

BENCHMARKING GOOD PRACTICES OF PERFORMANCE APPRAISAL FOR LITHUANIAN UNIVERSITIES: UNITED KINGDOM CASE ANALYSIS

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Abstract

A competition, reduced public funding, ownership shift from State budget to public institution, prime government change from Senate to Stakeholders' Council – probably the need for effective personnel management in Lithuanian universities has never been more important as in the challenging nowadays. Development of appropriate performance appraisal system is pivotal involving and empowering personnel to contribute to the overall performance management at the individual and organizational level. This article analyses the state of performance appraisal in Lithuanian universities, outlining the problems and shortcomings to be dealt with. A benchmark tool is applied to look for good practice of performance appraisal in United Kingdom universities: comparative analysis of available “open access” appraisal policies and documentation in operation at three United Kingdom universities has been carried out. The article concludes with implications on the components of successful and effective performance appraisal system which have been benchmarked and advocated for adoption in Lithuanian universities.

Key words: performance appraisal, universities, higher education, academic and administrative staff.

Classification JEL: M12 Personnel Management

1. Introduction

Higher education reform, launched on April 30, 2009 by the legislation of new Law on Science and Studies, has raised new complex tasks and challenges to Lithuanian universities. In parallel to organization of studies, production and spread of knowledge and science development, universities have to introduce modern management approaches and focus on the total quality assurance. Success of universities as knowledge-based organizations exceptionally relies upon the excellence, expertise, commitment and innovation of their employees. Academic staff as intellectual capital of universities creates an added value, which is very hard to copy, imitate, or repeat (Simmons, 2002). Systematic performance appraisal procedures are generally assumed to comprise an important part of quality management and development in universities (Lonsdale, 1998), as well as substantially contributing to increasing productivity of academic staff, successful reform of the educational system (Türk, 2008) and successful rival in the market.

Moreover, according to Allen (2003, p. 1) “performance appraisal is one of the most valuable instruments in the manager’s toolbox <...> a careful appraisal process can help improve an employee's performance for an entire year. More broadly, an effective evaluation process is part of the strategic first-rate people management that helps organizations to succeed.”

Meanwhile the Report of the State Audit of the Republic of Lithuania on the higher education sector (2007) has revealed that, vast majority of students were dissatisfied with the study programs quality (80%), 60% of them were concerned about teachers’ expertise and methods of teaching. Audited higher education institutions have admitted that internal quality assurance means are not introduced on regular basis and usually are related to the external study programs evaluation scheme.

The encouragement for change in performance management arena at Lithuanian universities has been also expressed by the experts underlying, that „there does not appear to be a system of independent assessment of teaching quality“ (OMC Policy Mix Review Report, Country Report, Lithuania, 2007, p. 16), and adding, that „experience from the United Kingdom

suggests that all additional financial incentives, especially an increase in salaries (for researches in Lithuanian context) should be tied to changes in behaviour and performance“ (ibid, p. 19). Experts emphasize the priority “to implement decisions taken on the basis of the performance assessment more strictly“ (ibid, p. 31).

In regard to the stated above performance appraisal at universities in general and in United Kingdom universities in particular has been chosen as an **object** of current article. A sufficient amount of information, literature and second data available for analysis, as well as a long historical tradition, experience and divergence of approaches to performance appraisal has supported the idea to focus on United Kingdom examples. Accordingly, the **main goal** of article is to benchmark good practices of performance appraisal at United Kingdom universities that could be adoptable within universities in Lithuania. The defined goal was targeted by following **objectives** (aim): to review how performance appraisal manifests itself in Lithuanian universities, to identify main problems it faces, to explore the state of the art of performance appraisal in United Kingdom universities, to pinpoint components of effective and successful performance appraisal system which could bridge the gap. The **methods** of scientific literature review, qualitative secondary data analysis of documents used in the process of appraisal, comparative case analysis.

2. Theoretical background of performance appraisal

According to Seta et al. (2000, p. 444) initially performance appraisals were quite brief, consisting mainly of a few comments from a supervisor to his subordinate to the extent that he or she was doing a „good job“ or, conversely, a “bungle job”. However, afterwards performance appraisals have become widely viewed not simply as a means of informing employees on where do they stand, but also as a valuable tool for helping them develop in ways beneficial both themselves and the company.

Armstrong (2006, p. 486) defines contemporary performance appraisal as a “formal evaluation process, when a review of performance over a period takes place, covering achievements, progress and problems as the basis for a revised performance agreement and personal development plan”. Currently performance appraisals usually comprise: 1) explicit feedback on various aspects of job performance; 2) identification of employee’s strengths and weaknesses in comparison to the requirements for current position; 3) the agreement on concrete objectives to be attained by the employee during the next evaluation period; and 4) preparation of personal development plans, a statement of each employee’s career goals, decisions on merit pays, etc. (Seta et al., 2000, p. 445).

Performance appraisal may be used for a full-scale of various purposes. Fisher et al. (2005) define the following principal *purposes of appraisal*: employee development (identification of training needs and preparation of personal development plans), administrative decisions (merit, pay, career, etc.), organisational development (personnel planning, prevention of conflicts, implementation of motivation system, etc.) and documentation (conformity to official regulations, certification of accordance to formal requirements, etc.). Actually, the above mentioned purposes of performance appraisal in practice usually overlap and thereafter two key opposite approaches are referred to. These are, as Haslam et al. (1993) define *managerialist* (aimed at control, primarily concerned with assessment of performance outcomes, and linked to promotion and merit pay awards) and *developmental* (intended for the purposes of staff development, explicitly stated and backed up with adequate resources and effective procedures designed to ensure that identified training needs are met).

The almost crucial step in developing a performance appraisal system is to determine which aspects of performance to evaluate. According to Fisher et al. (2005) the most frequently used *appraisal criteria* are traits, behaviours, and performance outcomes. In the latter case “the

setting and communication of clear, limited goals and consistency of good practice” (Smith, 1995, p. 189) plays a major role.

Performance appraisal in higher education has been researched and analysed explicitly in a broad range of dimensions and multinational perspectives (Clement and Stevens, 1989; Türk, 2008; Türk, Kukemelk and Herdlein, 2005; Decramer et al., 2008; Lonsdale, 1998; Morris, 2006; Bakanauskiene and Juozilaityte, 2001; Smith, 1995; Mackay, 1995; Shelley, 1999; Simmons, 2002, and etc.) and the following limitations for performance appraisal at higher education sector were agreed upon by many authors:

- Organizational particularity (flatter structure, more collegial than hierarchical management, weaker control and regulation mechanisms (Simmons, 2002, pp. 86-100). According to Decramer et al. (2008) even though human resources are the most valuable asset of higher education institutions, the accounting and administration of personnel predominates over managing approach);
- Distinction of human resources (personnel in universities usually possess more self-discipline, freedom of action, decision-making, stand to professional standards and code of ethics and their status derives basically from their personal competence, knowledge and excellence (Simmons, Iles, 2001).

The above mentioned restrictions presuppose that application of hierarchic, control-pointed performance appraisal is “unwarranted, unworkable and unacceptable in knowledge based organizations” (Simmons, 2002, pp. 86-100). Simmons and Iles (2001) note that common principles of flexibility, procedural justice, staff commitment and self-reflection should be applied while developing an equitable and robust performance appraisal system at universities as well as recognition and consideration of stakeholders’ interests and developmental approach are crucial.

3. Practice of performance appraisal in Lithuania

It should be pointed out that formal performance appraisal is obligatory in all Lithuanian higher education institutions and is regulated by the Laws of the Republic of Lithuania. The subject of such appraisal or to be more exact – assessment or *certification* – is *academic staff*. Periodical certification is conducted to evaluate conformability for current position only at the end of each 3 to 5 years cadence (according to Lithuanian regulations). But *the purpose* of such certification is exceptionally *administrative-managerial* (i.e., renewing or termination of employment contract, demotion or promotion) and not at all focused on motivation or development of academic staff.

Academic staff *appraisal criteria*, set by the resolution of the Government of the Republic of Lithuania (i.e., scientific degree or academic title, scientific productivity – articles, monographs, textbooks, methodical material – experimental work, attending international scientific conferences, etc.) are oriented towards results of scientific activity. Meanwhile behaviour, competencies, enunciation skills, personal features – criteria that are of great importance revealing and evaluating teaching quality and dynamics – stay apart.

Some universities or just some departments involve students as important stakeholders (*appraisers*) into assessment process of the academic personnel. Questionnaire surveys allow finding out how good academic employees are in teaching, do they properly transfer the knowledge, how comprehensive their communication is, etc. Consequently to evaluate teaching quality and make steps improving it. And the latter is where universities usually fail, because results of such surveys are not applied properly and stay mostly in the frames of the survey process itself. On the other hand, student evaluation should be used with certain caution, since student opinion – do they like a teacher, whether or not the material in the course is interesting, are lectures clear, interesting, stimulating, and perhaps amusing. Rosovsky (1990, p. 91) notes

that “to some degree, these are measures of popularity and may have little to do with the essence of teaching: to cause someone to understand a subject”.

According to Bakanauskiene and Juozilaityte (2001) the existing performance appraisal system of academic personnel in Lithuanian universities doesn't motivate to develop and/or improve their teaching abilities and competencies. The main problems pointed out by authors are purpose of appraisal (suitability for position), appraisal criteria (predominant scientific results orientation), frequency (too rare), selection of appraisers (not all or at least main stakeholders involved).

Moreover there is a very few evidence of performance appraisal of administrative personnel at higher education institutions in Lithuania, although their activity is soundly influencing the common organizational success and institutional quality.

4. Performance appraisal in United Kingdom universities

Between 1965 and 1993, in the UK formally operated a binary system split between polytechnics and universities. The 1992 Education Act unified the sector and former polytechnics were empowered the right to call themselves universities (Shelley, 1999). However, the split between so called „new“ or post-1992, and „old“ or pre-1992 universities remained. According to Mackay (1995) the „old“ universities have demonstrated the *laissez-faire* approach to the personnel management, operating on a high-trust, confidence, academic freedom and collegiality basis. Such unrestrained organizational culture meant that employees have not been closely monitored or assessed. On the other hand, ex-polytechnics inherited strong central direction and a more overtly managerial structure. Academic employees were seen as having more limited trust and latitude compared to the „old“ universities (Simmons, 2002). Yet economic realities obliged both „old“ and „new“ universities to become more market-oriented, consumer-responsive and managerial. The greater institutional autonomy on personnel management, including more liberal regulation of policies, has led to a significant emphasis on individual performance appraisal, which per se has been reflected in recruitment and promotion criteria as well as pay and work conditions (Reichert, 2009).

The performance appraisal systems, implemented in „old“ universities have kept broadminded perspective and were merely focused on development, motivation and incentive of employees. Meanwhile „new“ universities introduced more administrative, pay-related performance appraisal schemes. As it is shown in the Figure 1, the main factors, distinguishing performance appraisal systems in pre-1992 and post-1992 universities were purpose of appraisal and appraisal criteria.

It should be noted that such an assertive differentiation of performance appraisal at „old“ and „new“ universities was becoming not so obvious over the time. Searching for appropriate and most acceptable performance appraisal system has led to the high level of convergence.

Consideration of the 70 institutional audit reports by the Quality Assurance Agency for Higher Education (QAA, 2005) suggested that „there are indications in the majority of institutional audit reports of some form of linkage between the outcomes of appraisal/performance review and staff development.“¹.

¹ <http://www.qaa.ac.uk/reviews/institutionalaudit/outcomes/outcomesstaffsupport.asp>

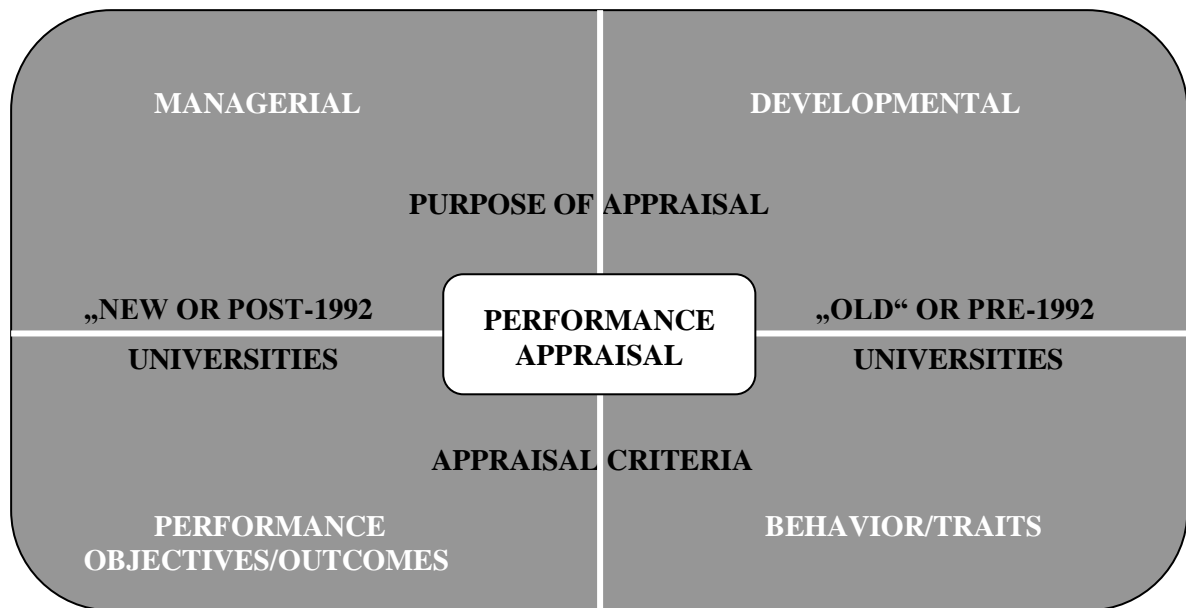


Figure 1: Performance appraisal in “new” and “old” universities

Source: own

The comparative analysis of available “open access” appraisal policies and documentation in operation at three United Kingdom Universities has been carried out in order to get empirical evidence of theory above. Two „old“ – University of Kent at Canterbury² and the University of Reading³ – and one „new“ University of the West England⁴ have been chosen by random for review vis-a-vis purposes of appraisal and appraisal criteria (see Table 1).

Table 1: Performance appraisal at University of Kent at Canterbury, University of Reading and University of the West England

Appraisal purposes	University of Reading	<ol style="list-style-type: none"> 1) to review the whole of the role and contributions made; 2) to identify and discuss any difficulties or obstacles to personal effectiveness; 3) to provide a way of balancing and integrating personal needs and ambitions with the School/Directorate needs and the objectives and strategies of the University; 4) to identify training and development needs for current and future roles; 5) to plan for the future and agree specific objectives to agree those plans.
	University of Kent at Canterbury	<ol style="list-style-type: none"> 1) to provide guidance or training and development needed to enhance future performance and professional capabilities; 2) to identify and develop plans to realize potential for: <ul style="list-style-type: none"> career advancement or for increased responsibility (academic and research staff); any potential for increased responsibility in current or future posts (administrative staff); 3) to review and to share feedback upon performance achievement/outcomes against agreed objectives and plans; 4) to plan future performance by agreeing individual objectives, plans, and priorities, and to harness ideas which will contribute to the enhancement of team, Department/School and university performance.

² <http://www.kent.ac.uk/hr-staffinformation/policies/appraisal.html>

³ <http://www.reading.ac.uk/internal/CSTD/sdrjobchats/cstd-sdrjobchats.aspx>

⁴ <http://info.uwe.ac.uk/hr/default.asp>

	University of the West England	1) clarity about individual roles and how they fit in with others; 2) shared discussions about workloads and the working environment; 3) feedback to individuals about their performance; 4) support to individuals for personal and professional development; 5) promotion of positive working to ensure fair and consistent treatment; 6) communication about University activities and future change.		
Criteria	University of Reading	Agreed objectives from the previous year and the agreed agenda. The explicit list of suggestions, which may be relevant, but not obligatory to discussion is provided:		
		Academic Staff, Contract Research Staff : Courses taught Personal Tutor Role Student Evaluations Peer observations Examining Career Management Skills coordinator Special student support Committee activities PhD/project supervisions Mentoring Research grants, projects, plans Consultancy and income generation Knowledge Transfer Publications Administrative roles Management and leadership roles Professional/society involvement School representative roles Personal/professional development Career management issues Supervisory/management responsibilities Conference presentations.	Administrative, Secretarial, Technical Staff: Management responsibilities Committee work Feedback from students / colleagues Special projects National networking Personal/professional development Contact with students Supervisory/management responsibilities Career issues Technical skills Teaching support activities Supervisory/management responsibilities Involvement in research	
		Major training and development activities undertaken.		
	University of Kent at Canterbury	Past performance: achievements/outcomes, against defined objectives (normally cover teaching, research and administration), both strengths and weaknesses, initiatives of training and development. There is no specific list of criteria provided.		
University of the West England	Academic staff: Academic expertise Teaching and learning Research and study development Professional behaviour	Academic related staff: Academic/professional knowledge Professional practice Research and study development Professional behaviour	Administrative staff: Professional knowledge/expertise HR management Effective communication Performance/process management Finance/cost management Professional behaviour and personal abilities	

Source: own

The findings deriving from a study of appraisal in three universities has shown that:

- 1) At both „old“ and „new“ universities performance appraisal policies are primarily or yet merely aiming at employee development and motivation:

“The main purpose is to plan and motivate performance in the current post”, (Appraisal Policy and Notes for Guidance, University of Kent at Canterbury).

“The University sees Review as an integral part of its management processes, whereby managers and staff meet regularly to discuss issues of importance to the individual, the School/Directorate and the University”, (A Guide to Staff Development Review, University of Reading).

„The purpose of people + performance is to improve the staff experience. The scheme places a responsibility on managers to support individuals by giving feedback about past activities, having discussions about the present, and sharing plans for the future“, (People + Performance, University of the West England).

- 2) Performance appraisal schemes apply to all employees at both “old” and “new” universities. In respect to divergent content of employees’ jobs, discrete appraisal templates, guides or criteria are developed for:

- Academic and research staff; Professional/Managerial and Support Staff (University of Kent);
- Academic Staff/ Contract Research Staff/ Administrative Staff/ Secretarial staff/ Technical Staff (University of Reading);
- Academic staff/ Academic related staff/ Administrative staff (University of the West England).

- 3) All three universities to some extent have adopted dual “objectives + behaviour” criteria approach, e.g.:

- *“courses taught”*, *“publications”*, *“PhD/project supervisions”* (objectives) + *“student evaluation”*, *“personal/professional development”*, *“school representative role”* (behaviour) at University of Reading;
- *“teaching and research”* (objectives) + *“strengths and weaknesses”* (behaviour) at University of Kent;
- *“research and study development”*, *“performance/process management”*(objectives) + *“professional behaviour and personal abilities”*, *“professional knowledge/expertise”* (behaviour/traits).

- 4) The main differentia of “new” University of the West England appraisal system are: 1) very formalized and structured shape; 2) more bureaucratic and obligatory approach; 3) some administrative decisions (career, payment) derive from performance appraisal results.

- 5) The “old” University of Kent at Canterbury is distinguished for most unconventional approach towards performance appraisal: *“The appraisal provides [just] the **framework** for regular (may be more than once per year) reviews of past performance and the planning of future performance”*; *„You do **not** have to use the form, it is offered simply as a tool“*.

All in all, there is empirical evidence (Shelley, 1999, p. 448) that most appraisal used in pre-1992 and post-1992 universities appear to adopt evaluative (managerial) approach in addition to a developmental one, even if it is often “wrapped in a very developmental rhetoric, with the most frequently cited purpose of appraisal being staff development”. In this respect “new” universities are very akin to “old” one. Moreover the research has revealed that a system of Performance Related Pay, which is the case in managerial appraisal, was operating in 65 per cent of pre-1992 and only in 33 per cent of post-1992 universities. So, according to Shelley (ibid, p. 448), “any conclusion about the continued existence of the binary divide on the basis of appraisal practice is an over-simplification of an extremely complex situation”.

5. Conclusion

The review of performance appraisal situation in Lithuanian universities has revealed that obligatory managerialist approach is prevailing when academic staff is evaluated against conformity for the position. There is just a few evidence of contemporary performance appraisal in Lithuanian universities and this obviously does not motivate employees and does not provide the means for quality assurance and effective personnel management, which are of prime importance in the presence of higher education reform. There is still a long way to go for the leaders and human resource practitioners at Lithuanian universities to reach the state-of-the-art of performance appraisal.

Exploration of performance appraisal practices in United Kingdom universities disclosed that though having the different foundation and cultural diversity, both „old“ and „new“ universities are moving towards convergence in performance appraisal philosophy, looking for synergy of managerial and developmental approach though emphasizing the latter. Consequently the following implications on the components of successful and effective performance appraisal system have been benchmarked: 1) performance appraisal should be eventually aiming at employee development and motivation; 2) performance appraisal scheme should be applied to all employees. Discrete appraisal templates, guidelines and/or criteria may be developed for academic/research/administrative/technical staff; 3) evaluation of “performance outcomes + behaviour” criteria should be considered.

The author believes that current study will facilitate the performance appraisal employment at Lithuanian universities, though acknowledges that particularities of process and content of performance appraisal are discretionary and, accordingly, the adopted “best practice” of performance appraisal would manifests differently from institution to institution.

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