibility

*(Source: [ada.edu.az](http://ada.edu.az))*

### 2.3. Mission and Vision

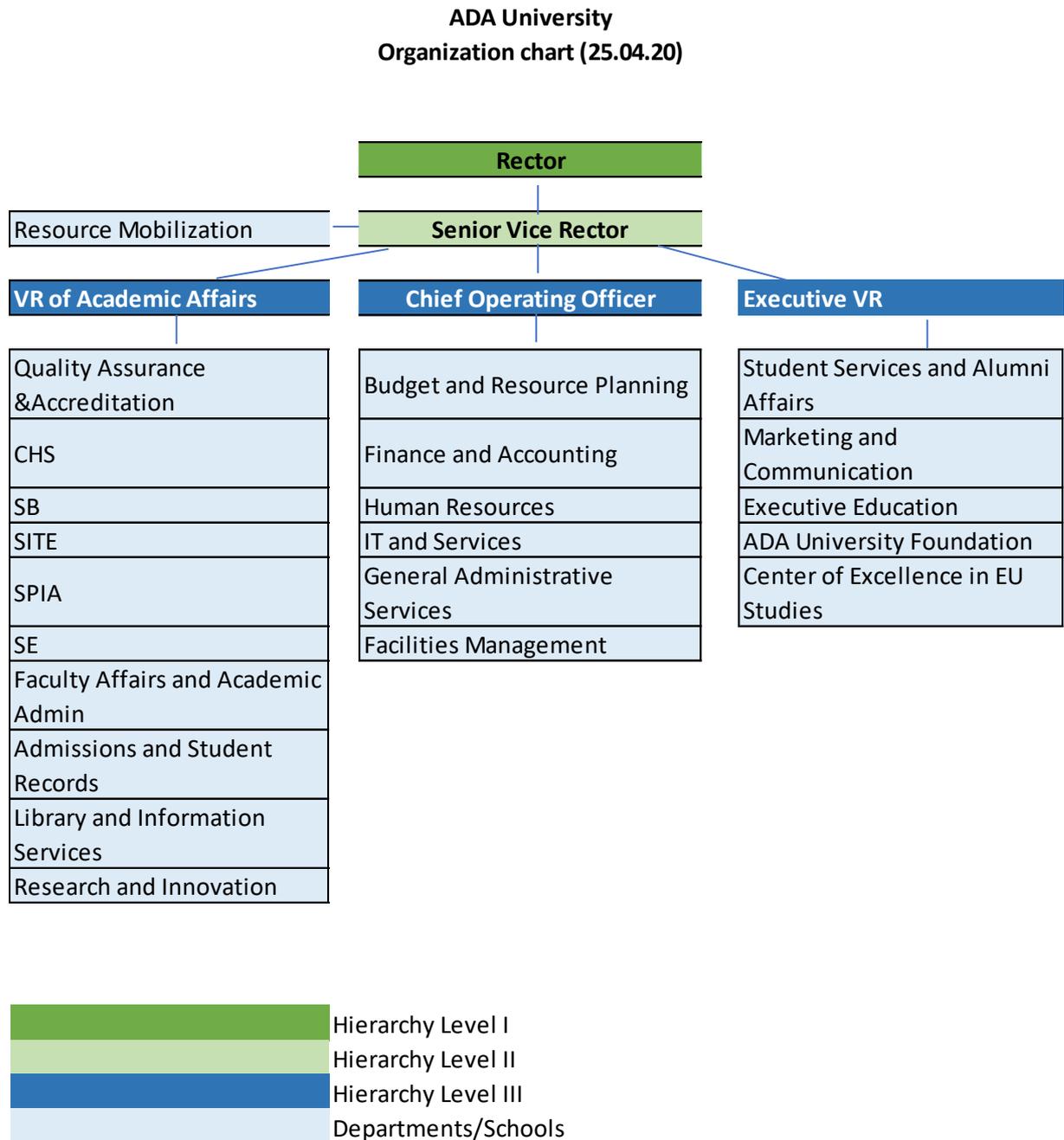
University chose “to cultivate highly intellectual solution providers who are closely collaborating, efficiently communicating members of the global community, possessing ethics

and a sense of citizenship" as a mission statement, where the vision aspires to be a world-class university in Azerbaijan with the uniqueness of the "müəllim and alim" reflected in a creative learning tradition. It is needless to say that, this university is a diversity pan with international faculty and students (source: ada.edu.az).

#### 2.4. ADA University as an entity

From the establishment day till now ADA University is being controlled by a strong team that always worked in the background. The University could not grow without the efforts of those employees who worked hard at the beginning and founded the relationships with the whole country and internationally. Starting from a very small team growing to mid-size staff helped to deal with issues regarding human resources, finance, marketing, IT, procurement, and other departments. Without procurement, none of the buildings could be filled with the necessary equipment and the whole university could not operate 7/24 without proper IT and security systems support. The marketing team always does a good job of promoting and attracting partnerships, sponsorships, and main asset-students to the university.

As an entity, ADA University has 161 employees. The organization is controlled in divisional style. The organizational chart is as follows:



*Figure 1. ADA University Organizational Chart*

## 2.5. SWOT analysis

A SWOT analysis provides a straightforward analytical framework for evaluating a business from every angle. SWOT analysis explores the inner strengths and weaknesses of an organization, as well as external opportunities and risks (Schmidt, 2015).

Here, as a result of personal research the strengths and weaknesses, as well as the opportunities and risks of ADA University are discussed to better understand the environment and apply those analyses into further findings.

## **Internal ADA University Strengths and Weakness**

### **Strengths**

- Holding a positive reputation within the country and in external borders
- Holding a strong positive experience with those who interact with the campus
- Strong partnerships with other universities, colleges, agencies, and corporations
- Performance
  - Accredited Programs
  - Successful graduation degrees
- Continuous support from faculty and staff with the campus mission
- Continuous and strong student support
  - Free and paid access to services
  - Faculty and student involvement
  - Student guidance programs
- A very proactive learning community by supporting learning and student-faculty interaction
- Campus
  - Large size campus with all types of class sizes
  - New and tech-maintained attractive green buildings
  - Smart-boards
  - Friendly and danger-safe
- Diversity
  - International faculty and staff
  - International students
- Expertise
  - High ranked expert full time and part-time faculty
- Culture

Wide faculty and student engagement plans

Vigorous mutual governance

Active external boards

- Support for Cultural Performances, such as concerts/seminars/exhibits

Having its school that prepares student directly to the admission of ADA University

### **Weaknesses**

- Organizational structure/bureaucracy
- Experienced based responsiveness to student and community needs
- The financial uncertainty of the country recently
- A work loaded faculty & staff
- Ability to hire & retain international faculty
- Student preparation at the entrance
- Maintaining a positive atmosphere where various perceptions of faculty, staff, and administrators are
- Still not having full international accreditation
- Not being in global top lists
- Limited opportunities for faculty and staff development
- An exceedingly competitive market for diverse faculty and staff
- Still lacking student engagement in creating and maintaining a healthy culture

### **External ADA University Opportunities and Threats**

#### ***Opportunities***

- Partnerships that support university initiatives
- Attractive for English speaker professionals
- Diversity of student that come from rural areas to achieve their educational goals

- External Government and other corporative relationships
  - Academic program enlargement
  - Enlargement of cultural activities for a better social life
  - University services (Honor Code, Writing Center, Clubs, etc)
- Advancement potential in all degrees
- New buildings
- Being a trendy university
  - The choice is now both students and their families
    - High interest a real high education centers with full academic completion
    - Interest in graduate degrees which are fully/partially covered by sponsorships
    - Need for a link between curricular & societal interests
- Demand for mid-career redirection and life-long/executive learning
- More interest in globalization
- Technological interest and advancement in business and student orientations
- Schools preparing the student for high education
- Increase in literacy level from the whole country

### **Threats**

- The budget crisis in-country
- Same education offers in native and English language in public and private universities
- The dual diploma offers in native and English language in other public and private universities and schools
- Perception of studying is tough at ADA University
- Interest in studying abroad with full scholarship opportunities

### **Conclusion**

From the analysis above there are several main findings that will help to understand the problem better. Employees may choose ADA University and remain there because of the reputation, diversity, openness, and other factors. Nevertheless, employees may want to leave because of lacking reward system, which comes from the lack of appraisals. Also, the problem can be researched within the budget crisis and lay off of some staff members, as well as the ones who worked in the HR department and did the appraisal for 3 years in a row. Their lay off resulted in stopping the performance appraisal system. Taking the strength and opportunities to affect weaknesses and threats will help to give better recommendations that would be suitable for ADA University.

### 3. Literature Review

#### 3.1. Introduction

This chapter of the paper introduces the main definitions, standards, viewpoints, processes regarding the performance appraisal system. This part of the paper is written based on the numerous researches that were done before and specific manager handbooks that were written to draw a roadmap for them in executing the appraisal system. The information starts with the history of the performance appraisal to show the reader the root of this process. There is always misconception regarding the difference between the performance management system and the performance appraisal system. Here, I tried to describe both systems in separate headlines to see the bigger chain of the processes. Also, new standards that are applied to the appraisal system are discussed in brief. Moreover, the legal sides are mentioned in one paragraph. Additional to definitions, challenges/errors that occur in the system are also described in this literature review chapter.

### 3.2. History of Performance Appraisal

Early references to performance evaluation in America dating back over a hundred years are available. The merit ranking system of the Federal Civil Service Commission was implemented in 1887. In 1914 Lord&Taylor introduced an assessment of performance. Several organizations were inspired by early twentieth-century attempts by Frederick Taylor's "scientific management" and concocted performance evaluations. However, very few organizations did conduct any structured performance evaluations before World War II. The only ones who used the technique routinely were a handful of businesses and the military. Some of the assessments that were conducted centered more on the temperament and characteristics of an individual than on real successes against goals and structured behavioral analyzes that generated those outcomes. Then, Peter Drucker's innovative concept of "Rational Management (MBO)" and Douglas McGregor's book "The Human Side of Business", which presented his conceptions of Theory X and Theory Y, gained significant popularity in the 1950s. A few firms moved from a pure trait evaluation to designing a system that centered on setting targets and making the assessment process a joint responsibility between the client and the manager. The performance assessment process has evolved from the work of Drucker and McGregor to the point that a vast majority of businesses now have a structured evaluation program.

### 3.3. What is Performance?

In the "Performance Leadership" book, Pakdil and Moustafa (2016) try to give a researched answer to that question. Performance increases efficiency; it generates interest and profitability for the entire workgroup, department, and organization, while an employee conducts the job. Productivity is an efficiency factor, that is to say, doing things right. Efficiency, however, requires both productivity and effectiveness, which is both doing good things and doing the right things (Roghalian, Rasli, et al., 2012). An employee can be working very hard but not contributing to the organization's overall goals. An employee may also be successful

without providing effective performance, but both efficient and effective performance is important for achieving goals.

In the research, two performance types: contextual, and task are defined (Pakdil et al., 2016; Griffin, Neal, et al., 2001). Satisfactory job performance requires both task and contextual activities that affect the organizational and/or departmental objectives directly or indirectly. Contextual success is often overlooked by processes which are merely performance evaluation systems (Griffin et al., 2001).

The contextual performance consists of behaviors that enable the work to flow smoothly within the organization or department (Griffin et al., 2001). Many scholars also call it organization-based citizenship actions. Contextual success requires both interpersonal facilitation, that is, the ability to work well and support others, and dedication to work, which are habits that demonstrate a commitment to the job (Pakdil et al., 2016). Those two habits have significantly led to a fun and secure working environment. Relevant contextual actions required by the job holder should be a part of job specifications and performance evaluation, such as showing cooperation and being at work on time.

Task performance consists of three components, according to Pakdil et al., (2016). The first is the information used in the context of the activities the employee carries out, called declarative intelligence. This knowledge is gained through training and/or experience, which helps the person to understand the elements of the mission. The second is what the mission is and how to perform it, or knowledge of the procedures. It covers cognitive, sensory, interpersonal, and perceptual abilities. The third reason for this is motivation. All three elements of task success are required. These definitions will be needed for the further recommendations part while restructuring the Performance Appraisal system for ADA University staff. In their "Performance Leadership" book authors, Pakdil and Moustafa (2016), give the equation for performance:

$$\text{Performance} = \text{Declarative Knowledge} \times \text{Procedural Knowledge} \times \text{Motivation}$$

This multiplicative effect is important and since if a person has the requisite skills to do the job, but chooses not to make any effort, then the output total will be zero (0). On the other hand, if a person makes a lot of effort but has no information (either or both types), the output total will be zero (0) as well.

### 3.4. Managers and performance

Managers are expected to ensure that performance — both contextual and task performance — is oriented toward the departmental and organizational objectives being achieved (Pakdil, et al., 2016). Targets are not met without guidance. Therefore motivation must be geared toward a target, not just spent. That's why efficient and successful performance leadership is critical — to gain direction toward departmental and organizational objectives. Organizations as a whole, managers as a small part of the organization while evaluating and praising performance should consider Maslow's *Hierarchy of Needs Theory*.

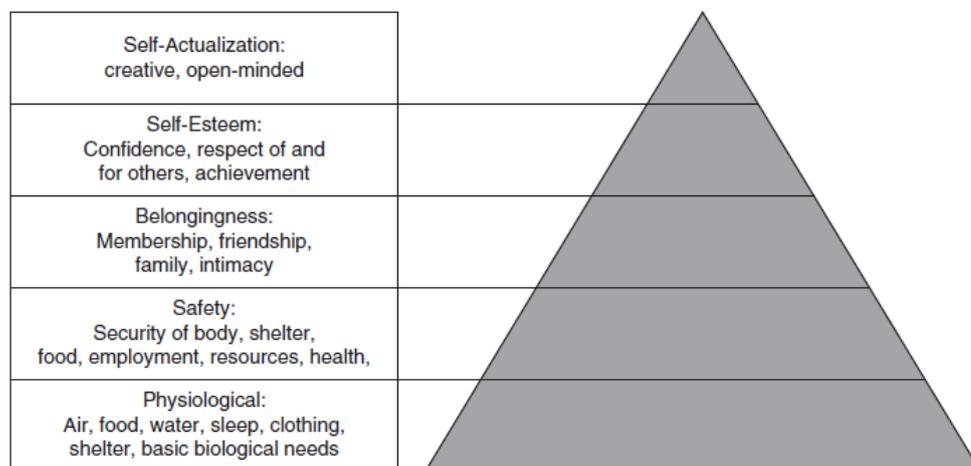


Figure 2. Adapted from Maslow (1943, 1954, 1968)

The very first needs are needed to be given the people, after then they will come to work and will perform (Pakdil et al., 2016). The next need is for love, identity, or social exchange — all these terms were used to explain other people's desire for acceptance. In meeting this need, an employee creates networks and establishes interaction with his colleagues, superiors, and

managers, and with the company as such. The fourth need is for confidence (or self-esteem), which is when a person feels that (a) the work is worthwhile; (b) it is possible to do the work well, and (c) others value it. Employees gain expertise, knowledge, and abilities when fulfilling this need, and use them to learn new things. All these, are important at the end of the performance evaluation which should be considered at the beginning.

### 3.5. Defining Performance Management System as a whole

Performance management is the total of a set of standards that measure the performance of employees against the organization's goals. There are six common objectives of performance management defined by Dr, M. B. (2017) and Bussin (2010):

1. Aligning individual and organizational goals
2. Fostering an organization-wide commitment to a performance-oriented culture
3. Developing and managing the employees to achieve organizational results
4. Identifying and addressing performance incompetency
5. Creating a culture of accountability and a customer-related focus
6. Aligning reward to performance outcomes

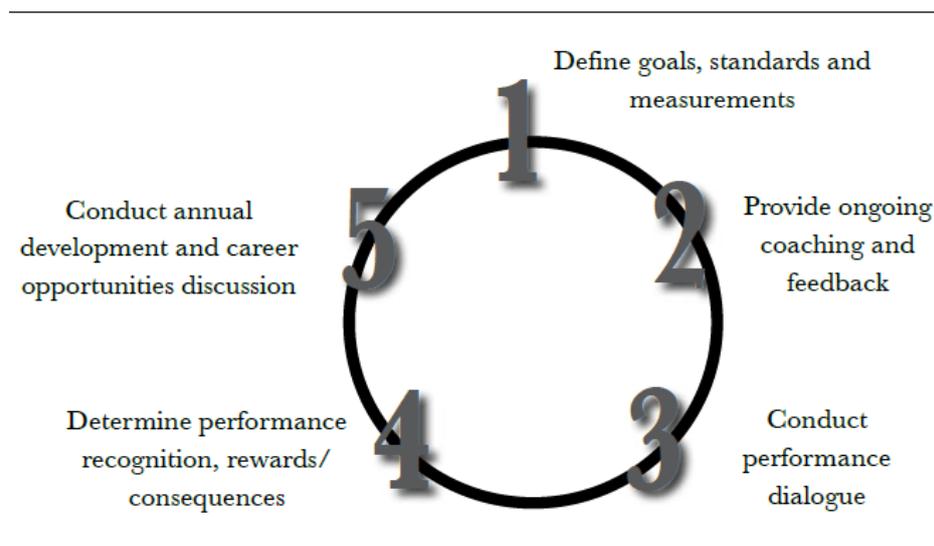
Performance management from the above-mentioned points seems a very positive review approach towards employees. Nonetheless, according to the research made by the University of Stellenbosch Business School, the perception of performance management was negative by organizations and there was a lack of alignment processes with overall organizational strategies where managerial support was almost zero. One needs to research more on the positive sides of the performance management system, as well as at ADA University, it seemed a very stressful process, and delivering the main goal of the performance appraisal was not successful.

The real issue is that performance management is there to ensure how well the organization meets its strategies in all levels of operations (Bussin, 2010). However, the aim of this business consultancy project is not re-establishing performance management system in the

consultancy entity, rather find the problems of the performance appraisal system and redesign them to answer managers' questions how to fill that organizational goals will be met, employees' questions regarding their promotion and salary raise, and to create a positive atmosphere when the performance appraisal word is there.

First of all, we need to identify what is the performance appraisal system and how it is different from the performance management system. According to Dr. M. B. (2017), Bussin (2010) Performance management system is consisting of 5 fundamental chain processes:

1. Defining goals, standards and measures
2. Providing ongoing coaching and feedback
3. Conducting performance dialogue
4. Determining performance recognition, rewards or consequences
5. Conducting annual development and career opportunities discussion



*Figure 3. Performance Management Process Phases ( Source: Dr, M. B. (2017). Performance management reboot: Fresh perspectives for the changing world of work))*

### **1. Defining goals, standards, and measures**

The alignment of goals-results must be consistent with the organization's strategic objectives.

The first step in creating an effective performance management system is to define the goals of the company and then turn them into departmental and eventually individual goals. Goals should grow from the organization's mission and vision, which should be conveyed downward (Dr, M.B., 2017). All thus understand what the organization's priorities are, and everyone is interested in achieving the organizational objectives. The alignment of individual employee expectations to organizational goals thus helps to achieve productivity. These goals or priorities help to determine what organizations, roles, divisions, teams, and individuals are supposed to accomplish. In addition to setting individual targets, workers need to be specific in targets to achieve goals. The goals of each person should coincide with the goals of his or her manager, thereby providing a clear line of sight to the priorities and business strategy across the organization. That argument cannot be overstressed – the CIPD contrasts targets with prescription medication – it works, but only if it is the correct drug delivered at the right dosage (Herholdt, 2012). In order to set valid KPIs for the employee and the organization. Managers should use SMART objectives while setting KPIs as having specific, measurable, achievable, realistic, and time-bound goals aligned with organizational ones should be there to deliver to employees from top to down to achieve an overall organizational performance (Moglia, 1997). Goals have to be the correct ones, well-matched, and at a pace that is feasible but with some difficulty. Performance management then takes place via dialogue or discussion between the individual employee and his or her boss in which priorities are set and their achievability and appraisal are discussed (Bussin, 2010; Herholdt, 2012)). It is not enough to set basic goals. Such expectations must also be connected to actual desired results that are the performance criteria needed (expected outcomes). The trick is to classify the drivers most important to your own company or background. This is also associated with job size and difficulty. A goal of "produce 5 widgets per day" is a clear performance that aligns with a well-defined function. This does not operate in hierarchical environments, with senior managers (Herholdt, 2012; Dr, M. B. 2017).

Such goals should be connected to an outcome such as "building an efficient management team for change" Dr, M. B. (2017).

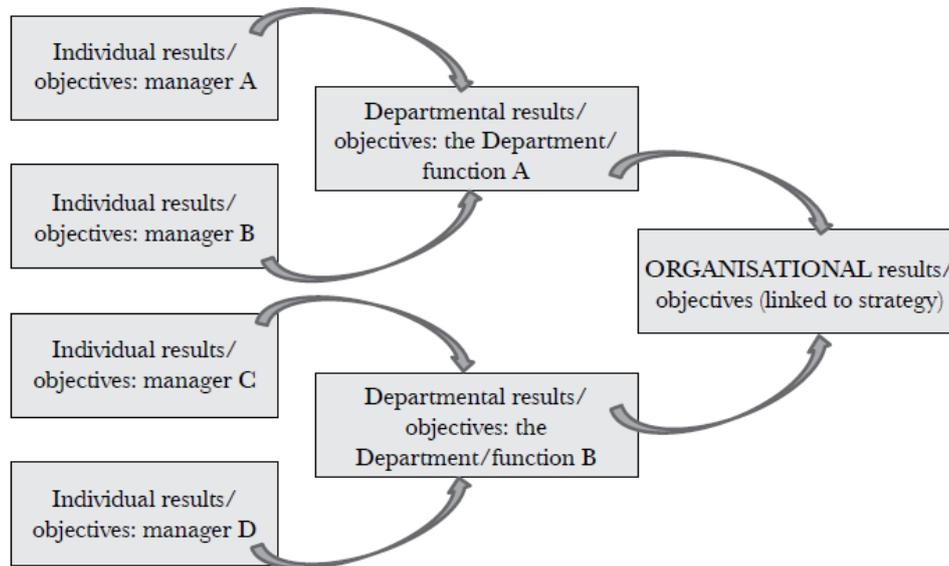


Figure 4. Aligning individual, departmental, and organizational goals (Source: Dr, M. B. (2017). *Performance management reboot: Fresh perspectives for the changing world of work*)

## 2. Providing ongoing coaching and feedback

Managers and their reviews will continue to discuss progress in the performance improvement process. The far better approach is that of an ongoing discussion about results. Strategies and goals change quickly in some industries, even every few months. In these situations, managers and workers can have to change their priorities to suit those of the revised company goals. One of the most critical aspects of the performance management approach is the need to note the different shifts in viewpoint or direction— much too often, when targets have not been met, a performance discussion is conducted, however, the underlying parameters have simply changed and not been noticed. The dialogue about results can quickly become a witch-hunt where staff members are criticized for not achieving targets, rather than a constructive discussion of true outcomes (Dr, M. B., 2017).

Bussin M. (2010), mentions that two-sided conversation is at the heart of the process of performance management. To facilitate two-way communication, both the manager and the

employee must regularly meet to discuss progress. This dialogue is frequently pursued by workers of active performance management programs. Being a coach matters here, since manager should provide a constructive and timely feedback with different channels, such as face-to face or web-based. Manager needs to be open, truthful, and precise, so the subordinates can track their performance and increase the rate of success (Bussin, 2010).

Given the importance of coaching, it's also necessary to create a form of supervision or monitoring. Employees are responsible for tracking their performance ineffective performance management circumstances and for asking for assistance if required (empowerment rather than domination). This encourages employee ownership of the operation, and influence over it. As workers assess the behavioral improvements they need to make, they are seeking input from their supervisor. It compares results to targets to measure success, which can help workers enhance their results. Managers will help workers reassess their course and reprioritize their efforts (Grote, 2002).

### **3. Conducting performance appraisal and evaluation discussion (the formal process)**

It is necessary to conduct regular discussions or reviews as a complement to the ongoing contact process and to reduce the possibility of surprises for the manager or the employee. Some organizations require quarterly dialogues, while others need semi-annual or annual updates. More often than not, these are related to systems of compensation and pay rather than real performance management. Essentially, the conversation focuses on the successes and shortcomings of the employee for the year during the year-end analysis.

According to Dr, M. B. (2017) and Bussin (2010) the manager/appraiser needs to do the following before performing the actual appraisal conversation:

*Allowing sufficient time:* To be prepared in advance and provide sufficient time for the meeting.

*Confidentiality:* The assessor does not share findings with other workers. Besides, a location should be chosen which protects the meeting's confidentiality.

*Reviewing input:* The appraiser will ask the employee about his or her achievements during the time being measured in preparation for the conference.

*Explaining performance related problems:* The assessor will include detailed performance problems.

*Being clear about the performance appraisal:* Helping the employee to develop and grow by giving a truthful appraisal, even if it is negative.

*Supporting:* Providing an action plan to support the employee.

*Running regular performance feedback:* Always need to provide feedback regularly, not just during an annual assessment.

#### **4. Determining performance recognition, rewards or consequences**

At this important point the relation between the performance management system and the reward system is clearly established. The manager should use the salary-planning guidelines sometime after the performance review has taken place to determine the appropriate reward and/or consequence that compares actual performance to agreed goals and outputs. Result benefits are awarded by merit pay or additional incentive such as cash bonuses. There are essentially two key sets of standards to be established:

*Achieving the target itself – whether or not the objective has been achieved.*

*The degree or output level the objective was accomplished with.*

This means that the way the employee has achieved the quality, quantity, time, and process requirements set will decide the compensation or consequence to a large extent.

#### **5. Conducting annual development and career opportunities evaluation and discussion**

As part of an integrated performance management process, few companies actively integrate their overall succession planning and talent management (Dr. M. B., 2017). What's required is for every employee to recognize exactly where they fit in when it comes to talent management. This means there should be balance of individual expectations and organizational needs. Good structures can allow individuals to be aware of their career paths. Mostly

organizations are trying to see the job performance not the talent, and do not support adjustments. Innovative organizations, rather than making rough and fast guidelines for the roles they occupy, will optimize the skills of individuals (Dr, M.B.,2017).

### 3.5.1. Challenges of the performance management system

Bussin (2010) and Dr, M. B. (2017) claim that there are some problems commonly found in PM systems. Such problems can lead to the use of performance management for purposes not intended for; also to the dilution of the power of performance management as a growth tool.

Some of these problems include the following:

1. Management-driven companies assume that the method of assessment in the form of assessment.
2. Appraisal sessions are kept too close to each other to increase the amount of time, thus being inexorably connected to the increase granted.
3. Many systems support several reviews every year but these are not done due to several issues.
4. The appraisal process is always one-sided, with the incumbent providing a top-down assessment and then a mandatory sign-off.
5. Appraisals are rarely complex goals. They are set at the beginning of the time and are never changed, despite fluid changes within the business.
6. Appraisals combine inputs and events rather than outputs.
7. Memories of foul-ups in management outweigh the good times.
8. Efforts to make the process objective result in programs that provide some sort of quantitative metrics, with little to no consideration of qualitative aspects.
9. Often metrics are summarized and overall average ratings given with little to no respect for pockets of excellence.
10. Modern appraisals support approaches of 360 degrees, and these are also rife with internal politics.

11. Managers are hesitant to offer negative evaluations because they want to be seen as "the good guys" – this leads to a normal biased distribution.
12. Managers are reluctant to discuss the impacts of poor individual results.
13. Managers have no idea how to pad out the strong performers.
14. Many evaluation sessions concentrate on the personality and style of the participant, rather than the actual, specific standards and proof of success.
15. Many evaluations are comparative and competitive, where the person is compared to someone else and not against his or her own goals.
16. Both parties often fear assessment sessions, rather than being looked forward to.

Chandler's book 'How performance management kills performance' illustrates some of today's performance management paradigm shifts. She lists 8 main challenges to shift in the PM system.

1. The method of controlling success must be transparent and truthful. Conversations should be transparent and open; don't keep people confused.
2. Enable workers to own their jobs-they should feel encouraged to build their jobs and push them.
3. Focus on the future-what Chandler terms a glimpse of success, not a summary of success.
4. Enable managers and teams to create their performance management systems – they are more likely to "own" them than team managers, and they know the team's tasks and goals better.
5. Encourage managers and executives to participate in talent meetings, set priorities, and provide open input.
6. The purpose of performance management should be accountability rather than regulation – handling poorly performing workers individually and as the exception, while letting the cycle proceed as usual within the team.
7. Talk by creating team goals to promote greater cooperation and provide fewer individual targets.

8. Consider carefully what "reward" is-it's not just money. Pay market-related compensation for skills and experience, but also find other opportunities to compensate workers such as time off, management engagement, project leads, etc.

### 3.6. Defining Performance Appraisal/Assessment

#### 3.6.1. Is PA necessary at all?

Performance appraisal as a process, or simply put is important. And, no better way to get the benefits (Grote, 2002). Several books argue in favor of completely abolishing performance reviews. But the methods they recommend are merely workarounds; the measures they suggest to build an alternative to performance assessment are the same that any successful company would use to establish a performance assessment program of a world-class. Too many organizations remain in denial about the benefits created by a well-executed performance management program (Grote, 2002). Unfortunately, companies in Azerbaijan are having performance appraisal on paper, or not having it at all. Grote (2002) counts several benefits of the performance appraisal for organizations, such as appraisal being a unique opportunity to see the work from two critical points of view — manager's and the employee's, a mechanism for deciding on needs and defining expectations, and a framework for continued progress on goals. By these, there is a chance for the employee to see the "big picture" and better appreciate any changes that might arise.

Nevertheless, some scholars and gurus believe in the opposite (Abraham, 2013), such as in the book "Out of other Crisis" by Micklewright (2010) refers to the book "Out of Crisis" by Dr. Deming (2000) that performance appraisal is an evil thing with merit ranking, or annual evaluation-the concept of a merit ranking is alluring. He believes that the result is the exact opposite of that implied by the terms. Dr. Deming (2010) referring to Peter Scholtes, the author of the "Total Quality or Performance Appraisal: Choose One" article (1993), claims that efforts to change would concentrate on programs, procedures, and strategies rather than individual staff.

Those initiatives that concentrate on enhancing individual employees' attentiveness, treatment, efficiency, etc. — without modifying systems, procedures, and methods — constitute a low-yield strategy with marginal short-term results. Thus, not individuals, but the whole system should be changed to get the best performance. Given its existence for positive and beneficial reasons, performance evaluation is a source of widespread frustration (Gordon, 2010). For example, a study of 218 human resource (HR) leaders in organizations with at least 2,500 workers found that only 5.1 percent of respondents were well pleased with their performance management systems, while 30.1 percent were somewhat or quite dissatisfied with their performance management systems. Unfortunately, no consensus is reached on a solution to this issue. Changing performance assessment systems every 3 to 5 years is not uncommon for organizations. Creation of a performance assessment program that is deemed reliable over time remains a largely unfulfilled objective in many organizations, from this ADA University as well gets its message to restructure the performance appraisal system which existed 3 years ago and stopped.

Performance assessment is a formal management system that provides an assessment of the quality of the performance of an individual in an organization (Grote, 2002). The assessment is generally prepared by the direct supervisor of the employee. The procedure usually requires the supervisor to fill out a standard appraisal form to test the person on various measurements and then discusses the evaluation results with the employee. Performance Appraisal is the 3<sup>rd</sup> phase of the Performance Management System in the above-mentioned literature.

Mostly, performance assessment is viewed yearly by Human Resources Department. But it is used as an ongoing process and not merely as an annual event in organizations that take performance assessment seriously and use the system well. Grote, in his book "Performance appraisal question and answer book: A survival guide for managers" (2002) identified performance assessment as a four-phase model which is similar to performance management system offered by Dr. M. B. (2017), Bussin (2010):

*Phase 1: Planning on Results.* As a part of the total performance management system, here the manager and person get together at a performance-planning meeting at the beginning of the year. During this hour-long session, they address what the individual will do in the next twelve months (the main tasks of the person's job and the priorities and initiatives that the individual will be working on) and how the person will perform the job (the habits and competencies that the company needs from its members). They also usually discuss development plans for the entity.

*Phase 2: Execution of events.* Throughout the year the employee works to accomplish the job's targets, objectives, and main responsibilities. The Manager provides the employee with guidance and encouragement to increase the success rate. He provides the conditions for motivating and addressing any performance problems that arise. Throughout the year — maybe even more frequently — they meet to review the results of the person so far against the strategies and objectives they discussed in the meeting on results planning.

*Phase 3: An assessment of performance.* When the time comes for the formal performance review, the manager focuses on how well the employee has done over the year, gathers and fills out the different forms and documentation issued by the agency to render this assessment. The manager can also propose a change in the compensation of the employee, depending on the standard of the work of the employee. Usually, the completed evaluation form is reviewed and approved by the manager of the appraiser. Others — may be the head of the department or the compensation manager — may also review the report and authorize it.

*Phase 4: An analysis of the results.* The manager and subordinate meet, normally for approximately one hour. They review the assessment form written by the manager and examine how well the individual has done over the past twelve months. They set a date to meet again after the assessment meeting where a performance-planning discussion for the next twelve months is hold. After this stage the circle of the performance improvement process starts.

### 3.6.2. Performance Appraisal design

#### 3.6.2.1. Performance Agreement

A Performance Agreement is, in the simplest possible words, a written arrangement between an employee and his or her employer specifying targets to be met within a specified period (Bussin, 2010). This is usually done before Phase 1 in the Performance Appraisal process defined by Grote. The accomplishments should have benefits both for the employee and the company.

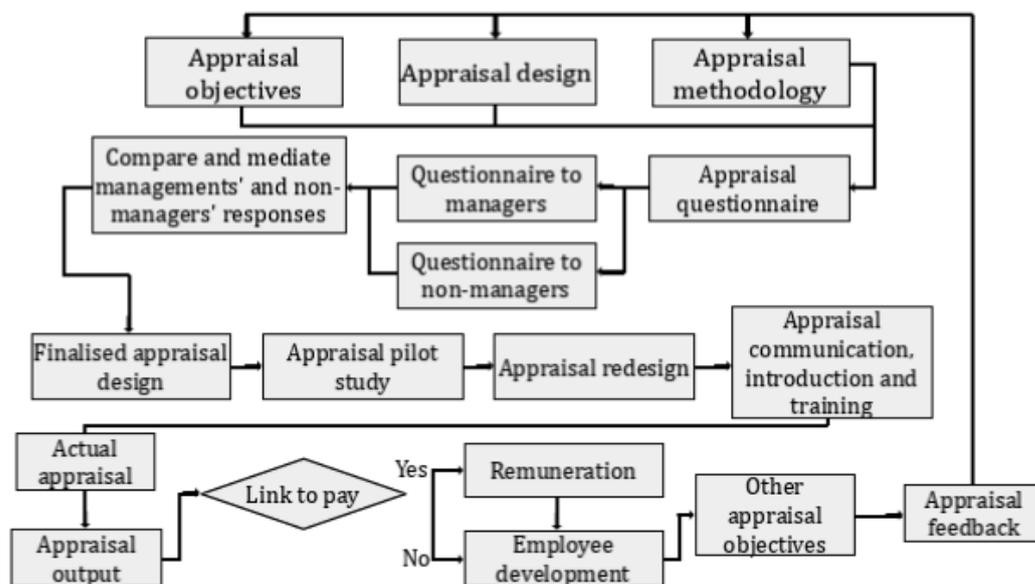


Figure 5. Performance Appraisal Design (Source: Herholdt, J. (Ed.). (2012). *Managing performance in organizations*)

These are the basic steps to take to create a Performance Agreement according to Moglia (1997):

1. Engaging in a thorough review of the research to determine the most critical needs to be addressed.
2. Working together to set targets for the highest priority needs found in the review of work. Attaining these goals should be considered vital to the success of that job.
3. Creating a collaborative action plan outlining exactly who is going to do what and by when.
4. Gaining employee engagement with the agreement.

5. Performing daily reviews of the results to ensure progress meets expectations.

Some prerequisites should be done by the organization before even Phase 1, according to Pakdil (2016). The author emphasizes working on job descriptions and job design should be the very first background fixation issue. By this, employees would know his/her job requirements and can understand the goals that were set by the manager easily, thus can benefit the company more. This approach is almost eliminated in all Performance Management handbooks since this process is not part of the performance management system. Nonetheless, strategic HR decisions should cover all possible challenges before any system starts to work. This prerequisite stage will be discussed in further processes as well.

#### 3.6.2.2. Design

According to the Abraham A. "Performance Appraisal" book, a good quality performance appraisal starts from design. There are lists of performance appraisal program:

- Help for managers to do a better coaching
- Informing employees on their performance to motivate them
- Data collection for management team regarding bonuses, pay increases, and other employment statuses
- Identifying potentials for further developments and favor to organizational goals

Establishing a data center for decisions regarding personnel

#### 3.6.2.3. Performance appraisal frequency

Performance appraisal should be continuous, organization-wide (Armstrong, 2003). According to Grote (2002), managers should have two meetings or more at least once at the beginning of the year, the Performance Planning Meeting, where the significant results to be achieved over the next twelve months are discussed and set and the second compulsory meeting at the end of the year, where the manager and employee address the performance evaluation,

discuss the successes of the employee as an individual over the past twelve months, review advancement opportunities. Grote (2002) and Armstrong (2003) both insist that good managers would have several and continuous feedback/review sessions throughout the year.

#### 3.6.2.4. Performance Appraisal Methods

Numerous examination techniques can be utilized to assess the worker's presentation. On account of many existing examination techniques, some various classifications of them were made by specialists (Decenzo and Robbins, 1998). In writing, generally normal and famous arrangements are right off the bat two-bunch one (Cascio, 1991): Absolute evaluations and relative examinations; furthermore Comparative evaluations; Behavioral examinations; Output-based examinations by Fisher et al. (1999). Even though there were a few investigations that pre-owned two-bunch arrangement Roch et al. (2007) and Goffin et al. (2001) made few investigations in this term. Where Nathan and Alexander (1988) and Heneman (1986) claimed that it is difficult to straightforwardly merge each PAM. Regardless of whether they might be compelled to be in one class, the strategies in a similar classification may have various highlights as far as examination mistakes, which are picked as an assessment standard of PAM, in this investigation. At that point, rather than assessing the exhibition examinations' classes, it was wanted to assess PAMs independently. Below the list of the appraisal methods gathered by Grote (2002), H. Turgut and I.S. Mert (2014), Gordon (2011):

1. Comparison (Sorting): Throughout this system, the appraiser appraises his / her subordinates on their job results. The job performance of employees is measured and then graded from the best to the worst by numerical rank. Comparing the performance success of subordinates is also another variation of this approach.
2. Forced Distribution: This is a form of evaluation that involves the assigning of subordinates to a specific range of categories. In this system, workers (subordinates) are ultimately evaluated based on the usual distribution. For instance, 20% of employees are at the top of the scale, 60%

of employees are in the center of the scale, 10% of employees are at the bottom of the scale, 10% of employees are at the lowest of the scale.

3. **Graphic Rating Scales:** Managers evaluate the employee based on identified criteria as the qualities written on the assessment document. The model has output standards concerning parameters. There are percentages or ratios (very strong, strong, or weak) around the attributes in the form. The supervisor must pick one of them. This oldest and most commonly used tool shows the job performance in a ranking scale.

4. **Checklist:** In this process, a checklist containing work-related concise statements is used for every job position. Manager takes the "Yes" or "No" choice to appraise the subordinate who is already aware of job-related statements.

5. **Forced Choice:** In this method, the manager is given certain predefined expressions (a sequence of) to determine the performance quality. The representative elements of employee performance is discussed without manager knowing the explanations of numbers.

6. **Composition (Essay):** The manager essentially writes a description outlining the employee's results. It is the structure the manager needs to determine the productive, unsuccessful, poor, or strong aspects of the employee. This approach is a non-quantitative approach which, rather than relying on the daily results of employees, reflects on the commonly observable actions of employees to provide a holistic perspective.

7. **Critical Incidents:** Here, negative and constructive results are written down by manager. Such results are referred to as important incidents/events which will specifically impact the success or loss of the subordinate. This approach to work detailed reports are required along with effective and inefficient working habits. Before the evaluation period manager should keep records, as well as the employee to measure efficiency after the meeting.

8. **360-Degree Feedback:** This approach gathers data from various levels within the organization and external environment. Employees are judged by their equal, subordinate, working mates, employers, and by themselves. This approach creates a self-awareness tool for the employee.

9. Management-By-Objectives: It is an approach that involves the accomplishment of pre-defined goals. In this approach, supervisors and workers jointly set the goals for staff to achieve over a specified period. Achieving the goal is more important than the way it was done.

Employees would then be measured in terms of how they've achieved their goals.

10. Assessment Centers: The evaluation process is carried out independently by consultants or HR experts. The employee's role is replicated in this core and the employee is watched. Also, certain examinations, social and non-official activities, and training are used to support the evaluation. Few companies choose this approach because of complexity and high costs, thus it remains as an alternative appraisal method.

11. Team-Based Performance Appraisal: The professional life of today emphasizes teamwork more than individual success, and it makes easier to assess individual performance as a team work. Group appraisal is the key here, but not as individuals.

### 3.7. Creating PA culture

#### 3.7.1. Getting ready for PA

As mentioned above, from 4 phases to establish the Performance Appraisal system, Phase 1 is the most crucial one. Phase 1 is also preparing a whole organization for the evaluation and further processes. What is important here, is that managers should be very careful in setting goals, besides doing it without bias, and having a flexible form on his hand for the whole team and individuals. If the company is doing their very first performance appraisal process, then it needs to have series of sessions for the whole staff, but in categories, on performance management or simply on performance appraisal system to ensure that they understand the purpose of the process and will agree on the alignment of results, also, there will not be any questions, misunderstandings, and biases. Here, managers should get training on how to set, deliver, check, and evaluate the goals which were aligned with organizational goals.

### 3.7.2. PA Policy and Procedure

Before signing an oral or written Performance Agreement in Phase 1, it is important to mention that no company can go without a valid, purposeful, and clear policy and procedure. The aim of the performance appraisal (in fact, we do it for the whole performance management system) policy is to provide an effective mechanism for managing the performance of employees. The company acknowledges that performance management should be handled and implemented using methods, strategies, and procedures that are consistent with its standards and comply with legal requirements. The company requires all its workers to engage actively and constructively in the monitoring and appraisal process, regardless of whether they are conducting or awaiting monitoring or evaluation.

### 3.8. Legal sides

One of the main questions would whether there are legal requirements for the performance appraisal system. Grote (2002), answers the question in his research in a way that, there is no legal requirement, nonetheless, every company should be very attentive to their methods of assessment. In this, Grote (2002) helps to set seven basic objectives to be legally safe:

1. Base the performance evaluation on a job review.
2. Define the behavioral success dimensions, and endorse tests with measurable, objective proof.
3. Keep matters simple.
4. Track and inspect in case of discrimination.
5. Train raters to reliably assess results and hold constructive discussions on assessment.
6. Provide top-management consultation of the employee before the evaluation is reviewed.
7. Provide some basis for appeal

Talking about legal sides, it is important to mention the errors occur within the process. The accuracy of the performance appraisal results depends mainly on the degree of errorless

approach attained by the appraisers. Regardless of which evaluation system being used, it should be acknowledged that the features of the assessment process affect the error of assessment. Each PAM has its specific structure and process that allows errors in the measurement of results to be successful to a certain degree. In a literature review of Gordon (2011), Lunenburg (2012), and Turgut et al (2014) performance appraisal errors are presented as below:

1. Perceived meanings of performance standards: Performance appraisal criteria in the evaluation forms creates a confusion about error. The use of a common method of assessment, consisting of the same standards for assessing similar characteristics, does not always contribute to consistent evaluations due to differing expectations between the evaluators. This error is the product of a lack of popular understanding of performance expectations.
2. Halo/Horn effect: The general understanding of an employee by the evaluator affects his / her understanding of a particular aspect. There are two opposite sides of this mistake. Halo effect is appraising the employee in his/her abilities, while strength is overvalued. Whereas, horn effect is the opposite of halo affect where employee is appraised based on negative shortcomings and weaknesses are overvalued.
3. Central tendency error: This error by ignoring the strengths and weaknesses of the employee determines the average worker's performance. Mostly, it works for those who wants to evaluate on average by running from good/bad appraisals.
4. Positive or negative leniency error: Giving high points, usually above what is deserved, is referred as positive leniency. The opposite of it is negative leniency. In order to maintain good relationships with subordinates and managers, employees tend to run from negative leniency which results in unfair results.
5. First impression and/or recency error: The first impression about the appraised employee leads to next steps of appraisal where the recent experiences with appraised person is referred. As a consequence, some appraisers prefer to refer to the most recent incidents and/or actions of the employee, ignoring of the real issues.

6. Similar-to-me error: Here the problem comes from the appraiser trying to appraise based on the similar qualifications, personalities, traits that are very similar to himself/herself, and thus ranks higher in performance evaluations. Mostly, it leads to favoritism.

7. Contrast error: The appraisal form is being ignored here and employees are compared to each other. Here as well the under-evaluation occurs since the error comes from the intuition of the appraiser.

8. Insufficient Observation: In certain cases, workers are judged with a lack of adequate knowledge or insight as to how they do their jobs. The appraiser's approach is general here based on the general observations of performance.

### 3.9. [New standards in the Performance Appraisal process](#)

We are faced with increasing demand in the modern business world for what is known as "the five horsemen of market transition" (Dr. M. B., 2017):

*Global:* Global scope – which generates rivals we've never had before, and internationals compete in our backyards without the perceived issues that we claim to have.

*Service:* constant demand for new goods and services – something we never had to have before, and with a much better-educated customer.

*Speed:* Technological transition at an accelerated pace – ensuring that technology is frequently outdated as soon as we engage it.

*Quality:* Continuous, increased quality demands with increasing thresholds and tolerances – we need to be better and cleverer, and we need to make important trade-offs and decisions because we can never be outstanding at all.

*Value:* lowest possible cost or, instead, the best value for money.<sup>20</sup> We need to continuously push down costs or offer the best (or real) perceptual value.

In 2019, Mercer conducted a Global Performance Management Survey, which included more than 1154 HR leaders from 53 countries. Results indicate that the evolving workforce and work climate give rise to new and demanding demands for performance management:

- Employees need to be more flexible and independent, but robust cooperation is required in an unprecedented manner.
- Supervisors, staff, and teams are not co-located due to regional fragmentation, matrix systems, and flexible work arrangements;
- A more project-driven day-to-day job.
- The degree of employee engagement is increasingly related to the consistent articulation of the relationship between the work of the employees and the organizational objectives.
- Management of results is often viewed as arbitrary and lack of involvement in the process has evolved from bad to worse.

Mercer believes that managers' skills are the main driver of effective performance management, including setting clear expectations, providing input, assessing results, and aligning results to PDPs. Executive commitment, optimization, and technology are also identified as primary drivers of performance.

Herholdt (2012) shows the 21<sup>st</sup>-century performance management in a table which answers most questions:

	<b>Traditional Performance Management</b>	<b>New Era Performance Management</b>
<b>Focus</b>	Backward-focused	Forward, goal achievement-focused
<b>Focal area</b>	Individual performance	Business performance (through people)
<b>Financial focus</b>	Cost-effective management of people	Produce economic value through people
<b>Alignment to business</b>	Not aligned	Closely aligned; part of business performance improvement

*Table 1 Core strategic differences between traditional and new era performance management*

*(Source: Herholdt, J. (Ed.). (2012). Managing performance in organizations. Retrieved from <http://ebookcentral.proquest.com>)*

It is a little bit challenging when transferring to a new system from the old one (mostly old ones are paper-based), where the author also mentioned computerized systems which would make the HR processes easy and transparent.

## Conclusion

To sum up, according to the research and findings of T V. Rao (2016) a list for such comparison is as below:

The very first acknowledgment should be that performance appraisal is part of the whole performance management system and it serves to overall organizational goals to be achieved strategically by showing past results and take a lesson for the future.

Performance Appraisal systems are focusing on performance appraisal and rating generations, whereas the performance management system is a total complex function of performance management. Here, we need to mention that performance appraisal is the evaluation of an individual's performance in common, but the performance management system evaluates whole organization, departments, and teams. Another comparison would be the highlight on evaluation and rating with performance appraisal, but planning the performance, analysis, reviews, training plans and personal development plans are in the performance management system.

There are also similarities, such as both systems are annual and periodically reviewed. The main similarity is that in both system core processes is the setting SMART goals and defining KPIs. Another main point that needs to be emphasized as the similarity is the alignment with the whole organization, in the performance management system, it is with the whole organization, in performance appraisal system it is with the manager-subordinate relationship. In

both systems errors and biases occur since it is the product of a human brain and people are managing the whole system. Consequently, the system can be computerized to lead the process as easy as whole process management or just as a performance appraisal system.

To have the best system that works well, transparent, and time there is a need to deep dive into the problem at ADA University, to compare and contrast data collected with the theoretical views.

## 4. Research Methodology

### 4.1. Research tools and approach

To investigate the problem statement and answer research questions both quantitative and qualitative research approaches are used. To get very first ideas about the called gap and to see the issue from Human Resources perspectives I started with qualitative data collection- interviews with COO Rovshana Samadova and HR representative Gulnara Safarova. They were the primary data representatives. An initial interview with R. Samadova, the COO of ADA University staff, helped to see the bigger picture from the top manager's perspective. Secondly, several interviews and mail communication with G. Safarova, the HR representative, helped to identify the main problems that come from HR and to see the overall HR position in this system. In the problem statement part, their thoughts are considered as research objectives. For further investigations of the research gap, I asked them to provide with necessary documents: organizational chart, old PA documents, historical data, and yearly status updates, and some other non-document type information regarding performance appraisal.

Primary data collection started with examining the above-mentioned documents. Those documents were investigated below purposes:

*Organizational chart*- in order to see how many departments and managers were there to identify the scope of the performance appraisal process. Also, it helped to identify the hierarchy to understand how the process will go up and bottom. Additionally, organizational chart and staff information helped to identify how many people were there to classify in case any performance appraisal briefs were needed.

*Previous years' PA documents*- this is the most important part of the consultancy project. A deep dive investigation was made in order to see whether the previous documents were prepared relative to the new standards. Document reviewing helped to draw the overall system process chart.

*A paragraph from the Handbook of ADA University staff member-* One of the main phases of the performance appraisal system is to have an agreement document, in big organizations it is mostly performance appraisal system policy and procedure. In the given paragraph employees were communicated that they will be evaluated based on their performance. Still, there was no other document which regulated the whole process. By this, it helped me to come up with certain recommendations in further processes.

*A screenshot of the PA system from the ERP platform-* without automation, it is really hard to work with papers (Pulakos, 2004). Having an ERP system was encouraging but the platform was purely the same as the paper versions.

*Historical data and yearly statutes-* These status reports were needed to see the overall organizational perception and acceptance regarding the performance appraisal system. Unfortunately, the information was not recorded, and the given information was partial. May it was the result of a lack of response to the performance appraisal system, yet it did not help to understand departmental participation percentages.

#### 4.2. Data Collection

Interviewing the COO and HR representatives helped to see the picture from the support department's side. Additionally, since the historical data reports were not enough to see participation percentages, I met with 3 managers via MS Teams online meeting platform where I did the rest of the investigation on the perception of the performance appraisal system by managers. By this, I was planning to get their initial ideas, perception, and their approach to the system, their viewpoint of the research gap, and get their recommendations.

Nonetheless, interviewing the main staff supervisors was not enough, thus a survey was prepared to see other sides of the problem and understand overall perception by the operational and managerial level of staff.

A Likert-5 (1-absolutely dissatisfied, 5-absolutely satisfied) questionnaire with 20 questions, and a recommendation part was prepared as an evaluation tool. The questionnaire

planned in a way of getting overall staff member's perspectives and they were divided into two groups: previous performance appraisal system stopped exactly 3 years ago, communicated by R. Samadova and G. Safarova. It was already the 4<sup>th</sup> year that ADA University staff did not have a performance evaluation process. Thus, if the research problem is to identify the gaps, then questionnaire could not be sent to all staff as a whole, since new staff members even do not have a clue on the problem. Hence, the questionnaire sent to all staff members in this division: 65 staff members more than 3 years' experience and 95 new staff members with less than 3 years' experience, to measure their satisfaction with old PA system. The survey was anonymous, skipping the name, position, demographic, and economic information of the filler.

It was planned to send via mail, not directly by me, but with the help of G. Safarova, as a separate survey with a message body explaining how to fill the survey according to the experience-old staff and new staff. Old staff members with more than 3 years' experience were sent a separate survey called "Restructuring Performance Appraisal System survey" to measure their satisfaction level with the old PA system and if possible to get recommendations from them. New staff members with less than 3 years' experience were sent the "Restructuring Performance Appraisal System-Expectations Survey"- regarding their perception and expectations of PA. Also, there was an opportunity for them to write their recommendations to get their motivation for the system.

Questions were designed in the way of drawing a performance appraisal system chain that came from the literature. All the phases of the performance appraisal method were covered there to measure staff satisfaction. In his book, "Performance partners" Tony Moglia (1997), gave a brief questionnaire to ask where the manager is by asking, such as, whether the employees know what their written goals are, or whether the employees know how to achieve those goals. In this short questionnaire, the main purpose was to determine where the organization/manager stands in the performance management system. Questions asked in the survey were the modified version of this questionnaire (See Appendix 1).

Questions were divided into 4 parts- 1) measuring the understanding of goal setting and alignment with organizational goals, 2) measuring perception of self-appraisal process, 3) measuring satisfaction with the manager and KPI setting process, 4) measuring the overall satisfaction and expectations regarding the alignment of performance appraisal results.

In measuring the understanding of goal setting and alignment with organizational goals part the main purpose was to understand whether both old and new staff members could understand the purpose and goal-setting section of the performance appraisal process. To measure these questions 2-4 were asked (See Appendix 2). According to Pakdil et al. (2016), it is important to set goals and it should be done *with* the employee. It helps to give direction to both employees and the manager for further process. Consequently, goals help to measure the behavior done by the employee and it can affect employees in future decisions, positively and negatively. Moglia (1997), believes that the key to success is when there is a proper map to that. People are not interested in telling them what to do, rather they want to see clear goals (Herholdt, 2012). Thus, it was important to check the perception level of ADA University employees regarding goal setting.

Measuring perception of the self-appraisal process was asked as an additional question, according to Moglia (1997), since, the employees should appraise themselves in front of their goals and send them to their managers for their approval. To measure these questions 5-8 were prepared (see Appendix 2). For such a system to work there are some background issues to fix that is needed, which will be discussed further.

The part of measuring satisfaction with the manager and KPI setting process was asked to old staff to get their satisfaction level from the previous PA system. To measure this, questions 9-12 were asked (see Appendix 2). New staff members were asked the question in a way that to get whether they understand this stage and expectations are there with the restructured PA system. Moglia (1997) describes the SMART way of setting goals, and in the survey questions were designed to address whether there was a problem with KPI understanding or not.

In measuring the overall satisfaction and expectations regarding the alignment of performance appraisal results part, the most complex but crucial part of the performance management system questions was asked. The questions were 13-20 and 21 as a recommendation box (see Appendix 2). Aim of these questions was for old staff members to check their satisfaction level with previous alignment issues, for the new staff member to measure their expectations with a restructured PA system. Without consequences, it is useless to appraise an employee (Bussin, 2017). Also, the feedback system as an inevitable part of the system was asked, since it is in the above-mentioned literature always being emphasized that the appraisal should be continuous and the manager should involve in more feedback sessions (Dr, M. B. 2017; Bussin, 2010).

While surveys can help to gather quantitative data and numbers speak, it is also necessary to speak to managers to see the main picture from their side and assess their readiness for the PA system. For this, 5 managers who did not fill the survey will be asked to meet via video conferencing for 20-30 minute short interviews. The interview questions were taken from the book "Performance partners" book by Tony Moglia (1997). Questions for an interview will be asked in a chain that sticks to the PA system process. This way of interviewing helps to control the whole process and avoid random chaotic data collection for better results. First, the readiness of the manager will be asked, by this the initial perception and overall approach towards the appraisal system of the manager will be examined. Secondly, the KPI setting and delivery phase will be asked to the manager. This second stage of the questions is asked to get the overall understanding of the manager in setting goals, whether the manager can set goals in a SMART way or not. Setting goals is not just enough, hence, the alignment process of the goal-setting will be examined during the interview (Pakdil, 2016). Thirdly, questions will be asked to know the readiness of the manager on performance feedback sessions. According to Moglia (1997) and Gordon (2011) managers are mostly hesitant of giving feedback to poor performers or have a communication problem in general, in the ADA University case as well I need to know such

delivery gaps. The last part of the interview with the manager will consist of the post appraisal processes. The aim of this part is basically to know the manager's approach towards remunerating and motivating employees (Moglia, 1997). Managers themselves also are expected to answer these questions regarding their promotion/pay raise/other motivational stuff. The answers got from these questions are used for the recommendation part of the paper.

Besides interviewing managers, it is also important to know who delivered and is going to deliver the system after all. Thus, COO R. Samadova and HR representative G. Safarova were met several times to get more insights and to strengthen arguments.

### 4.3. Quantitative analysis

This part of the paper is dedicated to the pre-analysis of the surveys which were generated in R studio. 20 questions for the staff with more than 3 years and another 20 questions were asked to the staff members with less than 3 years. Below parts will give more insights with the data.

#### 4.3.1. Summary of statistics

For the staff members with more than 3 years' experience at ADA University questions were asked in a different survey to see their satisfaction with the previous PA system. After running a descriptive statistics analysis measures of central tendency: mean, median, and variance (standard deviation) outcomes were skimmed and most relevant nuances are highlighted for further findings part.

Central tendency represents a center point or standard value of the dataset. It is inevitable that in the survey there will be the habit of clustering data around a middle point. For statistics, the mean, median, and mode are the three most common central trend variables. Each of those measurements uses a different approach to quantify the central point position. To get more valuable statistical outcomes only the mean and median were used.

### 4.3.2. Hypothesizes

Hypothesizes in this paper are designed to challenge research questions. Moreover, survey results would help to test those hypotheses to find the link between PA and perception, satisfaction, PA alignment, and other variables. The testing will take the assumption that the population mean ( $\mu$ ) is higher than or equal to 51% ( $\mu \geq 51\%$ ). This will be the null hypothesis, the alternative will be considered as false controversial results ( $\mu \leq 51\%$ ). The survey was sent to 161 members with 20 questions in each (experience with  $\pm 3$  years). Each question had its planned purpose for the research. The links between several variables are needed to be checked. In this, 6 hypothesizes are developed:

*H1: All staff members think that the PA system is needed and it should be a continuous process.*

This hypothesis is developed to check the perception regarding the PA system and the expectations overall. All staff members are required to answer this survey question and it is needed to develop the PA system on positive outlooks.

*H2: Staff members with more than 3 years' experience are satisfied with the previous PA system, thus no radical changes needed.*

Here, the main purpose is to test whether the PA system needs to be developed from scratch or it needs some reboot issues to work again. Staff members, those who experienced the system, are the key people to give the key answer regarding their satisfaction which would help to develop recommendations based on those findings.

*H3: Staff members think that it is better to set self-tasks and self-evaluate rather than manager doing it by himself.*

The main purpose of this hypothesis is to check the perception regarding the self-task setting and self-evaluation afterward. Since in the previous PA documents it was mentioned only by the evaluation side. Then a question appears that whether it is the right manager to set tasks and employees evaluate those tasks, or it is better to have all on the hands of employees. As a

crucial and complex part of the PA system, not all companies are using this type of evaluation. Thus, it was needed to be checked with ADA University staff members as well.

*H4: Staff members need to be properly briefed before and after the assessment process*

This is needed to check the level of readiness both for how to do assessments and to develop a PDP plan afterward. Here, questions regarding manager's and employee's way of setting goals are considered, as well as, the readiness for training is going to be checked.

*H5: Staff members expect to see the PA alignment with the reward system.*

As discusses a lot throughout the paper, employees want to see the tangible and intangible results at the end of the assessment period. Here, it is expected that staff members with more than 3 years' experience would appreciate this question, meanwhile, staff members with less than 3 years' experience would show more of motivational expectations.

*H6: Staff members think that feedback sessions are an important part of the PA system*

This hypothesis is developed to check the manager-employee relationship, in fact, no matter there is the PA process is going on or not. Interviews made with staff directors showed that there were specific problems with the HR department and other departments. Also, with this hypothesis, it would be possible to measure the readiness of staff members to be evaluated, and more insights can be developed for further findings and recommendations.

#### 4.3.3. Regression

Regression analysis is used as a powerful statistical method to examine the relationship between two or more variables as which, we will refer to the research questions (Wilson, et al., 2006). Although there are many types of regression analysis, there is only one purpose to examine the influence of one or more independent variables on a given dependent variable. The given survey already included questions that address all the independent variables that would give answers to tested hypotheses to answer research questions.

The p-values would help to determine if the relationships observed in the survey sample are also present in the whole staff. For each independent variable, the p-value tests the null

hypothesis that there is no correlation between the variable and the dependent variable. In other words, inadequate data exist to examine hypotheses regarding PA system. If the p-value for a variable that is tested is less than a given level of significance, my sample data will provide sufficient evidence for the staff to reject the null hypothesis. On the other hand, a p-value that is higher than the point of significance suggests that the quantitative survey provides inadequate data to assume that a non-zero correlation occurs.

The regression coefficient sign ( $R^2$ ) will show that the dependent variable occurs a positive or a negative association with each independent variable. A positive coefficient indicates that the mean of the dependent variable also tends to increase, as the value of the independent variable increases. According to Wilson, et al. (2012), the model must fulfill the seven basic principles of OLS linear regression to achieve reliable parameter estimates that have the least variance, and to be able to trust the p-values:

- The regression model is linear in the coefficients and the error term
- The error term has a population mean of zero
- All independent variables are uncorrelated with the error term
- Observations of the error term are uncorrelated with each other
- The error term has a constant variance (no heteroscedasticity)
- No independent variable is a perfect linear function of other explanatory variables
- The error term is normally distributed

In the ADA University case as a consultant, I suggest a hypothesis that one factor, whether or not they can control that factor, affects a portion of the organization, suggests a regression analysis to determine how confident I should be in those above written hypotheses. This will allow us to make more well-versed decisions for the PA system, more efficiently distribute resources, and ultimately boost the system to operate.

## Conclusion

2 methods are used to gather information for further analysis: both quantitative and qualitative approaches are used. The survey, Likert-5 scale questionnaire, was conducted to see the overall satisfaction and expectations of staff members regarding the performance appraisal system. Moreover, as qualitative method managers are interviewed to see more of the strategic sides of the appraisal system, besides it was conducted to assess the readiness and acceptance by managers. Additional to such interviews, HR representatives are met several times to dive into the problem and work together for better results. Research tools are used anonymously, and a promise for non-disclosure is made. Hypotheses developed in a way to challenge research objectives. 6 hypotheses are there addressing different problems of the PA system at ADA University. Hypotheses planned to be tested considering central tendency statistical outcomes. As well as, regression made to test the links that were addressed in hypotheses. All the researched tools are developed in a way that research objectives will be answered and findings will be used for well-written recommendations. All the errors should be considered and need to be clarified while the variables impact each other in different ways.

## 5. Analysis

### 5.1. Assessment of previous PA documents of ADA University

Interview with HR representative Gulnara Safarova:

The main purpose of the interview was to gather information from G. Safarova to know the exact role of HR in the performance appraisal system which was run from 2010-2016. She helped to see the organizational picture, explaining the whole culture at ADA University. Also, she shared the documents which were related to the previous performance appraisal system. Overall, 6 documents were planned to appraise employees in different stages. Also, 1 more document is displayed as a manual. Documents included:

Performance Appraisal Manuals:

## ADA PA Manual

Performance Appraisal documents:

1. Self Performance Appraisal Form
2. Managers' Appraisal Form
3. Top-down Appraisal Form
4. Result Agreement Form
5. PDP Agreement Form
6. Annual Appraisal Form

All the above-mentioned documents demonstrate the stages of the Performance Appraisal system in general. Nonetheless, because it was on paper when it was first presented, the failure of creating culture through many papers is hard, as most of the time is spent explaining the documents and guide almost everyone to fill the documents within tight deadlines. The manual was distributed to explain all the process. This guideline is for ADA University staff members. It aims to help meet the Performance Evaluation Process requirements. The Performance Appraisal Manual provides structure and guidance to build trust in, and enhance employees' ability to support their recommendations/decisions or administrative actions. Then, each document is explained within the manual step by step by the given figure:



*Figure 6. Performance Appraisal Process in ADA University, 2010-2016 (Source: ADA University PA Manual, 2013)*

#### Step 1: The Self-Appraisal and Managers' Appraisal

It was shown in the manual that the employee had to complete and submit a self-assessment form to his / her supervisor. Self-assessments should include specific examples and descriptions of the accomplishments and challenges of the staff member, along with any training and development opportunities that they wish to complete in the upcoming review period. Supervisors may use the Self-Appraisal Method to plan the final evaluation of their results. The staff member must also complete the assessment of his / her direct supervisor (referred to as Manager's Appraisal) and submit it to HR. Each member of staff had to sign and submit to HR the Self-Appraisal Form and the Managers' Appraisal Form individually. Also, it was mentioned that confidentiality is kept by the HR department.

This step is highly appreciated by several researchers, such as Keese, 2010. No one knows the job better than the employee, thus, the employee in the very first stage is expected to write down the evaluation of the tasks and submit to the manager (Keese, 2010). Nonetheless, the organizational goals must be communicated beforehand, so that, employees could understand

what kind of tasks were waiting for him/her. In this, managers play a huge role, their responsibility is to check the tasks and adjust them to the organizational goals. From the interview with several managers and the COO, it came out that this part of the appraisal lacked readiness and culture adoption. Also, staff members lacked the training to be communicated and get ready for the filling process. Manager's Appraisal and its confidentiality part is highly respected since staff members and HR should act here together for better results in an anonymous way. Managers were appraised 180 degrees by their employees and submitted to the HR department. Though, interviewed directors/managers mentioned that it did not work in this way and everything was taken as simple as possible. Employees were communicated by their manager/director what kind of tasks were there for the next period and after a year they met to discuss the final results.

#### Step 2: Appraisal from the top down

In the manual, it was shown that each manager must evaluate his / her respective team member(s) in the three dimensions that follow:

- Results Assessment: here the results agreed at the first stage will be formally evaluated and the performance sub-scores allocated for each member of staff;
- Behavioral assessment: here the soft and hard competencies of the staff will be evaluated and sub-scores of performance assigned to each staff member;
- Development Action Assessment: here the progress achieved by each member of staff in implementing the agreed development activities will be assessed and the performance sub-scores allocated to each member of staff.

Top-down Appraisal Form must be signed and submitted to HR by each Department Director or Dean individually.

These dimensions are used to prepare the appraisal competencies part, and then for evaluation. According to Watson and Hill (2009), employees should be evaluated from different dimensions, such as behaviors and traits. In this, competencies must be there. A research that was conducted

by the University of Michigan Business School and sponsored by the Society for Human Resource Management (SHRM) and the Global Consulting Alliance determined five key areas that bring success, among them personal contribution as result and behavior were the main ones (Arthur, 2001). ADA University, had competencies with relevant grading in Manager's Appraisal, as well in the Top-down Appraisal form where it was mentioned that not the expectations from the staff member are evaluated but the specific job. However, it should be mentioned that for ADA University managers did not pass any readiness training and there were lacking communications throughout the year. All interviewed managers mentioned that communication was expected from the HR side, but unfortunately, HR participated only in the beginning and in the final assessment, not having a tracking process.

### Step 3: Objective setting

Manual shows that once the formal assessment has been completed, discussed, and agreed between each member of staff and their respective managers, the latter will develop the Results Agreement and the Development Action Agreement in consultation with the former to be pursued by their respective staff members before. In doing so, each manager needs to define 3-5 most important outcomes as well as the development actions that the member of staff agrees to pursue during the next period. Upon done, each Department Head or Dean must personally sign and send this form to HR. It was expected that the Result Agreement Form and Professional Development Plan Form must be signed by both the member of staff and the manager and forwarded separately to HR by each Department Director or Dean.

ADA University did this step for the next period, wherein the manual it is highly recommended that SMART goal objectives and KPI setting are preferred. All competencies, ratings, time-bound samples were given. Nonetheless, it was mentioned how the managers and staff members will get to know the strategic goals, what kind of training is needed. Interviewed managers also during their interviews did not mention how they were setting goals- all interviews knew what

SMART goal setting was, yet, what they needed to know was the strategic alignment that had to be communicated by the HR department.

#### Step 4: Review and approval

The manual concludes the process with the point that the Rector must review all the reports and discuss them with the corresponding Vice-Rectors, and then decide. Once approved, the respective HR actions shall take effect for a month following approval immediately. The prior PA will be revised and checked again in the next cycle, including the Results Agreement and Development Action Agreement. Any HR decisions shall be announced at a later stage at that point.

The review period is the hardest side of the PA process, since here the best and poor performers are needed to be communicated, some actions are needed to be taken (HR Focus, 2007). Staff members are waiting for this period with anxiety which needs to be seized by the managers. The manual explains the link with assessment and development, besides, development and reward system. As from the manual, it is understood that successful completion of PDP results in rewards, such as promotion, salary increase, bonus, and others. Nonetheless, in the real context, it was not communicated properly, thus each employee almost waited for such rewards, according to the interviewed managers.

## 5.2. Automated system and PA at ADA University

By the end of 2015, the ADA University IT team came with the solution of automation of PA hard copy documents and creating a platform where each employee from their cabinets can fill the documents, and managers can do appraisals. The problem was with the navigation and less interactivity, according to G. Safarova. In 2015 they started the first online appraisal and tested in 7 departments with a limited number of participants (20 out of 150):

1. Admission
2. School of Education

3. Alumni Relations
4. Career Management Center
5. Center for Excellence on EU Studies
6. Information Technologies
7. Office of International Affairs

Unfortunately, the system could not be tested fully, and in 2016 the PA process stopped for about 3 years. Automated systems are always better than hard copies (Tobenkin, 2019). Since the PA process stopped, the progress with the automated system could not be tracked accurately. Thus, the system remained partially checked and tested.

### 5.3. Interviews

Interviews were made to assess the satisfaction level of managers with the previous PA system and readiness of managers regarding the PA process. Besides, continuous series for interviews were made with the HR representative, Gulnara Safarova, to deep dive into the problems regarding the system, perception of the whole staff.

4 managers met in a week about 20-30 min to get their ideas based on specific questions. Each question carried a link with the PA process while asking to give examples from the previous PA system.

Interviews made with:

Rovshana Samadova- COO, helped to assess the problems;

Elchin Mammadov-Director of Library and Information Services helped to see both operational and managerial position;

Gulnur Ismayil- Director of Student Services and Alumni, helped to see the managerial position with strategic approaches;

Gunay Ziyadova- Director of Admissions and Students records.

### 5.3.1. Interview with Elchin Mammadov

Elchin Mammadov, Director of Library and Information Services was positive regarding the PA system in general. He mentioned that as a result of the PA system he got a promotion to the position of Director. He was experienced in appraisal both as an employee and as a director. He mentioned that it was a good experience to know how to do an appraisal for subordinates since he was appraised one before. During the interview, E. Mammadov described positive and negative sides of the previous system:

Positive sides- It was better to have a system rather than not having since it was possible to establish arguments against subordinates' questions. It was transparent and none of the external intervention was observed. As an alignment to the reward system, there was a possibility to assess employees and link their results to the training programs and promotions. E. Mammadov emphasized that objectivity was another crucial point that he experienced in the system.

Negative sides- Nevertheless, E.Mammadov pointed out several moments that were lacking in the whole PA process. The very first point was that it stopped suddenly and the expectations (hopes) of some employees were cut. There was a confusing decision in reestablishing the PA system in 2019, which did not cover the whole staff and again raised questions. He emphasized that the absence of the PA system could lead to staff rest assurance. The absence of the PA system creates the image of not appraising then no need for more efforts. Thus, the frequency of the system should be discussed.

E. Mammadov is the director who is for the PA system since he believed it helps to set discipline, while it should be transparent and open to discussions. He shared his appraisal approach as well, where he mentioned about being open and discussing every detail to the employee, and explaining the alignment to the reward system. Additionally, he believed that the automated system would work more efficiently since hard copies took time. He believed that if the employee is communicated about his/her performance, and if the employee is given the

chance to go to training, get rewards, or at least know what is expected from him/her it makes the work more productive.

To sum up, E. Mammadov was positive about the PA system reestablishment and made his final thoughts on this. His role was supporting and he was ready to communicate and deliver the PA process.

### 5.3.2. Interview with Gulnur Ismayil-Director of Student Services and Alumni

Gulnur Ismayil, being the director for this position for more than 5 years and being the closest person to the students regarding their career services helped with her thoughts regarding the previous PA system and offered some solutions at the end of the interview.

G. Ismayil was asked to name the positive sides of the previous PA system: She highlighted that the motivation side of the system was the main part to mention since it motivated employees from goals achievement sides. Also, it made it possible for her to refer to real results when it was asked to give explanations for some actions towards employees. Another point was the responsibility it created in employees, as they knew that at the end of some period they would be assessed.

Nonetheless, she mentioned the drawbacks of the previous system where she highlighted the KPI setting problems. She called it disproportioned and unmeasurable sometimes, since not every manager get the same quality level of goals. Also, she called the system confusing and long with the paper loads. It took approximately 3 months to appraise last year, submit, communicate, and then set new goals, which was called not effective. The alignment with the reward system was not clear in real context despite it was mentioned clearly in the PA Manual.

G. Ismayil saw the problem on the HR side since the HR department was not operating as a strategic one, rather an operational department due to a small team (only 3 members). Also, it seemed that the HR department was unaware of each position, which was a common mistake in every organization. Moreover, during the PA process HR's support was lacking. It was expected

for them to push the process throughout the year, however, they turned to the staff only 3-4 times for gathering the documents.

The alignment problems were more described by G.Ismayil since she claimed it was a crucial part of the system. She mentioned that, although there was a Grading system, the explanation of the system and alignment with the PA system was not clear. It was unclear where the employee was fitting, moreover, competencies were not written properly. Additional to this problem, PDP was uncontrolled and the relevance of PDP to the results had to be there.

G.Ismayil drew attention to the pandemic situation since it made global HR and organizational management teams change their organizational structure towards operations. Besides, the new generation demands new approaches, new standards in appraisals, and reward systems. Thus, it would be better to address their demands while reestablishing the PA system. She mentioned that job descriptions were lacking to be used in routine goal setting, and it creates a room to look through the starting point. Also, industrial changes and overall situations should be considered and best practices from all over the world could be applied for a better operating system.

### 5.3.3. Interview with Rovshana Samadova, COO

Interview with Rovshana Samadova helped to look to the problem from a strategic view of point and get a bird sight look since she is part of and close to the top management team. During the interview, R.Samadova mentioned the drawbacks of the PA system is stopped. She explained it with budget problems which made lay off of PA operator, and then every decision making which would come from PA got frozen. She named several processes that affected due to the pandemic issue as well. The overall strategic decisions and operations related to them frozen, as well as all projects with HR, stopped.

While asking the drawbacks of the previous PA system, R.Samadova mentioned the KPI setting process as other directors did. She explained in a way that KPIs should be just about the job description, they should consist of alignment with strategic goals and communicate properly.

It was lacking in the previous system, she highlighted. Each employee deserved to be met by his/her manager and communicated about what is expected and how to do it.

Alignment with the reward system was there, however, it purely depended on the budget and manager's last decision. PDP was supported and training/learning opportunities were highly appreciated.

R.Samadova also brought the argument that the staff members are young and their demands are different. In terms of a feedback culture, it should be considered and certain steps should be taken. R.Samadova wanted to see a workplace where everyone is open, goals are transparent, expectations are well communicated, and results are convenient, wherefrom top-to-bottom alignments were considered.

Overall, during the interview R.Samadova by naming several challenges seemed still positive in reestablishing the PA system, as she emphasized the beneficial sides of the system. Yet, she named ERP system problems and its small tested area which did not help to come up to a conclusion of whether the system worked or not. She wanted a system that would make staff members' work-life easier-user friendly, nice dashboards, progress reports, and easy alignments.

#### 5.3.4. Interview with Gunay Ziyadova- Director of Admissions and Students records

Gunay Ziyadova, being the director of a department dealing with the admission of the students till their graduation is the closest one to the student life. Her inputs were important regarding the issues with the current situation which came from the previous PA system. She mentioned that employees are in a bit of uncertainty about their careers since there is no evaluation process. This uncertainty continues with the promotion and pays raise of employees, which they see the problem in their directors/managers. PA system enables the fact of giving sufficient arguments when there are questions regarding such mentioned points.

G.Ziyadova thinks that the main problem was the HR not being strategic but rather operational at ADA University. She emphasized that the business is mainly focused on student and faculty

admission, which is the core service. Thus, the HR team was small, and not capable of doing the PA process till the end despite they had the experience.

She mentioned that the PA process had positive sides, such as motivating employees, having a process, yet it lacked being in a chain of alignment with strategic goals. She discussed the KPI setting issue, in which she was part of once. G.Ziyadova told me that she lacked KPI setting as she never had any experience before and the need for training was obvious. The employees as well did not know what to do with those goals. The shocking fact was that as a director she only once set KPIs and at the end of that year, no appraisal was there. Moreover, she claimed that the goal-setting was not top-to-down. She also discussed the job descriptions needed to be updated to refer to them for the KPI setting. Most importantly, the job descriptions should be aligned with strategic goals as well.

Overall, she was positive in a PA system which should be aligned to strategic goals and rewards. In her opinion, HR should be given the position of doing PA in a way that every point would be clearer to everyone.

#### 5.3.5. Interview with Gulnara Safarova-HR representative

Interview with Gulnara Safarova was dedicated to seeing the problematic issues of the previous PA system and to get acknowledged with the expectations of reestablished one. The interview began with the questions of why the system stopped, what were the drawbacks, what was the overall situation at ADA University, and what kind of issues needed to be highlighted.

G. Safarova mentioned that job description needed to be changed before the system reestablished since managers were relying on the task importance of the employees while setting the goals. Now, it seemed a problematic issue, and HR had to change and adapt all job descriptions.

It was mentioned that previous PA documents were written but did not work until the end, as there were 6 different papers. Before it was a hard copy that everyone needed to fill and submit, which impossible to predict the workload of HR. After the automation of the PA system,

it was impossible to track the responsiveness since it applied to only 7 departments with less than 30 employees. G. Safarova saw the solution in changing the PA documents from scratch and adapt them to new standards.

Another issue that was discussed during the interview was the managers' ability to set goals that were aligned with strategic ones. G. Safarova, as well as R.Samadova, were partially optimistic in this, and they both offered searching specific programs for managers to set KPIs. G.Safarova saw the solution in coaching sessions which had never been experienced in those terms.

The uncertainty in the frequency of the PA system was emphasized by G.Safarova. According to her, the previous PA system was done on a fiscal year basis, but the academic year basis was open to discussion as well. Also, the review sessions were unclear, since it was done twice a year it seemed ineffective, thus, the review session frequency was open to the discussion too.

G.Safarova was unsure about the perception level of PA in staff members. She named her concern that all staff members, specifically the new staff after the PA system stopped need fixation training sessions to understand the KPIs, appraisal methods, appraisal alignments so that no unclear points would be there. It also brought the issue of getting ready for reviews and feedbacks, which covered the whole staff led by managers.

## 5.4. Summary statistics

### 5.4.1. Introduction

This part of the paper is dedicated to the statistical observations from the survey filled by ADA University staff members. Staff members were divided by their experience while filling the survey, thus, their reviews are described in two parts. Overall, 48 responses were collected out of potential 161 responses. In this analysis part, only the remarkable points are being discussed. Those important visible points are described in detail in order to support the hypothesis afterward.

### 5.4.2. Experience of the staff members

The survey was designed based on the previous PA system experiences of staff members with 3 and more years to measure the satisfaction level. As the PA system stopped in 2016, it was expected from the employees who joined after that period to fill the expectations survey. In total, 6 of the respondents are just started, 15 have experience of 1-3 years, 7 have 3 years, 10 have 3-5 years, and 10 respondents have experience of more than 10 years. Below, the percentages in the pie chart are given:

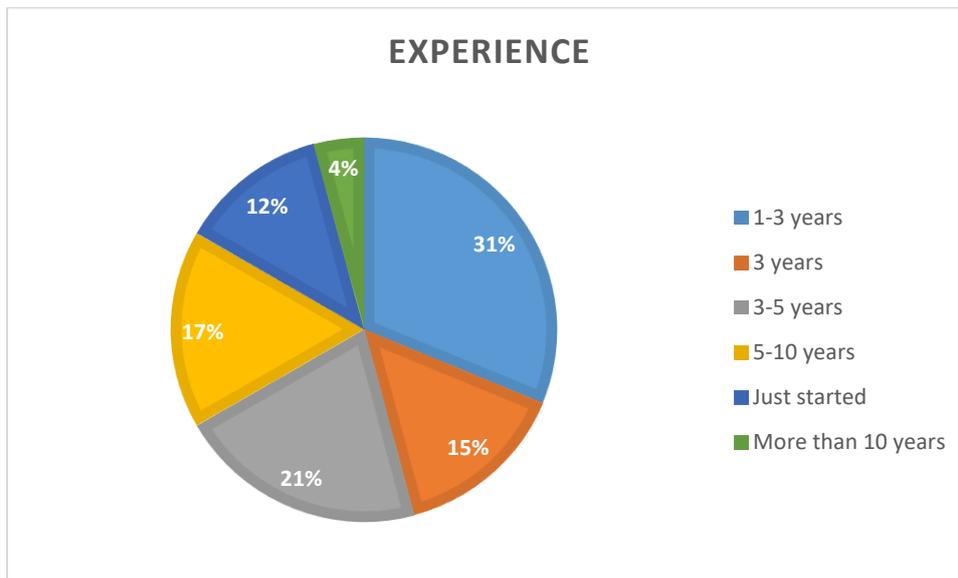


Figure 7. Survey results. ADA University staff members' experiences by years and percentages

### 5.4.3. Box-whisker analysis

#### 5.4.3.1. For staff members who have experienced PA system at ADA University

Here the remarkable observations are discussed based on the below visual analysis:

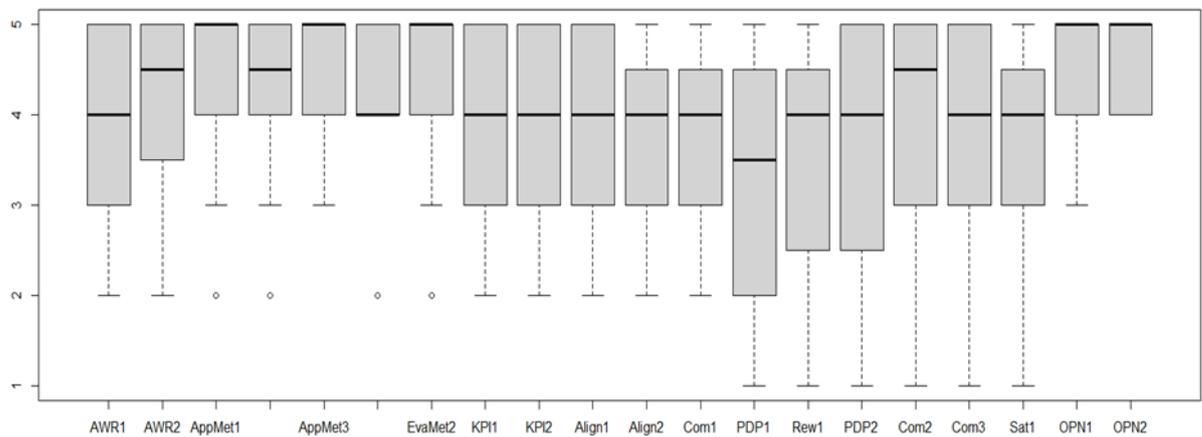


Figure 8. Box-whisker analysis of staff members.

As seen from the figure, there are short coded names for each survey and as continue each will be explained.

First of all, there is a need to emphasize that questions "Self-evaluation style of appraisal is an important part of the performance appraisal period"(EvaMet1) with median 4 and "I think PA should have an interactive dashboard" (OPN2) with median 5 have respondents with agreeing and agree with answers. From the responses, it can be assumed that the whole population is positive about the self-evaluation method and interactive automated systems. Additionally, "I think PA must be a continuous process" (OPN1) has 75% of the respondents agreeing with the question with a median of 5 and helps to make positive assumptions for further recommendations.

Nevertheless, there is some uncertainty with the question of "I got training after the performance appraisal process" (PDP1) which had a median of 3.5 and 25% of respondents disagreeing. It shows the gap of training aligned with the previous PA system.

Also, PDP2, the question of "I got promotion after performance appraisal process" has a median of 4, where lower part-25% of respondents disagreeing on getting promoted as a result of a PA system of 50% of respondents who never got a promotion (50% got a promotion).

Another point to discuss is the question "My manager gave me feedbacks before and after performance appraisal process" (Com2) with a median 4.5 and the maximum point in the third

quartile is the same. Here 25% of the respondents strongly agreed with the given question. However, 75% of the respondents either did not get feedback at all or did not know what the point of the question was.

Concluding, it is remarkable that the majority of the given questions/variables had the same lower points with the third quartile. These lower points mean that 25% of the respondents agreed with other given 14 questions, helping to move with positive results.

5.4.3.2. For staff members who joined ADA University after the PA system stopped

While analyzing the figure, it mostly came out that people working with less than 3 years at ADA had radical responses which represented below:

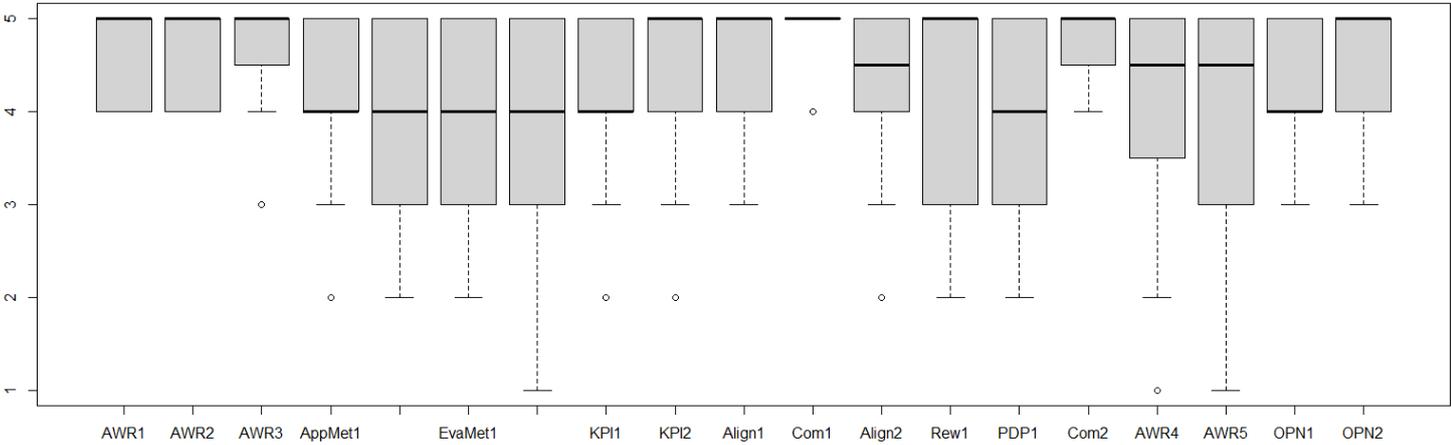


Figure 9. Box-whisker analysis of staff members.

To begin with, it should be mentioned that AWR1, the question covering the understanding of what the PA process was at the same level. It means that the whole population is positive about the PA system. In all questions, 25% of the respondents strongly agreed with the given questions and it would help to assume that the whole population is for the PA system. Whereas 75% of the respondents were either indifferent or just agree.

Attention to the remarkable point with Com1, the question "I need to see my gaps from the performance appraisal process" helped to see the gap in overall processes. It shows the problem of not having a proper communication system which can be expected from the rebooted PA system.

The question of "Self-evaluation will allow me to evaluate myself accurately" (EvaMet2) has a dataset of 25% of respondents disagree or strongly disagree. It shows that respondents either did not get the question in the right way, or they did not understand the value of the self-evaluation as staff members with more than 3 years' experience did.

The observation of the question "I was given feedback sessions in my previous workplace(s)" (AWR5) had an unexpected response rate with a median of 4.5 but 25% of the respondents never getting feedback sessions at all. It can be assumed that those respondents just started their careers at ADA University as their first workplace or never experienced feedback sessions in their workplaces.

#### 5.4.4. Hypothesis testing

In this part of the paper, I will briefly discuss the hypothesis testing and the findings. The hypothesis testing was examined based on the 6 claims which are rooted in the 6 steps of the PA system, which are awareness/satisfaction, evaluation methods, alignment with rewards, communication, feedback, and continuity of the appraisal system. The method used is hypostasizing the population mean based on the sample obtained for each of the 6 respective questions/variables. The null hypothesis and alternative hypothesize are the same, as the questionnaire was a Likert-5 scale where 4 was "agree". Thus, regardless of the sample mean the null hypothesis is referred to as the population means being greater than 4 ( $\mu \geq 4$ ). The alternative hypothesis is referred to as  $\mu < 4$ . The level of significance is 0.05, the same for every test. Below is the hypothesizes list tested:

*H1: All staff members think that the PA system is needed and it should be a continuous process;*

*H2: Staff members with more than 3 years' experience are satisfied with the previous PA system, thus no radical changes needed;*

*H3: Staff members think that it is better to set self-tasks and self-evaluate rather than manager doing it by himself;*

*H4: Staff members need to be properly briefed before and after the assessment process;*

*H5: Staff members expect to see the PA alignment with reward system;*

*H6: Staff members think that feedback sessions are an important part of the PA system.*

The sample means, standard deviation, level of dispersion, and the central tendency vary across the hypothesis, which means maybe that there was some subjectivity of the respondents, or reluctance to fill the survey fully. In fact, with surveys, this notion happens a lot. Below is the table from the hypothesis testing;

Hypothesis ID	Null Hypothesis	Alt Hypothesis	Alpha	Sample Mean	Sample St.Dev.	Z Value	Norm. Probability	Outcome
H1	$\mu \geq 4$	$\mu < 4$	0.05	4.65	0.6	-1.08	0.1401	Do Not Reject H0
H2	$\mu \geq 4$	$\mu < 4$	0.05	3.6	1.19	0.34	0.6331	Do Not Reject H0
H3	$\mu \geq 4$	$\mu < 4$	0.05	4.1	1	-0.1	0.4602	Do Not Reject H0
H4	$\mu \geq 4$	$\mu < 4$	0.05	4.46	0.77	-0.6	0.2743	Do Not Reject H0
H5	$\mu \geq 4$	$\mu < 4$	0.05	3.9	1.19	0.08	0.5319	Do Not Reject H0
H6	$\mu \geq 4$	$\mu < 4$	0.05	4.38	1.06	-0.36	0.3594	Do Not Reject H0

*Table 2. Hypothesis testing results*

The table shows the outcomes of hypothesis testing. Columns presented show the steps to go with the test. Firstly, the calculation of z-value is according to the mean tested in the null hypothesis and sample standard deviation. It gave the distance from the mean in a standard normal distribution. As an outcome all of the normalized probabilities are greater than the level of significance, thus "do not reject" any of the hypotheses.

This test shows that there is a positive atmosphere regarding the PA system, however, this is just an estimation of the area of the bell shape of the distribution. Here, the outcomes show that the probabilities varied from 14% to 63%. As seen from the table, all staff members with 14% of probability think that the PA system is needed and it should continuous process, which is greater than the level of significance, but it is still low. This leads to the conclusion that responses collected for the hypostasized question were either not promising, or biased/subjective. This comment may also relate to H3-staff members thinking that it is better to set self-tasks and self-evaluate rather than manager, H4-staff members demanding to be properly briefed before and after the assessment process, and H6-staff members thinking that feedback sessions are the important part of PA system as well. With the probability greater than 50% it can be claimed that

H2-staff members with more than 3 years' experience were being satisfied with the previous PA system and H5- staff members expecting to see the PA alignment with the reward system show the high level of expectations of the staff members. These satisfaction test with previous PA system and expectations with reestablished one would help to give recommendations on those problematic areas with more selected approaches.

#### 5.4.5. Regression model analysis

The purpose of the Regression Model is to add incremental value to the assessment of the survey and the appropriateness of conclusions. Among 20 (and 1 recommendation part) survey questions, a dependent (output variable) selected to represent the sample. This output variable refers to the question AWR2 for staff members who had to experience the PA system at ADA University, and AWR3 for staff members who joined later. Both questions seek awareness of the staff members regarding the PA system and had a five-degree Likert Scale response (Strongly Disagree – Strongly Agree). The dependent variable is regressed as a first stage through the entire rest of the dataset. This is achieved to determine the most relevant independent variables. Faced with the p-value significance and variability predictor, the study should discuss the flow of behavior the model undertakes and the respective outputs: F-test t-statistics. The description of this preliminary test model is provided here.

As seen from the results, this type of test challenged the study with radical overfitting patterns. Because of the high volume of independent variables both R2 and Adj. R2 values are overestimated being equal to 1 for both. The p-value in turn is very high too, reaching the 4.46 marks. The model has got approx. 10% error rate. At 4.46, 10 percent error and model p-value are highly important. These statistics do not represent a true outcome. Nonetheless, even though this model was over-fitted, it might have deceived the reader if the variables (questions) complexities were unknown.

<b>model=lm(AWR2~.,data = oldstaff)</b>				
Residuals:				
Min	1Q	Median	3Q	Max
-1.1551	-0.3544	0.1048	0.2586	0.8632
	<b>Estimate</b>	<b>Std. Error</b>	<b>t value</b>	<b>Pr(&gt; t )</b>
(Intercept)	1.539	6.525	2.358	2.7
AWR1	8.7E-01	7.2E-16	1.2E+15	5.3E-16
AppMet1	-2.2E+00	6.0E-15	-3.6E+14	1.8E-15
AppMet2	-1.6E+00	4.3E-15	-3.8E+14	1.7E-15
AppMet3	-2.6E+00	1.1E-14	-2.4E+14	2.7E-15
EvaMet1	2.5E+00	6.4E-15	3.8E+14	1.7E-15
EvaMet2	-1.2E-01	3.3E-15	-3.6E+13	1.8E-14
KPI1	1.9E+00	5.3E-15	3.5E+14	1.8E-15
KPI2	-3.8E+00	1.9E-14	-2.0E+14	3.2E-15
Align1	3.9E+00	1.5E-14	2.5E+14	2.5E-15
Align2	-4.3E-01	4.9E-16	-8.8E+14	7.2E-16
Com1	-1.0E+00	3.6E-15	-2.8E+14	2.3E-15
PDP1	4.2E-01	3.9E-15	1.1E+14	5.9E-15
Rew1	-1.3E+00	4.1E-15	-3.2E+14	2.0E-15
PDP2	6.6E-01	2.1E-15	3.1E+14	2.0E-15
Com2	1.2E+00	4.3E-15	2.7E+14	2.3E-15
Com3	-1.6E+00	6.6E-15	-2.4E+14	2.7E-15
Sat1	2.0E+00	6.1E-15	3.3E+14	1.9E-15
OPN1	-7.9E-01	4.7E-15	-1.7E+14	3.8E-15
OPN2	-0.090115	0.058396	-1.543	0.1318
<b>Residual standard error: 5.551e-16 on 1 degrees of freedom</b>				
<b>Multiple R-squared:1, Adjusted R-squared:1</b>				
<b>F-statistic: 3.101e+30 on 18 and 1 DF, p-value: 4.469e-16</b>				

*Table 3. Preliminary model for the staff members those experienced previous PA system*

Many independent variables have t-stat as negative varying from -1 to -8. Then we choose the variables with comparatively lower p-values and higher t-states to build our updated model, which implies a better interpretation of changes in our dependent variable over the observations. This method requires the addition and subtraction of many independent variables from the model before an acceptable outcome is achieved. As a result, 3 independent variables were chosen. The following ones are EvaMet1, KPI1, and Com2. The result was as follows:

model1=lm(formula = AWR2 ~ EvaMet1 + KPI1 + Com2, data = oldstaff)					Conf. Interval	2.5%	97.5%
Residuals:					(Intercept)	-0.551186981	2.6034173
Min	1Q	Median	3Q	Max	EvaMet1	-0.485564376	0.5530415
-1.66963	-0.27593	0.06658	0.35952	1.14035	KPI1	0.002163232	1.4472032
	<b>Estimate</b>	<b>Std. Error</b>	<b>t value</b>	<b>Pr(&gt; t )</b>	Com2	-0.366317738	0.3971203
(Intercept)	1.02612	0.74404	1.379	0.1868	<b>Error 0.15522</b>		
EvaMet1	0.03374	0.24497	0.138	0.8922			
KPI1	0.72468	0.34083	2.126	0.0494			
Com2	0.0154	0.18006	0.086	0.9329			
<b>Residual standard error: 0.6519 on 16 degrees of freedom</b>							
<b>Multiple R-squared: 0.6046, Adjusted R-squared: 0.5305</b>							
<b>F-statistic: 8.156 on 3 and 16 DF, p-value: 0.001605</b>							

Table 4. Preliminary adjusted model for the staff members those experienced previous PA system

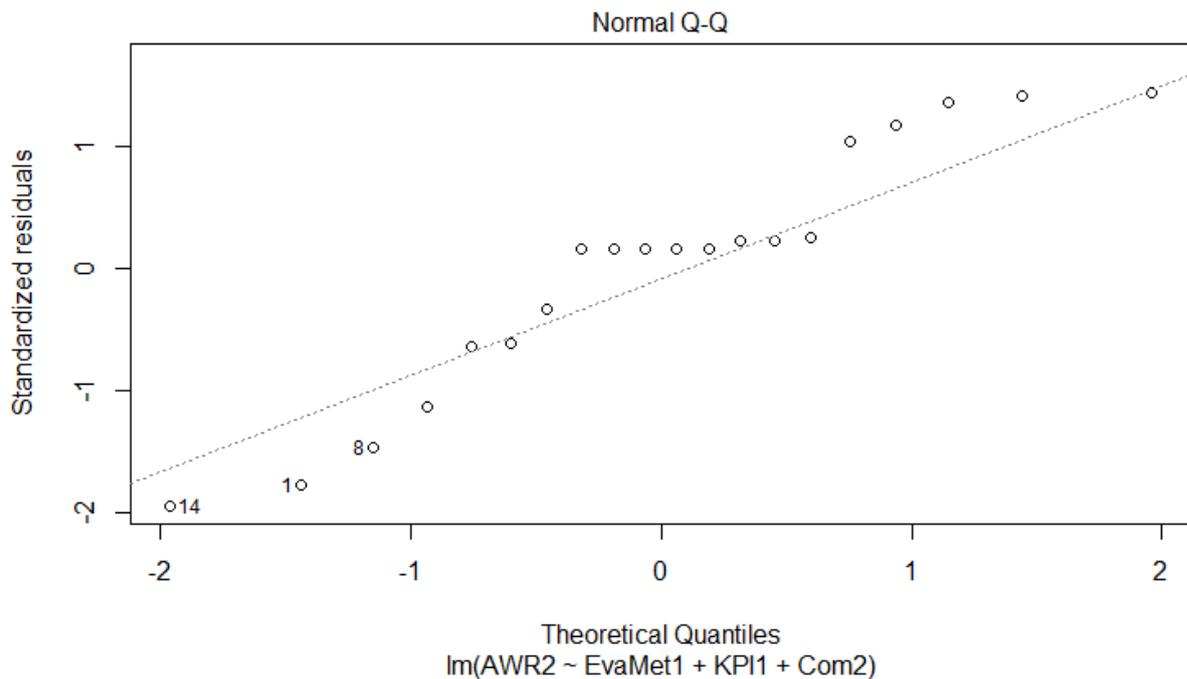


Figure 10. Normalized plot of adjusted model for the staff members those experienced previous PA system

With R2 and Adj. R2 we obtained a more acceptable result in this scenario. Results respectively switched to 0.6 and 0.53. So in 53% of the cases, employees' awareness about the value of their tasks is explained by fluctuations in feedback regarding self-evaluation, managerial goal setting and reverse feedback. Obtained equation looks like the following.

$$AWR2=1.02+0.03x\text{EvaMet1}+0.72x\text{KPI1}+0.01x\text{Com2}$$

The new model with a p-value of 0.001 and hence, possess a much higher significance than the preliminary one. In turn, respective t-values soared to a range from being negative to range between 0.1 and 2. Therefore, the individual variables chosen describe our outcome variable ( y) in a better way than with the test model. However, the error rate caused a slight increase of 15%. The interval of confidence is settled in classes of 2.5% and 97.5%.

<b>model=lm(formula = AWR3 ~ ., data = newstaff)</b>				
Residuals:				
Min	1Q	Median	3Q	Max
-0.60337	-0.12416	0.07974	0.16689	0.54322
	Estimate	Std. Error	t value	Pr(> t )
(Intercept)	2.65823	2.06559	1.287	0.2302
AWR1	0.56207	0.37378	1.504	0.1669
AWR2	0.3489	0.46117	0.757	0.4687
AppMet1	0.02002	0.30782	0.065	0.9496
AppMet2	0.05273	0.32481	0.162	0.8746
EvaMet1	0.38815	0.28523	1.361	0.2067
EvaMet2	-0.40629	0.20974	-1.937	0.0847
KPI1	0.55799	0.21177	2.635	0.0271
KPI2	-0.44909	0.25602	-1.754	0.1133
Align1	-0.06316	0.2763	-0.229	0.8243
Com1	0.73057	0.57501	1.271	0.2358
Align2	0.51492	0.20549	2.506	0.0335
Rew1	0.51272	0.33597	1.526	0.1613
PDP1	-0.65114	0.36165	-1.8	0.1053
Com2	-1.4078	0.49808	-2.826	0.0198
AWR4	0.40764	0.26877	1.517	0.1637
AWR5	-0.49581	0.38327	-1.294	0.228
OPN1	0.11453	0.20897	0.548	0.597
OPN2	-0.24872	0.36576	-0.68	0.5136
<b>Residual standard error: 0.4667 on 9 degrees of freedom</b>				
<b>Multiple R-squared: 0.8423, Adjusted R-squared: 0.5269</b>				
<b>F-statistic: 2.67 on 18 and 9 DF, p-value: 0.06742</b>				

*Table 5. Preliminary model for the new staff members*

As seen from the results, this type of test challenged the study with radical over fitting patterns. Because of the high volume of independent variables both R2 value is also overestimated being equal to 0.84, whereas Adj. R2 equals 0.52. The p-value is lower, reaching the 0.067 marks. These statistics do not represent a true outcome. Nonetheless, even though this model was falsified at a lower scale, it also might have deceived the research to be over optimistic.

Majority of explanatory variables has a t-stat as negative varying from -1 to values close to zero. Then we again choose the variables with comparatively lower p-values and higher t-stats to build our updated model, which implies a better interpretation of changes in our dependent variable over the observations. As a result, 3 independent variables were chosen. The following ones are Align2, KPI1, and AWR1. The result was as follows:

model1=lm(formula = AWR3 ~ Align2 + KPI1 + AWR1, data = newstaff)					Conf. Interval	2.5%	97.5%
Residuals:					(Intercept)	-1.29522801	4.4224988
Min	1Q	Median	3Q	Max	EvaMet1	-0.20314193	0.4032733
-1.67473	-0.05102	0.12514	0.33864	0.82077	KPI1	-0.22439464	0.4512694
	Estimate	Std. Error	t value	Pr(> t )	Com2	-0.09812583	1.0356358
(Intercept)	1.5636	1.3852	1.129	0.27	<b>Error 0.14045</b>		
Align2	0.1001	0.1469	0.681	0.502			
KPI1	0.1134	0.1637	0.693	0.495			
AWR1	0.4688	0.2747	1.707	0.101			
<b>Residual standard error: 0.6521 on 24 degrees of freedom</b>							
<b>Multiple R-squared: 0.1788, Adjusted R-squared: 0.07617</b>							
<b>F-statistic: 1.742 on 3 and 24 DF, p-value: 0.1852</b>							

Table 6. Preliminary model for the new staff members

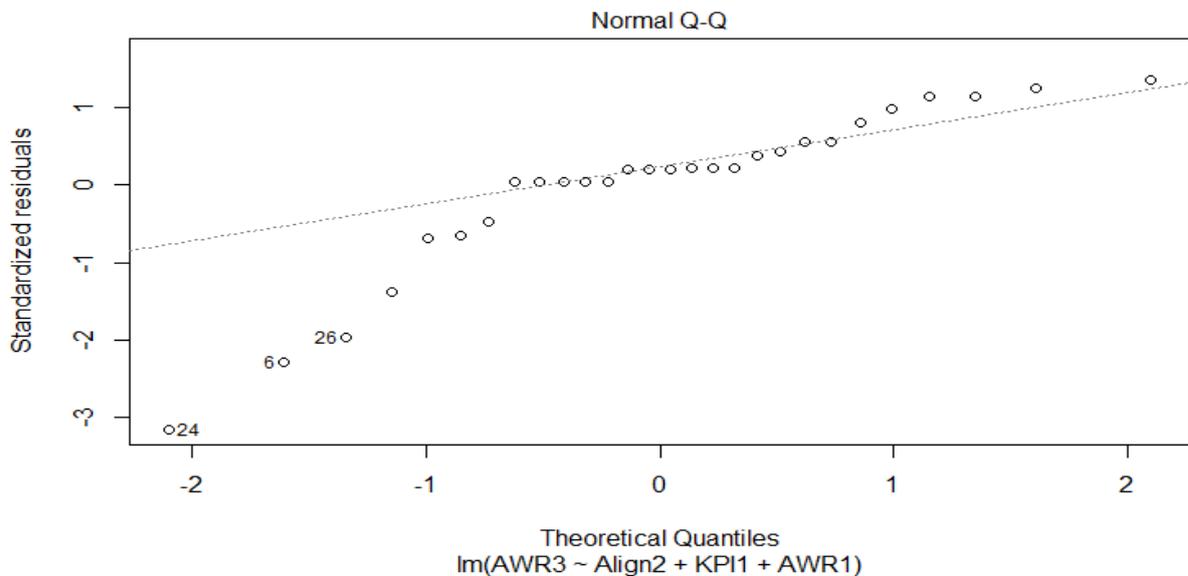


Figure 11. Normalized plot of adjusted preliminary model for the new staff members

Results respectively switched to 0.17 and 0.08.

$$AWR3 = 1.56 + \text{Align2} \times 0.1 + \text{KPI1} \times 0.11 + \text{AWR1} \times 0.46$$

The new model with a p-value of 0.18 continues to be statistically significant. In turn, respective t-values soared to a range from being negative to range between 0.6 and 1.7. Therefore, our adjusted linear model successfully represents the explanatory resemblance between independent variables and the output. However, the error rate caused a slight increase of 15%. The interval of confidence is settled in classes of 2.5% and 97.5%.

## 6. Recommendations

These recommendations are purely coming from the interviews and surveys made with ADA University staff members. The recommendations are based on the regression analysis which was done on 6 hypotheses. Taking into consideration those hypotheses 6 main recommendations were built. The research made on academic papers and the experience of the author helped to build on those hypotheses, which is believed to be helpful for ADA University in the upcoming period.

### 6.1. Recommendations coming from 6 hypotheses

#### 6.1.1. Awareness

This part of the recommendation can be sound very simple, but it is important to mention that awareness of why PA is there and how it can be a continuous system crucial when it comes to the end of the year. ADA University staff members with more than 3 years' experience who had already had a PA system at least once were very positive about the PA system, including their managers. Their perception of PA was clear and could help HR for rebooting the system. Nonetheless, after doing regression analysis it came out that staff members who never experienced the PA system at ADA University do not have any clue about the system at all. For this section of employees, there is a need for intensive training to deliver the philosophy of the PA system. All employees need such training in order not to approach the PA process as a benefit box, but rather a process that helps them to do their job effectively and efficiently to reach strategic goals.

In this, the previous manual as a paper can help ADA University staff members, which is well written with all alignments explained. However, it is significant to say that in the "Employee's handbook" there is a need to broaden the small paragraph regarding the PA process. It can be linked to the PA Policy and Procedures document, which is missing as well. So, as the last recommendation in this awareness part, I would like to mention that without a guideline document it is partially impossible to deliver main purposes and to redesign the system since there is no backup document. Additionally, the informal "Performance Agreement Form" should be there as a promising brief for all levels of employees which comes at the very beginning of the process by discussing all points in PA- job profiles, goals, KPIs, feedbacks, PDPs, and rewards.

#### 6.1.2. Changes

In the survey, it was asked to the staff members who experienced the previous PA system whether they were satisfied with that one or not. Also, the meetings with directors/managers helped to identify the key problematic issues, but in general, they all were satisfied with the system being there. HR representative also mentioned that there were problems mainly the system not being automated and carrying papers made the PA system seem less effective. Thus, in this part, I would like to draw attention to one of the success factors of the PA system to operate-automation.

Automation will greatly improve the workflow of performance management, and dramatically minimize the paperwork in this process. Automated systems help to minimize the workload, ensure a wide access of all staff members where it provides the users with precise and systematic approach for the entire PA process.

Simple, automated applications for controlling output usually include below points as ADA University had with their ERP system (Pulakos, 2004):

- Functionality for performance ratings, including user interfaces for showing relevant skills, performance level, and process rating information.

- Supporting web pages containing files of support and information.

Since they already have an ERP based automation I would like to mention that there was not that much satisfied with that interface, since it was unattractive.

Concluding, ADA University needs a system with more complex features:

- Having a system which pushes the notifications and appraisal as a pop-up, and creates a movement of documents in the right order from top to down and vice-versa
- The system should provide real-time training and feedback to help managers to run away from subjectivity. The system should limit high rankings, if it happens, then it should notify managers to highlight the development part
- The system should provide reports 24/7 with all needed categories: pay ratios, development needs, training needs, best and poor performers, etc.
- Making an appraisal system easier with narrative suggestions, such as the system should already have a ready competencies sample which can be chosen and modified by managers while evaluating (See Appendix 3). Since not just the managers are evaluators, employees also should have such flexibility with fewer interruptions.
- Having colorful dashboards for each employee aligned to their Career Path and Grading system positions (more of benefits in Appendix 4).

For that purpose, the ERP system should be rebuilt again based on the above-mentioned features. No, any additional costs are there. In case of ERP system not having such capacity, there are several software packages with per employee yearly offers in global market:

Software	Platform	Our Ratings	Best For	Price
	Windows, Mac, iOS, Android, & Web-based.	4.3 stars	It provides the best features for HR and Payroll system. The system is easy to use.	Starts at \$12-\$30 per employee/month
	Web-based, Android, iOS.	5 stars	It is a user-friendly system and is perfect for small businesses.	Starts at \$99 per month
	Web-based	4.5 stars	System is best as an Applicant tracking system.	Contact them.
	Windows, Mac, iOS, & Web-based.	5 Stars	System is best for the communication features.	Basic: \$7 per person/month. Plus: \$14 per person/month.
	Web-based, iOS, & Android.	4 Stars --		Start from \$319.20 per 10 scores

Figure 12. Compared to the list of Performance Management software.  
(Source: <https://www.softwaretestinghelp.com/performance-management-software/>)

Additionally, throughout this part, I have mentioned several possible changes that could be made to the rebooted system.

### 6.1.3. Task setting

#### 6.1.3.1. Self-task setting

A group of management gurus has recently verified that, the group included Peter Senge, Gary Hamel, and Henry Mintzberg, one of their main areas of focus for the future was "reinventing the means of management" and promoting internal regulation. The main idea, though, is that ADA University has to stop asking the workers what to do. Instead, set the specific goals for success and let them get on with the job. This offers the independence they want for the new generation but it also makes them accountable for outcomes. To do this, the very first thing is to do would be cleansing job descriptions and adding them beyond simple tasks, such as team work competencies, monitoring, mentoring, and others.

### 6.1.3.2. Managers setting tasks

It's crucial to make the goal practical. If the target is set too high, then the employees will generally, recognize it right away. When they think it's too big, then their effort is going to decrease. Conversely, workers would be inspired to achieve or surpass the target when the target is practical and attainable. This is especially true if they were active in setting goals. Failure to include staff in this process ensures that the goals are seen as yet another "top-down" decision of the management. No need to talk more about the SMART goal setting principle, which is widely discussed in the literature part as well. ADA University top management needs to participate in goal distribution by choosing goal champions, several people who continuously deliver goals to bottom levels. Newly promoted managers need to go for training for establishing SMART goals, nonetheless, managers with more than 3 years' experience need to go for training on how to simplify tasks. In this, online and face-to-face training sessions would help. The catalog for such training courses is in Appendix 5. The main highlight here is that, despite fancy training and coaching sessions, the point is the managers' feedback session which should happen periodically and continuously. More about the feedback sessions are discussed below.

### 6.1.4. Communication and briefs

In new post-industrial job structures connectivity has taken on even greater significance (Gordon, 2011). ADA University needs to put a focus on knowledge processing, analysis, and exploitation. In a world dominated by knowledge sharing, if the company is to succeed directors, need to interact effectively.

Directors need to maintain consistent communication lines with their workers, who depend on their input about the importance of their work. This input is especially valuable when workers are new to their jobs and maybe confused about job responsibilities or work assignments. Importantly, directors have to respond to the employees quickly and appropriately. If directors are taking too long to offer input, they have wasted an opportunity to improve their behavior (if necessary) or compensate them for their (if any) contribution to the organization

(Pulakos, 2004). And some of their feedback will of course turn into ideas that can boost future results. Effective organizations have staff who feel free to provide managers with information and feedback, who in effect can listen and respond appropriately to their employees. That needs training of managers and staff on their duties and obligations in the cycle of performance feedback.

#### 6.1.5. Alignment with reward system-Career Path and Grading system

In the perfect theory, if PA ties appraisal to incentives, the system will track the evaluations and incentives internal consistency (Pulakos, 2004). People who have received successful reviews will receive higher pay rates, more regular promotions, and other desired outcomes more readily than those doing less effectively at work (Pulakos, 2004). Tracking knowledge and decisions on the assessment alignment can be made easier by getting automated processes in place.

ADA University can link the PA results to the Grading system for pay raises and bonuses since it is established. The challenge comes with promotions and PDP plans alignment which I fact should be aligned with a document called Career Path. This document provides all employees with the requirements, both technical and soft skills, to switch to vertically and horizontally jobs. The results coming from PA review for the end of the year need to be linked to this document and this document should be open to everyone. A sample of Career Path is given in Appendix 6.

#### 6.1.6. Feedback

##### 6.1.6.1. Sandwich feedback

The sandwich feedback technique is a common three-step method to provide constructive feedback to managers who are ill at ease the feedback system for a sandwich is a compliment followed by positively criticized feedback followed by more compliment. In other words, the sandwich feedback approach involves addressing constructive feedback between two levels of support that is "sandwiched" between. The supposed benefits of this approach are twofold: (1) it

softens the vital or corrective feedback effect and, (2) because the manager is generally more comfortable with praising the employee, if this conversation begins and ends with praising the employee, the manager would find it easier to address issues with the employee's behaviors. This technique is easy and costs less to apply, also, it improves behaviors-relationships with subordinates.

Nonetheless, not all managers and employees would like to hear "balanced" feedback. Thus, feedback should be precise and transparent (Schwarz, 2013).

#### 6.1.6.2. Transparent feedback

This open, cooperative approach to learning does not work better than the one-sided approach to managing sandwich, simply because managers say different terms. It works better because the attitude has changed. Managers at ADA University should think about constructive reviews as a way of helping improve their direct reports when managers know what they might lack. It means managers and others think of feedback as a way to make educated decisions together. Thus, ADA University management team as a whole should switch to the transparently giving negative feedback, since it makes both negative and positive feedback feel more genuine to the direct reports; and decreasing the discomfort and anxiety.

### 6.2. Recommendations coming from interviews with directors

#### 6.2.1. Alignment with strategic goals

Another approach to success is ensuring that team and individual goals match the priorities of the organization. Scorecard by Norton and Kaplan played a vital role which concluded that emphasis was placed on financial indicators and the theory was put forward that measures should also be in place for customers, internal processes, and employee learning and growth, as these were the drivers of better results. It also related their decisions to the strategic plan, so they could see how well the strategy was being placed in place. This leads to an Integrated System being accomplished.

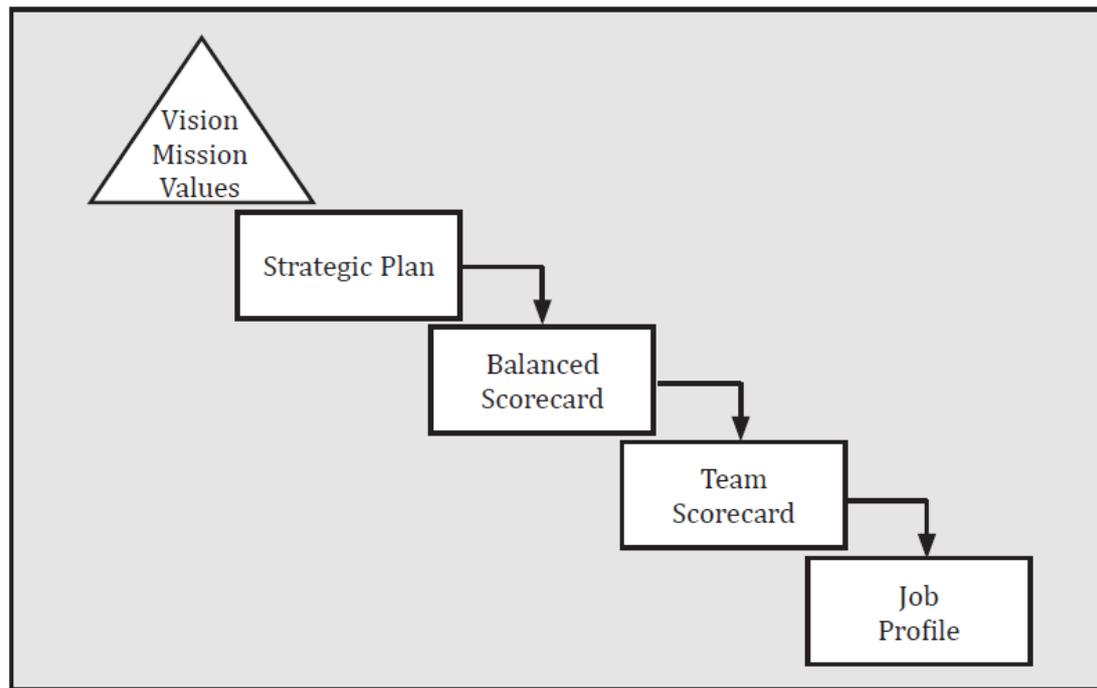


Figure 13. Aligning individual goals with organizational goals (Source: Herholdt, J. (Ed.). (2012). *Managing performance in organizations*).

ADA University management (top management) needs to escalate PA system issues, as well as, yearly-long term or short goals in order to move within a sequence to reach better results. In this, board members-rector and vice-rectors, the consultants and other strategic people need to spare their time to define what goals are coming from vision, mission, and values, which goals should be aligned to strategic plan (mainly KPIs derived from here), applying all these variable to the Balance Scorecard if it is developed (simply put, all departments with their inputs in a matrix table), Team Scorecard where a design team is created to address all goals to the staff, Job profile where all staff members are getting the KPIs and adjust them to their daily jobs to reach those goals. The importance of communication should be highlighted here.

### 6.2.2. PDP plan in real

Managers at ADA University should not take any action other than collecting data on how frequently the development area develops in the current job, and how to handle that when it comes up. Many outcomes can be obtained by gathering baseline data: it will prove to the person that her supervisor was indeed right when he suggested that this be a focus field. Awareness of the environment will generate ideas about how results might be enhanced immediately. The

compilation of baseline data will later help to show that there has indeed been progressing.

Managers need to answer these questions:

- How well the employee is doing right now in this area?
- What do they know?
- What evidence do managers have that this is that a valuable area to spend time?

We also need resources. The requisite resources are often financial, but never exclusively. For individual training needs or educational experience the funds will need to be allocated. If the individual has to buy a book, attend courses, or computer software to learn skills, there should be an accounting. If another project involves an offsite visit somebody would have to pay for the ride. Nonetheless, it is inevitable to say that time is the most important resource for execution of most development plans.

Training is not "development." Training is simply one component in a course of training Total Development Strategy. Here are six suggestions for implementing training as an important part of the evolution process according to Woehr et al. (1994):

1. Never start a training program development plan.
2. Identify the targets first.
3. Being a 24/7 coach.
4. Application Focus.
5. Forge alliances.
6. Seek immediate realistic opportunities

### 6.2.3. Short term goals

Starting small is important here. One common reason development plans do not work is that there was no proper break down into manageable parts. Managers should think about what is needed to do to improve a new skill or competency on a weekly basis, then the employee will be able to reach the plan because he/she will have a straightforward outline of the steps to take.

### 6.3. Recommendations coming from interviews with the HR representative

#### 6.3.1. Where to start?

##### 6.3.1.1. Job descriptions, analysis, and habits

The best way to train managers and their team for that meeting is for each of them to fill out the corresponding forms based on job descriptions. Job descriptions are an important part of every job which creates responsibility towards tasks and unofficially creates a link between the employee and the job. It also helps employees to work disciplined and learn those tasks as a habit to get professional by repeating them daily/monthly/yearly. For now, job descriptions are being renewed by the ADA University HR team. This renewal would help to link tasks to the KPIs afterward.

In PA system for staff members HR team and managers need to cover two primary areas:

#### 1. Job Analysis which is an assessment and study of what

It involves work. This defines and assigns weight to the areas of responsibility for every employee (See Figure 12). When this approach is used for the first time, it may be quite a surprise about how managers and employees vary seeing their jobs. That is why both of them need to agree on what should be assessed. The job analysis method provides evidence that the same duties, roles, and outcomes are evaluated to the same extent by both manager and the employee. Naturally, if there is already a job description in the file, both could simply update the job description and later pass that update on to processing human resources. At ADA University, it is possible to switch below mentioned simple samples. Nonetheless, this is important to say that it is better to set such "papers" for a software solution.

Job Title: Programmer/Systems Analyst

Department: IT Systems and Programming

Responsibilities of Job	Functional Objectives	Weight
New programming	Create programs to increase IT efficiency.	25%
Project support	Update existing systems and programs.	15%
User assistance	Explain systems functions to users; adapt programs for user needs.	20%
Technical knowledge	Maintain current technical skills; master new hardware.	15%
Problem solving	Offer quick response to problems; maintain calm and professional attitude.	15%
Communications	Send and receive information effectively and in a timely manner.	10%

Figure 14. Job analysis. (Source: Falcone, P., & Sachs, R. T. (2007). *Productive performance appraisals*)

## 2. Performance / Work Habits Analysis, assigning a number

Ranking in respect of each characteristic. The type for assessments of performance/work habits (see Figure 13) will list the attributes that managers think to pertain to the employee and her job. For each characteristic manager and the employee autonomously rate the employee on a scale of one to five. (On the other hand, you may ask your subordinate to provide narrative comments without a numerical ranking of any kind.)

Job Title: Programmer/Systems Analyst

Department: IT Systems and Programming

Check all items relevant to employee's position. Rate each item on a scale of one to five, by circling a number to the right of it.\*

1 = Needs much improvement

2 = Needs some improvement

3 = Satisfactory

4 = Very good

5 = Excellent

Part I. General Work Habits

a. Attendance/punctuality	1	2	3	4	5
b. Meets deadlines	1	2	3	4	5
c. Cooperates with coworkers	1	2	3	4	5
d. Accepts suggestions	1	2	3	4	5
e. Manages work schedule	1	2	3	4	5
f. Uses equipment properly	1	2	3	4	5
g. Prioritizes work well	1	2	3	4	5

Part II. Job Performance

a. Quality of work	1	2	3	4	5
b. Ability to solve problems	1	2	3	4	5
c. Ability to use original ideas	1	2	3	4	5
d. Communications abilities	1	2	3	4	5
e. Time management	1	2	3	4	5
f. Technical/professional knowledge	1	2	3	4	5
g. Hands-on skills	1	2	3	4	5
h. Interpersonal skills	1	2	3	4	5
i. Ability to work on a team	1	2	3	4	5

Figure 15. Performance / Work Habits Analysis (Source: Falcone, P., & Sachs, R. T. (2007). *Productive performance appraisals*)

We need to make sure the following questions are emphasized by managers towards their subordinates:

1. Did you answer your overall success track record (i.e., the employee) for the evaluation period?

In particular, discuss any successes that have resulted in improved sales, decreased costs, or time savings. Why is our company a great place to be employed here with you? Where would you rate yourself in terms of quality of work, efficiency, interpersonal communication, and professional competencies?

2. Which areas do you need more assistance, structure, and direction in? In other words, where can I, as your boss, give you additional support or tools to learn new skills, improve your overall success, or prepare you for your next career advancement move?
3. What are your expectations for success in the next evaluation period? What measurable results are needed so we'll know your goals have been achieved?

#### 6.3.1.2. Competencies

Competencies should be described in terms of significant work characteristics and expectations associated with them. The behavioral concept of competencies offers a sound foundation for differentiating between workers who work more or less efficiently than others (Gilliland, 1998). The skills should also be described as levels of responsibility, complexity, and difficulty related to the jobs of employees at different levels within an organization. Employees at various rates of jobs are compensated based on their expertise, responsibilities, and contributions. For purposes of performance assessment, it is important to explain clearly how priorities change at various job levels (e.g., entry-level employee, experienced employee and manager) as well as what represents more or less successful work performance at each level (See sample in Appendix 7). The primary benefits of identifying competencies in terms of standards of behavioral success are (1) to help workers understand what is required of them and (2) to provide consistent criteria that managers may apply in evaluating employees, thus improving continuity, accountability, and fairness (Pulakos, 2004).

Thus, for ADA University as well, it is important to set competencies with managers and HR together for better and objective appraisals.

#### 6.3.1.3. Training for appraisers and appraises

Training those who appraise (Bittner, 1948) was one of the oldest methods of improving the consistency of performance ratings. There have been several approaches to rater preparation over the years. Key appraiser training methods include: (a) appraiser error training, (b)

performance aspect training, (c) behavioral assessment training (BAT), and (d) reference structure (RS) training (Kraiger, et al., 2014). Appraiser error preparation aims to educate raters on specific types of rating errors, such as leniency, halo, core tendency, and contrast errors (Smith, 1986).

Appraisers are then advised to try to avoid ranking results against these forms of errors (Bernardin & Pence, 1980; Borman, 1975). Training in the performance aspect informs appraisers about the performance aspects that will be measured ahead of time. That can be achieved by checking the rating scales with the appraisers or involving appraisers in the creation of the scale (Smith, 1986). It was believed that providing appraisers with information on what will be rated would enable appraiser to judge employee behaviors in a better form (Woehr & Huffcutt, 1994).

ADA University staff members and managers need the opportunity and encouragement to make successful use of the performance management system. Training helps accomplish both of those goals. Also, the resistance to be appraised could be seized by training sessions. There are a variety of training methods that can be used to handle results. Classroom type (off-job), on-job, or Web-based training, with their advantages and disadvantages, can be applied. The training model to be used depends on how professional raters handle success and what resources the company can commit to training.

Support for performance enhancement should be used to facilitate instruction by ADA University managers with the help of HR representatives.

This is mostly useful for managers with experience, and ADA University has those managers a long time already. Taking into consideration the pandemic issue, most of the employees are working distant, thus, Web-based training is a good option that needs to be tracked by HR representatives for timely submissions.

Below is the list of needed training regarding Performance Management by Pulakos, (2004):

- Philosophy and applications of the program.

- Philosophy of PA system
- Roles and responsibilities of workers and managers.
- How to plan, set expectations, and set goals for performance.
- How to provide correct assessments, eliminate mistakes in the ranking, and limit inflation.
- Continuous, positive, detailed behavioral feedback is important.
- How to efficiently receive input from others.
- How to respond to and behave constructively on feedback.
- How to receive feedback in a way that minimizes defensiveness and maintains self-esteem.
- How to identify business needs and resolve them.
- How to use the associated applications and automated framework.

#### 6.3.1.4. Frequency

ADA University should have an academic year based performance review frequency- from September to May, since being an educational entity all strategic goals require specific adjustments. Additionally, the review periods can be linked to the post period of academic breaks to discuss the specific time-bound goals and KPIs.

The continuity of the PA system depends on the frequency. According to SHRM, many performance management systems are designed in a backroom and then only rolled out once each design detail has been determined. ADA University needs to do performance reviews every 6 months, nonetheless, there should be a push by the HR department for every month or quarter. Despite these formalities, managers should be trained in giving daily feedback. Despite Covid-19 situation, ADA University can do some actions remotely and meet milestones offered in below table.

#### 6.3.2. How does the process look like?

Here all the steps are given in a table with some deadlines. COVID-19 and expected economic crisis can hit the deadlines. Besides, HR team at ADA University does not hold

strategic position, thus, these deadlines can be stretched for a year as well. Needless to mention that, the whole project cannot be done by HR team and a strong support is needed from top management and all department directors. Additionally, it should be emphasized that the cost side of the recommendations can be calculated upon request. Nevertheless, the only cost taking part of the project would be training on awareness and KPI setting, afterwards the PDP plan based trainings, and the reward side. After all procedures are set and approved a cost analysis and market research can be done.

In the table below the chain actions are covered and highly recommended to follow, which are based on literature reviews and best practices.

<b>Task name</b>	<b>Responsible side</b>	<b>Audience</b>	<b>Deadline</b>	<b>Comments</b>
<b>1. Preparing for PA system</b>	HR	All staff members	End of July	The PA system with all plans should be covered
<b>1.2 Preparing PA Policy and Procedures and getting approval</b>	HR	Top-management	End of July 2020	The paper should include details of the system, such as frequency, responsible people, and needs to be emailed to every staff member
<b>1.3 Redesigning sample papers</b>	HR	Top-Management	End of July 2020	Should be part of the PA Policy and Procedure
<b>1.4 Designing competencies sample</b>	HR	All staff members	End of December 2020	This should be done very carefully and all desired competencies for ADA University should be covered (behavioral)

<b>1.5 Designing Career Path document</b>	HR	All staff members	End of October 2020	This document should cover all positions with all requirements and professional, technical, and soft skills
<b>1.6 Rewriting job descriptions</b>	HR	All staff members	End of August 2020	All job descriptions should be designed in a way that daily tasks and strategic tasks are covered
<b>2. A pilot test of all samples in the ERP system</b>	HR	Middle-level managers	Mid-August 2020	The main purpose is to test automation
<b>3. Training sessions</b>	HR	All staff members	Mid-August 2020	All staff members should be assigned goal setting and feedback sessions
<b>3.1 Training and coaching sessions</b>	HR	Middle-level managers	Mid-August 2020	Managers are trained for delivering the KPIs and feedbacks
<b>3.2 Training sessions</b>	HR	Operational level	Mid-August 2020	Managers should mentor their subordinates in goal setting. Feedback sessions should be outsourced.
<b>4. Board members meeting</b>	Top-management	Strategic people and managers	End of August 2020	Here the main strategic goals for 2020/2021 academic year will be discussed
<b>4.1 Setting strategic KPIs</b>	Top-management	Middle-level managers	End of August	The goals are general

<b>2 Choosing goal champions</b>	Top-management	Strategic people	End of August 2020	These people will deliver strategic goals/KPIs to the middle level of managers
<b>5. PA agreement meeting</b>	Managers	Subordinates	Early September 2020	Managers and their subordinates meet to discuss what is expected from employees, what changes are there, etc.
<b>5.1 Setting goals</b>	Managers	Subordinates	Early September 2020	Managers align goals with strategic ones and deliver them to the employees
<b>5.2 Self-task setting</b>	Operational level	Managers	Early October 2020	Employees define their tasks based on their job descriptions and send them to their managers. After the managers' approval, the PA process begins.
<b>6. Feedback sessions</b>	Managers	Operational level	End of each 3 months (quarterly)	Managers meet with their subordinates and give oral feedback if changes needed they do it here
<b>7. Review period</b>	Managers	Operational level	End of 6 months	Managers meet with their subordinates and review mid-year goals
<b>8. End-year meeting. Yearly PA review</b>	Managers	Operational level	End of 12 months	Managers meet with their subordinates and review year goals/task completion, find

				training gaps and develop PDP plans
<b>8. PDP plans</b>	Managers	Operational level	Continuous process	Managers meet with their high performed subordinates to set PDP plans for their promotion/pay raise/rotation and other issues
<b>9. Training plans</b>	Managers	Operational level	Continuous process	Managers meet with their low and moderate performed subordinates to set training plans for their development for further PDP plans

*Table 7. The estimated PA process for ADA University*

### 7. Conclusion

This project aimed to identify key problematic issues in the PA system for ADA University staff members before it reestablished again. Throughout the paper, the research questions are tried to be answered based on the literature review. The research made with ADA staff members and directors/managers helped to identify key issues regarding the process. Overall the positive perception helped to develop the system reboot steps. Although it was expected that there would be resistance besides high expectations simple training sessions can help to overcome such situations.

Directors were positive about the system being rebooted again since it allowed them to evaluate their subordinates and have claims towards their development and reward questions. Directors with their strategic approach can be goal champions as well. To reestablish motivation and competition the system is highly expected to be rebooted.

The recommendations part, I believe, would be helpful for ADA University and if actions' part would be taken into consideration then the process would be implemented successfully and continuously.

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## Appendix

### Appendix 1

#### Questionnaire by Tony Moglia (1997)

### WHERE ARE YOU NOW?

This section presents some important questions to help you determine where you currently stand in the process of developing successful performance management. Answer each question honestly.

Do you currently have specific written performance goals against which your employees' achievement can be measured?

Yes       No

Do your employees know about the written goals?

Yes       No

Do you regularly reconfirm employees' goals in order to remain on target?

Yes       No

Are your on-the-job goals sufficiently flexible to meet new demands or unexpected changes in the direction of work?

Yes       No

Are you basically satisfied that your employees are making measurable progress toward established work goals?

Yes       No

Do you feel that you are accurately evaluating progress toward employees' goals?

Yes       No

Is it likely that employees would agree that you are accurately evaluating progress toward their goals?

Yes       No

## Appendix 2

## ADA University staff survey

*For old staff and managers (employees those employed before the PA process stopped)*

1. *How many years are you employed in ADA?*
2. *I understand why performance appraisal process is important and needed*
3. *I read manuals and understood why I was appraised*
4. *I knew that my tasks were aligned with organizational goals and my contribution was impacting the overall performance*
5. *The self-task setting is an important part of the performance appraisal system*
6. *The self-task setting allowed me to set tasks to myself accurately*
7. *Self-evaluation style of appraisal is an important part of the performance appraisal period*
8. *Self-evaluation allowed me to evaluate myself accurately*
9. *My manager's goal-setting style was accurate and overlaps with my self-tasks*
10. *My manager set me goals as SMART (specific, measurable, achievable, relevant, time-bound)*
11. *My KPIs were set in a way that I would fill easily and benefit afterward*
12. *I met my KPIs as they were prepared in a SMART way*
13. *I understood my gaps from the performance appraisal process*
14. *I got training after the performance appraisal process*
15. *I got bonuses after the performance appraisal process*
16. *I got promotion after the performance appraisal process*
17. *My manager gave me feedbacks before and after the performance appraisal process*
18. *I was satisfied with feedback sessions in overall*
19. *I was satisfied with the previous PA system in overall*
20. *I think PA must be a continuous process*
21. *Your recommendations*

*For new staff and managers (employees those employed after the PA process stopped)*

- 1. How many years are you employed in ADA?*
- 2. I understand why performance appraisal process is important and needed*
- 3. I think manuals are important to understand why I am appraised, how to set goals, how it will be aligned with other processes*
- 4. I need to know that with my performance I am contributing to an organization's performance*
- 5. The self-task setting is an important part of the performance appraisal system*
- 6. The self-task setting will allow me to set tasks to myself accurately*
- 7. Self-evaluation style of appraisal is an important part of the performance appraisal period*
- 8. Self-evaluation will allow me to evaluate myself accurately*
- 9. My manager is needed to set me goals*
- 10. My manager should set me goals as SMART (specific, measurable, achievable, relevant, time-bound)*
- 11. My KPIs should be set in a way that I will fill them and benefit afterward*
- 12. I need to see my gaps from the performance appraisal process*
- 13. I must get training after the performance appraisal process*
- 14. I must get bonuses after the performance appraisal process*
- 15. I must get promotion after the performance appraisal process*
- 16. My manager must give me feedback before and after the performance appraisal process*
- 17. I was appraised in my previous workplace(s)*
- 18. I was given feedback sessions in my previous workplace(s)*
- 19. I think ADA should reestablish the performance appraisal process*
- 20. I think performance appraisal must be a continuous process*
- 21. Your recommendations*

## Appendix 3

<b>Sample Performance Standards for Communication Competency</b>		
<b>Entry-Level Employee Performance Standards</b>		
<b>Below Expectations</b>	<b>Meets Expectations</b>	<b>Role Model</b>
Even with guidance, fails to prepare straightforward communications, including forms, paperwork and records, in a timely and accurate manner; products require moderate to extensive revisions.	With guidance, prepares straightforward communications, including forms, paperwork and records, in a timely and accurate manner; products require minimal corrections.	Independently prepares communications, such as forms, paperwork and records, in a timely, clear and accurate manner; products require few, if any, corrections.
Even with guidance, fails to adapt style and materials to communicate straightforward information.	With guidance, adapts style and materials to communicate straightforward information.	Independently adapts style and materials to communicate information.
<b>Experienced Employee Performance Standards</b>		
<b>Below Expectations</b>	<b>Meets Expectations</b>	<b>Role Model</b>
Fails to prepare timely, clear, organized and concise communications on complex topics; communications require moderate to extensive revisions.	Effectively prepares timely, clear, organized and concise communications on complex topics; communications require some revisions.	Effectively prepares timely, clear, organized and concise communications on highly complex, sensitive or controversial topics; communications require minimal revisions.
Fails to effectively adapt communication style and materials to communicate complex information.	Effectively adapts communication style and materials to communicate complex information.	Effectively tailors communication style and customizes materials to communicate highly complex, sensitive or controversial information.
<b>First-Level Manager Performance Standards</b>		
<b>Below Expectations</b>	<b>Meets Expectations</b>	<b>Role Model</b>
Fails to prepare communications that are clear, organized and concise on complex, sensitive or controversial topics; products require moderate to extensive revisions.	Prepares high-visibility communications that are clear, organized and concise on complex, sensitive or controversial topics; products require few revisions.	Prepares high-visibility communications that are clear, organized and concise on the most complex, sensitive or controversial topics; products require no revisions.
Fails to tailor highly complex communications for internal and external audiences that are effectively targeted.	Skillfully tailors highly complex communications for internal and external audiences that are effectively targeted, even in sensitive or highly visible situations.	Expertly tailors the most complex communications for internal and external audiences that are optimally targeted; is called upon to handle the most sensitive and visible situations.

Sample Performance Standards for Communication Competency. Source: Elaine D. Pulakos, Performance Management. A roadmap for developing, implementing, and evaluating performance management systems. SHRM. 2004.

Appendix 4

### Sample Performance Rating Form

Employee's Name \_\_\_\_\_ Level: Entry-Level Employee

Manager's Name \_\_\_\_\_

<b>Key Work Responsibilities</b> 1. _____ 2. _____ 3. _____ 4. _____	<b>Results/Goals to be Achieved</b> 1. _____ 2. _____ 3. _____ 4. _____
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#### Behavioral Assessment of Competencies

**Communication**

1	2	3	4	5
<b>Below Expectations</b>	<b>Meets Expectations</b>	<b>Role Model</b>		
Even with guidance, fails to prepare straightforward communications, including forms, paperwork and records, in a timely and accurate manner; products require minimal corrections.  Even with guidance, fails to adapt style and materials to communicate straightforward information.	With guidance, prepares straightforward communications, including forms, paperwork and records, in a timely and accurate manner; products require minimal corrections.  With guidance, adapts style and materials to communicate straightforward information.	Independently prepares communications, such as forms, paperwork and records, in a timely, clear and accurate manner; products require few, if any, corrections.  Independently adapts style and materials to communicate information.		

**Organizational Know-How**

1	2	3	4	5
<b>Below Expectations</b>	<b>Meets Expectations</b>	<b>Role Model</b>		
<performance standards appear here>	<performance standards appear here>	<performance standards appear here>		

**Personal Effectiveness**

1	2	3	4	5
<b>Below Expectations</b>	<b>Meets Expectations</b>	<b>Role Model</b>		
<performance standards appear here>	<performance standards appear here>	<performance standards appear here>		

**Teamwork**

1	2	3	4	5
<b>Below Expectations</b>	<b>Meets Expectations</b>	<b>Role Model</b>		
<performance standards appear here>	<performance standards appear here>	<performance standards appear here>		

**Achieving Business Results**

1	2	3	4	5
<b>Below Expectations</b>	<b>Meets Expectations</b>	<b>Role Model</b>		
< performance standards appear here>	<performance standards appear here>	<performance standards appear here>		

**Results Assessment**

Accomplishment 1: \_\_\_\_\_

1	2	3	4	5
<b>Low Impact</b>	<b>Moderate Impact</b>		<b>High Impact</b>	
The efficiency or effectiveness of operations remained the same or improved only minimally.	The efficiency or effectiveness of operations improved quite a lot.		The efficiency or effectiveness of operations improved tremendously.	
The quality of products remained the same or improved only minimally.	The quality of products improved quite a lot.		The quality of products improved tremendously.	

Accomplishment 2: \_\_\_\_\_

1	2	3	4	5
<b>Low Impact</b>	<b>Moderate Impact</b>		<b>High Impact</b>	
The efficiency or effectiveness of operations remained the same or improved only minimally.	The efficiency or effectiveness of operations improved quite a lot.		The efficiency or effectiveness of operations improved tremendously.	
The quality of products remained the same or improved only minimally.	The quality of products improved quite a lot.		The quality of products improved tremendously.	

**Narrative**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Areas to be Developed	Actions	Completion Date

Manager's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Employee's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

*The above employee signature indicates receipt of, but not necessarily concurrence with, the evaluation herein.*

Sample Performance Rating Paper. Source: Elaine D. Pulakos, Performance Management. A roadmap for developing, implementing, and evaluating performance management systems. SHRM. 2004.

## Appendix 5

<b>Objective setting - visibility</b>	In most organisations there are some managers who fail to set objectives at the start of the process. By contrast, automated systems track which managers have defined objectives to be achieved by their staff and when they set the objectives. Automated systems therefore drive performance thinking and ensure that staff are aware of their objectives for the full performance period.
<b>Objective quality through visibility</b>	Automated systems provide visibility for all managers, including the CEO, to view objectives cascaded throughout the organisation and ensure that they will achieve strategy.
<b>Frequency of review</b>	Manual performance management systems are both cumbersome and administratively intensive. In an automated environment, reviews can be conducted more frequently (quarterly or bi-annually), according to changing organisational needs.
<b>Performance management - on the go</b>	Best practice in automated systems enables both managers and staff to record information that is relevant to their objectives, as events occur during the review period. This enables people to record information that will substantiate achievement towards their objectives, and goes a long way towards resolving the issue of "forgotten" information that is relevant to the review.
<b>Process familiarisation</b>	Most manual systems are used once annually, resulting in a substantial re-education process at each review time. By contrast, automated systems are continually used by managers and staff, ensuring full knowledge and understanding of the system on an ongoing basis.

<b>Remuneration based on real performance</b>	In manual systems, it is nearly impossible to compare departments and determine an equitable split of the bonus pool. In automated systems, results are available graphically by department, and each department can be compared relative to the others. A more equitable distribution of bonuses can then be made after the review data have been normalised.
<b>Wasted resource</b>	In manual systems it is necessary for the HR department to dedicate one or two staff members to the distribution, collation and management of reviews for months – sometimes on a full-time basis. With an automated system, there is much less management of processes, forms and paperwork, leaving more time for HR staff to assist line managers with qualitative issues.
<b>Line of sight – visibility</b>	Manual performance management systems do not enable managers to view objectives for all staff reporting to them – they have very little visibility on the objectives or performance of staff that are more than one management layer removed from them. Automated systems provide a full "drill down", which enables managers at all levels to view objectives and performance all the way down the organisational chart.
<b>Workflow</b>	Manual systems often fall into disuse because managers fail to complete staff reviews, or fail to complete them in time. Automated systems, on the other hand, drive the process and assist line managers in completing reviews on time by provide status reporting.

Benefits of automated new era performance management. (Source: Herholdt, J. (Ed.). (2012).

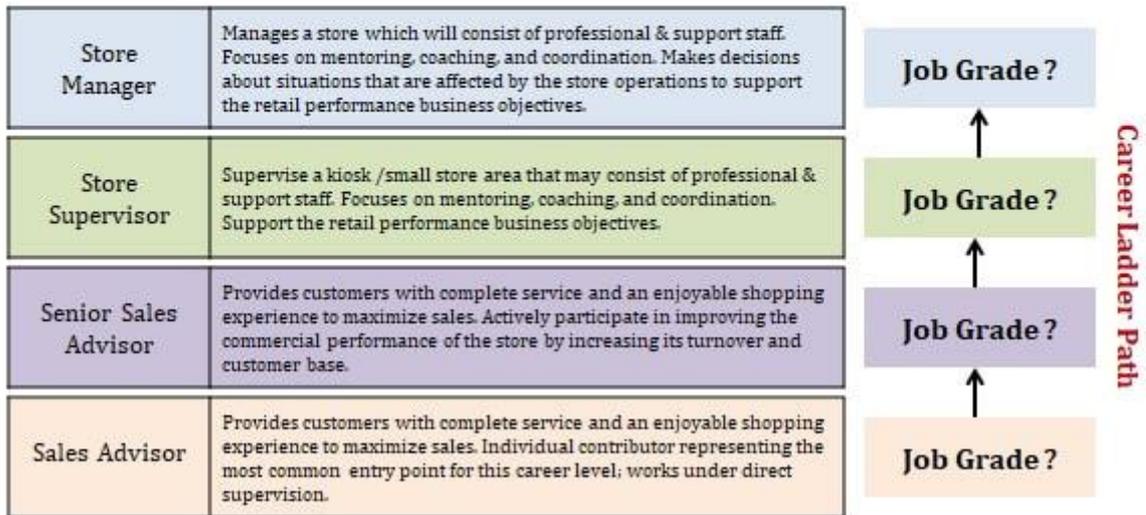
Managing performance in organizations. Retrieved from <http://ebookcentral.proquest.com>).

Appendix 6



## Retail Career Path

The career paths are divided into 4 progression levels providing a pathway from Sales Advisor up to Store Manager level. The inter-relationship between the levels can be illustrated using the store sales principles:



Simple Retail Career Path Sample. Source:

[https://www.pesync.com/store/p214/Retail\\_Career\\_Path.html](https://www.pesync.com/store/p214/Retail_Career_Path.html)