

Performance appraisal: essential characteristics for strategic control

Donald L. Caruth and John H. Humphreys

Donald L. Caruth is Professor of Management and John H. Humphreys is Associate Professor of Management, both at Texas A&M University – Commerce, Commerce, Texas, USA.

Summary

Purpose – *The purpose of this paper is to demonstrate the need for and propose a more aligned and integrated standard for performance evaluation to enhance effective strategic control.*

Design/methodology/approach – *The paper reviews the various issues creating discontent with the performance appraisal systems within many organizations and demonstrates how these problems inhibit successful strategic control. It attempts to cogently incorporate the performance appraisal characteristics needed for the exercise to function as a critical organizational control metric and a useful feedback mechanism for strategic management of the firm.*

Findings – *The paper finds that, whereas performance evaluation has received reasonably robust examination in the human resources literature, explicit guidance toward the integration with strategic control is inadequate. Without consistent alignment between these functions, however, performance appraisal becomes an exercise in futility instead of a vital control measurement, often resulting in not only personnel dissatisfaction, but also, more importantly, an impediment to systematic strategy implementation.*

Research limitations/implications – *The paper offers a viewpoint based upon the authors' experiences and a review of the literature. It aims to stimulate a broader understanding and discussion of the crucial link between performance evaluation and strategic control.*

Practical implications – *Although it is possible to theoretically separate the human resource function of performance appraisal from broader strategic management processes, such an approach is not realistic for organizational leaders charged with strategy execution. These leaders would benefit from a framework for ensuring this important HR function also meets the requirements for operative strategic control.*

Original/value – *While many in the literature have focused on how to conduct legal and efficient performance evaluations, guidance on crafting such appraisals as control metrics is insufficient. The paper endeavors to provide this direction.*

Keywords Performance appraisal, Strategic evaluation, Strategic management

Paper type Viewpoint

While practical frameworks of performance appraisal are occasionally presented in the human resources literature, such offerings within the domain of strategic management and control have been scarce. This is unfortunate as we agree with others "...that strategy execution will emerge as one of the critical sources of sustainable advantage in the twenty-first century" (Biglar, 2001, p. 3). Without consistent, aligned implementation across functional disciplines, however, even the best planned strategy is ineffectual (Aaltonen and Ikavalko, 2002; Allio, 2005).

This is particularly true with the human resources function as, "Strategy implementation is best accomplished through high-performing people" (Michlitsch (2000, p. 28). They are the dynamic factors through which strategic processes are realized and continually altered (Floyd and Wooldridge, 1992). Further, while research has indicated properly aligned human assets are the key to successful execution (Raps, 2004), regrettably, a valuable link to the human resources component is often lacking in many strategic plans (Martell *et al.*, 1996;

Rousseau and Rousseau, 2000), which limits the ability of the firm to profit from the expertise and insights of employees at all levels of the organization (Humphreys, 2005). Moreover, since strategic management is a continual, circular progression (Humphreys, 2004), the strategic control function is not the end of the process but, rather, "...an opportunity to benefit from the functional experts' vast knowledge and the chance to send it back into the strategic process" (Humphreys, 2003, p. 96). It is essential, therefore, that organizational leaders understand and establish capable performance measurement and feedback systems "...to link human resource management activities with the strategic needs of the business" (Schuler *et al.*, 1991, p. 389). Consequently, we suggest an effective performance appraisal framework, inherent with the characteristics to function as a legitimate control measure, is critical to the broader strategic management process and a metric that matters (Allio, 2006).

Performance appraisal

While performance appraisals clearly have administrative (Analoui and Fell, 2002) and motivational (Beer and Ruh, 1976) purposes, and we do not wish to downplay these vital objectives, the exercise should also provide the organization with a dynamic control measure. Sadly, many firms "... seem to implement metrics without giving any thought to the consequences of these metrics on human behavior and ultimately on enterprise performance" (Hammer, 2007, p. 22). We find this markedly true with respect to performance evaluation. Indeed, the literature is replete with those bemoaning the disappointing results of such appraisals (e.g., Einstein and LeMere-LaBonte, 1989), with some even calling for their complete elimination (Bowman, 1994; Gray, 2002). While we acknowledge the numerous issues surrounding the concept of performance appraisal (interested readers should see Khoury and Analoui, 2004 and Locke *et al.*, 1981), we would argue that abandoning the practice is not only impractical (Antonioni, 1994; Lawler, 1994), but more importantly, would inhibit an organization's ability to use performance evaluation as a valuable strategic performance management measure. Consequently, it is simply a business imperative the performance evaluation process include the characteristics necessary to meet the organizational needs (administrative, motivational, development, and strategic) of all stakeholders (managers, employees, and executives with strategic responsibilities).

Essential characteristics

It is highly unlikely that any performance appraisal system will be totally free from criticism or even immune to legal challenge. However, based upon our experiences and a review of the literature across disciplines, evaluation systems possessing certain definitive characteristics are apt to be more defensible legally while producing useful functional and strategic information and results for the organization, its managers, and its employees.

Consideration of these characteristics will make another significant point abundantly clear: development of an effective appraisal system is not an easy chore (Boice and Kliener, 1997) nor does it happen overnight. A performance appraisal system that does its job well is the result of hard work, careful thinking, and serious planning; especially so when the integration of the administrative, developmental, and strategic needs of the firm is intended. Consistent with this perspective, we describe eleven characteristics an effective employee performance appraisal system should reflect: formalization, job relatedness, standards and measurements, validity, reliability, open communication, trained appraisers, ease of use, employee accessibility to results, review procedures, and appeal procedures.

Formalization

The first requirement for any effective performance appraisal system is that it be formalized. There should be definite written policies, procedures, and instructions for its use (Allan, 1994). Such written guidance should be furnished to all appraisers (Locher and Teel, 1988). General information about the system should be given to all employees through an employee handbook if one exists or by a separate memorandum if an organization has no handbook.



Formalizing the system requires an organization to think through all facets of performance appraisal and to clarify what it wants the system to achieve and how it will achieve it. While this may seem rather obvious, in our experiences, many organizational leaders have great difficulty in expressing what it is they wish to accomplish through the appraisal function and often view it as nothing more than a necessary administrative evil (Losyk, 2002). Putting the system in writing tends to eliminate potential problems that may arise later within the managerial sphere (Somerick, 1993) so we understand this focus. This myopic attention, however, completely ignores the usefulness of the evaluation system as a feedback control measure. If senior leaders can be convinced of the value of performance appraisal as a strategic control metric, the system must be formalized to the greatest degree possible, so the results can be consistently fed back into the strategic process for decision-making, inspiration, improvement initiatives, problem-solving, and the successful alignment and/or realignment of people and processes needed for strategy implementation and adjustment. To not do so clearly puts the firm at a competitive disadvantage and, thus, must be recognized as a substantial organizational weakness (Humphreys, 2007).

Job relatedness

All factors used to evaluate performance must flow from the jobs that are being appraised. Inasmuch as performance appraisal is an employment test according to the definition of test given in the *Uniform Guidelines on Employee Selection Procedures* (Allan, 1994), general traits, personality characteristics, and tenuously related job factors should be scrupulously avoided. Only appraisal factors that account for success or lack of success in performing a job should be used. These factors must be susceptible to standardized definition and uniform interpretation by all appraisers (Martin and Bartol, 1998). Such standardization certainly enhances the reliability of the process for control purposes.

Developing job-related performance factors may, obviously, necessitate creating different sets of factors for different levels or families of jobs (Martin and Bartol, 1998). Because jobs differ in content and expected results, it is difficult to develop a single set of performance appraisal factors that will adequately cover every job in an organization (Sales Agency Management, 1999; Marsden, 1999). Moreover, the increased level of task and/or group specificity of these evaluation elements significantly improves the firm's ability to measure their strategic objectives in terms of key performance indicators. Thus, weak job-related measures do more than run afoul of the law and lower employee morale; they can actually hinder the organization's strategic ability to execute properly in dynamic environments.

Standards and measurement

Standards are expectations, norms, desired results, or anticipated levels of accomplishment that express an organization's concept of acceptable performance (Sales Agency Management, 1999). To set standards an organization must carefully examine each of its jobs and determine reasonable expectations that are acceptable to both the institution and the employees performing the jobs. This is not an effortless task, but it is one that must be accomplished if performance is to be evaluated meaningfully (Brown, 1987).

Once standards have been set, some method of measuring actual results must be developed. In many instances, measurements are difficult to establish because many of today's jobs do not lend themselves to straightforward quantification. Yet if comparison with established standards is to be accomplished, a measurement system must be developed (Marsden, 1999). Even imperfect measurements would seem to be better than no measurements at all.

Establishing standards and measurements is a difficult and challenging task, but it is one that must be accomplished if job performance is to be evaluated accurately. Further, accurate appraisal of standardized, job-related measures is an absolute necessity if the desire is to integrate the information into the overall strategic processes of the organization – a must if there is to be consistent functional alignment with the broader organizational objectives.



Validity

A test is valid if it measures what it purports to measure. As far as performance appraisal is concerned, the system employed or the method used is valid if it measures what it is designed to measure: actual job performance as compared with the established standards.

Establishing the validity of performance appraisal begins during job analysis, the process wherein job performance factors are clearly identified (Marsden, 1999). These factors may include quantity of work, quality of work, meeting of deadlines, adhering to prescribed procedures, and so forth. Whatever the specific factors are, they must be items that directly and specifically reflect the outcomes expected of an individual performing the job. Again, they should also be items that are subject to explicit definition and measurement.

As far as performance appraisal is concerned, there should be a reasonably high relationship between the evaluation an employee has received on a particular performance factor and the actual results the individual has achieved as measured by that factor. Employees who consistently produce high volumes of output should consistently receive a higher rating on this performance factor than employees whose output is lower.

Unfortunately, most performance appraisal systems currently in use do not appear to have been subjected to statistical validity studies as required by the *Uniform Guidelines*. This is tragic, since the consequences of feeding invalid information back into the strategic process can be deadly. If the performance appraisal system is to function as a control metric, we must take great care in establishing the validity of the method.

Reliability

Reliability, statistically speaking, refers to the ability of any test or measurement to produce consistent results. A performance appraisal system that does not consistently measure work performance accurately cannot be considered an effective one (Marsden, 1999). Assume, for example, that an employee's actual work performance on a particular job factor or even a whole series of factors is, in fact, considerably above expectation for three evaluation periods, but that the individual received an average rating on the job factor or factors for the first period, a high rating for the second period, and a below average rating for the third period. A performance appraisal system producing such results could not be considered a reliable one because of the absence of consistency. High performance must consistently receive a high rating, just as low performance must consistently receive a low rating for the measurement system to be considered reliable (Longenecker and Fink, 1999).

Where definitive standards and measurements are not used, reliability problems often arise in performance appraisal because appraisers lack objective criteria for evaluating performance, thus opening appraisers to committing performance evaluation errors that produce inconsistent, unreliable results. Yet again, employing unreliable control measures can be devastating when introduced into the strategic management of the firm. We believe so much so, that if the reliability of your appraisal system is in question, it may be positive that your company is not using the evaluation process for strategic input.

Open communication

All employees have a need to know how well they are performing (Lee, 2005). An effective performance appraisal system assures that feedback is provided on a continuous basis, not in the form of a written annual evaluation, but in the form of daily, weekly, and monthly comments from an employee's supervisor or manager (Lee, 2005). For any performance appraisal system to be effective this ongoing aspect of its nature must be emphasized to appraisers and the necessity of providing continuous feedback information on job performance must be underscored (Longenecker and Goff, 1992). The annual evaluation and its accompanying interview or performance discussion must be devoid of surprises. While the annual performance discussion presents an excellent opportunity for both parties to exchange observations in depth, the annual performance appraisal discussion is not a substitute for day-to-day or week-to-week performance communications (Longenecker and



Fink, 1999). Avoiding or inhibiting such communication is without doubt a real organizational weakness strategically.

Although we are in complete agreement with this, it is also true that the organization understands how well it is doing more broadly defined. This must be a significant component of the strategic management process and is the very definition of strategic control. Therefore, not using such functional level data as feedback control at the strategic level is imprudent and discards the input of valuable organizational stakeholders (Humphreys, 2003).

Trained appraisers

Essential to the effectiveness of a performance appraisal system is thorough training, as well as periodic updating and retraining, of all individuals in the organization who conduct evaluations (Allan, 1994). Classroom training is especially important when a new or revised system is being installed; classroom training is also indispensable for all new managers and supervisors. An organization should never assume that, because performance appraisal information is contained in a supervisory or managerial handbook or is included in the company personnel policy manual, supervisors and managers will automatically learn how to conduct effective appraisals.

In addition to formal training sessions, opportunities for coaching and counseling by the appraisers' immediate supervisors and managers should also be incorporated into the system's procedures. Such personal sessions often permit the discussion and resolution of appraisal problems in their incipiency. Moreover, by actively involving each level of management in teaching performance appraisal, the system becomes more strongly imbedded in the organization as a vital function of human resource management, and as a result, the broader strategic management processes (Humphreys, 2005).

Ease of use

A performance appraisal system does not have to be complex to be effective (Longenecker and Fink, 1999). In fact, the simpler the system, the easier it is to use, the more readily it can be understood by evaluators, the more likely it is to be used in the manner intended (Allan, 1994). If the system is firmly based on standards and measurements, it will probably be not only easier to use but also more valid and reliable, than many of the performance appraisal approaches in use today.

Fortunately, the attempt to develop a system that is easy to use forces senior executives to spend considerable thought to what they wish to receive from the appraisal function. Also, an evaluation system that is well-designed and efficient simplifies use by all stakeholders and creates greater understanding of the role the appraisal system plays in strategic management and long-term organizational success.

Employee access to results

As a result of the Federal Privacy Act of 1973, employees of the federal government as well as federal contractors must be given access to their personnel records, including all files or other data pertaining to their performance appraisals. Presently, this requirement does not apply to employees in the private sector at large, but there are several reasons that suggest the necessity of allowing employees to examine any records relative to their job performance. First, secrecy may breed suspicion about the fairness of the system in the minds of employees (Lee *et al.*, 2004). Second, concern about the fairness of the system could conceivably lead to discrimination charges and raise motivational issues related to perceived inequity. Third, the concept of fairness in dealing with employees suggests that employees have implicit rights to certain kinds of information that directly affects them on their jobs. Fourth, permitting employees to review their performance records builds a safeguard into the system in that employees have the opportunity to detect errors that may have been made in performance evaluations. Finally, since one of the espoused purposes of performance appraisal is employee development, employees need to have access to performance records if they are, in fact, to initiate efforts to improve the ways in which they



carry out their job duties and responsibilities (Mount, 1984). Such development and continuous improvement are hallmarks of effective strategic processes and should be recognized by all stakeholders if they are to serve as operational control metrics.

Review procedures

To eliminate any problems of bias, discrimination, favoritism, or the like, a performance appraisal system needs to include a review mechanism (Allan, 1994). The next higher level of management, usually the evaluator's immediate supervisor, should automatically review all evaluations of employees made by subordinate managers. The purpose of this managerial review is not to have the higher level manager perform a second appraisal; rather, it is for the purpose of auditing the evaluation for fairness, consistency, accuracy, and assuring that the evaluator has carried out his or her function objectively. While a secondary review increases the amount of time devoted to the performance appraisal process, such action tends to protect both the employee and the organization by making an effort to assure fairness and consistency in all employee evaluations.

In addition, the inclusion of different managerial levels increases the value and likelihood that the data generated by the review will be incorporated into the various levels of organizational hierarchy. The process information, then, can be more efficiently interjected into the broader strategic management of the firm. Of course, senior leaders must recognize that valuable strategic input emerges from all levels of the firm (Humphreys, 2005).

Appeal procedures

A fundamental principle of American jurisprudence is the right of due process (Rossum and Tarr, 1991). Unfortunately, in some organizations there is no procedure whereby an employee can appeal what he or she considers an unfair or inaccurate performance appraisal. The employee is simply stuck with the immediate supervisor's evaluation. In such situations, the employee has few options other than living with the unfavorable review or possibly leaving the organization for employment elsewhere. There have even been instances where employees whose performance was acceptable for years were summarily discharged on the basis of one bad performance appraisal. Now that an employer's right to fire at will is being challenged in the courts, sometimes successfully, the need for a clearly delineated appeal procedure in the performance appraisal system is imperative (Beck-Dudley and McEvoy, 1991). It should be noted that organizations having to deal with unions have long had well-established appeal mechanisms in the form of grievance procedures (*Grievance Guide*, 2003).

An appeal process would seem to serve three purposes:

1. it protects employees from unfair appraisals;
2. it protects the organization from potential charges of unfairness; and
3. it helps assure that appraisers do a more conscientious job of evaluation because they know their appraisals are subject to examination by others in the organization.

The number of steps that should be contained in an appeal procedure typically depends on the size of the organization. As a minimum, there should be two steps: an appeal to the next higher level of management and an appeal to the level above that. In larger organizations, the human resource department would be included at some point in the process – possibly the third or fourth step. The procedures by which an employee can appeal an unfavorable review must be clearly spelled out in the formalized policies and procedures of the performance appraisal system as well as specified in the employee handbook. Again, the formalized process and information generated by the appeal process should be welcome feedback data for strategic management of the firm.

Conclusion

Regardless of the specific approach used to evaluate performance – rating scales, ranking, checklists, essays, etc. – the system should correspond to the characteristics described above. By conforming to these guidelines, organizations can assure themselves of more



effective and legally defensible performance appraisal systems. Of equal significance, however, is the ability of the performance appraisal to function as a feedback control measure which can be integrated with and incorporated into overall strategy formulation and implementation. Too often, though, firms fail to grasp the strategic value of such a basic functional process and are focused entirely on the administrative and legal aspects, with secondary hope of some mystical developmental and motivational benefit. In this scenario, the considerable strategic control value of the performance appraisal process is a squandered organizational resource. We would suggest there are two primary reasons for this waste.

First, some organizational leaders mistakenly believe the cost associated with developing a performance management system capable of use as a strategic control metric would be too high. We understand such sentiment but agree with Mani (2002, p. 142) that, "The costs of failing to develop adequate performance appraisal systems, though difficult to measure, would surely exceed the benefits of developing and implementing an effective system."

Additionally, it is simply not a quick and easy task. The alignment and integration of the human resource function with the overall strategic efforts of the firm requires significant analysis, thought, and planning. To do so at the very tactical level of performance appraisal further exacerbates the endeavor and requires even greater analytical energy and precision. We suggest, however, that the benefits of such a complete performance management system will be profound for the organization and all stakeholders, providing managerial and employee utility, satisfaction, and motivation, while adding a crucial strategic control element missing from the fragmented and inconsistent strategic management processes of many firms.

References

- Aaltonen, P. and Ikavalko, H. (2002), "Implementing strategies successfully", *Integrated Manufacturing Systems*, Vol. 13 No. 6, pp. 415-8.
- Allan, P. (1994), "Designing and implementing an effective performance appraisal system", *Review of Business*, Vol. 19 No. 2, p. 2 and 6.
- Allio, M.K. (2005), "A short, practical guide to implementing strategy", *The Journal of Business Strategy*, Vol. 26 No. 4, pp. 12-19.
- Allio, R.J. (2006), "Strategic thinking: the ten big ideas", *Strategy & Leadership*, Vol. 34 No. 4, pp. 4-13.
- Analoui, F. and Fell, P. (2002), "Have you been appraised?", *The International Journal of Educational Management*, Vol. 16 No. 6, pp. 279-87.
- Antonioni, D. (1994), "Improve the performance management process before discontinuing performance appraisals", *Compensation and Benefits Review*, May, pp. 29-37.
- Beck-Dudley, C.L. and McEvoy, G.M. (1991), "Performance appraisals and discrimination suits: Do courts pay attention to validity?", *Employee Responsibilities and Rights Journal*, Vol. 4 No. 2, pp. 149-63.
- Beer, M. and Ruh, R.A. (1976), "Employee growth through performance management", in Vroom, V.H. (Ed.), *Manage People, Not Personnel: Motivation and Performance Appraisal*, Harvard Business School Publishing, Boston, MA.
- Biglar, W.R. (2001), "The new science of strategy execution: how incumbents become fast, sleek wealth creators", *Strategy and Leadership*, Vol. 29 No. 3, pp. 29-34.
- Boice, D.F. and Kliener, B.H. (1997), "Designing effective performance appraisal systems", *Work Study*, Vol. 46 No. 6, pp. 197-203.
- Bowman, J.S. (1994), "At last, an alternative to performance appraisal: total quality management", *Public Administration Review*, Vol. 54 No. 2, pp. 129-36.
- Brown, D.G. (1987), "Development of performance standards: a practical guide", *Public Personnel Management*, Vol. 16 No. 2, pp. 93-114.
- Einstein, W.O. and LeMere-LaBonte, J. (1989), "Performance appraisal: Dilemma or design?", *SAM Advanced Management Journal*, Vol. 54 No. 2, pp. 26-30.



- Floyd, S.W. and Wooldridge, B. (1992), "Managing strategic consensus: the foundation of effective implementation", *Academy of Management Executive*, Vol. 6 No. 4, pp. 27-39.
- Gray, G. (2002), "Performance appraisals don't work", *Industrial Management*, Vol. 44 No. 2, pp. 15-17.
- Grievance Guide* (2003), 11th ed., BNA Books, Washington, DC.
- Hammer, M. (2007), "The 7 deadly sins of performance measurement", *MIT Sloan Management Review*, Vol. 48 No. 3, pp. 19-28.
- Humphreys, J. (2003), "The dysfunctional evolution of goal setting", *MIT Sloan Management Review*, Vol. 44 No. 4, p. 96.
- Humphreys, J. (2004), "The vision thing", *MIT Sloan Management Review*, Vol. 45 No. 4, p. 96.
- Humphreys, J. (2005), "Developing the big picture", *MIT Sloan Management Review*, Vol. 47 No. 1, p. 96.
- Humphreys, J. (2007), "Weakness or opportunity?", *MIT Sloan Management Review*, Vol. 48 No. 3, p. 96.
- Khoury, G.C. and Analoui, F. (2004), "Innovative management model for performance appraisal: the case of the Palestinian public universities", *Management Research News*, Vol. 27 No. 1, pp. 56-73.
- Lawler, E.E. (1994), "Performance management: the next generation", *Compensation and Benefits Review*, May, pp. 16-19.
- Lee, C.D. (2005), "Rethinking the goals of your performance-management system", *Employment Relations Today*, Vol. 32 No. 3, p. 53.
- Lee, J.A., Havighurst, L.C. and Rassel, G. (2004), "Factors related to court references to performance appraisal fairness and validity", *Public Personnel Management*, Vol. 33 No. 1, pp. 151-77.
- Locher, A.H. and Teel, K.S. (1998), "Appraisal trends", *Personnel Journal*, pp. 139-45.
- Locke, E.A., Shaw, K.N., Saari, L.M. and Latham, G.P. (1981), "Goal setting and task performance", *Psychological Bulletin*, Vol. 90 No. 1, pp. 125-52.
- Longenecker, C.O. and Fink, L.S. (1999), "Creating effective performance appraisals", *Industrial Management*, Vol. 41 No. 5, pp. 18-24.
- Longenecker, C.O. and Goff, S.J. (1992), "Performance appraisal effectiveness: a matter of perspective", *S.A.M. Advanced Management Journal*, Vol. 57 No. 2, pp. 17-24.
- Losyk, B. (2002), "How to conduct a performance appraisal", *Public Management*, Vol. 84 No. 3, pp. 8-11.
- Mani, B.G. (2002), "Performance appraisal systems, productivity, and motivation: a case study", *Public Personnel Management*, Vol. 31 No. 2, pp. 141-59.
- Marsden, D. (1999), *Theory of Employment Systems*, Oxford University Press, Oxford.
- Martell, K., Gupta, A. and Carroll, S.J. (1996), "Human resource management practices, business strategies, and firm performance: a test of strategy implementation theory", *Irish Business and Administrative Research*, Vol. 17 No. 1, pp. 18-35.
- Martin, D.C. and Bartol, K.M. (1998), "Performance appraisal: maintaining system effectiveness", *Public Personnel Management*, Vol. 27 No. 2, pp. 223-31.
- Michlitsch, J.F. (2000), "High-performing, loyal employees: the real way to implement strategy", *Strategy and Leadership*, Vol. 28 No. 6, pp. 28-34.
- Mount, M.K. (1984), "Satisfaction with a performance appraisal system and appraisal discussion", *Journal of Occupational Behavior*, Vol. 5 No. 4, pp. 271-9.
- Raps, A. (2004), "Implementing strategy", *Strategic Finance*, June, pp. 49-53.
- Rossum, R.A. and Tarr, G.A. (1991), *American constitutional law: cases and interpretation*, St. Martin's Press, New York, NY.
- Rousseau, Y. and Rousseau, P. (2000), "Turning strategy into actions in financial services", *CMA Management*, Vol. 73 No. 10, pp. 25-9.
- Sales Agency Management (1999), "Sales agency management No. 19: setting performance standards", *Agency Sales*, Vol. 29 No. 12, pp. 30-4.

Schuler, R.S., Fulkerson, J.R. and Dowling, P.J. (1991), "Strategic performance measurement in multinational corporations", *Human Resource Management*, Vol. 30 No. 3, pp. 365-92.

Somerick, N.M. (1993), "Strategies for improving employee relations by using performance appraisals more effectively", *Public Relations Quarterly*, Vol. 38 No. 3, pp. 37-9.

About the authors

Donald L. Caruth is Professor of Management in the College of Business & Technology at Texas A&M University – Commerce. The author of 19 books and ninety journal articles, he specializes in human resource systems, management development programs, and business strategy. Dr Caruth also holds the designation of Senior Professional in Human Resources.

John H. Humphreys is Associate Professor of Management in the College of Business & Technology at Texas A&M University – Commerce and Texas A&M University System Graduate Faculty. A 2006 Fulbright Scholar to China, his work focuses on leader behavior and strategy and has appeared in the *Harvard Business Review*, *Sloan Management Review*, and numerous other venues. John H. Humphreys is the corresponding author and can be contacted at: john_humphreys@tamu-commerce.edu

To purchase reprints of this article please e-mail: reprints@emeraldinsight.com
Or visit our web site for further details: www.emeraldinsight.com/reprints



Reproduced with permission of the copyright owner. Further reproduction prohibited without permission.