

Topic 3 – Performance Appraisals

Personal objectives under KPA → objective is statement of what you're trying to achieve. KPA demonstrate whether goals have been achieved. SMART goals. Review of performance (yearly, half-yearly or quarterly). Ongoing review and adjustment, ongoing feedback.

Townley

Increase in breadth and depth of use to pay increases/bonuses – process manipulation, increased flexibility. Economic context assessed more than future goal setting → superiors tend to blame subordinates: shirking responsibility. Performance rating usually has to fit a normal distribution curve. Personal relationships seem as being more important than actual performance (Boy's club/teacher's pet). Increasing emphasis on social processes, soft/social performance assessing personality traits, not task based performance.

Example of clerical staff PA 50/50 of technical and social

Lewis (1984) and Guest (1987) increasing use of 'bio-data' or 'personal history inventory'

Justification element → objective evidence and tools of justification for management when making such decisions. Used as evidence to prevent legal complications with disgruntled employees and useful guidelines for those tasked with the appraisal process.

Robertson and Makin (1986) only 6% of firms actually utilise such data. Smith and Robertson (1986) 40% level of accurate predictability when such methodology is used.

Lewis (1985) psychology and social criterion merely lends the process to a form of human resource management, securing a compliant and non-unionized workforce (Townley) prevents retention and promotion of the most technically proficient = everyone loses.

Inhibits fair selection, retention and promotion of employees as part of a conscious and integral approach to labour-relations issues. Townley (1989) trait-rating as opposed to results-oriented assessment is becoming far more prominent, particularly in non-managerial performance review.

Offe's (1976) extra-functional norms.

Edwards (1979) and Townley: argue perhaps trait rating and EFN used in order to control the increased discretion that has developed as result of increasingly complex organisations, widening spans of control.

Long (1986) prone to abuse by the individual appraiser. Child (1980) nothing more than rating the relationship between employee and manager.

Try to move language from subjective to objective. SMART language, interpersonal. "I want you to reach your full potential" judgment comes as benevolent – obscures the source of judgment and control. My assessment of you is your assessment of you. Narcissistically we want to be recognised by power. Mixed use of testing standards hides the manipulative values.

Many jobs simply don't have the ability to reach such non-technical objectives (factory worker, blue collar etc). Trying to mould people into the desired employee – loss of freedom of expression. Is part of your work contract meaning that you should change your personality? (9 to 5 or 5 to 9). Soft ontology → insights from psychological standpoint, exploration of how it would affect us rather than objective facts.

Topic 4 – Accounting for Quality

Prevention = training, process improvement initiatives, field testing. **Appraising** = post production inspection, and point product testing. Quality failure costs are both internal and external. **Internal** = waste, scrap, re-work, failure to deliver on time.

External failure = warranties, replacement costs, recall, reputation costs, future loss in sales.

Juran's Idea: minimize total cost of quality. Increased appraisal and prevention costs will reduce failure costs, there is a diminishing point of returns. Impossible to accurately measure failure costs particularly external.

Emsley (2008): Latour's Actor Network Theory (ANT): new set of terms that could simply and objectively construct/explain social and political processes. Concerned about actors – acting in some level of agency in a process. **Short tie/long tie actants**: people with intentions specific to that objective. **Non-human actants**: systematic mechanisms also have human intentions built into them (physical, manufacturing process, accounting, SAP). **Boundary object (translation of focus)**: subject matter of the study – *cost of quality*. **Inscriptions**: documents and texts which are used to mobilize interests. Actors use inscriptions to mobilize their interests. **Black box**: evolve as boundary object becomes more static. Actors reach a consensus on how to see and use the boundary object.

Ironbark River Company

Estimated quality costs \$40m a year (20% of sales). Customers had very strict deadlines. Largely chose based on price – other factors relevant (quality, flexibility, service). **Runability**: describes the degree to which paper will run through a press without problems. **Printability**: degree to which a sheet of paper will provide a good-quality printed page. Runability was important in selection by customers. 1987 market share of 7%. 60% of daily production meetings about quality. Brought in consultants. Cost accounting system wasn't built for it. Cleaning expenses weren't agreed. \$43m cost of quality. \$7.6m conformance and \$35.3 non-conformance. Suggestions focus on reducing non-conformance. Sieve cells: on-line sensor and process controls. External failure costs deemed as very significant → brand loyalty. Finance managers now believe hurdle rates should be applied to quality improvement projects. Mill manager believes considerable responsibility needs to be given to people lower down the mill who can actually control the quality of paper being made. Not ready to give up decision making power/believe unskilled. Believes generating accounting reports that show explicitly quality costs is a good way to help their attention focused on the issue.