Performance Management System for Temporary Employees

Understanding differences in Performance Management between Temporary and Permanent Employees

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Acknowledgments

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Abstract

Title: Performance Management System for Temporary Employees: Understanding differences in Performance Management between Temporary and Permanent Employees

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Purpose – The purpose of this study is to find the organizational practices in place for the performance evaluation of temporary employees and how that varies from permanent employees.

Method – The study takes an inductive and interpretive approach to find out the unknown practices. The study is conducted over 7 respondents from different organizations split between recruitment agencies and client organizations and represents practices maintained by both set of industries.

Findings – The study identifies low standardization in performance evaluation and discusses the variance from literature over the subject matter. Also a model is drawn based on the amalgamation of literary review and empirical results.

Implications – The study presents variance in the processes for temporary employees and the prime areas where the variance occurs. For the organizations to have fair and just performance management system and for equality towards temporary employees, these issues must be addressed.

Limitations – Cultural practices are not taken into consideration and literature might be based on different cultural practices than the respondent’s country and for a wholesome study, more respondents might be needed.

Keywords – Performance Evaluation, Performance Review, Temporary Employees, Performance Appraisal, Performance Management, Organizational Goals, Organizational Values, Performance Evaluation Metrics
# Table of Contents

## Introduction ............................................................................. 1
  1.1 RESEARCH PROBLEM ............................................................... 2
  1.2 NEED OF RESEARCH ............................................................ 3
  1.3 RESEARCH PURPOSE AND QUESTIONS ................................. 4
  1.4 DELIMITATION OF THE STUDY .............................................. 4

## Theoretical Framework .......................................................... 6
  2.1 CORRELATION BETWEEN RESEARCH QUESTIONS AND THEORY ........................................... 6
  2.2 PERFORMANCE RATING SYSTEM .......................................... 6
    2.2.1 Feedback System ............................................................ 9
  2.3 METRICS FOR PERFORMANCE EVALUATION ....................... 10
    2.3.1 Organizational goals as Performance Evaluation metrics .......... 11
  2.4 PURPOSE OF PERFORMANCE EVALUATION .......................... 12
    2.4.1 Use of Performance Appraisal ......................................... 13

## Research Methodology .......................................................... 15
  3.1 RESEARCH DESIGN ............................................................. 15
  3.2 RESEARCH METHOD AND STRATEGY ..................................... 16
  3.3 DATA COLLECTION ............................................................. 17
    3.3.1 Interview conduction .................................................... 17
    3.3.2 Data Interpretation & Analysis ....................................... 19
  3.4 RESEARCH ETHICS ............................................................... 19
  3.5 DATA QUALITY ................................................................. 20
  3.6 CHOICE OF RESPONDENTS ................................................ 21
    3.6.1 Organizations .............................................................. 21
    3.6.2 Individuals ................................................................. 22
    3.6.3 Special Cases .............................................................. 22

## Empirical Results .................................................................... 23
  4.1 PERFORMANCE REVIEW SYSTEM IN USE ............................. 23
  4.2 FEEDBACK SYSTEM ............................................................ 25
<table>
<thead>
<tr>
<th>Chapter</th>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.2</td>
<td>4.2.1</td>
<td>Recruitment Agency</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>4.2.2</td>
<td>Client Companies</td>
<td>28</td>
</tr>
<tr>
<td>4.3</td>
<td></td>
<td>USE OF PERFORMANCE APPRAISAL</td>
<td>29</td>
</tr>
<tr>
<td></td>
<td>4.3.1</td>
<td>Recruitment Agency</td>
<td>29</td>
</tr>
<tr>
<td></td>
<td>4.3.2</td>
<td>Client Companies</td>
<td>30</td>
</tr>
<tr>
<td>4.4</td>
<td></td>
<td>ORGANIZATIONAL GOALS</td>
<td>32</td>
</tr>
<tr>
<td>4.5</td>
<td></td>
<td>ORGANIZATIONAL VALUES</td>
<td>33</td>
</tr>
<tr>
<td>5</td>
<td></td>
<td>Analysis</td>
<td>36</td>
</tr>
<tr>
<td></td>
<td>5.1</td>
<td>RESEARCH QUESTION 1: HOW IS PERFORMANCE APPRAISAL DONE FOR TEMPORARY EMPLOYEES IN THE WORKPLACE AS WELL AS THE RECRUITMENT AGENCIES?</td>
<td>36</td>
</tr>
<tr>
<td></td>
<td>5.1.1</td>
<td>Performance review system</td>
<td>36</td>
</tr>
<tr>
<td></td>
<td>5.1.2</td>
<td>Feedback System</td>
<td>39</td>
</tr>
<tr>
<td></td>
<td>5.2</td>
<td>RESEARCH QUESTION 2: WHAT IS THE USE OF THIS PERFORMANCE REVIEW IN REGARD TO TEMPORARY EMPLOYEES?</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td>5.2.1</td>
<td>Recruitment Agencies</td>
<td>41</td>
</tr>
<tr>
<td></td>
<td>5.2.2</td>
<td>Client Companies</td>
<td>42</td>
</tr>
<tr>
<td>5.3</td>
<td>5.3.1</td>
<td>CONCEPTUAL MODEL FOR PERFORMANCE REVIEW OF TEMPORARY EMPLOYEES</td>
<td>43</td>
</tr>
<tr>
<td></td>
<td>5.3.2</td>
<td>Organizational Goals</td>
<td>44</td>
</tr>
<tr>
<td></td>
<td>5.3.3</td>
<td>Organizational Values</td>
<td>44</td>
</tr>
<tr>
<td></td>
<td>5.3.4</td>
<td>Rater-Ratee Relationship</td>
<td>45</td>
</tr>
<tr>
<td></td>
<td>5.3.5</td>
<td>Purpose of Rating</td>
<td>45</td>
</tr>
<tr>
<td></td>
<td>5.3.6</td>
<td>Rating Instrument</td>
<td>45</td>
</tr>
<tr>
<td></td>
<td>5.3.7</td>
<td>Rating Process</td>
<td>45</td>
</tr>
<tr>
<td></td>
<td>5.3.8</td>
<td>Results</td>
<td>46</td>
</tr>
<tr>
<td></td>
<td>5.3.9</td>
<td>Action</td>
<td>46</td>
</tr>
<tr>
<td>6</td>
<td></td>
<td>Conclusion</td>
<td>48</td>
</tr>
<tr>
<td></td>
<td>6.1</td>
<td>DISCUSSION</td>
<td>48</td>
</tr>
<tr>
<td></td>
<td>6.1.1</td>
<td>Lack of Standardized Performance Review</td>
<td>48</td>
</tr>
<tr>
<td></td>
<td>6.1.2</td>
<td>Difference in contextual job behaviors</td>
<td>48</td>
</tr>
<tr>
<td></td>
<td>6.1.3</td>
<td>Recruitment agencies are passive</td>
<td>49</td>
</tr>
<tr>
<td></td>
<td>6.2</td>
<td>LIMITATIONS OF THE STUDY</td>
<td>49</td>
</tr>
</tbody>
</table>
List of Figures

FIGURE 1: CORRELATION BETWEEN RESEARCH QUESTIONS AND THEORY 6
FIGURE 2: COMPONENT MODEL OF PERFORMANCE RATING 7
FIGURE 3: PROCESS MODEL OF PERFORMANCE RATING 8
FIGURE 4: IMPORTANT USES FOR PERFORMANCE APPRAISAL (THOMAS AND BRETZ, 1994) 14
FIGURE 5: GENERAL PATTERN OF INDUCTIVE ANALYSIS 15
FIGURE 6: PERFORMANCE REVIEW SYSTEM FOR CLIENT ORGANIZATIONS 38
FIGURE 7: USES OF PERFORMANCE REVIEW BY RECRUITMENT AGENCIES 41
FIGURE 8: USES OF PERFORMANCE REVIEW BY CLIENT COMPANIES 43
FIGURE 9: CONCEPTUAL MODEL 47
1 Introduction

Since the industrial revolution advent in 1760s, every decade has left an indelible mark on the way the industries have functioned and how that can be improved upon and so on. Whether it was the introduction of assembly lines and use of conveyor belts by Henry Ford or the use of Kaizen philosophy by Toyota or the globalization boom of the 1970s each of these events or philosophies changed the future generations for better. Carrying on in the same vein we are at the footstep of another global trend staring boldly at the organizational structure and challenging it in many ways as we know it, and the name of this trend is ‘Temporary workers’.

Short term employees, contract workers, temporary workers, there are many names assigned to this form of employment in various different countries but the purpose and meaning remains the same. Chen, Popovich, & Kogan (1999) and Polivka & Nardone (1989) define a temporary worker as an employee who is not in an exclusive contract with an organization for a long term employment or a permanent employment. The European commission (1997) estimated that 7.1 percent of the employed population in the UK are temporary employees i.e. not employed on a permanent contract that makes up to about 1.5 million people who are temporary employees. There are approximately 10 million contract workers in the United States, accounting for approximately 8% of the workforce (Bureau of Labor Statistics, 2005; Davidson, 2009). According to another study (HR Focus, 2006), it was estimated that contingent workers (which include temporary workers as well as other job classifications such as part-time and seasonal workers) account for as much as 11.3% of the total workforce. Increasing numbers of temporary workers have been seen in other countries as well. For example, in Japan and Germany, temporary employees make up 14% of the workforce (Hayashi, 2008). This rise which we see in this form of employment makes this an interesting segment to be followed. This reiterates the fact that we are going to address in the thesis that this form of employment is unique and growing. Almost all developed countries are facing a rise in this form of work culture and hence proper management of these resources is one of the primary task at hand for many organizations as these factors lead into the employee’s performance at his or her work.

To manage the organizational performance as well making the employee feel connected to the company and in turn improve his or her effectiveness is a challenge which such organizations face. Among the common performance management policies, performance appraisal system is considered one which is the best way to promote organizational performance and is usually accomplished by individual task accomplishments (Roberts, 2003). Harrington & Lee (2015) state that organizations put in the practice of performance appraisal as a source to establish and enhancing trust between the employees and the organization. Thus, positive interactions and reciprocities between employees and the organization concerning performance appraisal are more important than any other institutional factors (Milliman, Nason,
Zhu, & De Cieri, 2002). McDonald & Makin (2000) stated that there were 12 items to assess the employees' perception of the organization's behaviour: competitive salary; benefits; pay linked to performance; recognition of contributions to the organization; job security; training; recognition and feedback on performance etc. They also found in their research that those aspects of job-related attitudes that have been shown to be associated with a relational contract, namely organizational commitment and job satisfaction, are actually higher among non-permanent than permanent staff. To be specific, studies empirically find a strong and positive relationship between perceived developmental performance appraisal use (e.g., performance feedback and identifying ratees’ training needs) and ratees’ performance appraisal acceptance or satisfaction (Boswell & Boudreau, 2000; Dipboye & de Pontbriand, 1981; Gosselin, Werner, & Halle, 1997).

A lot of literature have dealt with the subject where they show the feeling of not being at an equal level as the permanent employees among the contract workers. The extent to which contract workers perceive themselves to have lower status in relation to the other employees can have an effect on their work-related attitudes and behaviours which are critical to business operations. In examining this issue, we extend the line of work that has demonstrated a ‘spill-over’ (cf. Liden et al., 2003). Boswell et al (2011) state that contract workers harbour the feeling of low job security as well as expendability. Since many companies hire such professionals for a very specific task, this makes them stand out because of certain visible recognizable markers like different task assignments and application of policies that reinforce differences from standard employees (Broschak & Davis-Black, 2006). A contract worker’s perception of being less valued than standard employees at the company represents a negative experience which could be associated with lower affective commitment (Herrbach, 2006). Interestingly, the literature suggests that the reactions of supervisors to perceived temporary worker alienation might be quite different than that of the temporary workers. Temporary workers felt that their work relationship (with management) was not perceived as equitable or balanced (Redpath, Hurst, & Devine, 2007); however, management felt that the temporary workers were a good return on their investment, highly skilled, motivated, and crucial to completing projects.

1.1 Research Problem

This conflict of interest has led us to continue down this path to try to find out how these organizations manage these issues. On one hand there is a problem that the temporary employee must be made to feel part of the whole system but on the other hand their jobs and responsibilities and sometimes the set of practices and rules in place for them make them stand out in a crowd (metaphorically). Since the performance rating and the subsequent incentives (if any) is a mean to improve the performance of an employee, then how does this takes in the case of a temporary employee who needs to be made to feel part of the bigger change to get their full
attention or their full loyalty and a 100 per cent immersion into the project at hand. Many a times this conflict comes to the fore when a temporary employee has a supervisor who is a permanent employee. In general companies take up the practice of self-rating i.e. the rating which an individual provides to himself or herself and then a supervisor’s rating which determine the final rating of the employee. At general electric co., Kay, Meyer and French (1965) found that when perceived ratings were lower than self-ratings, the result was increased defensive behaviour such as attaching reduced importance to the job and the appraisal as well as expressing more negative attitudes toward the supervisor.

There are organizations which employ people for short term from another recruiting agency with whom these people have long term contracts. This gives rise to a triangular relationship. These “triangular” relationships (McKeown, 2003) are different from and more complex than standard dyadic employment relationships because employees are in a sense working with two distinct organizations. Hence the employees are shared between two organizations and the commitment of the employee comes under influence from these stimuli. This gives a very interesting turn to the knowledge we already possess as the rating system employed by the organization which employs for short term contract must work in conjunction with the organization which employs for long term contract. The literature argues that the performance review must be done by the supervisors or the work place but the employees belong to a recruitment agency who is loaning these employees to another organization. Hence this ‘triangular relationship’ must be researched to understand the relationship shared by the three entities involved in the system, the employee, the organization and the recruitment agency.

1.2 Need of Research

Temporary employment is a growing form of employment in the world market. According to a study done by Morris & Vekker (2001), there has been continuous growth of 20% annually in the number of people employed in this form of employment. They also say that only students between the ages of 16-24 enrolled in school are the ones happy with this form of employment for experience purposes for a better job (Morris & Vekker, 2001). Hence this seems like a form of employment which is here to stay and there is a need for this employment to be treated equally to a permanent job by the organization who use such form of employment. Various scholars argue that these employees harbour feelings of low self-esteem and expendability (Boswell et al, 2011) hence low commitment towards the organization (McDonald & Makin, 2000, Herrbach, 2006). Since the importance of these employees is salient to completing projects (Redpath, Hurst, & Devine, 2007) hence these employees must be dealt with the same organizational policies as put forth for permanent employees. This research tries to figure out if these organizational policies encompass the temporary employees similar to permanent employees and hence tries to project the practices in place for temporary employees. This research
also delves into the need of performance management of these temporary employees as it is the stepping stone for self-learning and self-efficacy for the employees irrespective of form of contract.

1.3 Research Purpose and Questions

We found some gaps based on our literature review where the performance rating and the performance appraisal system for the temporary employees has very little or no study done on it. The purposes of our research is:

*Identify the organizational practices in place for the performance evaluation of the temporary employees.*

For this we find out the performance review method being used in the client organizations (workplace) as well as recruitment agencies and use existing literature to measure these practices and their uses against the existing practices and principles.

To achieve this, we split the research question into parts where at first we find out the complete process of performance appraisal of the employees and in the next part, we try to find out what is the use of this knowledge that the organization possesses for temporary employees or how these organizations use this performance rating in context of temporary employees.

Hence our research questions are:

**Question 1.** How is performance appraisal done for temporary employees in the workplace as well as the recruitment agencies?

**Question 2.** What is the use of this performance review in regard to temporary employees?

This study is relevant for the organizations hiring such workforce on a temporary but continuous manner as employee performance is majorly dependent upon employee satisfaction (Boswell & Boudreau, 2000; Dipboye & de Pontbriand, 1981; Gosselin, Werner, & Halle, 1997). And we believe that recruitment firms can also take note of this existing difference between employee perceptions of company policies and how valued the employee feels in this situation (Herrbach, 2006) as this directly affects the performance of these employees.

1.4 Delimitation of the study

Because of the broad nature of the topic, we have decided to take into consideration some specific points of view. We are dealing with the companies’ policy and practices and hence we will not be taking the employees point of view. Wherever
necessary, the studies done in this area will be consulted to fill the knowledge gap regarding the employee perception.
2 Theoretical Framework

The aim of this section is to present literatures relevant to this research and to provide a theoretical framework. The chapter begins with a review of definitions and some measurements of performance rating and temporary employees, and then follows by the relationship between temporary employees and the workplace as well as recruitment agency which leads to the conceptual framework of the study.

2.1 Correlation between Research Questions and Theory

To answer the first research question about the performance evaluation processes in place for temporary employees, the theoretical base of Performance Rating System, Feedback system and performance evaluation metrics is used. Since the literature is limited over the topics, the theoretical background present for permanent employees is used and the process defined is measured against theoretical base and the fairness of the system on itself and its fairness is measured between permanent employees and temporary employees.

For the second question, the theoretical background of the purpose of performance evaluation for the organizations as well as what the organization uses these performance evaluations for is followed. We study what the organizations are using the performance evaluation for and how it holds against the literature in place. Also we try to find out if there is any dissimilarity between the temporary and permanent employees in this regard and if yes, on what basis are these differences.

![Figure 1: Correlation between Research Questions and Theory](image)

2.2 Performance Rating System

How does an organization know whether the employee is efficient or not? How does an organization know the capability of an employee and what the employee is good at? The answer is performance rating. Every organization around the world, no matter the field of operations, has one or the other form of performance rating system intact. From private organizations to government ones, from manufacturing companies to service based ones, each one has a performance rating system for their employees. Each organization has different set of checkmarks based on the industry the organization is in and also based on what kind of work the employees
are doing. No two people doing different set of jobs can be rated on the same scale, the complexity of the job and the time frame of doing that job also play an important role. Apart from all this, there are certain criteria which stay the same for all employees. Organizational values, adherence to company rules and regulations, general teamwork, enthusiasm are some of the elements which primarily do not change and almost all organizations have a keen focus on these values while rating their employees. Landy and Farr (1980) mentioned the crude structure of performance rating having various different variables.

![Figure 2: Component Model of Performance Rating](image)

They mentioned that at a general level, the rating system might have different classes of variable: (1) ‘Roles’ will include the rater or the rate, (2) ‘Context’ is the type of organization, purpose of rating etc., (3) ‘Vehicle’ is the instrument of rating, this all culminates into the ‘rating process’ which is the individual rater’s strategy and finally (5) ‘Results’ of the rating.

The measure of performance differs from organization to organization and industry to industry. While studying the performance rating system prevalent in schools, different measurement indices came to the fore. Shinn (1989) mentioned the curriculum based techniques for behavioural assessment while Shapiro & Kratochwill (1988) mentioned direct observation of classroom behaviour. In these cases, although it was a concern that the teacher might be susceptible to a pre-set bias like confirming previous classification decisions (DuPaul et al, 1991) but still they possess several inherent advantages which is to be in a supervisory position to see this development at close quarters and also training for this precise purpose. Similarly, Landy and Farr (1976) in their study noted that among all the major metropolitan areas they undertook, 89% of the 196 police departments used supervisory rating as the primary mean for performance measurement again for the same reason that the supervisors have experience of doing the job that their subordinates are presently involved with as well as are at close range to look at the progress.

The performance measure is an inseparable part of the organization-employee relationship as well as the employee’s self-worth and self-growth. The prime use of
performance rating can be described as a trust building exercise between the employee and the organization (Harrington & Lee, 2015). The employee sees this as the organization’s way of looking at what the employee is doing and how good is he or she at it. This can be a way for the company to show solidarity with the employee’s ambitions and personal growth. It is not just that the employee only gains from such an arrangement, it’s a two-way process. Boswell & Boudreau (2000) point out that the use of performance feedback and identifying the requirements of the employees (persons who are being rated) and other developmental performance appraisal techniques has a direct and positive effect on the employee’s performance as well as satisfaction and hence this directly leads to employee retention.

In their study, Landy and Farr (1980) suggested a more refined and coherent representation of system of performance rating. They delve deeper into the sub systems by dividing the basic structure into three parts: position characteristics, organization characteristics and purpose of rating. And building upon the rating process of the original model, they divided it into cognitive process of the rater and the administrative rating process of the organization.

![Figure 3: Process model of performance rating](image)

They took into account the preconceptions that the rater might be bringing with them, part time and full time employee ratio as well the positional and organizational characteristics. At the bottom they mention that these ratings can be stored and retrieved later depending upon the purpose of the rating. Then the data is analysed and fed to the correct department based on use like whether it is being used for raise or for downsizing and these personnel act accordingly and the feedback loop starts everything again for the next cycle.
The next point in contention is that the accuracy of the performance rating method since there cannot be one single method which is useful for all the cases. There can be various degrees of fairness attributed to performance rating methods (Greenberg, 1986):

- **Equity theory** (Adams, 1965) suggests that the ratio of an employee’s input to the work output must be measured against a company’s standards so that it is clear to employee as to what rating he or she received and why although this form of rating does not take in the complexity of the task at hand as well as unknown incidents affecting work.

- **Distributive justice** on the other hand takes into account the fairness of ratings received relative to the work performed by the employee. This gives the employees chance to compare the ratings they received compared to the effort they put in but as is understood, it might open up many satisfactions related issues as employees might perceive these ratings from a personal point of view and might not be analytical but emotional looking at other employee’s ratings.

- **Procedural Justice** whereas looks at the fairness of the rating by taking into account the procedures followed to rate the employees.

Irrespective of the context of the performance review (Landy & Farr, 1980), the organization must always provide a feedback to the employee as it has benefits for the employee, the organization and the relationship between the two.

### 2.2.1 Feedback System

An effective performance appraisal requires feedback to be given to the employees (Roberts, 2003). Irrespective of the purpose which the organization have and what use the organization deems fit for the performance evaluation data, feedback is the natural progression to collection of performance data. Balzer, Doherty, & O'Connor (1989) argues that people have difficulty inferring environmental relationships without experience aided by data and have difficulty to trust their judgements or strategies and they argue that the best way to enhance the same is to ‘provide knowledge of results’ that is, provide outcome feedback. Researchers have listed down numerous benefits of feedback from motivating employees to a trust building exercise between the organization and the employee. If the organization is using the data to improve work performance of the employee (Thomas and Bretz, 1994), the employee must be notified the same with the data gathered about him or her. An employee can improve the performance if there is data present to personally view and if the employee trusts the rating process (Distributive Justice, Greenberg, 1986).

While studying the effects of feedback on students, Hattie & Timperley (2007) mentioned that feedback builds the error detection skills of the person, which is an important element for leading towards a self-feedback system. This in turn, makes the person seek better strategies and makes them problem solvers based on their self-regulating proficiencies. They also divide feedback into four distinct subsections under focus: Feedback about the task, Feedback about the processing of the task, feedback about self-regulation and finally feedback about the self as a person which
is more on the personal feedback dimension. Hence they split feedback into separate sections to indulge all the cognitive processes of the person under examination to deliver best and most encouraging output.

With the absence of effective feedback system, the employees have no channel to understand the adjustments required in job performance or to receive positive reinforcement for effective job behaviour (Roberts, 2003). Effective feedback is defined by Roberts (2003) as 'timely, specific, behavioural in nature, and presented by a credible source'. In this regard the credible source is the data obtained from the performance review. It is logical to say that feedback might be the pull behind an organization’s practice of performance evaluation. Roberts (2003) also mentions that a fair and just (effective) feedback system has a positive effect on changing employee work behaviour as well as enhances the job satisfaction and performance among the employees. Although feedback might fall under the realm of performance evaluation, still it stands on its own as an exchange between the employee and the organization which affects the self-efficacy of the employee, the performance of the employee, and the trust between the two entities. Hence it can be defined as a process which irrespective of the uses of performance evaluation that the organizations have planned, must always follow the performance rating method.

Hence unless the purpose of the performance review is research based, the employees must be notified of the rating to maintain fairness and trust.

2.3 Metrics for Performance Evaluation

Most of the literature encountered, focused on these aspects and not upon what exactly are the criteria which the company uses to rate its employees. There are various factors and emotional agents present which must be taken into account while formulating the performance rating system.

Fletcher (2001) defined Performance Appraisal as a process which managers performed annually about their subordinate’s performance and discussed it with the same in the appraisal interview, but he goes on to add that even these practices were not always followed. In the study it was mentioned that there are various different forms of performance appraisal based on the ‘nature of appraisal’. There are primarily three different types of appraisals as mentioned:

1) **Contextual Performance Appraisal**: This form of appraisal bases itself on non-job specific behaviours which employees tend to represent which covers cooperation, dedication, enthusiasm, persistence etc. (Fletcher, 2001, Borman and Motowidlo, 1993). This form includes attributes that are beyond task accomplishment but more towards climate and effectiveness of the organization. This system is more important since team based work culture and effective communication is becoming more and more the buzz words in organizational structures and this method brings it to the fore.
2) **Goal Orientation**: This method is primarily defined as orientation towards developing one’s ability, it could be either learning goal orientation (LGO) or performance goal orientation (PGO) (Dweck and Leggett, 1988). LGO is based more about improving the skill set of an individual whereas PGO is primarily related to completing tasks in said time and nothing more. VandeWalle and Cummings (1997) suggest that learning goal orientation has a positive relation with feedback system i.e. receiving feedback whereas performance goal orientation is negatively related to the same. On the other hand, Philips and Gully (1997) state that LGO is positively related to self-efficacy while PGO is negatively related to same. Most of the studies done in this field have been based on student groups as it has a clear demarcation of performance and learning.

3) **Self-Awareness**: This method is primarily an extension of self-assessment where a congruence is sought between an employee’s view of himself or herself about their work and what the supervisors think about the same. Various studies have linked higher self-awareness to an enhanced performance level.

Whatever the method of appraisal is chosen by company, the result is largely positive. No appraisal method can be stated as being correct or incorrect but can only be mentioned as being right or wrong for the organization in question. The important aspect that must always be kept in contention is that the employee must feel the evaluation to be just, fair and useful. Out of all the methods mentioned above, goal orientation is the only one with measurable metrics and hence can be easily accepted and practiced by an organization, but at the same time contextual performance is a social metric which although is difficult to ascertain but is immensely important in establishing a work environment and hence must be taken into consideration while devising a performance appraisal system. Self-awareness on the other hand is mainly a methodology which if implemented is very useful to the fairness characteristic as mentioned above and also has positive results on the performance level.

Hence we as researchers, consider all the three points of view while looking at the performance management in practice in various organizations and try to understand them in relation to the above mentioned appraisal systems.

### 2.3.1 Organizational goals as Performance Evaluation metrics

Many scholars believe that the Performance Metrics which a company sets up to evaluate its employees comes up from the organizational goals that the company has set up for itself (Shahin & Mahbod, 2007). The metrics would vary for different companies based on various different measures. A company which keeps a goal to become the most profitable company in their domain or industry would keep metrics which depict this quality like ‘Pre-tax Profit’ and ‘Shareholders’ equity’ and their measure to rate their employees would depend highly upon what these employees would bring with them to the organization that would help (Shahin & Mahbod, 2007). Similarly, a public sector organization such as schools, profits are not of the primary importance. For these organizations, the delivery to the outside world is important like quality of education, graduation rate, and employment for students.
after graduation etc. These organizations would focus on the qualities in their employees which accentuate these goals.

Many organizations dilute these organizational goals down to personal goals for the employees in line with the performance goal orientation mentioned by Dweck and Legget (1988). Locke, Shaw, Saari, & Latham (1981) state that having goals for the employees improve productivity and efficiency of the said employee albeit it requires certain inputs from the organization itself like feedback and rewards. These goals should be clear and concise (Locke, Shaw, Saari, & Latham, 1981) and should be a reflection of the organizational goals irrespective of whether they are learning goals or performance goals (Dweck and Legget, 1988).

**Contextual Performance Metrics**

Researchers also go on to mention that task performance is different from contextual performance and that overall performance ratings are influenced substantially by contextual metrics (Borman & Motowidlo, 1997). However, the link between the contextual performance metrics with the organizational goals is not clear and the literature upon this topic is fairly limited. Researchers mention that while performance rating, the raters also focus on contextual performance but the origin of contextual performance metrics and its link to organizational goals remains under-discovered.

### 2.4 Purpose of Performance Evaluation

It is stated that performance appraisal (evaluation) is the most complex and most controversial human resource practice (Roberts, 2003). So why should companies focus on performance appraisal? What benefit do they draw from following this practice? The answer to these questions lie primarily in the goal the organization has set for itself. If an organization has set goals which are not at all related to an employee’s performance level, then they can very well abolish the practice and move on with a system where there is no communication in this regard between management and the employees. This can although create a dilemma for the organization as these various interactions between employees and the organization concerning performance appraisal are more important than any other institutional factors (Milliman, Nason, Zhu, & De Cieri, 2002). Some researchers have stated a direct relation between these performance appraisal practices and employee organization relations. Harrington & Lee (2015) state that the primary use of these appraisal practices is to form a trust the two entities. DeNisi (2000) on the other hand gives a very simple and straight answer to the question and states that organizations use these performance appraisals to provide a feedback to the employee about his or her performance and use this for providing pay increase or promotions. It also mentioned that the ultimate goal of these practices is to improve the performance level of the organization as a whole by providing feedback about
strengths and weaknesses of the resources and hence requiring an effort from these resources to improve (DeNisi, 2000). But the effort of the employees is in turn depended upon the benefit for them where merit pay, bonuses and other organizational reward system come into play. It is also mentioned that performance appraisal is one of the major motivational strategy for the employees involved (Roberts, 2003). Roberts (2003) also goes on to explain that in an intrinsically motivating employment, the jobs given to the employees possess task significance, skill variety, and task identity and performance feedback. It is also stated that if an employee feels that the rating provided to him or her is fair and just, the employee builds a trusting relationship with the organization.

An organization can have different purposes for its performance evaluation and these purposes define in many ways the rating process that the organization will take (Landy and Farr, 1980). Researchers mention that ratings tend to be lenient when taken for administrative purposes than for research purposes (Landy and Farr, 1980). The context of performance appraisal could be derived from anything, from organizational goals to downsizing to performance improvement and in turn decides the rating method to be used and the subsequent uses of the data received.

2.4.1 Use of Performance Appraisal

The metrics for employee performance appraisal as mentioned must be an extension of the organizational goals set forth by the company and the measure must be how the employee brings forth their own accomplishments which benefit the organization both in the short run as well in a long term future. The important aspect to be noted is that the performance appraisal is not a one-way street where only the organization is supposed to reap the benefits of realizing the performance level of its employees and the employees not benefitting from the same process. Thomas and Bretz (1994), while noting down the primary uses of employing a performance appraisal system, mention that motivating and counselling employees is one of the main characteristic which the process can provide to the organization.

The employee must be satisfied with the performance rating system in place and there should be benefit for the employee, which helps in development of the employee. The incentive does not always have to be monetary but could be participation in decision making, job enrichment etc. (Locke, Shaw, Saari, & Latham, 1981). The organizations can use the system to their wishes but this methodology provide many a good choice to an organization which can be used to boost productivity, employee satisfaction or any metric which aids a company to achieve or surpass its organizational goals.
A very important point that must be raised in this context is whether the organization helps the employee in achieving the said goals or not. The environment of the organization must be conducive to the intellectual as well as emotional betterment of the employee (Blanc, Rich, Mulvey, 2000). Also it must be noted that organizations must provide opportunities to the employee to actually put the training in good use and should make sure that the employee gets benefits of the knowledge they may now possess or this might result in an exodus of employees towards greener pastures. An employee who feels underappreciated in his or her current company, based on his or her qualifications, is bound to start looking for a job where those quality would be appreciated.

Hence here we can note that organizations can have two sets of performance measurement KPIs, one is the organizational practices and procedures which are in place to keep the work culture intact in the organization and determines the adaptability as well as professionalism of the employee. The other one is personal development of the employee, which (in some cases) lets the employee decide the path to personal development that the employees plan to take as well as lets the organization know how able is the employee in achieving targets set for oneself. This helps the organization in possessing resources, which are capable and highly trained, as well as helps the employee achieve personal milestones and take a decision on how they want to develop themselves taking help from the organizations.
3 Research Methodology

The main aim of this section is to detail the methods followed to answer the research questions, primarily the data collection process. The methodological part of the study details about the design and the methodology followed for the research. In the beginning, the research design and the research method is discussed following which the strategy used to answer the research question is detailed and the issues about data quality and ethics are answered. Lastly the criteria followed for choosing the organizations (respondents) is discussed.

3.1 Research Design

We have designed this study on the principles of Qualitative research because this design gives us the freedom to make the study exploratory and would provide us freedom in terms of data collection process which is relevant for us. Also the research has an exploratory dimension to it. Our focus is on gaining insight into the performance management practices in place in organizations for temporary employees. Another reason of going ahead with this approach is that we are unaware of the results and answers we will get and the lack of research in this area makes it important for us to move ahead with caution in this regard (Sofaer, 1999). Since exploratory research design is flexible, it gives us the freedom to delve into questions regarding ‘How’ certain processes work and ‘What’ are there uses in the organizations. Another reason for choosing exploratory design is that we have a small sample of respondent pool and the findings might not be generalizable to population at large which fits into the definition (Cuthill, 2002). We are using qualitative approach to get better understanding and to get that we need open ended questions hence qualitative approach helps us in this regard.

![Figure 5: General Pattern of Inductive Analysis](image)

The analysis approach of our research is inductive and interpretive where we collect the data, observe the answers and based on the common patterns and interpretation supported by the literature review, we answer the questions. At the same time, while looking for performance metrics and their origins, we keep an open end to include the data in results to answer the research questions.
3.2 Research Method and Strategy

Since the purpose of the study is to find how performance management works in organizations and in what degree does it vary between temporary and permanent employees and design a way to rate temporary employees which is based on the same structure as the permanent employees and is beneficial for the temporary employees as well in their individual development and we must note that the cross sectional issues of cause and effect is not being covered in the study i.e. we are not taking the perspective of the employees but the organizational practices and matching them with the literature at hand. Rather, the study is focused on answering ‘How’ performance rating for employees is done in an organization; ‘what’ are the differences between performance rating for temporary and permanent employees; and if possible, ‘how’ can the process be made better.

The methodology is based on standardized open-ended interview approach (Turner III, 2010). The interviewees are asked similar theme of questions but since the questions are designed on ‘how’ principles, the responses can be open ended. This lets the respondents fully express their views and responses and allows the interviewer the chance to ask follow up questions to delve deeper and probe inside the topic at hand (Turner III, 2010).

Since the primary aim of our research is to deepen our knowledge about the performance evaluation in place at organizations and the difference in practices between permanent employees as well as temporary employees and the use of the information and from there we plan to move to answer the secondary question of coming up with an improved method of employee evaluation for temporary employees, we have adopted the qualitative research strategy for our research.

The decision was taken keeping in mind the result intended based on the research question. This means that by conducting interviews, we plan to understand the performance evaluation method in place for employees and we get a chance to look into the differences (if any) in performance evaluation for permanent and temporary employees. We also get an insight into organizational goals set forth by the company and look into the relation between the organizational goals and the performance metrics in place for evaluation of employee performance. We as researchers, try to encourage the respondents to answer the questions freely and honestly as the primary question deals the policy and practices at the organization. From there we as researchers use existing literature to come up with the connection between the organizational goals presented to us by the respondents and the performance metrics. After that we move on to the secondary research question of formulating a design to evaluate performance of the temporary employees which is at par with the practice in place for the permanent employees.
In conclusion, it can be stated that since the research questions have been derived from the literature review and represent the lack of research in the area, the qualitative inductive-interpretive approach enables us to find out whether the practices in theory match the practices in practicality. Hence we can state that we are trying to explore the employee performance evaluation domain as is practiced in the organization and how is that based on organizational goals and how it varies for different employees based on different form of employment.

Also it must be mentioned that in this research paper, we as researchers are not looking for a cause and effect relationship between using the system and its general effect on the improvement of work culture. Rather, the emphasis here is delving deeper in the organizational policies and using them to answer the research questions.

### 3.3 Data Collection

In the following subchapter, we justify the data collection method i.e. why we chose interviews as data collection method and how the data was analysed.

#### 3.3.1 Interview conduction

The mode of data collection is primarily personal interviews as we are looking at the practices of an organization and various different modes in which these organizations deals with their employees hence to get an in depth knowledge about the subject matter we agreed that personal interviews are the perfect way to go. We chose the method of semi-structured interviews as our research is based on ‘find out what is happening and how it can be improved’ and hence to understand the concepts of organizational practices we had to delve deeper, we had to keep little flexibility in the questions and this demand was met by semi-structured interviews.

The major criticism levelled against interview study is that the data is hard to standardize since the questions can be interpreted differently by the respondent or are not clearly presented by the interviewer and the answers might get subjective (Poulou & Norwich, 2001). This issue was solved by defining a set of themes that we needed answered but we were aware that each respondent would perceive the question in his or her own way and hence sometimes we had to simplify the concepts for the respondent and almost every time we had to ask follow up questions to get the right data from the respondent. Also within each theme that we planned to explore, we kept the interview going in a conversational flow till we reached the data we were looking for and semi-structured interview provided us this freedom while giving us the rigidity of staying in the boundaries of various themes. This mix of flexibility and rigidity gave us confidence in our results.

There is always the chances of subjectivism in the answers provided and we as interviewers, omitted the language which might entice a subjective reply. We
focused solely on the organizational practices and never delved into the perception of the respondent. The questions asked never included questions about what the respondent feels about certain aspects but was only asked ‘what’ and ‘how’ questions about the processes.

Also we chose to do interviews face to face as there were certain complex themes that we needed to explore like difference between temporary and permanent employee performance rating structure and sensitivity was necessary in these circumstances in order to not let the respondent get bottled up about organizational practices. The interviews lasted between 20-30 minutes and were recorded on an audio recording device to keep the data quality as high as possible.

The employees were started off with questions about organizational goals and values which defined the framework for us for performance metrics. After this the respondents were questioned about the performance review practices being used at their respective organizations. From here based on the industry of the respondent, the follow up questions varied. For recruitment agencies, the process required taking feedback from the client companies and for the client companies, this process was understood with further questions. The next line of questions was about the feedback process where irrespective of industry, the questions generally remained the same with an exception that respondents from client companies were asked in what form do they provide performance review to the recruitment agencies and if they have an own channel of feedback for temporary employees. Finally, the last segment was the use of performance review for both the industries, how they use this rating of the employee and how is the employee kept motivated, what is reward system.

3.3.1.1 Interview Pilot Test

To eliminate the flaws and limitations within the questionnaire pattern and interview conduction, a pilot test was conducted. The aim of the test was to understand the general work ethic of such organizations and hence refine the questions and themes to get maximum benefit from minimum themes (Turner III, 2010). Two such interviews were conducted on respondents from two separate recruitment agencies which resulted in the questionnaire moving from a fixed question to themes and new themes were also discovered. This process polished the interview process for the study.

3.3.1.2 Control Interview

After reaching the saturation in answers from the respondents about performance evaluation of the employees, a control interview was conducted on a respondent from the e-learning industry where no temporary employment existed to learn about the performance evaluation system of an environment with only permanent employees. The aim of this type of interview was to address a doubt about cultural
influence in performance evaluation. With this, we as researchers discovered cultural impact over organizational processes.

### 3.3.2 Data Interpretation & Analysis

The data from the interview was transcribed to allow us as researchers to get in depth review and the ability to use the responses in a clear and concise manner for answering research questions. The responses were transcribed in a Denaturalized transcription method since the research does not deal with behavioural vocalizations (Oliver, Serovich & Mason, 2005). The responses were noted down leaving pauses, involuntary sounds or language difficulties out of the transcriptions as long as a true representation of the respondent’s answers were depicted.

During data analysis, the structure of questions was based on themes derived from the literature at hand and the pilot interviews but while answering the research questions, a mix between themes was required and the answers were analysed based on research requirements. For first research question, the themes of performance management and the feedback system theme were explored. The answer for this question varied between organizations and hence an interpretation was sought of various different practices at different organizations. While answering the research question about ‘use of performance rating’ the answers were understood to be different but an interpretation was sought between the literary base for different uses of performance rating and the actual practices. Since to answer questions about organizational practices, no common pattern of answers was expected but only fairness of the procedures compares to the theoretical framework.

### 3.4 Research Ethics

In the next step we describe the attentional to ethical research that has been paid during the course of the study. Hence, even if research ethics were not seen as very important in the past, nowadays it is taken for granted that: “researchers will reflect on the decisions that they make, when designing a study, and the ethical ramifications that their work might have (Herrera, 2010, p. 426)”. Since the primary focus of our research is in the corporate organizational sector hence discretion is one of the primary trait we have to follow.

For our research, we have followed the Deontological model (Miller, Birch, Mauthner & Jessop, 2012) which is driven by the universal principles such as honesty, justice and respect. In this model, the actions are judged by intent rather than consequences. We mention the intent of the research to the respondents beforehand but also mention that the information we seek is synonymous with a certain rank of the organization and hence their willingness to be a part of this study
is left to them. Also we do not use names of the respondents in the study and confidentiality of their identities is maintained throughout the research.

In the course of the study, we do not find the need to disclose the identity of the respondents but it must be noted that since we are looking to find out the procedures and practices of an organization, the respondents we choose are the people who delve into these areas and have a day-to-day association with these procedures and practices and this is rightly informed to the respondents. And also our research does not require any personal remarks or opinions from any of the respondents but only organizational practices, any remark provided will be rightfully acknowledged to the respondent and its use would depend upon the nature of the response and in the course of manner it might affect the outcome.

3.5 Data Quality

The next topic to be kept in consideration is the data quality, as the practices we follow and the quality of data we obtain will determine the trustworthiness of the study at hand. In simpler terms, since the interviews are semi-structured, the data (or responses) obtained will have to satisfy the transferability and conformability aspects of the study. Also, since the mode of data collection is primarily interviews, the chances of personal biases must be taken into account although utmost care is given in designing the questions but all possible avenues must be kept in check. Since an interview is an exchange between people, there is a possibility of social factors cropping in.

The primary reason for such a concern could crop up from the knowledge that the interviews are semi structured and the perception of the respondents towards the questions is a major factor which could derail the answers from the supposed field of understanding. The interviewee can perceive the question wrongly and might not be able to follow the correct line of thinking. The solution to this dilemma is explaining the theoretical framework which has been formed for the study to the interviewee prior to the questionnaire so that the respondent understands what exactly the aim of the study is.

Keeping this in mind it can be stated that the size of the interviews conducted is also one of the major factors to be taken into account. We as researchers acknowledge the fact that our study is designed to add information to the existing literature but at the same time we are very much aware that since the interview is only conducted in 7 companies, the generalizations that can be derived from the study are pretty small scale.

Another issue which a researcher must be careful about is conformability. To avoid this issue, we as interviewers had to stay unbiased and neutral in our approach and stay objective to come up with high quality non-partial data. To avoid these
instances where we had to dig deeper into the subject matter to get the answer, we tried designing the set questions which are self-explanatory and the user can just answer to them without getting side tracked by the meaning and also the explanation prior to the interview also helped. This strengthened the possibility of each respondent having similar possibility to answer the same questions. Also, we recorded the interviews and then transcribed them in exact words so that we could be accurate in representation of the material and it’s easy for us to analyse the answers as well.

In the end, it can be stated that since the interviews are semi structured, we as the researchers, are aware of the issues that could crop up and disrupt the quality of the data and proper measures have been taken to diminish these issues. Hence, based on this augmentation and the above mentioned procedures followed, it can be stated that the study is highly trustworthy and has been based on high quality data.

3.6 Choice of Respondents

Next we explain the selection process of respondents (which primarily was the organization followed up by individuals). The organizations were divided into four categories (See Appendix D), first being the pilot interview organizations, followed by the companies who used these temporary employees for work. Next were the consultancy companies which assigned the temporary resources to various companies for work based on requirement sent by these client companies and last was the control organization to give the perspective of non-temporary employee environment. The primary focus of the study was on the companies hiring these resources from a consultancy as that was the primary focus work place for our purposes.

3.6.1 Organizations

The organizations chosen for the study had the common denominator that all of these organizations used the services of temporary employees. The age of the organization was of no consequence as the focus of the research was organizational practices. There was a conscious effort in trying to avail interviews in companies which differed not just in practice but also in industry. A wide cross industry based study would help in answering the difference of practices in different companies as well help in formulating a general pattern from the variety. This idea is helpful in looking at which company is using their organizational goals in defining the performance review metrics and which ones were lagging in the practice. Another important factor was that one company from industry could not justify the practices in place for the said industry hence we tried to get more than one representative from each industry.
3.6.2 Individuals

The second order of respondent selection was choosing the personals for interviewing inside the companies as mentioned above. The individuals were chosen on a positional basis i.e. what role they play inside the organization. Since the research centres on the organizational practices, we needed respondents who were aware of the same and can authoritative replies on the subject matter. Also the questions chosen to answer the research questions did not require a personal opinion hence the chances of subjective replies are diminished. This means that we required only one respondent per company. The contract of the respondent itself was not a criteria of filter as we were not biased towards getting answers from someone with a permanent contract or a temporary contract.

3.6.3 Special Cases

For the purpose of fine tuning the questions and getting initial in depth knowledge about the subject matter, 2 pilot interviews were conducted on distinct recruitment agencies. Also during the course of the interviews, a control organization was chosen with no temporary employees but 10 plus years of experience in an e-learning organization to understand the concept of performance review from a distinct view as well.
4 Empirical Results

In this section, we note down the responses we received from the interviewees. The theme of the questions has been divided into 5 segments. We begin with organizational goals and values as a base for performance appraisal system followed by the performance review system in place in the organization and its uses. The feedback system was also included in the line of questioning as it has been stated that the feedback process aids in the employee’s acceptance of the process of evaluation (depending upon fairness) and job satisfaction (Boswell & Boudreau, 2000; Dipboye & de Pontbriand, 1981; Gosselin, Werner, & Halle, 1997).

4.1 Performance Review System in Use

In the preceding literature, it has been mentioned how important a performance appraisal system is for an organization. Primarily being used to measure the efficiency of employees (DeNisi, 2000), researchers point out that the benefit of use of such systems is building trust between the employee and the organization (Harrington & Lee, 2015).

This segment was primarily for the client companies where the employees work and are not just employed. One respondent from a leading logistics company mentioned that there is no formal way of any type of performance rating.

“Formally, no individual performance rating system exists here. We have groups and we look at performance of the groups. Informally it is the day-to-day interactions which make the difference. We got a system for the social part, but of course it is a big part of the new people.”

Another respondent from client organization mentioned that they have a software based system in the organization which tracks the time management of the employee along with the efficiency of the employee in completing daily tasks. He also mentioned that the contract signed with the recruitment agency made it easy for them.

“We have a contract with recruitment agency where we mention that we need something like 1000 hours of work and it is up to the recruitment agency to deliver on that...if they didn’t finish our job, they (recruitment firm) going to pay to us (for the losses).”

This means that they did not have to pay much attention to the performance of the employee and that it was the job of the team leaders from the recruitment agencies who had to manage these goals. One of the respondents mentioned that the performance measurement system in place was primarily performance based (Dweck and Leggett, 1988). The employees were measured based on their efficiency compared to the common average of work performed.
The respondent answered in affirmative when asked if social interactions of these employees play any kind of role in measuring these interactions which are the informal system of performance appraisal at the organization. The respondent also answered in the affirmative for the question about whether this performance review system is same for both the temporary and permanent employees but went on to note down that the job team of team leaders was for only one type of employees.

“We got a line that we haven’t crossed yet that our team leaders should be our own staff (permanent employees). But that is the only limit today. So in all other assignments, we use hired employees as well.”

One respondent mentioned that in her organization, a performance and development tool existed which measured employees based on not just their competence but also on various different measures (See Appendix B). The metrics were personal Goal Setting to the employee’s development plan followed by goal completion efficiency and behavioural values. The respondent also mentioned that this rating method was only for the permanent employees and the temporary employees do not have this detailed process. On asking about performance metrics of the temporary employees, she mentioned that,

“They (temporary employees) have goals which are told to them by their team leaders. That is a good question actually because we are working with Manpower and Student Consulting for recruitment and they must know how important it is for us. It is not easy for us to see these behaviours for them (temporary employees because we don’t have development talks with them.”

The control respondent mentioned that there is no standardized system of performance evaluation. They adopted one system but had to let go as half the employees were not satisfied with it. He mentioned that half the employees were very systematic in their approach and would respond positively to the performance review system while other half were spontaneous and couldn’t flourish under the system. He mentioned that they have a module (new subject video) as work unit and he rates people based on the personal goals which employees mention during the pitch of the module and whether they were able to achieve those goals or not. The respondent mentioned that standardized system would make things easier for him.

About the position of the person responsible for performing performance review, the respondents stated that the team leaders are the person responsible for the jobs as they are the ones closest to the employees. This raised an issue of the rater (team leader) bringing with them certain pre-set notions and conceptions (Landy & Farr, 1980) which might make the whole process subjective to just one point of view. To this one of the interviewee replied that he is the person responsible for collation of the final report and that he follows statistics as well.
4.2 Feedback System

The feedback system has been defined as the most important part of the performance appraisal exercise. DeNisi (2000) mentions that performance feedback is the backbone of improvement in the performance of employees as well as the organization itself. In the study he also mentions that once the employee finds out the strengths and weakness that he or she possesses, it is easier for them to work on correcting and improving on the same. It is also mentioned as the best motivational medium that an organization can adopt (Roberts, 2003).

This segment was divided into two different segments where we sought answers from both the recruitment agencies as well as the client organizations. Both the entities could use the system for different purposes and can have different system in place for the same hence these are noted down separately for better and distinct understanding.

4.2.1 Recruitment Agency

About the practice of talking feedback from the client organizations, all the respondents answered in the affirmative. The method of taking feedback varied between the three different respondents but all of them agreed that they take feedback about the performance of the employees. One interviewee mentioned that there is no formal system for feedback but informal interactions.

“`There’s no written document. It is more of a daily contact with the client and our employees. And if they (clients) don’t call us, we assume the work is good. Often when something wrong happens, there is no yellow card (warning), the employee gets the red card (leave the premises) directly. It’s not from our side its more our client’s practice...’’”

The response took into account the reaction to negative stimulus. The response for a positive stimulus i.e. when the employees are performing well, the respondent had no addition to the previous statement but went on to add,

“`It’s difficult to say which one (positive or negative) is important for us. From my experience, I know my people as I told you I worked in this field for 13 years. I don’t have to ask my client about my employees, I have 120 employees and I know how good or bad they are.’’”

Hence the organization followed experience of the supervisors and not performance metrics. About providing feedback to the employee, the respondent mentioned that
the practice is not common. He mentioned that sometimes they passed on the comments from the client to the employee but the practice was not common.

Another respondent stated that they (recruiting agency) have a meeting based setup to take feedback from the client organizations about the employees.

“I also have meetings with my customers and go through everyone (employee performance) upside down, how that person works and so I have these meetings.”

On the point of the manner of taking the feedback, she agreed with the previous respondent and mentioned that she shares a friendly relation with the team leaders at the client location (who are the responsible persons for the feedback process) and the feedback is taken in a casual manner. She mentioned that the frequency was close to twice a week over casual meetings.

On the query about how the data is filed and saved for further reference, the respondent stated that the filing practice is not used.

“I have it in my head. So I don’t write it down or anything to point out people. I just have it in my head.”

The preceding literature states that the most important practice of the performance appraisal is to provide feedback to the employee, this builds trust between the two entities (Harrington & Lee, 2015) and acts as a motivational construct for the employee (Roberts, 2003) hence the next chain of thought brings forth the query, how are the candidates provided feedback? The respondent replied in affirmative to this.

“Yes. Sometimes I share it with the team leader and then the team leader talks to the person personally and sometimes the client calls me up for a meeting. Apart from this I have meeting with the employees once a year about their performance. But in case there is an incident (mishap) then I meet the employee immediately.”

Hence the respondent mentioned that there was a feedback session with the employees.

The third respondent mentioned the use of a system while taking performance review and mentioned that the statistics are used while providing feedback to the employee as this method is fair to the employee. The system (called VMS) is a tool used in logistic workplaces which notes down how much work units were moved or interacted with. This system is a measure of efficiency and work done with a defined unit of measure which is the number of containers to be moved or interacted with.

“We always take this feedback from the client to provide feedback to the candidate otherwise it is only the client’s word and it is not
Empirical Findings

fair. The client meets them for not more than 5 minutes, I don’t meet them so we need this system to know how the candidate is performing. We need this as a fact.”

About the position of the people providing the feedback, the respondent mentioned that the person responsible for this task were team leaders and some of these were the people who worked with the respondent’s agency and now had a permanent contract with the client company. Out of 150 people on the payroll of the respondent’s agency, 35 were now permanent with the client organization.

“These are the people who act as bridge between temporary workers and us. If workers have any problem, they would talk to the manager on site and that person would tell us. They can tell us how the personality is of the candidate at work, if they are arriving late, if talking on the phone too much or are complaining about the work too much or they want to do something else, or do not want to work with their body and instead just drive forklifts.”

The respondent also added that her company also provided recruitment of permanent employees to many companies the number of which stood at 5-7 per month. About the permanent employees’ performance review, the respondent mentioned that since the jobs where permanent employees were demanded were desk jobs, it was very difficult to measure their efficiency. This made the review highly subjective to the perceptions of the rater (DuPaul et al, 1991). The respondent also mentioned that in case of an untoward incidence, the respondent sits down with the employee and try to understand the problem.

Hence all the respondents mentioned that negative stimulus to performance was addressed quickly which could result in change of the workplace for the employee to letting go from the organization itself based on the nature of infringement.

About the grievances of the employees, only one respondent mentioned that they take input from the employees about their work.

“We have meetings with the permanent staff but not the 3 months or 6 months contracted employees. We have a large number of employees, about 150 and many are leaving in the summer (about 50) when we hire 50 more so we only have short briefing with these employees. We do the best we can to talk to them and give them feedback. But we are only 6 months old company so we really need this feedback to get better.”
4.2.2 Client Companies

All the respondents at the client companies mentioned that the feedback is primarily given to the recruitment agency. The feedback is primarily based on performance efficiency. On social interactions of the employees and the contextual performance traits (Fletcher, 2001), one of the respondent mentioned that,

“Actually I do but it is not the main criteria. If we feel that we got a risk for conflict, we take that into consideration. Of course having a happy person is good for the plant as they motivate others but it is not the primary criteria, not in this plant as it would be if you drive a truck and meet customers, in that case it is more important to have that sort of personality.”

About their own permanent employees, the respondent mentioned that almost all of the employees permanently employed by the organization have been working for a long time with the organization and he believes that the behaviour is known to the supervisors.

“Our permanent employees have been here for a long time and we assume that we know them. But personality matters more when we are hiring them as our own employees.”

Another respondent mentioned that the people responsible for providing feedback into the system about the employees were the team leaders of the temporary employees.

“We have new roles now for Team leader that every team leader is directly responsible for 10 people but I have 40 people, 20 permanents and 20 temporaries. The 10 people who are working close to me have permanent jobs with Elgiganten. Recruitment agency team leader is responsible for giving feedback on temporary employees and they have a power to fire their own employee. I can fire them (temporary employees) in case they do bad job.”

The third respondent mentioned that for the permanent employees, they had an elaborate system ranging from goal oriented to contextual performance metrics which took place once a year but for the temporary employees, the feedback was an informal chat with the team leaders. But the feedback was given constantly as the temporary employees demanded it for self-development.

The control respondent mentioned that there was certain segment of people who liked receiving feedback and rest did not. He also mentioned that being an entrepreneur, he expected his employees to also be self-driven like him. He generally separates these employees from others and provide them feedback as they demanded.
Being part of a large organization, the practices could vary from business to business or can stay the same for the whole group. One of the respondents mentioned that in their organization, the performance metrics varied from business to business.

“Quality is I believe followed across the whole organization. Personality is one aspect which is important in some areas. Here (logistics) most of the time you are on your own and you do not have to interact with others so much. But at the same time you cannot be totally unsocial.”

4.3 Use of Performance Appraisal

In the preceding literature it has been mentioned that performing performance review is but an initial step followed by using that information. Thomas and Bretz (1994) ranked the uses in terms of frequency of use and performance improvement along with motivational reasons topped the list (see Figure 3). Uses like transfer decisions and layoffs came down in the list. Merit pay, promotions are the reward based activities which are most common uses of performance ratings. Since the uses of performance review could be different for the recruitment agencies and the client companies as the interaction is different between the employees and the respective organizations, the responses are separated for clearer understanding.

4.3.1 Recruitment Agency

All the respondents replied same to the query stating that there is no direct bonus or merit pay for the employees based on the performance review. One interviewee mentioned that the bonus might be at one of the client companies, but they do not have such system.

“Not money, not now. We have bonus in some clients not all but I would like that. We have a system in Sweden where we have to pay certain amount to these employees and pay them extra for evenings and sickness and everything. But this is limited. We cannot just give money away; we have to go by the book.”

Another respondent replied that that although there is no direct bonus system, but they help the employees in difficult times with extra payments. But he went on to add that in lieu of extra money, the employees are given a chance when better high paying jobs come their way.

The third respondent echoed the same thoughts about providing better job opportunities to the employees in response to a great performance.

“It is hard in this sort of company to give someone raise or something but if I feel that a person has this qualification to be a
team leader, I will see if I have a new customer and I will ask that person (employee) if he wants that position and along with that 6-9% of raise in salary.”

Motivation does not always have to be monetary, it could be elevation to a position with higher responsibilities or motivating the employee intrinsically. Employees are not always motivated just by money (Lindner, 1998, Dickson, 1973) but could be any reason from achievement to recognition. But nonetheless, rewards are directly related to an employee motivation, positive to positive and vice versa (Lindner, 1998). Hence the respondents while mentioning the non-monetary motivational factors echoed the similar response of better future jobs.

One respondent mentioned the same but added that the ‘better job’ could be a permanent job at the plant itself.

“The motivation is for themselves to be good because the companies (clients) sometimes hires these people to be on their permanent staff. So if you are a good worker and they like you, they’re going to hire you directly.”

The third respondent however added that motivating employees is not the primary target of the company as they understand the nature of the business and that good employees will leave for better prospects.

“Basically if we have a grade for the employees’ performance, from 1 to 5, we want people to have 3-3.5 grade because the people who have 5 leave looking for a better job. Sometimes I test my employee by give them a hard task to see if they are good enough to get a better job and I tell my client that this employee is ready for a better position.”

4.3.2 Client Companies

One of the respondents from a client company mentioned the same system as the previous recruitment agencies that motivation is learning based. Better learning would mean better jobs and in turn better salary. He also mentioned that the system was similar for both permanent as well temporary employees.

“The reward we get as an employee is the possibility to learn more and get more assignments. And with new assignments, possible raise in salary.”

The respondent was echoing the concept that many of these temporary workers are taken in by the client company as a permanent employee. Permanent job was termed beneficial for the job security. The organization in question had a ratio of 60:40 of temporary to permanent which the respondent mentioned that they would
like to reverse for more permanent employees. The reason for this ideology was mentioned as,

“"The bigger risk is those employees getting new jobs. If the employees are employed at Schenker, they are more invested and hence are more likely to stay.”"

About the hindrance in implementing this idea was mentioned as lack of acceptance from the top management.

“"The problem is that even if locally we want to hire more employees on permanent basis, we are not allowed to. This 60:40 strategy is at the higher level of the company itself. So when we approach them with this request that we need to hire more people, we are told not now, for the time we are not going to hire new people. So that is the biggest problem, if we lose people, it takes sometime before we get some new people.’”

Another respondent mentioned that the group’s task was to deliver more than the average and if the earnings from their efforts are higher, there will be bonus reward for all employees, irrespective of their contract type.

“"The group’s task is to achieve 103% of 100% required for example if the company give me 1Million to cover all the activates and salary and I have to give a profit of 10 million, I will try to make the profit more than that 10 million. In case my group does a great job and we make over 10M so we will have a bonus.’”

Another form of motivation for the employee was that the organization had a trainee program for the new employees and in case the demand was high, the employees would be trained in new skills which in turn is an additional advantage for the employee in personal growth.

Third respondent mentioned that there are no special monetary appraisals for the high performing employees but more chances at self-learning.

‘If we have high performers, they are given a chance to go to trainings for leadership skills, management skills etc. We focus on self-development and hence we encourage these trainings. Here at Torsvik once you become senior, you can have responsibilities to train new people or you can pass as trainers’’

The control respondent mentioned that monetary benefits were not there, instead the employee had justifiable workload and freedom to choose their projects and how they would set upon to achieving those. Also the respondent mentioned that they try to make work fun for all employees and make them feel like a family.
Empirical Findings

For temporary employees, the respondent agreed with other respondents that the high performing temporary employee will be hired by the organization itself.

### 4.4 Organizational Goals

Working on the hypothesis put forth by Shahin & Mahbod (2007) where they mentioned that the performance metrics used to measure employees’ performance must be an extension of the organizational goals of the enterprise. With the knowledge of organizational goals, the structure of the performance management can be determined. It can be argued that an organization which states goals related to pure performance excellence can be justified with having a performance appraisal system lacking contextual performance appraisal (Fletcher, 2001).

Looking at the responses from the interviews, it came to light that a hefty chunk of the companies was not familiar with the terminology. Majority of the respondents had difficulty understanding the concept of organizational goals. This can be attributed to the primary language of interview which in all cases was not the first language of the interviewees but with a little explanation of the concept, the answers were straightforward. Many of the respondents although plying in the same industry gave strikingly different replies. One of the respondents from the client organizations mentioned a very clear and concise organizational goal.

"The main goal for the company is the money...and we try to be number one as Electronic distributor in all the Scandinavian country."

Three interviewees stated that being better from the (local) competition. The answers were in direct correlation to the industry the respondents plied in. the answers from the logistics industry were about quality and efficiency whereas the recruitment companies stated goals related directly to relation to the clients. One of the respondent from a recruitment industry stated,

"...we adjust our business for them (client companies), our product for them. Big companies have same product (to offer) for everyone and we modify for the client, so we listen to the client and suggest them the best solution to them based on our experience. Staffing, recruiting, or they want to hire boss or team leader or whatever, we sit down with the client and give them best advice for their work."

Due to the ambiguity in the understanding of concepts and the follow up questions that needed to be asked, we interpreted to some extent that most of the respondents were not clear about organizational goals being defined at their workplace. The answers provided were based more on actual practices and
experience of the industry than any hard coded organizational goals handed down to the respondents from their respective organizations.

4.5 Organizational Values

With an ambiguous start with the organizational goals to define the performance metrics, we delved into the concept of organizational values. A person best thrives in the organization which has values and principles which are in congruence of the employee’s own (Finegan, 2000). Finegan (2000) also stated that an employee feels more connected to the organization when the values that both of them advocate are in sync which in turn directly affects the performance. For the recruitment agencies, the question was posed as what values would you like the employees to display at the workplace, since these employees are a representation of the agency they come from.

The respondents were clear on this concept and it required no further explanation or follow up questions. All the respondents from client organization mentioned clear organizational values practiced at their respective organizations. In a logistic company, the values were a mirror image of the organizational goals. The respondent stated that they define their work on quality and efficiency and that is the criteria they look for in the employees as well. But he went on state that quality trumped efficiency irrespective of the cost.

“For us, quality plays a far important role than anything else, we do not need employees doing 300 lines in a day but not doing it properly. Obviously it cannot be lower than the average but in any case quality must be kept high irrespective of the cost.”

The control respondent mentioned organizational values based on the work they did at the company. He mentioned that since they belonged in an e-learning organization, the primary value which the employee must possess is the willingness to learn and the ability to put the learnings into a teaching module. Also since the e-learning environment is constantly changing, the employees must be willing to change as per the shift in industry and that he had lost 2 employees for the same reason. He mentioned that the technical aspects could be taught.

One respondent from the logistics division of a major furniture distributor mentioned 10 organizational values which were followed throughout the organization irrespective of departments. They varied from Leadership by example, humbleness, togetherness to cost consciousness, innovation etc. (See Appendix C).

One respondent from a recruitment agency stated the obvious mentioning that it is, in the end the most important factor, willingness to work.
“I look for people who want to work. If you want to work, I can see it...”

And further she went on to add that,

“...And of course they need to be social. I think my customer see if the workers fit in a group... so the employee should be team player and can speak, be communicative.”

Another interviewee (from recruitment agency) mentioned qualities which were in accordance to the type of industry (logistics) the agency had majority of customers in. She mentioned that she expects her candidates (resources sent to client organizations) to be high in efficiency and be flexible in work as the work assigned could vary from day to day.

Only one respondent (from recruitment agency) mentioned motivation as an organizational value which they would want their employees to display at the workplace. He mentioned that the employee must be able to self-motivate themselves and others as they themselves (the recruitment agency) are not in constant contact with the employees.

This raised another issue which demanded further explanation from the recruitment agencies. On being asked that how they let their candidates know about these values or how these values are passed on to them, the respondents were very vague and had no answer. To gain the answer to the question, the respondents were asked what kind of selection procedure is in place, how are the employees selected to work for the company?

Two of the three respondents mentioned that there is no defined system for the selection process of these employees. One mentioned the general company requirements as the primary criteria like a fork lift license and experience in the same but both of these agreed on one point that they follow their intuition in hiring and additionally the reference from previous employer if any.

One of the three recruitment agency respondents detailed down a system where they had an in house recruitment manager who took a look at the CV and the next step was a tool called ‘QT’ which was an online testing tool used to check personality of the candidate.

“It’s a personality test. One of our core values is quality so it’s not so much about competence because we have a lot of warehouse clients so we can teach the person things like forklifts’ license and all the work in the warehouse. So it is about personality.”
Empirical Findings

The same question was posed to the client companies in words stating what requirements do they send to the recruitment agencies when asking for employees? Are those qualities personality tastes according to the company policy or to the work they are being assigned to? 2 of the 3 respondents mentioned that the requirements were purely technical i.e. the employees must fulfil the technical requirements of various licenses and technical experience.

The interviewee from a major logistic company said that the requirements are sent purely on the basis of work that is supposed to be performed by these people and not on the personality traits as such.

“We got temporary employees which we only use on day to day like unloading etc. they don’t need to speak Swedish as well... we don’t expect much from them... saying to the companies that we hire from, that we need something like 30 plus people every day and those 30 people should know how to pick...and then we order everyday somewhere between 25-35 people. But they should be educated in our system and our trucks and so on.”

Another respondent mentioned that they have a set of qualities in a competence profile (See Appendix A) for temporary employees as well as a list of interview questions which they want their respective recruitment agencies to conduct on their behalf on the employees before the selection.

“When we send requirements to the agencies, we send them the criteria. The technical job they can learn but it is very important to have these qualities (organizational values). These are the values we look for in people.

We have this competence profile which defines the requirements for the employees we need.”

The respondent also mentioned that currently they employ 34% women and would like the mark to 50% for women.

Hence the requirement system for two respondents was purely goal oriented (Fletcher, 2001) and the qualities of the individuals are not mentioned in the same context where as one respondent mentioned that the requirements sent are a mix of technical expertise and contextual qualities.
5 Analysis

In the following section, the research questions raised prior are answered based on the empirical data gained and interpretation based on measuring the replies against the theoretical framework as previously discussed. Since the interviews were in multiple languages, hence the terminology can be vague dependent upon the use of said word in various different languages. Another important factor must be noted down that organizational practices may vary from nation to nation and culture to culture, hence comparing Swedish organizational practices to American author’s research papers on the same can be unfulfilling at times. In such scenarios, we have taken our own interpretation based on experience and middle ground for the same.

5.1 Research Question 1: How is performance appraisal done for temporary employees in the workplace as well as the recruitment agencies?

About the concept of performance review or performance appraisal, the respondents from both the different set of interviewees i.e. recruitment agencies as well as the client locations, stated that the system was not properly defined for the temporary employees. Respondents from the recruitment agencies mentioned that they themselves have no measure of an employee’s performance but take the information from the workplace of the employees. This raises the dilemma as the workers are the employees of the recruitment agencies and are being sent to the client location for work. Hence the ‘triangular relationship’ (McKeown, 2003) that the temporary employees find themselves in is hurtful towards organizational equality. Since the literature about the relation between temporary employees and the facilitators of jobs (recruitment agencies) is limited, it is difficult to compare it to a literary stance. The client location on the other hand had mentioned that they used performance review in their companies.

5.1.1 Performance review system

Now we analyse the responses about the performance review system in place at the respondents’ companies.

5.1.1.1 Recruitment Agencies

All the respondents from recruitment agencies mentioned that they were dependent upon the client companies to provide them with feedback about the employee. On the question of whether the recruitment agencies sought the feedback eagerly, the respondents mentioned that they called the responsible people informally for the feedback. At the organization itself, none of the respondents mentioned about any performance review system being in place. Also a very important point mentioned was that the data is not stored but is maintained by memory which goes against the procedural justice mentioned by Greenberg (1986).
Hence the recruitment agencies in this regard seemed passive and non-committal towards the organizational practice of performance evaluation. Even post receiving the response from the client organizations, the action taken by the recruitment agencies is not encouraging for the employees’ development which is in direct odds with Boswell & Boudreau (2000) where they note down the reasons about why having performance review is important. Roberts (2003) mentions performance management as best way to promote organizational performance and is a trust building exercise between organization and employees according to Harrington & Lee (2015), so with the lack of this practice, the relationship between temporary employees and recruitment agencies cannot develop past a demand fulfilment relationship (McDonald & Makin, 2000, Herrbach, 2006). With one respondent mentioning that because there is a lot of inflow and outflow of such employees, they do not consider the primary objective for the organization and hence the employees cannot harbour a trusting relationship with the primary employer and would always keep looking for newer avenues to get rid of expendability feeling (Boswell et al, 2011).

5.1.1.2 Client Companies

Two of the respondents from the client organizations mentioned that the performance review system itself was similar to all the employees irrespective of their form of employment while the third mentioned that for the permanent employees, the system was elaborate but for temporary employees it was not so. Another point which two of the respondents agreed on was that performance was rated of a group rather than an individual. The process of taking the performance review was varying in the companies. Two respondents mentioned that it was the social interactions between the team leader and the employees while the third mentioned that they had data to back up the review. Hence two of the companies was following procedure of using supervisor’s rating as the prime method working on the hypothesis that the experience of the supervisors in the field makes them the best judge (Landy and Farr, 1976). But this works right against the Equity Theory (Adams, 1965) where the person must be rated against the company standards and also makes the procedural justice (Greenberg, 1986) doubtful as the personal opinion of the rater might affect the rating given to the employee under observation (DuPaul et al, 1991).

From this, it can be interpreted that organizations primarily have similar performance evaluation methods for all employees as long as they are not very elaborate. Organizations who follow a very specific and elaborate system of performance evaluation, do that for only permanent employees. Another major discovery was that lack of standardized evaluation system in place for either employees in general and hence can be construed similarly to recruitment agencies where performance evaluation is not considered an important organizational practice.

Another important facet was that the performance appraisal was performance goal oriented (Dweck and Leggett, 1988). Irrespective of the review system which was followed, the performance of the temporary employees was measured primarily on
the basis of their ability for goal completion. This system was followed by all three companies for both temporary employees but two of those had the same system for permanent employees as well. The performance review system which exists in one of the respondent organization, has a fair and just system where the inputs are fed into a system and then the feedback is provided to the concerned departments but the arguments stays the same that the system is goal oriented and focuses on efficiency as the primary performance metric which is negatively related to both the feedback system (VandeWalle and Cummings, 1997) as well as self-efficacy of the employee (Philips and Gully, 1997). The contextual performance (Fletcher, 2001, Borman and Motowidlo, 1993) is not used as a metric in all the previous organizations but acts as a stimulus in making decisions. The negative stimulus for the same is that the employee is let go in case of bad behaviour, depending upon the nature of the offense. This is where the difference became stark between permanent and temporary employees. From the responses it can be interpreted that the permanent employees enjoyed a benefit as one of the respondent mentioned that,

“Our permanent employees have been here for a long time and we assume that we know them.”

The temporary employees on the other hand are sent back to the agency which on its part decides to take the next step of action varying from sitting and talking to the employee to letting the employees go.

“Sometimes it is like, we don’t need this person, its goodbye. But most of the times we sit with this person and talk to him and ask for his opinion and our recruitment staff give their opinion so often we solve the problem or if we don’t solve the problem we let that person go.”

Hence from the results we garnered, it can be stated that in case of negative stimulus, the temporary employees get the short end of the stick. The positive stimulus for the temporary employee based on contextual performance is mentioned that they can get permanent contract with the client location which is revered as the ultimate merit bonus that the client company can bestow.

| Existence of Performance Review System | Yes |
| Method of rating for temporary employees | Supervisor’s Rating, Software |
| Performance Review Metrics for temporary employees | Goal Completion |
| Is the performance review system different between permanent and temporary employees? | No, Yes |

**Figure 6: Performance Review system for Client Organizations**
5.1.2 Feedback System

The performance review is primarily an employee’s capability as is perceived by the organization and the most important step of this system is providing feedback to the employee about the same. This results in self-awareness for the employee and is a tool for personal growth and in turn professional growth for the employee (Fletcher, 2001) but during our study, we found a lack of standardized process for the same.

5.1.2.1 Recruitment Agencies

The feedback system structure depended a lot upon the recruitment agencies as they were the ones who were in charge of the process to provide feedbacks to the temporary employees. The interaction between the temporary employees with their supervisors at the workplace has been defined as informal and casual, hence as the primary employer of these temporary employees, the responsibility falls on the recruitment agencies.

Almost all the recruitment agencies mentioned that the process of taking the feedback about the employees was informal and primarily over phone calls and meetings. All the respondents from the recruitment agency mentioned that there is no filing system for this data but is kept in mind rather than as a hard fact which is in direct contradiction to the practice mentioned by Landy & Farr (1980) where they mention that after the completion of the rating process, the data needs to be stored for observation and retrieval for judgements or to use these ratings for different purposes as the organization deems fit (See Figure 2). Only one recruitment agency got specific data about the employee’s performance from a VMS system which was in place at the client location. Hence the hard fact based feedback was dependent upon the client organizations using the practice.

Providing feedback to employees was a concept about which all the respondents agreed that in case of a mishap or bad behaviour from the employee, it was an immediate process where the employee will be sat down by the recruitment agency and will be talked to about the incident. One respondent mentioned that the feedback system was not something that he worries about much and trusts his instincts.

“Basically no (providing feedback). I can say sometimes we try to pass that communication with our client (to the employee) or we take performance reviews with our employee.”

One respondent mentioned that the information could be passed on to the employee’s team leader at the workplace who will then have a talk with the employee along with this, she had a practice of providing feedback to employees on a yearly basis where while another mentioned that she hasn’t done that once since the company’s inception which was 6 months.

It can be construed that feedback system is very informal and blotchy where the employee is not really notified about the qualities as long as they are providing results and are efficient. But another important factor to note is that in case of
negative stimulus, the response is quick and stark which can have negative effect on the individual’s self-awareness. Hence the feedback system is in direct opposition to the system mentioned by Roberts (2003) where the system should be ‘timely, specific, behavioural in nature, and presented by a credible source’. This again affects the performance development of temporary employees as they do not receive an effective feedback (Hattie & Timperley, 2007).

5.1.2.2 Client Companies

It can be interpreted that this practice is dependent upon the client company as to in what form they send the data in. One of the respondent whose organization had a performance rating system dependent upon supervisor rating, mentioned that they look at the supervisor’s rating and his own opinion before giving the report to the recruitment agency. Another respondent from client organization mentioned that they send the report along with the data from their internal system about the employee’s performance and any other comment that the supervisor might want to add. This can be interpreted that if an organization has a clearly defined performance rating system in place, they would provide the same for the temporary employee as well but at the same time it raises the question of how many organizations have a performance review system in place at all. As one of the respondent mentioned that they do not have any such defined system in place. This was not the case with one organization where the respondent mentioned about having a standardized performance management system but not for temporary employees. As Hattie & Timperley (2007) mentioned that receiving justified and fair feedback, develops the strategical abilities, the lack thereof was seen as a drawback by the researchers.

Another observation from the responses was that the feedback was more personal and informal and more day-to-day basis between the supervisor (team leader) and the employee. Boswell & Boudreau (2000) mention that performance feedback is important primarily for the employee’s satisfaction and self-development. This facet cannot be judged against as the supervisor is the primary consulted authority on an employee’s performance but the chances of personal conceptions of the rater affecting the process (DuPaul et al, 1991) must be taken into account. Having a casual system of feedback gives one advantage that the process would be frequent and immediate, which in turn is more beneficial but at the same time having a specific, timely and credible feedback is better for the job performance of the employees (Roberts, 2003).

5.2 Research Question 2: What is the use of this performance review in regard to temporary employees?

As is mentioned in the theoretical framework, the performance appraisal is the primary tool for building trust between the organization and improving performance of the organization as a whole (DeNisi, 2000). Thomas and Bretz (1994) wrote down various uses of the performance review where employee motivation was the theme at the top of the table. This motivation could be anything from promotions to
recognition to better salary. Comparing the theoretical background to empirical results, we found a contrast at both the entities.

5.2.1 Recruitment Agencies

The recruitment agencies mentioned that they did not provide any monetary bonus to the employees but agreed that it certainly helped in building relations between the two entities and in case of better opportunities coming up, the employees with better performance record would be always referred which is conforming with Locke & Latham (1981). The monetary remunerations were described as based on the job at hand, if a job requires higher effort from the employee, the remunerations would be higher and employees who showed themselves as efficient and fit for such roles would be assigned to the job.

Another respondent from the recruitment agency mentioned that the motivation for the employees was primarily that they get to work with a company which sends them off to a great company to work at. The motivation must not always have to be monetary (Lindner, 1998, Dickson, 1973) but he also added that he understood the nature of the business and that there was an inward and outward flow of employees and he knew that employees would change jobs for better options hence motivating these employees was not one of his primary concerns.

Another important factoid is that the employee can earn better from taking up better roles which in turn are dependent upon the review of the employee from the client organization. Hence this is one of the important factors mentioned by Thomas and Bretz (1994) and the organization on its part gives the employee a chance to work at these roles and responsibilities. Hence from the recruitment agency’s position, it can be stated that the motivation is for self-improvement for the employee for which opportunities are given to these employees.

![Figure 7: Uses of Performance review by Recruitment agencies](image-url)
Hence it can be interpreted that the primary use for performance evaluation at recruitment agencies was that the company used employees with good ‘reviews’ for future better positions and that remained as the primary motivation for temporary employees to perform better. Another major use was that the low performing employees were offloaded with this method and hence shows this as a practice of punitive organizations (Landy & Farr, 1980) and harbours a feeling of expendability to the employee.

5.2.2 Client Companies

The client organizations also agreed on one factor that better performing individuals would be given more opportunities to learn which in turn build the employee’s profile and results in better payment opportunities. If an employee is willing to gain knowledge to get to a better position, better performance would open that door and the employee would be picked for better jobs and hence better career development chances. This is a prime example of intrinsically motivating environment as mentioned by Roberts (2003). Although one respondent mentioned that the temporary employees are not provided special trainings as mentioned by one of the respondent. Hence the self-learning for the temporary employees is the prime form of improving work performance.

The most common factor mentioned by all the respondents was that better performance would result in a permanent job at the client location. The recruitment agencies as well as the client organizations agreed to this denominator. The respondent from a client organization mentioned that if the employees were permanently employed at the workplace, they would be more invested in the organizations and hence would perform better hence agreeing with Herrbach (2006) and Boswell (et al, 2011). Another respondent from client organization mentioned that they had a strength of 80% of permanent employees and also agreed that the best performing temporary employees got a job with the organization. This interpretation agrees with Boswell (2011) where he stated that job security was the primary reason why temporary workers harbour feelings of lower self-worth than permanent employees which in turn agrees with Herrbach (2006) where he mentioned that being less valued than permanent employees makes the temporary workers less committed to the organization.

This raises a question as all the companies have a very high ratio between permanent and temporary employees with one respondent mentioning that 40% of the workforce is temporary while another mentioned that in the low demand season, 15% is the temporary workforce which reaches the heights of 35% in peak season and the third respondent mentioned that for each work group, 50% of the workforce is temporary. This is a dilemma as how many of these temporary employees are actually picked up since the number is very high and due to the nature of the job, chances of job rotation are really high.

The difference between temporary and permanent employees was not very wide. Both the form of employees was given bonus as and when applicable but none of the
respondents mentioned the frequency of the same. Hence the question still remains that since many employees are hired on daily or weekly basis, how is the bonus for them calculated? If bonus is an annual activity, then short term employees are the ones to lose.

Plotting the motivation factors used by organizations for permanent and temporary employees, we see that,

![Figure 8: Uses of Performance review by Client Companies](image)

### 5.3 Conceptual Model for Performance Review of Temporary Employees

On the basis of the responses we received about the performance management system at the two entities, we drew up a conceptual model (Figure 11) which was an extension of Landy & Farr (1980) model with elements added or modified for temporary employees. During the research we discovered that the contextual metrics originated from the organizational values of the company and that these were many a times dependent upon the organizational goals and we have incorporated this data into the model. The model also incorporates the findings about recruitment agencies’ dependency upon client organization for data about employee’s performance. The model seeks to standardize the process of performance evaluation supported by the theoretical background and empirical findings.

The various components of the performance review system have been defined separately.
5.3.1 Organizational Goals

Organizational goals are an independent phenomenon not dependent upon the performance management system but which greatly influences it. Organizational goals could be financial, positional or growth related, but they define the vision of the organization for long term or short term. The importance of the organizational goals is in determining the performance efficiency metrics for the performance review. This although is not in complete aversion to the concept put forth by Shahin & Mahbod (2007) but explains the difference between various different forms of performance metrics and gives rise to one specific form of performance metrics.

5.3.1.1 Goal Oriented Metrics

These are the performance metrics which are based purely on performance efficiency (Dweck and Leggett, 1988) and remain same for temporary as well as permanent employees. The temporary employees can be measured on goal completion irrespective of the contract length. The study suggested that goal completion efficiency and quality were the primary metrics for performance efficiency metrics.

5.3.2 Organizational Values

These were values which the organization practiced and were dependent upon ideologies, practices and even the organizational goals. These values define the identity of the organization and the principles which might define the relationship between the employees and the organization (Finegan, 2000). These values might take a few pointers from the organizational goals as there must be a common ground between these two entities. During the course of the study, it was noticed that the primary contextual metrics which the organization used to rate its employees, were similar or in consonance with the organizational values hence it could be stated that organizational values give rise to the contextual performance metrics (Fletcher, 2001, Borman and Motowidlo, 1993).

5.3.2.1 Contextual Metrics

These metrics take into account the behavioural aspects which define the work ethic of the employee (Fletcher, 2001). Most of the respondent mentioned that this aspect is not very much noted until there is a negative incident. A few respondents mentioned that their organizations follow these contextual metrics but in an informal day-to-day feedback manner. We believe that organizations should note down certain metrics which must be mentioned to the employees beforehand, as was the case in one of the organization. The metrics do not have to be same as all the metrics for permanent employees but certain qualities like Co-operation, motivation, dedication and enthusiasm can be judged for even the employees with a daylong contract. This lets the recruitment agencies know about the qualities of the employee which can be projected to future prospective clients and also helps the employee to build the persona for work in an organization.
5.3.3  Rater-Ratee Relationship

This is an extension of the rater and Ratee characteristics mentioned by Landy & Farr (1980). Here instead of looking at the individual biases that might crop up, we look at the relationship between the two entities. All the respondents mentioned that the team leaders or active supervisors are the ratee’s for temporary employees. Another important aspect was that many organizations had permanent employees as supervisors of temporary employees which might give rise to biases and must be kept in check (DuPaul et al, 1991) which can be countered by having a neutral party collate the final report to diminish the chances of bias as was reported by one respondent. This component of the system is dependent upon the metrics and in turn upon the goals and values as the organizational values define the work environment and if the organizational value is to be fair and just, then this factor is of prime importance for the organization to manage.

5.3.4  Purpose of Rating

This is the prime component of the performance review system. This defines the reason and the further use of the data collected from the process. Landy & Farr (1980) define that supportive organizations use the rating for employee development whereas punitive organizations use this knowledge to fire people. This phase is dependent upon the metrics put forth by the organization and also is a check on the action taken by the organization based on purpose. Landy & Farr (1980) mention that this is the central part of the whole process as the rating method, appraisal, motivation etc. are all dependent upon this process. An organization needs to define this process clearly before moving on with the process. This purpose could be hiring temporary employees to a permanent position or recruitment agencies can use this to motivate their employees to perform better.

5.3.5  Rating Instrument

This is the method of performance rating. The respondents from the client organization mentioned that there was dual instrument, many had a specific software which measured the goal completion efficiency of the employee with a section for supervisor comments. The recruitment agencies on the other hand had no such method present and were dependent on data from the client organizations. Although we agree that day-to-day interactions between the supervisor and the ratee were the best informal way to gain knowledge but we took example from one organization which measured employees on behavioural traits in the same format as goal completion metrics (See Appendix B) and we ascertain that this method is most just and fair and gives the recruitment agencies a clear and concise picture of the employee’s performance.

5.3.6  Rating Process

This is the actual process and most organizations accept the practice of once a year for permanent employees but for temporary employees we believe that the process is enough to be done once during the length of their contract. This process is
dependent upon the rating instrument as well as the purpose of rating. This process must be in principal with Equity theory (Adams, 1965) and Distributive justice (Greenberg, 1986).

Another addition to this process must be self-rating by the employee as is considered the most acceptable practice among organizations and the final rating is an amalgamation of employee self-rating and supervisor’s rating (Kay, Meyer and French, 1965).

5.3.7 Results

These are the output of the rating process and the form of this data is dependent upon the rating instrument. Many of the respondents from recruitment agency mentioned that the data received was primarily casual and on phone calls which we are against. The agencies must take this data from the organizations in a form which can be stored for further use. This lies in agreement to the procedural justice (Greenberg, 1986) where the recruitment agency can have a clear discussion with the employee which is fair and based on hard facts.

5.3.7.1 Analysis & Observation

The results are then analysed and collated by a neutral party as mentioned by rater ratee relationship based on the purpose of the evaluation.

5.3.7.2 Performance Description

Here the data is given to the respective departments or the bodies which initiate the rating process in the first place. The recruitment agencies can acquire the data at this stage and analyse the data based on their own needs again.

5.3.8 Action

This stage defines the final use of the review. The organization can use the data based on the purpose and it can be stated that this step defines the purpose stage of the whole system. This could be providing feedback to the employee for self-awareness Fletcher (2001) or reward in the form of trainings or monetary.

As stated before, this is a conceptual model based on Landy & Farr’s (1980) model with an input based on the recent study conducted. There are still many factors which can be taken into consideration like the nature of the job where temporary employees are used to the reward system as which organization is responsible for this between recruitment agency and client organization. The big benefit of this model is that it makes the process clear and just and the employee can trust the practices and the organization, which is termed as the primary purpose of performance review (Harrington & Lee, 2015).
Figure 9: Conceptual Model

- Organizational Values
- Organizational Goals
- Contextual Metrics
- Goal Oriented Metrics
- Purpose of Rating
- Rating Instrument
- Rater-Ratee Relationship
- Rating Process
- Results
- Analysis/Observation
- Performance Description
- Action
6 Conclusion

In this chapter, we draw the results of the research and discuss the step ahead taken by this study in the present literature. Also we discuss the limitation faced during the course of the study, the limitations of this study and areas of future research.

6.1 Discussion

This study emphasizes the divide in practices between permanent and temporary employees in the dimension of performance review. The research shed light on the fact that there is a lack of standardized performance review, with major exclusion of contextual metrics of job behaviour, sometimes even for permanent employees. Research also showed that the role of recruitment agencies although is most important, was found to be passive and leaning towards the needs of the clients rather than employees.

6.1.1 Lack of Standardized Performance Review

Researchers unanimously agree to the importance of the performance review system in an organization for morale of the employees and trust between the organization and the employee. The result however showed that most of the client organization maintained a performance goal orientation (Fletcher, 2001, Dweck and Leggett, 1988) for its employees irrespective of contract term. In such organizations, the difference between different employees is not very stark as far as organizational practices go, but one organization which did mentioned having a standardized system of performance evaluation, clearly mentioned that temporary employees were not rated by the method. Hence apart from the fact that temporary employees are only being rated upon goal completion metric, it is also coming to light that many organizations do not follow any detailed performance evaluation method at all.

The control respondent mentioned that some employees demanded a performance management system while the spontaneous ones did not respond positively to it and that having a standardized system would lift pressure from him to manage everyone differently and that the process would become fair and just. Hence the importance of a standardized system was felt and some organizations did possess the same but not for temporary employees. The effect of culture was not discussed but hugely felt, since except one organization, no other respondent mentioned a standardized process and the organization itself is an international furniture retailer and the difference might be attributed to the internationalization. The respondent however mentioned that a standardized performance management of temporary employees is highly desirable.

6.1.2 Difference in contextual job behaviours

Here is the biggest difference lies between temporary and permanent employee performance evaluation. Temporary employees are not rated upon contextual behaviour but the reaction on a negative action is stark and sudden which might not
be conducive to the morale and self-efficacy of a temporary employee. For permanent employees on the other hand, all but one respondent mentioned that there is no behavioural metrics in performance evaluation with one respondent mentioning that ‘they believe in their employees’. This creates a sense of an outsider for the temporary employees which would affect the commitment for the employee (Herrbach, 2006). Hence this builds upon the study stating that work relation was not equitable for temporary employees (Redpath, Hurst, & Devine, 2007).

All the respondents mentioned that the best performing temporary employees were picked for a permanent job at the organization but did not rate those employees on the contextual metrics and hence there was a divide in the practices for employee selection. The connection between contextual metrics and organizational goals was also discovered and the addition of these metrics into performance evaluation would help the employee in thriving in the organization (Finegan, 2000).

6.1.3 Recruitment agencies are passive

Temporary employees do not benefit from the triangular relationship they share along with recruitment agencies and client companies. Recruitment agencies being the primary employer of these employees, seemed very passive in their approach. None of the respondents mentioned about having an internal system of performance review and only depend upon the review given by the client agencies, which makes sense at certain level as those are the direct workplaces for these employees. The passiveness is that the recruitment agencies do not seek a certain review from the employers and are dependent upon the clients completely. Also the interactions mentioned between the two entities is also casual and the feedback is not stored but is dependent upon the memory of the responsible person where the chances of personal bias are very high. Hence there is lack of performance review on the organizations part and the data received from the organizations is not properly filed but kept ‘in memory’, feedback channel is non-standardized but swift in case of negative criticism.

One positive trait mentioned by all entities was that the employees were given chances to grow and learn new skills based on performance shown by the employee at the workplace.

6.2 Limitations of the Study

Although all the measures were taken to make the study as perfect as possible, there were still some avenues where limitations can be stated. There can be argument raised that the primary literature consulted for the study was from non-Scandinavian authors while the research was done on Swedish companies hence a discord could be mentioned between the two elements of the research. This realization was achieved when the respondent from a fairly international organization mentioned a standard set of practices while more local or country specific organization showed lack thereof.
Conclusion

The number of respondents from different organizations was also an issue as for stating an organizational process question, how many interviews can be construed to be a good amount to lend gravitas to the study.

The third major issue was that while delving into organizational practices, due to lack of hard data provided from the respondents, interviews were the primary source of knowledge gathering. Although the questions were designed in such a way that the chance of the respondent’s personal bias were reduced to a minimum but since interviews are personal interactions, the chances of bias always remain.

6.3 Future Research

As the research showed, there is a lack of standardized practices in the organizational process of performance evaluation for temporary employees and to focus on this aspect, the research was done from a strict organizational perspective without talking into the perspective of the people who are temporary employees. Future researchers can build upon this study and add the perspective of these temporary employees themselves and try to understand the motivational implications of the existing situation among organizations upon the temporary employees.

The study also brings forth the triangular relationship the employees find themselves in, with the primary employer (recruitment agencies) being passive in the performance evaluation of the employees, hence the future researchers can focus on the relationship between the recruitment agencies and temporary employees and try to find out how recruitment agencies can play a more active role in such employee’s career development.

And lastly, since the research was limited inside the Swedish industry, future researchers can merge more countries in its scope and try to measure the processes alongside each other, figuring out if the trend discovered in the study has a cultural inclination or is it the common practice and how do various different countries deal with the performance review of temporary employees.

Finally, the research done about performance evaluation is limited and there is immense scope for future research. We have tried to enter this domain to find out ‘How’ things are working and the next step is to find out ‘Why’ it is so, so that a better and fair system can be drawn for a phenomenon which is gaining worldwide prominence and is here to stay for good.
References


References


Appendix A

Competence profile

<table>
<thead>
<tr>
<th>Warehouse co-worker</th>
<th>IKEA</th>
</tr>
</thead>
</table>

**JOB TITLE:** Warehouse co-worker  
**FUNCTION/ORG:** IKEA Components  
**REPORTS TO:** Team leader After Sales  
**MATRIX MANAGER:**  
**CO-WORKERS:** 0  
**MEMBER OF WHICH FORUMS:**  
After Sales team meetings

**IKEA VISION, IKEA BUSINESS IDEA, IKEA HR IDEA, GROWING IKEA TOGETHER:**  
these are key documents for all IKEA competence profiles.

**PURPOSE OF THE JOB:**  
Pick, pack and distribute IKEA customer orders of fittings, components and kitchen fronts as well as IKEA store orders of fittings and kitchen fronts in an efficient way and with a high service-level. Always doing this with cost efficiency in mind and with IKEAs customers’ highest satisfaction as a guiding star.

**ASSIGNMENTS:**  
- Pick, pack and distribute IKEA customer orders and IKEA store orders within the agreed lead time.  
- Contribute to obtaining the service-level by informing procurer about lack of parts.  
- To serve call centres / IKEA Stores with sufficient information regarding spare parts to IKEA products.  
- Act environmentally sound (avoiding damages, separating waste, avoiding any waste of energy...).  
- A great deal of co-responsibility for the achievement of the goals determined by the manager.  
- Take responsibility for teamwork (support your colleagues to do a better job ...).  
- With your personal behaviour you contribute to a better working environment (respect the others,...).  
- Take an active part in the development of the operational processes.  
- Normal maintenance of warehouse and forklift care.

**KEY PERFORMANCE INDICATORS (KPIs):**  
- Delivery security  
- Service level  
- Cost efficiency  
- Co-worker satisfaction (VOICE)

<table>
<thead>
<tr>
<th>Date</th>
<th>Issued by</th>
<th>Authorized by</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012-03-19</td>
<td>Malin Emmerius</td>
<td>Cecilia Lindholm</td>
</tr>
</tbody>
</table>
KNOWLEDGE:
- Knowledge of computer systems used at After Sales (i.e. M3, POOC/IDA/PIA-fact, etc).
- Fork-lift licence and practical experience.
- Good knowledge of English both written as verbal.
- Good Knowledge in warehouse handling.
- Knowledge in the IKEA product range.

MOTIVATION AND CAPABILITIES/SKILLS:
- Serviceminded
- Flexible
- Team worker
- Initiator
- Open minded for new technologies.
- Self driven
- Engagement

IKEA CORE LEADERSHIP CAPABILITIES: all 6 capabilities are important and the 3 most critical leadership criteria for this job are:
- Develop the business and deliver results
- Lead and develop people
- Inspire and Clarify
- Create togetherness
- Find better ways
- Enable change
## Appendix B

*The performance Evaluation Tool in IKEA, Torsvik*

### LEADING MYSELF

#### THE PERFORMANCE & DEVELOPMENT PROCESS

<table>
<thead>
<tr>
<th>Name</th>
<th>Employee ID</th>
<th>Position</th>
<th>Time in position</th>
<th>Manager</th>
<th>Current year</th>
</tr>
</thead>
<tbody>
<tr>
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- Too new to evaluate

<table>
<thead>
<tr>
<th>GOAL SETTING</th>
<th>Date</th>
<th>Signature</th>
<th>Manager's signature</th>
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<thead>
<tr>
<th>DEVELOPMENT TALK</th>
<th>Date</th>
<th>Signature</th>
<th>Manager's signature</th>
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<table>
<thead>
<tr>
<th>PERFORMANCE EVALUATION</th>
<th>Date</th>
<th>Signature</th>
<th>Manager's signature</th>
</tr>
</thead>
<tbody>
<tr>
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I confirm that we have had a meeting and discussed the documented information. I also ensure that the inputs from the team members have been included.
GOAL SETTING

**Purpose:** Document what you should focus on during the coming year (within the frame of your competence profile) to contribute to the business needs of your team, function or unit.

**Number of goals:** It is recommended to define 3-5 goals to work with the coming year. Write your goals according to the **SMART** criteria. You can ask yourself the following questions for each goal:

- **Specific:** Does the goal define exactly what should be achieved?
- **Measurable:** Can I measure progress and if I have achieved the goal successfully?
- **Agreed:** Does everyone involved understand and agree upon the goal?
- **Realistic:** Is the goal challenging but still possible to achieve?
- **Time bound:** Does it say when the goal should be achieved?

<table>
<thead>
<tr>
<th>GOALS</th>
<th>What will you focus on to contribute to the business needs?</th>
<th>How will you measure progress/success?</th>
<th>When will you do it?</th>
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Comments:
**DEVELOPMENT TALK**

**Purpose:** Document the discussion about your future and define what competence you will develop over the coming year to achieve your goals and pursue the next step(s) in your career.

**Development Plan:** It is recommended to define 2-3 competence areas to develop over the coming year.

A couple of questions to start the discussion:
- What has been challenging? What are you proud of? What have you achieved?
- What have you learned? Do you do anything differently today?
- What motivates you most/detest in your job?
- Describe the relationship between you and your team.
- What does success look like between you and your manager?
- How is your work-life balance?

### STRENGTHS AND DEVELOPMENT AREAS

<table>
<thead>
<tr>
<th>What are your strengths and development areas in relation to your competence profile?</th>
</tr>
</thead>
<tbody>
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<td></td>
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</table>

### NEXT STEP

<table>
<thead>
<tr>
<th>What do you see as your next step?</th>
<th>MOBILITY</th>
</tr>
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<tbody>
<tr>
<td>&lt; 1 year</td>
<td>Can you move to another IKEA location?</td>
</tr>
<tr>
<td>1-2 years</td>
<td>□ No mobility</td>
</tr>
<tr>
<td>&gt; 3 years</td>
<td>□ Limited mobility (national)</td>
</tr>
<tr>
<td></td>
<td>□ Full mobility (international)</td>
</tr>
</tbody>
</table>

### DEVELOPMENT PLAN

<table>
<thead>
<tr>
<th>What will you develop?</th>
<th>How will you do it?</th>
<th>What resources will you need?</th>
<th>How will you measure progress/Success?</th>
<th>When will you do it?</th>
</tr>
</thead>
<tbody>
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</table>
# PERFORMANCE EVALUATION

**Purpose:** Document the evaluation of your performance for the past year. Your performance is evaluated as a combination of your goals, Development Plan, and behaviours (through the IKEA values and, if applicable, Leadership Capabilities).

<table>
<thead>
<tr>
<th>Evaluation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Below expectations</td>
</tr>
<tr>
<td>2</td>
<td>Partially meets expectations</td>
</tr>
<tr>
<td>3</td>
<td>Meets expectations</td>
</tr>
<tr>
<td>4</td>
<td>Exceeds expectations</td>
</tr>
</tbody>
</table>

## GOALS

<table>
<thead>
<tr>
<th>What was your goal?</th>
<th>What was the result?</th>
<th>Evaluation</th>
</tr>
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<td>1 2 3 4</td>
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<td>1 2 3 4</td>
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<td>1 2 3 4</td>
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</table>

Comments/examples

## DEVELOPMENT PLAN

<table>
<thead>
<tr>
<th>What did you plan to develop?</th>
<th>How did it go?</th>
<th>Evaluation</th>
</tr>
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<tbody>
<tr>
<td></td>
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<td>1 2 3 4</td>
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</table>

Comments/examples
## References

<table>
<thead>
<tr>
<th>BEHAVIOURS</th>
<th>Comments/examples</th>
<th>Evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>The DNA values</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Achieves results in line with the IKEA values:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leadership by example</td>
<td>Constant desire for renewal,</td>
<td>1 2 3 4</td>
</tr>
<tr>
<td>Simplicity</td>
<td>ownership and willpower</td>
<td></td>
</tr>
<tr>
<td>Driving to market reality</td>
<td>Dating to be different</td>
<td></td>
</tr>
<tr>
<td>Continuity being &quot;on the way&quot;</td>
<td>Togetherness and enthusiasm</td>
<td></td>
</tr>
<tr>
<td>Cost-creating model</td>
<td>Accept and delegate responsibility</td>
<td></td>
</tr>
<tr>
<td>The IKEA Group Code of Conduct</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Leadership capabilities</strong></td>
<td>Comments/examples</td>
<td>Evaluation</td>
</tr>
<tr>
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<td>1 2 3 4</td>
</tr>
<tr>
<td><strong>Develop the business and deliver results</strong></td>
<td></td>
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<tr>
<td>Service-minded with customers, demonstrating interest</td>
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<td></td>
</tr>
<tr>
<td>Identifies the gaps and current business priorities</td>
<td></td>
<td></td>
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<tr>
<td>Understands the impact of price mark on overall profitability</td>
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<tr>
<td>Synthesises through seminars</td>
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<tr>
<td><strong>Lead and develop people</strong></td>
<td>Comments/examples</td>
<td>Evaluation</td>
</tr>
<tr>
<td></td>
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<td>1 2 3 4</td>
</tr>
<tr>
<td>Develops and nurtures current business assignment</td>
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<td></td>
</tr>
<tr>
<td>Tends responsibility for own development and learning in the business</td>
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<tr>
<td>Seeks feedback from associates and mentors in the current business assignment</td>
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<tr>
<td>Is open to receive feedback</td>
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<tr>
<td><strong>Inspire and clarify</strong></td>
<td>Comments/examples</td>
<td>Evaluation</td>
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<tr>
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<td>1 2 3 4</td>
</tr>
<tr>
<td>Communicates in a simple, straightforward and down-to-earth manner</td>
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<tr>
<td>lionize actively and seeks to gain information</td>
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<tr>
<td>Expresses opinions clearly and openly</td>
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<tr>
<td>Shares enthusiasm about the IKEA vision and demonstrates the IKEA values</td>
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<tr>
<td><strong>Create togetherness</strong></td>
<td>Comments/examples</td>
<td>Evaluation</td>
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<td>1 2 3 4</td>
</tr>
<tr>
<td>Co-operates with co-workers in other units to accomplish common goals</td>
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</tr>
<tr>
<td>Encourages and develops team members focusing on togetherness</td>
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<tr>
<td>Encourages diversity in talents, skills, and backgrounds</td>
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<tr>
<td>Proactively shares experiences and knowledge, working interdependently</td>
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<tr>
<td><strong>Find better ways</strong></td>
<td>Comments/examples</td>
<td>Evaluation</td>
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<td>1 2 3 4</td>
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<tr>
<td>Challenges existing solutions to seek improvement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exposes best practice solutions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Demonstrates openness to others' ideas and desires to be different</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Seeks common sense and simplicity</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Enable change</strong></td>
<td>Comments/examples</td>
<td>Evaluation</td>
</tr>
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<td>1 2 3 4</td>
</tr>
<tr>
<td>Demonstrates willingness and readiness to change</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Engages stakeholders to understand change</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emulates best practices by taking necessary actions</td>
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<td></td>
</tr>
<tr>
<td>Adapts to new circumstances</td>
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## OVERALL PERFORMANCE EVALUATION

Summary of strengths and development areas | Evaluation |
<table>
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<td>1 2 3 4</td>
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</table>

## STAIRCASE (IF APPLICABLE)

Where are you in the staircase? (Evaluated by manager) | What is your identified potential? (Evaluated by manager) |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>□ Senior</td>
<td>□ Destination 2020 (Longer term role/career destination, part of our Management Review process)</td>
</tr>
<tr>
<td>□ In the role</td>
<td></td>
</tr>
<tr>
<td>□ Aspirant</td>
<td>□ High Potential</td>
</tr>
<tr>
<td></td>
<td>□ Good potential</td>
</tr>
<tr>
<td></td>
<td>□ Same level</td>
</tr>
</tbody>
</table>
Appendix C

THE PERFORMANCE & DEVELOPMENT PROCESS

SHARING FEEDBACK IS THE FOUNDATION
Take time to speak to your manager frequently about what is going on in your job, your success, your challenges, and your struggles. These informal and relaxed conversations between you and your manager contribute to building a trusting relationship, and are perfect opportunities to share feedback.

Your manager has the responsibility to give you feedback on how you are doing through frequent job chats and coaching. However, it’s your responsibility to ask your manager for better or more frequent feedback when needed. Our HR idea is based on the belief that everyone takes responsibility for their individual development and performance, so don’t hesitate to ask your manager for a more frequent dialogue.

WANT TO KNOW MORE?
Find detailed guidelines and tools for your performance & development on HR ACADEMY.

THE PERFORMANCE & DEVELOPMENT PROCESS

These guidelines give you and your manager practical examples to the three yearly steps in the Performance & Development process. After these three steps, you will be confident in answering the following questions:

• What is expected of me?
• What are my strengths and development areas?
• How am I contributing to the bigger picture?
References

GOAL SETTING

You and your manager look forward by deciding what you should focus on during the coming year (within the frame of your competence profile) to contribute to the business needs of your team, function or unit.

1. You and your manager prepare by looking at any document that can give you guidance on the goals of your team, function or unit. Your manager includes the input from the Matrix partner.
2. Decide how many goals you will work with in the coming year (2-3 goals/year are recommended).
3. Ensure that every goal is written according to the SMART criteria.
4. Book at least one follow-up meeting during the year (preferably after 6 months).

DEVELOPMENT TALK

You and your manager look forward by discussing your future and defining what competence you will develop the coming year to achieve your goals and pursue the next step(s) in your career.

1. Understand and bring your goals to the meeting.
2. Before the meeting, reflect on your strengths and development areas in relation to your competence profile by:
   - Looking at your last Performance Evaluation.
   - Comparing your competence profile with your perception of how successful you are in your day-to-day work.
   - Also reflect on where you are right now in your career and what opportunities could be of interest in the future.
3. In the meeting, document your Development Plan.
4. Book at least one follow-up meeting during the year (preferably after 6 months).

PERFORMANCE EVALUATION

You and your manager look backwards by evaluating your performance for the past year.

1. Your performance is evaluated as a combination of your:
   - Goals
   - Development Plan
   - Behaviours (through IKEA values and Leadership Capabilities)
2. You and your manager should prepare individually by using the Performance Evaluation tool to evaluate what was achieved the past year.
3. Bring your filled-in evaluations to the meeting.
   - Discuss by comparing your evaluations.
4. You should be able to agree on the overall evaluation, but if there are any disagreements, your manager has the final say.

Remember! A good evaluation is based on the performance of the entire year, not just a single result or recent behaviour. The best course of action is to look at the complete year and to write down specific examples in the tool to strengthen the evaluation.
**IKEA Organizational Values**

<table>
<thead>
<tr>
<th>Humbleness and willpower</th>
<th>Cost-consciousness</th>
<th>Accept and delegate responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>We respect each other, our customers and our suppliers. Using our willpower means we get things done.</td>
<td>Low prices are impossible without low costs, so we proudly achieve good results with small resources.</td>
<td>We promote co-workers with potential and stimulate them to surpass their expectations.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Leadership by example</th>
<th>Striving to meet reality</th>
<th>Simplicity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our managers act according to IKEA values; create an atmosphere of wellbeing and expect the same from co-workers.</td>
<td>We stay true to practical solutions to develop, improve and make decisions based on reality.</td>
<td>We take an easy-going, straightforward approach when solving problems, dealing with people or facing challenges.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Constant desire for renewal</th>
<th>Daring to be different</th>
<th>Constantly being “on the way”</th>
</tr>
</thead>
<tbody>
<tr>
<td>We know that adapting to customer needs with innovative solutions contributes to a better everyday life at home.</td>
<td>We question old solutions and, if we have a better idea, we are willing to change.</td>
<td>We review what's done today and ask what can be done better tomorrow, so we can find new ideas and inspiration.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Togetherness and enthusiasm</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Together, we have the power to solve seemingly unsolvable problems. We do it all the time.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Appendix D

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Respondent Position</th>
<th>Recruitment Agency</th>
<th>Client Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adecco</td>
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<td>✓</td>
<td></td>
</tr>
<tr>
<td>Proffice</td>
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<td>✓</td>
<td></td>
</tr>
<tr>
<td>Schenker</td>
<td>Process Leader</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>El Giganten</td>
<td>Team Leader</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>IKEA</td>
<td>HR Generalist</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Tranpenad Bemanning</td>
<td>CEO</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Insitepart</td>
<td>CEO</td>
<td>✓</td>
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<tr>
<td>Flite</td>
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<td>✓</td>
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<tr>
<td>Modderskeppet</td>
<td>CEO</td>
<td>✓</td>
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