

What's going on? Implicit appraisal of employees

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Abstract

In this article, we will present one case study from Eastern Europe illustrating the ethical problem of hidden employee appraisal during competence training. Ethics breaches during employee assessment are extreme examples of psychological contract breach between an organization and its employees. In the discussed case, upon having realised the potential ethical problem, we persuaded the client to modify the training project agenda and objectives. In our discussion of the case, we highlight those Polish Psychological Association Ethics Code standards (PTP, 2019) that, in our opinion, could have been seriously infringed upon. The presented case seems to be a good example of ethical challenges faced by work and organizational psychologists. In our opinion, it is essential to raise awareness among managers and Human Resource (HR) partners that employees should be informed when they are being appraised.

Keywords: training, appraisal, ethics code, competences

Introduction

Organizational psychologists working as consultants are often faced with situations where the officially stated purpose of a training has little to do with the aims pursued by the client organization/HR department. We will present one case study from Poland illustrating the ethical problem of hidden appraisal during employee competence training. This kind of training is a commonly used tool for improving organizational performance (King, King & Rothwell, 2000). Usually the training process is connected with giving feedback. Adequate feedback is a powerful and effective way to affect the motivations and achievements of employees, as well as school and university students (Hattie & Timperley, 2007). Unfortunately, some organizations try to use the process of employee training to pursue hidden agendas, such as implicit appraisal of employees or an implicit selection process. In effect, some organizations act or encourage professionals working with them to act unethically.

We base our discussion of the case below on one of the central tenets of the Polish Psychological Association Ethics Code (PTP, 2019), namely that:

“Psychologists feel obliged to care mainly for the welfare of those who are direct receivers of their professional activities. This obligation applies also when psychological services are commissioned by another person or an institution” (PTP, 2019, p. 2); and “Psychologists do not undertake activities causing the risk of exposing receivers to any injury, including the risk of psychological or physical overload” (PTP, 2019, p. 2).

The situation happened in a Polish organization; however, we have no doubts that similar problems may occur in other organizations that do not pay sufficient attention to ethical procedures performed by internal or external psychologists. In describing the case below, we used the structure adopted in the literature on ethical problems in organizational psychology (Lowman, 2006).

The case

Client organization and stated goals of the training project

Several years ago a HR business partner in a big business consulting organization contacted the second author (i.e., a consulting psychologist at NAVIGO Group). The organization was looking for an adequate consulting company to perform a soft competence training project for a team of analysts and their manager. During the first

meeting, the HR business partner communicated some basic information about the organization and the needs of the team and their manager.

The consultant learnt that the client organization had already implemented a number of HR activities, such as periodic (once a year) employee competence appraisals. The results of these appraisals were being used by the HR department and managers to plan employee and team development activities. For instance, based on the appraisal results, employees should take part in training courses. Overall, the main responsibility for supporting employee development was in the hands of managers – they could decide on how their team was going to be developed based on the training budget allocated to them. Leaders could also independently select external development services suppliers (e.g., trainers, coaches, mentors) they wanted to cooperate with. Of course, HR business partners assigned to individual teams could support them in these activities.

In this case, the HR business partner and the team manager had performed an analysis of the yearly team appraisal results. Overall, the team showed slightly lower results in the areas of social and organizational competences required from analysts employed by the organization. The organization defined social competences as communicativeness (an ability to communicate one's thoughts clearly and precisely, to listen actively, and to adjust the communication style to addressees) and cooperation (establishing and maintaining relations based on respect and trust, caring for positive relations within a team, pursuing common aims). Organizational competences, on the other hand, were understood as the ability to organize one's own work, and thus were related to defining priorities, meeting deadlines, and using resources effectively. After careful consideration, the HR business partner and the team manager reached the conclusion that the team manager would need help in supporting the development of the team. They agreed that a series of workshops could be a good starting point for strengthening the social and organizational competences within the team. Moreover, the additional aim of the training was to enable participants to get to know each other better.

During our initial meeting to discuss the scope of the potential project, the HR business partner stated that all sixteen team members would participate in the training. The team consisted of analysts whose daily work entailed using advanced technologies to investigate data provided by clients and develop solutions to business problems related to financial risks and rates of return. According to the HR business partner, the team showed deficiencies in the areas of social and organizational competences due to the nature of their work, which does not facilitate the development of these competences.

Ethical challenges during contracting and redefinition of project objectives

Based on the agreed consultancy programme and the HR business partner's recommendations, the team manager decided to start cooperation with the consulting company where the second author (from here one referred to as "the external consultant") worked. A meeting was arranged during which the parties were to clarify project objectives and range, as well as steps to undertake. Not only the manager and the external consultant, but also the HR business partner took part in the meeting.

During the meeting it was confirmed that the project's long-term objective was to improve team members' social and organizational competences. Specific aspects of these competences that were to be developed under the project were identified. Taking into account the relatively low level of employee skills in these areas disclosed during the yearly appraisal, it was decided that development activities would mainly include training workshops. Four one-day sessions were planned for the team at approximately one-month intervals. Between training sessions participants would perform various development tasks agreed on with the trainers that would enable them to practice the acquired competences. At this stage of the discussion, the project scope, objectives and schedule seemed to be clear to the external consultant.

Next we started to discuss procedural matters. In the process of discussing who would be participating in the sessions, the team manager expressed his intention to also attend some of them. As the external consultant did not know his motivations, she asked him why he wanted to be present. He explained that he wanted to broaden his knowledge about the subject matter of the training course – although he himself had no identified deficits in these areas. Moreover, the team manager wanted to analyse the team and assess individual employees. He explained that he did not have many opportunities to watch his team members perform their daily tasks. Moreover, he argued that many people had only recently started to work for the team and he still did not have an informed opinion about them. By observing them during the workshop, he hoped he could gather information that he could use in deciding about promotions or dismissals within his team.

The external consultant was surprised to hear that the HR business partner shared the team manager's expectations – she suggested that the consulting team should prepare a "team competences map" based on the training outcomes. This map was meant to

include evaluations of all participants and identify the employees with the highest and the lowest levels of competences. The HR business partner and the team manager, expected that the consulting team would hide from participants the fact that they were going to make observations and formulate appraisals. The idea was that, in this way, participants' behaviours were going to be free from self-presentation – they would show the actual level of their competences. In other words, if they did not know about the appraisal, they would behave naturally.

The external consultant repeated the project objectives defined by the client representatives. She pointed out that the organization wanted to satisfy two expectations with the use of a single method (training); developing and assessing the employees at the same time. Moreover, the fact that employees were being assessed was to be hidden from them. From the external consultant's perspective, however, the combination of such objectives and the fact of hiding the appraisal from training participants caused ethical and methodological dilemmas. She emphasised that according to the standards of the company she represents:

- Project participants should not be assessed and developed at the same time with the use of a single method;
- If a project includes employee assessment, they should be informed about the appraisal date and criteria.

The sources of the above-mentioned standards can be found in commonly accepted goals of individual tools and HR methods, experiences of the external consultant's company and the Polish Psychological Association Ethics Code (PTP, 2019). In further discussion, the external consultant stated that the general aim of a training is to develop participants' competences. Assessments could be made with the help of other methods, for example competence tests, sample task performance or periodic appraisals. Training participants are encouraged to discuss their problems openly and try new skills; as it is assumed that this is the time they can make mistakes (mistakes are even desired, as participants can learn how to correct them).

Presumably, when informed that their competences are going to be assessed during the training course, employees would start using self-presentation techniques to show themselves at their best instead of trying to learn as much as possible. From the development aims perspective, excessive self-presentations by training participants are undesired, as they can restrict their willingness to disclose their competence deficits.

Therefore, a method combining both assessment and developmental objectives would very likely negatively affect the latter.

Client representatives listened to the external consultant's arguments and then asked whether, in a scenario where both assessment and developmental objectives were pursued simultaneously, the assessment objective could also be negatively affected. The external consultant informed the HR business partner and the team manager that it was not possible to adequately conduct a workshop and simultaneously make reliable observations and assessments of participants (that satisfy methodological requirements). Therefore, it could be expected that the assessment aim would not be achieved either. Client representatives also asked why it was unethical to hide the fact of performing an appraisal from employees. The external consultant replied that according to ethical standards used by psychologists such solutions are inadvisable (PTP, 2019).

The arguments of the external consultant convinced client representatives. We agreed that trainers (i.e., the psychologists that would conduct the development programme) would not assess individual employees (neither secretly, nor openly). After conducting all the workshops they would suggest development activities for the whole group in order to maintain the training effects. The team manager was to take part in workshops according to the same rules as his team members (he was supposed to be a workshop participant and to take part in all activities offered by trainers). We also agreed that he would refrain from assessing his subordinates during the training course.

Workshop challenges and positive project completion

Workshops were organised for the company as planned during the meeting. The team manager took part in them. At the very beginning, trainers established with participants a psychological contract that included rules of group work during sessions (e.g., addressing others with respect, communicating one's opinions openly and constructively, all participants taking an active part in sessions, and that the rules are the same for all participants). Despite this fact, initially, team members were reluctant to openly engage during the workshops. Upon being gently confronted about this by the trainers, they admitted that they were afraid that they would be assessed by their manager. However, thanks to open discussions about participants' needs and expectations (including those of the team manager), the trainers managed to "overcome" these fears. During the course of the programme, some difficult situations related to the team manager's behaviours also occurred; for example, several times he formulated non-constructive critical

opinions about the way some participants performed their tasks. Nevertheless, thanks to the mutual understanding achieved and the rules (i.e., the contract) adopted at the beginning, the group managed to handle these situations in a constructive and open way.

At the end of the training project, the external consultant held a meeting with the HR business partner and the team manager to evaluate the project outcomes. Client representatives had positive opinions about the project performance. The participants also had positive impressions of the project – in evaluation questionnaires they gave very good ratings to both training sessions and the effects they brought. As such, questionnaires mainly reflect the opinions and feelings of those who fill them in rather than actual results; therefore, the external consultant, the HR business partner and the team manager agreed that the next evaluation of effects would be done during the next yearly competence appraisal. During the meeting, they discussed the steps the team manager could take to support their team in implementing the skills acquired during the training workshops.

Case interpretations and implications

It is an ethical responsibility of an employer to inform employees about any planned assessment. Legal requirements, however, are not so self-evident. For example, the Polish Labour Code (KP) mentions employee evaluation only once. It says that: “An employer shall in particular apply objective and fair criteria for the evaluation of employees and their performance” (KP, 2020, p. 51). It does not specify, however, what is permitted or not. Furthermore, adopted legal solutions may vary across the world. In the discussed case, the client organization’s manager and the HR business partner initially intended to conduct employee assessments as part of the competence development programme without informing the employees about them. Fortunately, the external project managers’ intervention and frank, open communication with client representatives resulted in the correction of these hidden objectives and the training workshops were carried out in accordance with ethical rules. An in-depth analysis of the case shows that the following paragraph from the Polish Psychological Association Ethics Code (PTP, 2019) is relevant to the ethical problem described in the case.

“Service receivers have the right to obtain information about planned activities, in particular about the activities’ aims, planned formats and methods, duration time, the most probable consequences, and possible alternatives” (PTP, 2019, p. 4).

According to the PTP, every employee should be informed about the appraisal date, its criteria and possible consequences. Unfortunately, during initial conversations the manager and the HR business partner did not see an ethical problem in combining training with hidden appraisal. Moreover, they did not see potential negative consequences of such steps for the team and the organization. Probably the managerial staff are less sensitive to unethical situations due to their strong motivation for success in their profession. Researchers show that a similar mechanism is observed with regard to the acts of corruption in organizations (Rabl, 2008). Moreover, in the discussed case, the psychologists acting as external consultants were almost persuaded to perform the assessment process without informing employees about it, yet they chose to act in accordance with the code of practice of their profession. However, one can easily see how external consultants could get intimidated by the client for fear of losing a lucrative contract and engage in unethical procedures.

In the discussed case, another important ethical rule defined in the Ethics Code (PTP, 2019) could also have been infringed without the external consultant's intervention:

"Psychologists have an obligation to protect information obtained during professional activities, including information about those with whom they work and about other people, as well as information about test products and results, raw results in particular. Data obtained by psychologists upon performing their professional activities are treated as sensitive" (PTP, 2019, p. 4).

If an appraisal is hidden during training, there is a risk that employees will find out about it anyway. Moreover, there is a high risk that the assessments performed during workshops will be unreliable. If the external consultants had agreed to prepare a "team competences map" based on the assessments gained from trainings, they would also have (implicitly) agreed that the information collected for each individual employee would be used in an unethical way. The manager's request to observe the team during the workshops without being an active participant himself was also unethical. Moreover, it could have resulted in employees avoiding other workshops and losing trust in their manager and the organization. In contrast, the situation where a manager participates in a workshop together with the team, whereas not comfortable for the subordinates, offers at least an elementary level of safety. Also, given that all participants, including the manager, are encouraged to be honest, it might help create better mutual understanding.

It is worth noting that the described ethical problems encountered by external consulting psychologists can also present larger-scale challenges for the organizations in which

these situations occur. Ethics breaches during employee assessment are extreme examples of psychological contract breach between an organization and its employees. Research results on the consequences of psychological contract breaches are quite clear (e.g., Zhao, Wayne, Glibkowski & Bravo, 2007). Psychological contract breaches have been shown to lead to negative emotions in employees and a loss of trust. This, in turn, may negatively affect organizational attitudes (e.g., may decrease job satisfaction and commitment to an organization, increase turnover intentions) and, eventually, lead to decreases in job performance (Zhao et al., 2007). Unresolved ethical problems within an organization may lead to serious economic troubles. Therefore, it is recommended to undertake preventive measures, such as conducting training courses on how to act ethically, to ward off such problems (Chudzicka-Czupala, 2013).

Project takeaways

The use of training processes to perform hidden employee appraisals presents consulting psychologists with a dilemma: should they follow professional ethics guidelines at the risk of alienating the client and losing a lucrative contract or should they 'give in' to the client's wishes at the risk of damaging their professional reputation? In the discussed case, the external consultant decided to act in accordance with professional ethics standards and persuaded the client to modify the training project agenda and objectives. However, this is not necessarily always easy. In addition, as we mentioned above, failing to treat employees ethically and breaching the psychological contract between an organization and its employees, could have negative downstream consequences for the organization at large. In this respect, the presented case seems to be a good example of challenges faced by work and organizational psychologists (WOP) conducting consulting work. Although our case took place in an organization from Eastern Europe, it very well supplements psychologists' experiences with ethical problems already described in the literature (Lowman, 2006). It clearly shows that, in the face of real ethical dilemmas, consultants may – thanks to frank and open communication with an organization (a client) – modify these project aspects that, in the long run, are neither beneficial to employees nor the organization itself.

We can recommend several good practices that may prove helpful when dealing with ethical dilemmas and may protect organizations and psychologists that cooperate with them. In our opinion, WOP consultants should:

- Be familiar with an ethical code binding psychologists in a given country – in particular, its provisions and recommendations concerning the work of organizational and managerial psychologists;
- Be familiar with the labour code provisions in a given country that refer to employee assessment and development;
- Translate the key concepts included in these documents into internal standards of consulting/training companies;
- Inform one's clients about ethical standards essential for project objectives;
- Devote a sufficient amount of time to diagnose project objectives and possible ethical risks.

Organizations should:

- Ensure that they have their own ethical standards of employee assessment and development (that are in line with legal regulations, an ethical code, and existing relevant codes of practice);
- Appoint within the organization a person responsible for the implementation and observation of internal standards of employee assessment and development;
- Educate managers and HR employees about the aims of and the ways of using individual methods and tools of employee assessment and development.

Conclusions

It seems necessary to raise awareness among HR professionals and managers that activities aimed at assessing and developing employees should be conducted separately from each other. It is also essential to raise awareness of professional ethical rules and guidelines among managers and HR business partners, such as, for instance, the need to inform employees of any appraisals they might be subjected to.

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