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PRIORITIZING DEVELOPMENTAL NEEDS:
REORIENTING PERFORMANCE APPRAISAL IN THE
CANADIAN ARMED FORCES

Major S.G. Racle

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**PRIORITIZING DEVELOPMENTAL NEEDS:
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By Maj S.G. Racle

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Few administrative functions have attracted more attention and so successfully resisted solution than employee evaluation.

– James S. Bowman,
Performance Appraisal: Verisimilitude Trumps Veracity

INTRODUCTION

There are, it seems, as many views on performance appraisal as there are authors who have written on the subject. One of the simplest yet most inclusive descriptions is provided by A.S. Kohli and Deb Tapomoy in their comprehensive book on performance management, which defines performance appraisal as a process "involving objective evaluation of employee competencies, contributions, improvement opportunities, and potential for future growth in line with organizational objectives and strategy."[1] Although an often contentious process, most organizations within North America, including the Canadian Armed Forces (CAF), employ a form of performance appraisal.[2]

Leadership in the Canadian Forces: Conceptual Foundations highlights the central importance of effective leadership for both Officers and Non Commissioned Members of the CAF.[3] Yet if, as all signs indicate, the CAF subscribe to the notion that effective leadership results from training, development, and experience, then why does its performance appraisal process largely focus on elements unrelated to personnel development? The existence of the Canadian Forces Professional Development System (CFPDS), which, in part, aims to ensure that members of the CAF have the

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[1] A.S. Kohli and Deb Tapomoy, *Performance Management* (New Delhi: Oxford University Press, 2008), 171-172.
[2] Peter Prowse and Julie Prowse, "The Dilemma of Performance Appraisal," *Measuring Business Excellence* 13, no. 4 (2009): 70.
[3] Canada, Department of National Defence, *A-PA-005-000/AP-004, Leadership in the Canadian Forces: Conceptual Foundations.* (Kingston: Canadian Defence Academy - Canadian Forces Leadership Institute, 2005), i.

leadership skills necessary to meet the challenges of military service, points to an institutional rejection of purely trait-based leadership views.[4] While such an approach requires the implementation of tools that place a strong emphasis on member development, experience suggests that CAF performance appraisal is not oriented in this manner. This paper will assert that the Canadian Forces Personnel Appraisal System (CFPAS) is of limited effectiveness in supporting personnel development, and that meaningful improvements require a careful and incremental approach due to the need for cultural change.

This paper will be divided in three parts. To start, the background section will cover the purposes of performance appraisal and the characteristics of performance appraisal systems, including methods and techniques. Background will also be provided on CFPAS. Next, the problem identification and analysis section will discuss the characteristics and issues of CFPAS as it relates to personnel development. The third section will cover proposed solutions to these issues, including improved integration, increased customization, introduction of appraisal training, use of multi-source appraisal, and changes in institutional focus. While it is recognized that performance appraisal is part of a larger framework of performance management, the broader topic is beyond the scope of this paper. In addition, although there are differences within CFPAS for senior ranks and some specialist occupations, this paper will be focused on analyzing issues

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[4] Canada, Department of National Defence. "Canadian Armed Forces Professional Development," last modified 8 August 2013, http://www.forces.gc.ca/en/training-prof-dev/index.page.

concerning the standard appraisal modules for core ranks.[5] That said, proposed solutions

and recommendations may be equally applicable to other ranks and occupations.

BACKGROUND

Purposes of Performance Appraisal

Fundamentally, all organizations attempt to obtain the highest level of

performance from their employees. Dating back to the early 1800s, performance

appraisal is an instrument designed to maximize organizational performance.[6] Today,

performance appraisal has significantly evolved from the simplistic methods first used,

and in most cases, is a process on which public and private organizations expend

significant energy and resources.[7] Although some authors have argued that the costs of

conducting performance appraisal are so high that they often outweigh the benefits, few

organizations have completely abandoned performance appraisal systems.[8]

Rather, many companies have instead tweaked or revamped their appraisal

processes to not only ensure greater alignment with organizational goals and values, but

to also better address the needs of their personnel. A few prominent, recent examples of

this trend include Motorola and Microsoft, which dropped ratings from performance

reviews in 2013. In both cases, the changes were implemented in response to the

detrimental impact of existing performance appraisal systems on employee performance

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[5] Non Commissioned Members and General Service Officers at the ranks of Corporal/Leading Seaman to Lieutenant-Colonel/Commander, with the exception of Chief Warrant Officers/Chief Petty Officers 1st Class

[6] Prowse and Prowse, "The Dilemma of Performance Appraisal". . ., 70.

[7] Fred Nickols, "Performance Appraisal: Weighed and Found Wanting in the Balance," *The Journal for Quality and Participation* 30, no. 1 (Spring 2007): 13.

[8] Ibid., 13-14.

and on workplace relationships.[9,10] Therefore, while performance appraisal requires significant resources and offers no guaranteed return on investment, many still consider it a vital tool for managing organizational performance. What is of prime importance – and what is receiving increasing scrutiny and effort nowadays – is ensuring that the appraisal system is aligned with the culture and objectives of the organization.

Careful consideration must be given to the specific purposes of an organization's appraisal system in order to ensure appropriate alignment. Many authors agree that the objectives of performance appraisal systems can be grouped in two general categories: development and administration.[11] From a developmental perspective, uses of performance appraisal include setting goals, identifying strengths and weaknesses, exchanging feedback, planning for self-development, and supporting individual training decisions. The goal is improvement of employee competencies and employee engagement.[12] The administrative purpose of performance appraisal includes designing jobs, making personnel decisions such as promotion, termination, or re-assignment, deciding on rewards or punishments, and supporting organizational training decisions. Here, the main goal is evaluation of past employee performance to drive future human resource decisions.[13]

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[9] Crain's Chicago Business, "The end of 'valued performers' at Motorola," last modified 4 November 2013, http://www.chicagobusiness.com/article/20131102/ISSUE01/311029980/the-end-of-valued-performers-at-motorola#

[10] Buckingham, "Trouble with the Curve? Why Microsoft is Ditching Stack Rankings," *HBR Blog Network* (blog), November 19, 2013, http://blogs hbr.org/2013/11/dont-rate-your-employees-on-a-curve.

[11] Wendy R. Boswell and John W. Boudreau, "Separating the Developmental and Evaluative Performance Appraisal Uses," *Center for Advanced Human Resource Studies Working Paper Series* 99-09 (Ithaca: Cornell University, 1999): 3-4.

[12] Debra L. Nelson and James Campbell Quick, *Organizational Behavior: Foundations, Realities, and Challenges*, 3rd ed. (Cincinnati: South-Western College Publishing, 2000), 193-195.

[13] Kohli and Tapomoy, *Performance Management. . .,* 176-177.

The relationship between the developmental and administrative aspects of performance appraisal is critical, as the two purposes are usually necessary but often in conflict. For example, particularly in traditional top-down single rater performance appraisal, supervisors are asked to both coach and judge employees, two very different functions. As a result, employees may be unwilling to self-criticize and truly discuss their developmental needs with supervisors, fearing that the admission of a weakness could jeopardize promotion or reward potential.[14] Organizational alignment therefore requires a clear understanding of how these conflicting purposes should be balanced to meet institutional needs. Now that the purposes of performance appraisal have been discussed, an overview of the characteristics of performance appraisal systems, including methods and techniques, will be presented.

Characteristics of Performance Appraisal Systems

Performance appraisal requires not only that the right things be measured, but also that the right things be measured accurately. Most jobs, unfortunately, do not have easily measurable outputs that can be directly used for appraisal. Subjective ratings are therefore largely unavoidable. Significant research has occurred during the past 50 years with the goal of designing systems and rating scales that increase both rating validity and reliability. However, while numerous methods of appraisal have been developed and many best-practices identified, no single appraisal technique has been ascertained as superior to all others.[15] Research actually indicates that in general, the format of the

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[14] Prowse and Prowse, "The Dilemma of Performance Appraisal". . ., 71-72.

[15] Emrah Eren, Aida Hadziomerovic, and Glen Budgell, *Literature Review on Performance Appraisal Methodology – Final Report* (Ottawa: Human Resource Systems Group, Ltd., 2014), 8.

rating scale has very little impact on rating validity and reliability.[16] Instead, existing

literature emphasizes the importance of organizational fit, transparency, and relevance,

and identifies that systems should be based on thorough job analyses.[17]

Authors and researchers use a number of different categories and criteria to

classify performance appraisal systems. Public administration professor James S.

Bowman proposes that there are three traditional types of approaches: trait-based,

behaviour-based, and results-based.[18] Trait-based systems rate personal traits and

personality characteristics. They measure the person.[19] Behaviour-based systems, on the

other hand, are focused on recognizing what a person does and how it matches up with

identifiable behavioural expectations.[20] Finally, results-based systems are focused on

comparing specific employee objectives with actual outcomes.[21] Each method has its

strengths and weaknesses, the analysis of which is beyond the scope of this paper.

Bowman concludes that the choice of appraisal type is therefore less important than

producing a relevant system that is adequately resourced and that has support at all levels

of an organization.[22]

The *Literature Review on Performance Appraisal Methodologies*, commissioned

by the Director General Military Personnel Research and Analysis of the CAF, groups

rating methodologies in two categories: relative rating systems and absolute rating

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[16] Aharon Tziner, Christine Joanis, and Kevin R. Murphy, "A Comparison of Three Methods of Performance Appraisal With Regard to Goal Properties, Goal Perception, and Ratee Satisfaction," *Group and Organization Management* 25, no. 2 (June 2000): 176.
[17] Ibid., 8.
[18] James S. Bowman, "Performance Appraisal: Verisimilitude Trumps Veracity," *Public Personnel Management* 28, no. 4 (Winter 1999): 559.
[19] Ibid., 560.
[20] Ibid., 560-561.
[21] Ibid., 562.
[22] Ibid., 569-571.

systems.[23] Relative rating systems compare performance between individuals, placing the emphasis on the determination who is best, second best, and so forth, while absolute rating systems compare performance with a given standard.[24] Again, the recommendation is to use a methodology which is consistent with organizational needs and objectives. This categorization provides a complementary perspective to Bowman's three appraisal types, as both relative and absolute rating systems can be based on trait-, behaviour-, or results-based criteria.

Finally, in *Performance Management*, Kohli and Tapomoy classify performance appraisal methods in yet a different, but perhaps even more interesting manner: past-oriented systems and future-oriented systems.[25] The distinction is not black and white, and does not imply that one type of system only focuses on the past while another only looks to the future. Rather, past-oriented systems provide feedback on actions which have already taken place, encouraging performers who rank highly on such systems to maintain the same level of performance in the future, and vice-versa. Future-oriented systems, on the other hand, place a higher degree of focus on setting and identifying targets which employees should meet to achieve high performance.[26] It is a powerful idea that performance appraisal systems have a temporal orientation, and it can help guide the alignment of appraisal systems with their intended purpose and with overarching organizational goals and culture.

A few words are warranted on best-practices and characteristics which support the developmental purpose of performance appraisal. First, research shows that behaviour-

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[23] Eren et al., *Literature Review on Performance Appraisal Methodology – Final Report. . .*, 41.
[24] Ibid., 41, 49.
[25] Kohli and Tapomoy, *Performance Management. . .*, 196.
[26] Ibid., 196-197.

based systems are more effective than trait-based systems for personnel development.[27]

This is largely due to the focus of trait-based systems: traits are largely stable

characteristics of a person. In contrast, it is easier to change behaviours.[28] Second,

development implies investment for the future, and is therefore best supported by a

system which is itself focused on the future.[29] Third, as people have different

developmental needs, a performance appraisal system which supports personnel

development must have enough flexibility to address individual requirements. And

fourth, as development is a real-time, continuous process, a performance appraisal system

must facilitate ongoing communication and feedback between employees and raters.[30]

The above list is not exhaustive but provides necessary background for the rest of this

paper, following an explanation of the CAF's performance appraisal system.

The Canadian Forces Personnel Appraisal System

CFPAS, the current appraisal system used by the CAF, was released in 1997.[31]

The system has received periodic adjustments but no major changes since coming into

use. CFPAS is a comprehensive appraisal system designed for both developmental and

administrative purposes. The system features separate modules to address these twin

purposes: the Personnel Development Report (PDR) and the Personnel Evaluation

Report (PER).

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[27] Eren et al., *Literature Review on Performance Appraisal Methodology – Final Report*. . ., 41.

[28] Bowman, "Performance Appraisal: Verisimilitude Trumps Veracity". . ., 560.

[29] Buckingham, "What if Performance Management Focused on Strengths?," *HBR Blog Network* (blog), December 3, 2013, http://blogs.hbr.org/2013/12/what-if-performance-management-focused-on-strengths.

[30] Gary Dessler, Nita Chhinzer, and Nina D. Cole, *Human Resources Management in Canada*, Canadian 12th ed (Toronto: Pearson, 2014), 263-264.

[31] Canada, Department of National Defence, *Canadian Forces Personnel Appraisal System Help File*, Version 2009.0.12, Section 101.

The PDR is a two-step process that uses a narrative-based, minimally structured form in which a supervisor identifies critical tasks, expected results, and an action plan, for use during an initial interview. The second step of the process is comprised of follow-up interviews, supported by another narrative form in which members identify their goals and accomplishments while supervisors comment on strengths, areas for improvement, and a more detailed action plan. PDRs are mandatory for all ranks.[32]

The PER is a mixed-type performance appraisal form. The PER form is divided into two sections: a performance assessment and a potential assessment. Each section includes both a Graphic Rating Scale (GRS) component and a narrative component for absolute evaluation against 22 assessment factors – 16 for performance and 6 for potential.[33] Some assessment factors can be considered mainly trait-based, such as "leadership", "ethics and values", and "dedication". However, other factors are more behaviour-based, such as "working with others" and "professional development". The CFPAS manual provides anchors for each assessment factor and GRS rating, describing how CAF members would demonstrate each level of performance or potential. The anchors tend to be generic, although feature some differentiation between ranks. In addition to the absolute ratings described above, PERs feature a relative rating component. Within specified comparison groups, the top 50 percent or top 10 members, whichever is less, are ranked using an ordinal rating. PERs are completed by immediate supervisors, with up to two levels of review depending on scoring, and are mandatory for

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[32] Ibid., Section 102.
[33] CFPAS uses the term "assessment factor" specifically for the performance section of the PER and "potential factor" for the potential section of the PER. In this essay, "assessment factor" is used for both.

all ranks on an annual basis.[34] The effectiveness of CFPAS for personnel development will now be analyzed.

PROBLEM IDENTIFICATION AND ANALYSIS

Although CFPAS is designed for both developmental and administrative purposes, there are significant variations in how it is employed across the CAF and between environments. While no reliable statistics could be found, anecdotal evidence and this author's experience in both supervisory and subordinate positions has shown that in some cases, as much as between 80 and 100 percent of the effort placed on performance appraisal is expended for administrative purposes.[35] As earlier suggested, this clashes with the CAF's institutional values which promote the idea of acquiring competencies through training, development, and experience. The introduction to this paper specifically used the example of leadership to highlight the issue, given the importance placed on leadership skills to achieve effectiveness at both personal and institutional levels within the CAF.[36] While linkages to leadership will continue to be made, it is important to note that it is but one representative example. This section will focus on identifying the specific issues associated with using CFPAS for developmental purposes, and the reasons for these issues. Three main issues will be presented: actual and intended uses of CFPAS differ, PERs provide little value for personnel development, and the quality of developmental feedback is generally poor.

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[34] Canada, Department of National Defence, *Canadian Forces Personnel Appraisal System Help File. . .*, Section 103, Chapter 5.

[35] This reflects Royal Canadian Air Force and joint headquarters experience

[36] Canada, Department of National Defence, *A-PA-005-000/AP-006, Leadership in the Canadian Forces: Leading the Institution* (Kingston: Canadian Defence Academy – Canadian Forces Leadership Institute, 2007), vii-xii.

The first issue is not with the design of the system, but rather with its usage: the actual use of CFPAS does not match its intended use. As mentioned earlier, PDRs are mandatory for all personnel; however, in many cases, they are poorly completed or not completed at all. Reasons for this problem are largely institutional. To start, while specific monitoring and control procedures exist to ensure that PERs are completed for every member of the CAF, the same does not happen for PDRs. Instead, it is normally left up to individual supervisors to enforce PDR completion – with mixed results. Culturally, this has contributed to the view that PDRs are of limited value, and that effort should instead be placed on PERs, which receive intense – sometimes endless – scrutiny and quality control by both individuals and boards. Recent changes to CFPAS, designed to reduce appraisal workload, perpetuate this perception: while members opting out of PERs are promised a PDR, only the opt-out election will be monitored.[37] Furthermore, it is telling that only one of eight chapters within the CFPAS manual is dedicated to PDRs, while the rest is largely focused on PERs and PER special cases.[38] All this reflects significant institutional emphasis on PERs and a neglect of PDRs.

A second issue exacerbates the first: PERs are of minimal value for personnel development, which is a reason why CFPAS includes a specific developmental module. The CFPAS manual indicates as much up front, identifying that "supervisors are reluctant to indicate on the PER form what skills or behaviours require improvement because of the effect that negative comments might have on an individual's career. For this reason, the PER is often not useful as a feedback mechanism."[39] Additionally, PERs largely

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[37] Canada, Department of National Defence, "PER improvements have come to the Canadian Armed Forces," *Chief of Military Personnel Newsletter* 2, no. 9 (March 2014): 1-3.
[38] Canada, Department of National Defence, *Canadian Forces Personnel Appraisal System Help File*. . .
[39] Ibid., Section 501.

consider only the past, reporting on behaviours that have already happened. Even the

potential section of the PER, often a continuation or repeat of the performance section, is

in the best of cases an inference on a person's future behaviour based on past observation.

While valuable for selection and promotion purposes, this provides little in terms of

development. Indeed, Kohli and Tapomoy classify GRSs, narratives, and rankings – the

three methods of appraisal used in PERs – as past-oriented.[40] Hence the only form of

appraisal which CAF members are guaranteed to receive, and the one on which the most

effort is placed, has limited developmental value.

A third issue is that, when it is provided, the developmental feedback itself is

often of poor quality. Typically, feedback is based on the observations of one supervisor

who may have only witnessed a very limited portion of a member's performance. As

well, many supervisors do not have the ability to give useful feedback. Most researchers

argue that too many individuals lack the ability to adequately measure performance and

that providing meaningful feedback requires specific skills.[41] This is particularly the case

for trait-based assessment, which forms part of CFPAS, as it is more difficult to evaluate

traits as opposed to actual behaviours or results.[42] Aggravating this problem is a lack of

specificity and consistency with appraisal criteria. Although the CFPAS manual provides

PER rating scale anchors, these are largely stand-alone, generic descriptions – often

similar between ranks – which provide minimal guidance for rater and rated alike.

Furthermore, the PDR, which as earlier identified is currently the only appropriate

method of developmental feedback within CFPAS, is results-based, using a completely

separate format from the PER. Although future orientation is a positive characteristic and

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[40] Kohli and Tapomoy, *Performance Management*. . ., 196.
[41] Prowse and Prowse, "The Dilemma of Performance Appraisal". . ., 70-74.
[42] Bowman, "Performance Appraisal: Verisimilitude Trumps Veracity". . ., 560.

the open-ended nature of the PDR promotes flexibility, the lack of alignment with formalized appraisal criteria increases the difficulty of providing feedback linked with organizational objectives. It is therefore up to individual supervisors to make the required linkages, normally with poor results.

As a result of these three issues, CFPAS is an ineffective tool to support personnel development. Part of the challenge is that military culture also strongly emphasizes personnel progression – external candidates are rarely brought into the organization at senior levels. The implication is that administrative decisions such as selection and promotion are important for organizational health, and must also be supported by the CAF's appraisal system. This is a difficult problem: while it is clear that the CAF needs a system which can address both developmental and administrative purposes, the normally conflicting nature of these goals means that regardless of the solution implemented, there will always be tension between the two objectives. Not all solutions, however, are equal. What can be done to improve the effectiveness of CFPAS for personnel development and address the above-mentioned issues?

PROPOSED SOLUTIONS

Improved Integration

One step towards enhancing CFPAS for developmental purposes is to improve the integration between assessment criteria and job requirements. Authors have highlighted the developmental benefits of using competency frameworks, in which inventories of required competencies are identified for jobs or jobs categories, to underpin performance

management systems.[43,44] Members can then be assessed against these competency

inventories to determine developmental needs. Advantages of using this method include

greater future-orientation, leading to a better understanding of expectations by

employees, and clearer assessment criteria based on observable behaviours for evaluators,

allowing for highly specific feedback.[45] Setting up competency frameworks and

competency inventories is, however, resource-intensive, and system outcomes are greatly

dependent upon the quality of competency and behaviour descriptions. The Leadership

Development Framework of the New Zealand Defence Force provides a particularly

good example of such descriptions, depicting expectations at each developmental level

using a stepped approach that highlights the differences between subsequent levels.[46]

Additionally, the framework also identifies the typical behaviours displayed by members

who encounter difficulties in meeting expectations, providing further guidance for

evaluators to formulate feedback.[47] Current indications are that the next major update of

CFPAS will use a competency framework (the CAF Leadership Development

Framework).[48]

In parallel with greater integration between assessment criteria and job

requirements, there is also a need for a closer link between PDRs and PERs. From

practical experience, members are often unable to connect expectations outlined on PDRs

with assessments rendered on PERs due to a lack of consistency between the two

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[43] Colin Fisher and Anne Sempik, "Performance Management and Performing Management," in *The Strategic Managing of Human Resources*, 2nd ed., ed. John Leopold and Lynette Harris, 189-222 (Harlow: Pearson Education Limited, 2009), 206-207.
[44] Kohli and Tapomoy, *Performance Management. . .*, 100.
[45] Ibid., 100.
[46] New Zealand Defence Force, *Leadership Development Framework*, December 2012.
[47] Ibid.
[48] L.E. Noonan and G.W. Ivey, *Replacement Personnel Appraisal System Design Concept Update* (PowerPoint presentation, 21 Mar 14).

processes. While the idea of better integration between development and evaluation is contradicted by some specialists who argue for complete separation, due to the previously discussed functional conflicts, research on the subject is limited and mostly inconclusive.[49] It does seem clear that a reasonable level of separation is warranted, a feature which CFPAS already provides given the separate PDR and PER modules. That said, within this existing appraisal framework, greater alignment of criteria between the two processes would lead to improved feedback quality and employee acceptance.

Increased Customization

A second part of improving the developmental effectiveness of CFPAS, which goes hand-in-hand with improved integration, is increased customization. Although a measure of customization already exists for some ranks and specialist occupations, appraisal for the majority of CAF members follows an identical process using identical criteria regardless of employment. While it is acknowledged that PDRs currently provide nearly unlimited customization of feedback, this recommendation reflects, as earlier proposed, the context of a more integrated PDR process with closer linkages to overall appraisal criteria. In fact, the effective use of a competency framework as a basis for appraisal requires the ability to address required competencies by job or job group.[50] For example, appraisal criteria could be rank- or occupation-specific, an idea which is already proposed for CFPAS replacement.[51] Appraisal criteria and methods could even be customized to job groups within a rank, particularly as rank increases. While this

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[49] Boswell and Boudreau, "Separating the Developmental and Evaluative Performance Appraisal Uses". . ., 2.

[50] Fisher and Sempik, "Performance Management and Performing Management". . ., 206.

[51] Noonan and Ivey, *Replacement Personnel Appraisal System Design Concept Update*. . .

introduces normative risks due to the perception of appraisal system fairness in supporting administrative decisions, these risks can be mitigated by ensuring that appraisal criteria are equivalently stringent between job groups, and through processes which allow equivalent chances of promotion. The objective is equitability, which is often mistaken for equality. The resulting advantage is that such a system has the potential to provide higher quality feedback, with greater specificity in addressing developmental needs.

Another facet of increased customization consists of directing greater attention to individual member goals and desires. As identified in *Organizational Behavior: Foundations, Realities, and Challenges*, to maximize performance, employees must have ownership of their development and growth.[52] This requires attaining an appropriate balance between the needs of the organization and the needs of the individual, and therefore enough focus must be placed on developmental outputs which meet employee preferences.[53] Although the PDR currently includes a section for employee objectives, the link between member goals and developmental feedback is weak, sometimes ignored, and often short-lived. The current design concept of the CFPAS replacement introduces the notion of a Member Aspiration Profile for senior rank levels, an innovative idea which could be applied to all ranks (with perhaps differences in scope) in order to formalize member goals and guide supervisors in providing developmental feedback and making developmental decisions.[54]

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[52] Nelson and Quick, *Organizational Behavior: Foundations, Realities, and Challenges*. . ., 194.
[53] Ibid., 194.
[54] Noonan and Ivey, *Replacement Personnel Appraisal System Design Concept Update*. . .

Performance Appraisal Training

Another important step that would contribute to improving the effectiveness of CFPAS for personnel development is to provide training for evaluators. Currently, members of nearly all ranks, from the junior to the most senior, are required to appraise the performance of subordinates. However, in most cases, evaluators are placed into a role for which they have little or no expertise. They therefore end up relying on limited guidance in the CFPAS manual, or, more commonly, mimic the actions of their own supervisors – who are usually no better qualified.

A number of experts have discredited the belief that general leadership and managerial abilities are enough to effectively conduct performance appraisal. Bowman highlights the need for training in minimizing rating errors, as well as formulating and delivering feedback.[55] Professors Theresa Kline and Lorne Sulsky identify that rater training is one of the main strategies to improve the quality of performance appraisals.[56] Finally, the 2014 Deloitte report on *Global Human Capital Trends* ascertains that to fix performance management, organizations need to "teach managers to give better feedback".[57] Introducing mandatory performance appraisal training, given by human resource experts, would improve the quality of developmental feedback in the CAF. This would place additional demands on supervisors, but the impact could be mitigated by tailoring the training program by responsibility levels through a modular approach, and by incorporating it in mandatory developmental period courses.

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[55] Bowman, "Performance Appraisal: Verisimilitude Trumps Veracity". . ., 570.
[56] Theresa J.B. Kline and Lorne M. Sulsky, "Measurement and Assessment Issues in Performance Appraisal," *Canadian Psychology* 50, no. 3 (August 2009): 162-163.
[57] Deloitte, *Global Human Capital Trends 2014* (n.p.: Deloitte University Press: 2014), 49.

Multi-Source Appraisal

A fourth option to improve the effectiveness of CFPAS for personnel

development is the use of multi-source appraisal, often called 360-degree appraisal. This

technique has seen rapid growth in recent years and is now common among Canadian

employers.[58] In multi-source appraisal, members are evaluated not just by their

supervisors, but also self-assess and receive feedback from subordinates and peers.

Particularly since supervisors may only observe a small portion of the performance of

their subordinates, the technique has the potential to provide more accurate, reliable, and

useful information about, and to, employees.[59] Professors Kenneth Bettenhausen and

Donald Fedor summarize this: "Peers and subordinates have unique perspectives and are

often in better positions than are supervisors to assess the quality and consistency of a

person's day-to-day performance."[60] A further advantage is that multi-source appraisal

can help support organizational values such as communication and teamwork, and can

improve employee engagement and empowerment.[61] Whether or not this actually

happens is highly dependent on institutional commitment and on the quality of the

implementation. Research has shown that an appropriately implemented system can lead

to "more reliable ratings, better performance information, and greater performance

improvements" when compared to traditional, top-down appraisal.[62]

Multi-source systems are not, however, a panacea for performance appraisal.

Kline and Sulsky identify that such systems increase the complexity of appraisal

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[58] Dessler et al., *Human Resources Management in Canada. . .*, 280-281.
[59] Kohli and Tapomoy, *Performance Management. . .,* 212-213.
[60] Kenneth L. Bettenhausen and Donald B. Fedor, "Peer and Upward Appraisals," *Group & Organization Studies* 22, no. 2 (June 1997): 238.
[61] John W. Fleenor, Sylvester Taylor, and Craig Chappelow, *Leveraging the Impact of 360-Degree Feedback* (San Francisco: Pfeiffer, 2008), 12-13.
[62] Kline and Sulsky, "Measurement and Assessment Issues in Performance Appraisal". . ., 167.

processes when compared to traditional techniques, with higher training requirements,

greater system development costs, and additional human resource demands to produce

useful outputs.[63] More importantly, the *Literature Review on Performance Appraisal*

Methodologies highlights that prior to implementing multi-source appraisal,

organizations must be ready from a cultural perspective.[64] In particular, leaders must be

committed to the use of a multi-source system, users must accept and understand its value

and purpose, and the work environment must be supportive of employees who seek

feedback.[65] There is therefore significant risk in introducing multi-source feedback in a

military environment, in which hierarchical notions are deeply entrenched.

That said, the obstacles are not insurmountable: the United States military has

been experimenting with various forms of 360-degree evaluation for nearly a decade.[66]

Furthermore, following a successful pilot program, the United States Army has recently

mandated 360-degree assessment programs for commanders and general officers.[67] A

fundamental tenet of these programs, which has contributed to their acceptance, is that

they will only be used for developmental purposes.[68] While it is too early to determine

the outcome of 360-degree programs in United States services, the value of non-

traditional sources of feedback for personnel development in a military context has

undoubtedly been recognized. Similarly, CAF members could also benefit from multi-

source appraisal. However, it is clear that a progressive approach would be required as

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[63] Ibid., 168.

[64] Eren et al., *Literature Review on Performance Appraisal Methodology – Final Report. . .*, 61-62.

[65] Ibid., 61-62.

[66] Army Times, "360-degree reviews may never be part of formal evals," last modified 30 October 2013, http://www.armytimes.com/article/20131030/NEWS05/310300010/360-degree-reviews-may-never-part-formal-evals#.

[67] Army Times, "360-degree evals for commanders start Oct. 1," last modified 28 December 2013, http://www.armytimes.com/article/20131228/CAREERS03/312230028/360-degree-evals-commanders-start-Oct-1.

[68] Ibid.

significant obstacles could hinder implementation, many of which have a cultural

dimension. An incremental methodology must be used, carefully considering ranks

appraised, appraisal dimensions and criteria, feedback collection and delivery methods,

post-feedback developmental support, and timelines.

Institutional Focus on Personnel Development

While the aforementioned proposals were mainly centered on enhancing the

quality of feedback, as well as developmental tools and processes, success will only

occur if, in the context of performance appraisal, the appropriate institutional focus is

placed on personnel development. One of the most significant impediments to improving

the developmental effectiveness of CFPAS, and the primary reason why the current

system is often not used as it was intended, is that evaluation is perceived to be more

important than development. What if the balance was reversed? Josh Bersin, founder of

Bersin by Deloitte and a recognized speaker and author on talent management, suggests

that organizations can realize significant benefits by focusing on development.[69] Bersin

identifies that research shows that "companies which provide high levels of development

planning and coaching to their employees have a third less voluntary turnover and

generate twice the revenue per employee of their peers."[70]

While this does not fully translate to the military environment, which has its

unique culture and challenges, the benefits of prioritizing coaching and feedback on both

employee attitudes and skills has been emphasized by a number of human resource

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[69] LinkedIn Today, "Are Performance Appraisals Doomed?," last modified 2 November 2013, http://www.linkedin.com/today/post/article/20131102214028-131079-are-performance-appraisals-doomed.
[70] Ibid.

specialists and academics.[71] Currently, performance appraisal in the CAF places more importance on selecting people and evaluating their level of performance and potential, rather than focusing on how members could be developed to a high level of performance and potential. It emphasizes the past. Re-directing effort from evaluation to development – for everyone – could contribute to a higher overall level of performance across the CAF. This does not imply that selection and other administrative uses are not important, but rather that these are not *the* most important functions of performance appraisal if the goal is truly to improve the performance of the organization as a whole.

Achieving the required changes in institutional focus starts with leadership. The *2014 Global Human Capital Trends* report emphasizes that progressive performance management requires a vision and an endorsement from senior leaders.[72] Furthermore, human resource professors David Martin and Kathryn Bartol highlight that performance appraisal systems need to be controlled and monitored in order to maintain effectiveness.[73] Leadership is vital to these functions, and should also be supported through regulatory means. That said, the CAF must proceed with care in implementing any changes, as regardless of intent, the manner in which CFPAS is currently used is now tied in to well-established cultural norms that will be difficult to change.

CONCLUSION

In conclusion, performance appraisal is an instrument designed to maximize organizational performance. The objectives of appraisal systems can be grouped in two

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[71] Kohli and Tapomoy, *Performance Management. . .*, 174-175.
[72] Deloitte, *Global Human Capital Trends 2014. . .*, 49.
[73] David C. Martin and Kathryn M. Bartol, "Performance Appraisal: Maintaining System Effectiveness," *Public Personnel Management* 27, no. 2 (Summer 1998): 225-226.

general categories: development, which focuses on improving individual employee competencies and employee engagement, and administration, which focuses on evaluating performance and potential in order to support human resource decisions. The two purposes are usually necessary but often in conflict. While numerous methods have been developed to try and improve the effectiveness of appraisal systems, no single appraisal technique has been identified as superior to all others. In recent years, human resource experts have instead emphasized that effort should be placed on ensuring that appraisal systems use methodologies that are consistent with organizational needs and objectives.

This paper argued that CFPAS is of limited effectiveness in supporting personnel development, and that meaningful improvements require a careful and incremental approach due to the need for cultural changes. As demonstrated by doctrine, policies, and the existence of the CFPDS, the CAF clearly value training, development, and experience to improve individual and collective performance. However, the CAF's performance appraisal system, CFPAS, is misaligned as it largely focuses on elements unrelated to personnel development. Three main, interrelated issues impact the developmental effectiveness of CFPAS: first, due to a lack of institutional support and monitoring for PDRs, effort is mainly placed on evaluating personnel and completing PERs. However, and second, due to their evaluative purpose, PERs are of little value for personnel development. And third, when it is provided, developmental feedback is often of poor quality due to limited observation, inadequate supervisor ability to give useful feedback, and a lack of specificity and consistency with appraisal criteria.

Five options were presented to improve the effectiveness of CFPAS for personnel development. The first is to improve integration between appraisal criteria and job requirements, perhaps though the use of a competency framework to underpin the appraisal system. In parallel, there should be better alignment of appraisal criteria between the PDR and PER processes. Second, CFPAS should allow greater customization, such as by using rank- and occupation-specific appraisal criteria. Furthermore, increased focus should be placed on tailoring feedback to individual member goals and desires. Next, evaluators should receive mandatory performance appraisal training, given by human resource experts. Fourth, the implementation of multi-source appraisal – for developmental purposes only – should be considered. The technique has the potential to provide more accurate, reliable, and useful information about, and to, employees. Last, and most importantly, the above-mentioned improvements will only be successful if appropriate institutional focus is placed on the developmental purpose of appraisal. Performance appraisal in the CAF places more importance on selection rather than on how members could be developed to a high level of performance and potential. Improvements can only be achieved through a change of institutional focus and the endorsement of senior leaders, supported by regulatory means.

In the final analysis, performance appraisal in the CAF needs to be reoriented to be consistent with organizational needs and objectives. The current system is largely ineffective for developmental purposes and misaligned with the institutional emphasis placed on personnel development in other functions, policies, and doctrine. The CAF should proceed cautiously in addressing these problems, as most solutions require normative change. A careful, incremental approach is therefore required in making any

fundamental modifications to CFPAS. Ultimately, redirecting effort from evaluation to development has the potential to contribute to a higher level of performance and engagement across the CAF.

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